

Tech giants Foxconn, Nvidia announce they are building 'AI factories'

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Chairman of Foxconn Technology Group Young Liu (R) and Nvidia CEO Jensen Huang Taiwanese announced Wednesday they are building 'AI factories'

Taiwanese tech giant Foxconn and US hardware leader Nvidia said Wednesday they would team up to create "AI factories", powerful data

processing centers that would drive the manufacturing of next-generation products such as electric cars.

The world's largest contract electronics maker, Foxconn—officially known as Hon Hai Technology Group—already plays a lynchpin role in assembling gadgets for top global brands, including Apple's iPhone.

But it has ambitions to diversify beyond electronics assembly—even embracing the competitive but rapidly expanding electric vehicle business by unveiling [concept cars](#) on its "Hon Hai Tech Day" in past years.

This year, chairman Young Liu opened the [annual event](#) with Nvidia's CEO Jensen Huang to introduce a "new class of data centers powering a wide range of applications".

Silicon Valley-based Nvidia made its name developing graphics processing units (GPUs), a powerful chip technology that started as the backbone of modern video games—but has now become a crucial pillar in the rapid development of generative AI.

"Together we will be helping the whole industry move much faster into the new AI era," Liu announced onstage with Huang.

The "factories" would include "digitalization of manufacturing and inspection workflows, development of AI-powered electric vehicle and robotics platforms, and a growing number of language-based generative AI services", according to Nvidia.

Huang said Foxconn "has the expertise and scale to build AI factories globally".

If successful, Foxconn's customers could use these systems to deliver

generative AI services and use simulation to train autonomous machines like industrial robots and self-driving cars.

The announcement Wednesday came a day after the United States unveiled tightening curbs on exports of state-of-the-art chips to China—the latest move to prevent Beijing's advances in cutting-edge tech, seen by Washington as a national security threat.

The ban would hit Nvidia's chips that had previously gone to China—a major supplier base for many contract electronics manufacturers, including Foxconn—and sent the company's share price plummeting on Wall Street on Tuesday.

Nvidia said the new rules by the US Department of Commerce may "require the company to transition certain operations out of one or more of the identified countries".

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