

Microsoft to invest \$80 billion in AI in fiscal year 2025

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Artificial Intelligence (AI) is a hot topic in the tech world today. In any topic of discussion, AI is the focus, the main subject of discussion and even controversy. Microsoft is one of the companies leading this wave, especially since the milestone of signing a comprehensive cooperation agreement with OpenAI, accompanied by an investment of up to \$ 1 billion in 2019 to kick things off.

Now, Microsoft is even going all out when it is ready to invest a whopping \$80 billion in AI-powered data centers in fiscal year 2025. This amount will be mainly allocated to projects to build and operate AI-powered data centers, helping the company affirm its leading position in the global Artificial Intelligence technology race.

Sharing about this ambitious investment plan, Microsoft Vice President and General Manager Brad Smith said:

As we look to the future, it is clear that artificial intelligence is poised to be a game-changing technology. AI promises to drive innovation and productivity across all sectors of the economy. In fiscal year 2025, Microsoft is on track to invest approximately \$80 billion to build AI-enabled data centers to train AI models and deploy AI and cloud-based applications around the world. More than half of this total investment will be in the United States, reflecting Microsoft's commitment to the country and confidence in the American economy.

Microsoft hopes the massive investment will help the company keep up with the explosive demand for AI globally, especially after ChatGPT launches in 2022. With many industry giants pushing to integrate AI into all their products, the need for powerful computing resources is now extremely urgent.



AI technologies require massive computing power, driving the need to build specialized data centers where tech companies can connect thousands of chips in computing clusters.

But Microsoft isn't just investing in infrastructure. In November 2024, the company launched an AI service that processes multimodal data, including text and images, at the same time. This is a milestone, giving AI a 'supercharged brain' to create and understand content across multiple formats.

Meanwhile, OpenAI is also on the rise. The company recently closed a \$6.6 billion funding round, valuing it at \$157 billion. The money will help fuel even more cutting-edge AI research. With Microsoft and OpenAI working closely together, the community can expect some serious AI advancements in the future.

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