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Nvidia CEO Says AI Needs More Investment in Defiance of Bubble Fears

Jensen Huang called for higher investments to further spread the technology across developed and emerging economies

By [Mauro Orru](#) [Follow](#)

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Sectors like energy or semiconductors—both key to developing and harnessing the technology—were already growing thanks to AI, Jensen Huang said. FABRICE COFFRINI/AGENCE FRANCE-PRESSE/GETTY IMAGES

[Nvidia](#) NVDA **2.95%** ▲ Chief Executive [Jensen Huang](#) said artificial intelligence is already bringing economic benefits across sectors and that the technology needs more investment, brushing aside fears that hefty spending commitments could lead to an AI bubble.

Speaking at the World Economic Forum in Davos, Switzerland, Huang described AI as a five-layer cake consisting of energy, chips, cloud infrastructure, models and application. He said AI's application—how the technology is used in a specific industry—is the most critical layer of that cake as it is where the economic benefits lie.

Sectors like energy or semiconductors—both key to developing and harnessing the technology—are already growing thanks AI, but he said more investments are needed

to ensure that the benefits of the technology spread to more industries across both developed and emerging economies.

Huang's remarks, his first in Davos, come as some investors have started to question whether lofty AI spending commitments from some of the largest technology companies in the world are justified, fearing there is a bubble waiting to burst.

"The AI bubble comes about because the investments are large, and the investments are large because we have to build the infrastructure necessary for all of the AI layers," he said. "I think the opportunity is really quite extraordinary and everybody ought to get involved."

Huang has been a fervent supporter of AI, which keeps turbocharging growth at Nvidia. He said renting the company's graphics processing units, or GPUs—chips that accelerate the millions of computations required in AI training—was becoming increasingly difficult because of unrelenting demand.

Even renting older generations of GPUs is becoming more expensive as the number of AI companies being created goes up and businesses allocate more of their budget to AI, he noted, underscoring that investment appetite remains strong despite fears of a bubble.

Huang said more power and skilled workers were needed for AI's rollout, calling it "the single largest infrastructure buildout in human history" and dismissing concerns that AI could eliminate jobs.

Installing and maintaining the data centers, servers, chip factories and other equipment needed to power the technology will require more electricians, construction workers, network technicians and other skilled laborers, he said.

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Mauro Orru is a reporter at Dow Jones Newswires and The Wall Street Journal in Barcelona.

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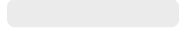


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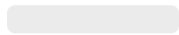
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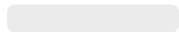
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