

NEWS RELEASE



UNDER EMBARGO UNTIL 9AM EST JUNE 3, 2025

For more information, contact:

Kara Ketchum

Intersect360 Research

1-650-410-0667

kara@intersect360.com

AI Market Surges 121% to \$193 Billion Worldwide in 2024

HPC Segment Up 24.1% with Uneven Years Ahead in Intersect360 Research Forecast

SUNNYVALE, CA—June 3, 2025— The worldwide market for the accelerated and high-performance data center infrastructure that serves artificial intelligence (AI) workloads soared to \$193 billion in 2024, up 121% year-over-year, according to new market data from industry analyst firm Intersect360 Research. The AI market continued to be fueled predominantly by hyperscale companies, such as Alibaba, Amazon, ByteDance, Google, Meta, Microsoft, and X. The hyperscale segment collectively spent \$121 billion on AI infrastructure in 2024, with some individual companies spending tens of billions of dollars each.

The high performance computing (HPC) segment, which focuses on computer modeling and simulation for science and engineering applications, was up 24.1% year-over-year, driven by the incorporation of AI into HPC budgets.

"We've seen intense optimism for AI globally, and this has been reflected in IT budgets worldwide," said Intersect360 Research's CEO Addison Snell. "With everyone seeking to incorporate the benefits of AI, there will be significant, long-term shifts in the IT landscape."

The market for accelerated computing for AI will continue to expand rapidly over the next five years, with a 20.4% compound annual growth rate (CAGR) to 2029, according to the forecast. Intersect360 Research says the highest growth will shift away from hyperscale companies toward newer segments, namely AI-focused cloud providers and national sovereign AI data centers.

“Surveys of our HPC-AI Leadership Organization (HALO) have revealed national sovereignty concerns as a significant issue globally,” said Steve Conway, Intersect360 Research senior analyst. “We’re seeing this play out in different ways, depending on the region. In Europe, for example, traditional HPC labs are being upgraded into AI factories with additional funding.”

The HPC segment of the AI market will see some uneven years in the immediate future, according to the newest forecast, due primarily to a reduction in funding for academic research and certain national agencies in the U.S. Although the segment will rebound to modest growth over the five-year period, HPC will be a declining proportion of a high-growth AI market.

The full series of market forecast reports from Intersect360 Research defines five accelerated, high-performance segments of the worldwide data center infrastructure market: hyperscale AI, AI-focused clouds, national sovereign AI data centers, HPC-AI (non-cloud), and enterprise AI (non-HPC, non-cloud). Two additional non-accelerated segments—hyperscale and enterprise—complete the forecast.

Intersect360 Research also continues to publish its detailed forecasts of the HPC-AI segments of the market, including cloud computing spending. The forecast is presented with multiple segmentations, including product and services (servers, storage, services, software, networks, cloud, and other), geographic regions (Americas, EMEA, Asia-Pacific), and vertical markets.

About Intersect360 Research

Intersect360 Research is a market intelligence, research, and consulting advisory practice focused on high-performance data center trends, including High Performance Computing (HPC), artificial intelligence (AI) and machine learning, cloud computing, big data, and hyperscale. Intersect360

Research utilizes both user-based and supplier-based research to form a complete perspective of market dynamics, trends, and usage models, including both technical and business applications. The company's research agenda and studies are informed by the HPC-AI Leadership Organization (HALO), a global end user group organized by Intersect360 Research to help guide the future of the HPC-AI industry. More information on HALO is available at www.hpcaileadership.org.

In addition to its market advisory subscription services, Intersect360 Research offers customers an array of client-specific services, including custom surveys, white papers and custom analysis. More information about Intersect360 Research as well as the full slate of Intersect360 Research reports available for purchase and download can be found at www.intersect360.com.