

Macro Roundup Article

Headline: [Big Tech Groups Say Their \\$100B AI Spending Spree Is Just Beginning](#)

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Tweet: Big Tech's capex cycle, potentially \$1T over 5 years, is driven by perceived existential risks and likely won't slow due to market jitters. Zuckerberg said, "I'd rather risk building capacity before it is needed, rather than too late."

Summary: Microsoft, Alphabet, Amazon, and Meta all revealed massive increases in spending in the first six months of 2024 — totalling \$106B — in their latest quarterly earnings reports, as their leaders brushed off stock market jitters to pledge further investment hikes over the next 18 months. "At this point, I'd rather risk building capacity before it is needed, rather than too late," Meta chief Mark Zuckerberg said this week, as he predicted the Facebook parent's capital spending could hit \$40bn this year. Their collective forecasts mean Big Tech's AI-related investment could more than double by year-end. Analysts at Dell'Oro Group now expect as much as \$1tn could be channelled into infrastructure such as data centres within five years, even though the companies have so far failed to convince investors that their customers are prepared to spend big on AI products and services.

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Primary Topic: Investment

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