

Taiwan's Foxconn predicts huge growth in AI server business

May 31 2023



Foxconn predicts a three-digit growth for its artificial intelligence server business due to robust demand for AI products like ChatGPT.

Taiwanese tech giant and key Apple supplier Foxconn predicts three-digit growth for its artificial intelligence server business due to robust

demand for AI products such as ChatGPT, its chairman said Wednesday.

Foxconn—known officially as Hon Hai Precision Industry—is the world's biggest contract electronics manufacturer and assembles devices for many international brands, most notably Apple's iPhone products.

It has also moved to diversify beyond electronics assembly, expanding into areas ranging from electric vehicles to semiconductors and servers.

"In 2022 alone, Hon Hai's revenue for servers reached 1.1 trillion Taiwan dollars (\$36 billion) to obtain a 40 percent global [market share](#)," Chairman Young Liu told an annual shareholders' meeting in Taipei.

Liu said Foxconn ranks first in [global market share](#) for mobile phones, personal computers and servers, with the AI server market now "rising faster than everyone has expected".

He attributed the jump in demand to ChatGPT, the AI program that burst into the spotlight late last year with the ability to generate essays, poems and conversations from the briefest of prompts.

Its runaway success has sparked a [gold rush](#) with billions of dollars of investment in the field.

"For the second half of this year, we may have a three-digit growth, not two digits... We will continue to boost our market share for servers," Liu said.

He said the company's latest AI servers also use Nvidia chips.

Nvidia is known for creating graphics chips long coveted by gamers but which have become engines for the kind of complex processes involved

in [artificial intelligence](#), known as accelerated computing.

Nvidia, co-founded by Taiwanese-American Jensen Huang, surged to a [market value](#) of more than \$1 trillion on Tuesday after its quarterly earnings report last week blew past expectations.

Despite the rosy future for AI, Foxconn maintains a "flat" outlook for the 2023 full year, Liu said, after its first quarter profits plunged 56 percent on weakened demand due to a global downturn.

"The global tightening monetary (policies), coupled with tense geopolitics and the significant uncertainty of inflation have a relatively large impact on the economic outlook," he said.

© 2023 AFP

Citation: Taiwan's Foxconn predicts huge growth in AI server business (2023, May 31) retrieved 30 November 2023 from <https://techxplore.com/news/2023-05-taiwan-foxconn-huge-growth-ai.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.