

Macro Roundup Article

Headline: [What Happened To The Artificial-Intelligence Investment Boom?](#)

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Tweet: While Nvidia is increasing capex by 30% and Microsoft by 20%, excluding AI leaders, S&P 500 firms are planning on lifting capex by 2.5% in 2024 defying projections of an broader AI-driven capex boom. @TheEconomist

Summary: From 1992 to 1999 American nonresidential investment jumped by 3% of GDP, for instance, driven in large part by extra spending on computer technologies. Yet so far there is little sign of an AI splurge. Across the world, capital expenditure by businesses is remarkably weak. Some companies are once again ramping up capex, to seize what they see as the enormous opportunity in AI. This year forecasters reckon that Microsoft's spending (including on research and development) will probably rise by close to 20%. Nvidia's is set to soar by upwards of 30%. Exclude firms driving the AI revolution, such as Microsoft and Nvidia, and those in the S&P 500 are planning to lift capex by only around 2.5% in 2024—ie, by an amount in line with inflation. Across the economy as a whole, the situation is even bleaker. An American capex "tracker" produced by Goldman Sachs offers a picture of businesses' outlays, as well as hinting at future intentions. It is currently falling by 4%, year on year. Related: Top 10 Charts of 2023 and Microsoft Infrastructure - AI & CPU Custom Silicon Maia 100, Athena, Cobalt 100, and Assessing the Implications of a Productivity Miracle

Primary Topic: Innovation/Research

Topics: Database, Innovation/Research, Investment, News article, Productivity, Weekly

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