# Oracle’s $40 billion AI data centre intensifies global supercomputing race



The rapid evolution of artificial intelligence is transforming not only technological landscapes but also the very dynamics of global competition. In this high-stakes environment, massive investments flow toward AI projects that promise unprecedented advancements across multiple sectors, including healthcare, transportation, and data management. As industry players like Oracle and Nvidia plunge significant capital into supercomputing facilities, debates rage about the strategic implications and ethical concerns accompanying such unprecedented advancements.

Oracle's substantial commitment of $40 billion towards establishing a new Texas data centre reflects the urgency of the AI race. This facility, powered by Nvidia's advanced GB200 chips, is part of a larger initiative called the Stargate project, which aims to bolster America's prowess in artificial intelligence. By leasing computing power to OpenAI under a 15-year agreement, Oracle seeks not only to strengthen its market position but also to lessen OpenAI’s dependency on Microsoft, currently its largest backer. Analysts speculate that this cutting-edge centre could begin operations by mid-2026 and yield critical advancements in AI efficiency and capability.

Marc Andreessen, a prominent venture capitalist, heralds generative AI as a key driver of future productivity gains. His vision paints a picture of a world enriched by automation and enhanced decision-making capabilities. However, not all industry leaders share this unreserved optimism. Mark Cuban, speaking at the SXSW conference, cautions against over-reliance on AI. He argues that while AI serves as a powerful tool to amplify human capabilities, it should not replace essential human judgement in business decisions. This cautious perspective highlights the tension between ambition and prudence that characterises the current AI narrative.

The race to harness AI capabilities extends beyond traditional tech giants, as Microsoft and Nvidia push the boundaries of supercomputing. Their collaboration boasts significant advancements, including a remarkable speed increase of up to 40 times in AI computations via Microsoft Azure. This leap not only showcases the potential for AI in enhancing fields such as biotech and autonomous driving but also intensifies competition among cloud service providers, where giants like Amazon Web Services and Google Cloud are rapidly bolstering their own AI functionalities.

Alphabet's Google, for instance, is deepening its integration of AI into search functionalities, aiming to solidify its dominance as the primary conduit for online information. With tools like Google Gemini, the company is reimagining user interactions by combining text, images, and other multimedia to create enriched search experiences. These cutting-edge enhancements not only transform the user experience but also position Google to remain a critical player in a marketplace where knowledge and data management are king.

Yet, as the technological landscape evolves, so too do concerns about privacy and regulation. There remains a palpable unease around initiatives like Elon Musk's Grok chatbot, which government agencies are currently testing. Critics express trepidation about the potential ramifications of deploying advanced AI systems that may inadvertently expose sensitive information or operate beyond societal oversight. As governments explore frameworks to govern AI, balancing innovation against the need for ethical responsibility becomes an urgent challenge.

In this context of rapid growth and competing visions, the AI domain embodies a global arms race where optimism meets caution. Visionaries promote the expansive potential for technological advancement, while skeptics raise flags regarding safety, fairness, and the future of work. As we navigate this intricate terrain, one thing becomes clear: those who remain informed and adaptive will better position themselves to thrive amid inevitable changes.

As we witness the dawn of a new era characterised by innovation and disruption, it becomes increasingly essential to scrutinise the implications of AI development. By fostering a nuanced understanding of both its capabilities and limitations, stakeholders can formulate strategies that harness the power of artificial intelligence while safeguarding against its risks.

