

# NVIDIA out to be a giant in an AI age

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US graphics chip maker NVIDIA aims to be a powerhouse in an era of artificial intelligence with the big-ticket buy of Britain-based Arm, whose microprocessors are in many smartphones.

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up to \$40 billion, potentially creating a new giant in the industry but sparking an investigation by UK regulators and fears about the impact on jobs.

If approved, the deal will be one of the largest acquisitions anywhere in the world this year and propel NVIDIA to the forefront of the semiconductor sector.

Based in the Silicon Valley city of Santa Clara, NVIDIA is still led by co-founder Jen-Hsun "Jensen" Huang, who was 30 years old when the company was founded in 1993.

The name of the company is a play on a Latin word for "envy," and its chips have long been coveted by [video game](#) lovers yearning for rich, seamless graphics and speed.

Graphics chips (GPUs) are designed to handle many tasks at once, as is needed for processing imagery, while central processing units (CPUs) have long been the engines of desktop and data center computers.

NVIDIA chips and other technologies have grown beyond video games to uses in facial recognition systems, autonomous vehicles and even supercomputers.

"While graphics and the increasingly lifelike visuals of today's top games remain their principal function, GPUs have evolved to become more general-purpose parallel processors as well, handling a growing range of applications," US [chip](#) titan Intel said at its website.

## **'Age of AI'**

Shares of NVIDIA have rocketed on the Nasdaq exchange, more than doubling since March. The shares were up some 5 percent to around

\$510 in midday trades on Monday.

The market value of NVIDIA based on its [share price](#) has risen to more than \$315 billion, well above that of leading chip maker Intel.

NVIDIA is expected to bring in nearly \$11 billion in revenue this [fiscal year](#).

"We want to build a computing company for the age of AI," Huang said during a CNBC interview on Monday.

"The single most powerful force of our time is artificial intelligence. It's the automation of automation; software writing software."

NVIDIA intends to explore AI possibilities through the "ecosystem" of Arm, a Britain-based company acquired in 2016 by Japanese Softbank.

Huang told CNBC that he wants to keep Arm's headquarters in Cambridge and build a "world class" [research center](#) there for artificial intelligence.

"We are wonderfully complementary," Huang said of the companies.

"This transaction is not an industry consolidation."

Combined with the \$7 billion purchase early last year of Israeli data center firm Mellanox, the acquisition of Arm provides an opportunity to "jointly build the next major computing platform," according to the NVIDIA executive.

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