## Reference Map:

* Paragraph 1 – [[1]](https://macholevante.com/news-en/182246/the-ai-revolution-divides-tech-titans-while-billions-pour-into-a-new-digital-arms-race/), [[2]](https://www.ft.com/content/a9cd130f-f6bf-4750-98cc-19d87394e657), [[3]](https://www.reuters.com/business/oracle-buy-40-billion-nvidia-chips-openais-us-data-center-ft-reports-2025-05-23/)
* Paragraph 2 – [[1]](https://macholevante.com/news-en/182246/the-ai-revolution-divides-tech-titans-while-billions-pour-into-a-new-digital-arms-race/), [[4]](https://www.businessinsider.com/openai-rice-google-marc-andreessen-kevin-weil-2024-10), [[6]](https://techcrunch.com/2025/03/11/mark-cuban-says-ai-is-never-the-answer-its-a-tool/)
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* Paragraph 6 – [[1]](https://macholevante.com/news-en/182246/the-ai-revolution-divides-tech-titans-while-billions-pour-into-a-new-digital-arms-race/), [[6]](https://techcrunch.com/2025/03/11/mark-cuban-says-ai-is-never-the-answer-its-a-tool/), [[7]](https://finance.yahoo.com/news/beyond-anything-ve-seen-mark-133034382.html)
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## Bibliography

1. <https://macholevante.com/news-en/182246/the-ai-revolution-divides-tech-titans-while-billions-pour-into-a-new-digital-arms-race/> - Please view link - unable to able to access data
2. <https://www.ft.com/content/a9cd130f-f6bf-4750-98cc-19d87394e657> - Oracle is set to invest approximately $40 billion in Nvidia's GB200 chips to support OpenAI's new data center in Abilene, Texas. This facility, part of the $500 billion Stargate project led by OpenAI and SoftBank, aims to deliver 1.2 gigawatts of power and is expected to be fully operational by mid-2026. Oracle will lease the computing power to OpenAI under a 15-year agreement. The center's owners, Crusoe and Blue Owl Capital, have raised $15 billion in financing, including $9.6 billion in loans from JPMorgan.
3. <https://www.reuters.com/business/oracle-buy-40-billion-nvidia-chips-openais-us-data-center-ft-reports-2025-05-23/> - Oracle is set to spend approximately $40 billion to purchase around 400,000 of Nvidia’s high-performance GB200 chips to power OpenAI’s new data center in Abilene, Texas, according to the Financial Times. This facility is part of the U.S. Stargate Project, which aims to strengthen America's position in the global AI race. Oracle will lease the computing power from these chips to OpenAI and has committed to a 15-year lease on the site. The center is expected to be fully operational by mid-2026 and will reduce OpenAI’s reliance on Microsoft, its largest current backer.
4. <https://www.businessinsider.com/openai-rice-google-marc-andreessen-kevin-weil-2024-10> - Marc Andreessen, a billionaire venture capitalist, has highlighted the existential question facing the AI industry: whether it will be a winner-takes-all market or a race to the bottom. He suggests that the future of AI business models will depend on whether companies can achieve scale and differentiation, or if the market will become saturated with similar offerings leading to slim profit margins.
5. <https://www.axios.com/2023/10/17/marc-andreessen-ai-manifesto-techno-optimist> - Marc Andreessen, a billionaire venture capitalist, published the 'Techno-Optimist Manifesto,' criticizing efforts to regulate technology. He champions technology development as essential for material creation, growth, and abundance, positioning him against those who seek to pause or restrict AI innovation. This manifesto leans heavily into free-market economics, Darwinism, and Ayn Rand's philosophies, advocating for 'accelerationism' – the intentional advancement of technological progress.
6. <https://techcrunch.com/2025/03/11/mark-cuban-says-ai-is-never-the-answer-its-a-tool/> - Speaking at the SXSW conference in Austin, tech investor and entrepreneur Mark Cuban shared his thoughts on how AI technology can help small businesses outperform their competition. He emphasized that AI is a tool meant to amplify human skills, not a standalone solution. Cuban cautioned against over-reliance on AI, stating, 'AI is never the answer. AI is the tool. Whatever skills you have, you can use AI to amplify them.'
7. <https://finance.yahoo.com/news/beyond-anything-ve-seen-mark-133034382.html> - In this article, billionaire entrepreneur Mark Cuban discusses the transformative potential of AI, comparing its impact to the early days of the internet. He emphasizes the importance of integrating AI into business strategies, stating, 'There are two kinds of companies in the world, those who are great at AI, and everyone else.' Cuban highlights the necessity for companies to adopt AI to remain competitive in the evolving market.