Welcome to the OpenAI podcast, the podcast that opens up the world of AI in a quick and concise manner.
Tune in daily to hear the latest news and breakthroughs in the rapidly evolving world of artificial intelligence.
If you've been following the podcast for a while, you'll know that over the last six months I've been working on a stealth AI startup.
Of the hundreds of projects I've covered, this is the one that I believe has the greatest potential.
So today I'm excited to announce AIBOX.
AIBOX is a no-code AI app building platform paired with the App Store for AI that lets you monetize your AI tools.
The platform lets you build apps by linking together AI models like chatGPT, mid-journey and 11Labs, eventually will integrate with software like Gmail, Trello and Salesforce so you can use AI to automate every function in your organization.
To get notified when we launch and be one of the first to build on the platform, you can join the wait list at AIBOX.AI, the link is in the show notes.
We are currently raising a seed round of funding.
If you're an investor that is focused on disruptive tech, I'd love to tell you more about the platform.
You can reach out to me at jaden at AIBOX.AI, I'll leave that email in the show notes.
So the big headline here is that the United States government has widened the scope of export restrictions on artificial intelligence chips from NVIDIA and advanced micro devices, which is AMD.
So they've done this to regions beyond China because previously China was the big one that they were restricting this to.
They didn't want China to catch up with their kind of AI, quote unquote, dominance.
But this is now encompassing parts of the Middle East.
This is really interesting because we saw a bunch of headlines a few weeks ago that the Middle East had ramped up Saudi Arabia and other places had ramped up like massive purchasing of a lot of these different chips, spending like billions on it.
And I wonder if, not I wonder, I'm sure they had forewarning by somebody a heads up that this was coming down the pipe and we're trying to get ahead of this.
I just find that like way too, way too, I don't know, too much of a coincidence that this is just a few weeks ago, like the Middle East ramps up billions of dollars in purchases and now they're like the bands are kind of coming down.
So I think this is kind of interesting.
And another interesting thing is I was recently at the AI for conference and there's a bunch of industry leaders from all over AI, people from the government, people from top companies.
And I heard some rumblings from some people with connections to lobbyist government, other areas that there was big moves being made in this space.
I'm assuming this is what they're referencing to.
They weren't actually saying anything.
And so yeah, I just wonder how, how that all gets around.

Who's part of the club that gets to find out ahead of time on all this kind of stuff?
Very, very interesting.
But in any case, we are finding out about this today because according to regulatory filings from NVIDIA, these restrictions, which target the company's A100 and H100 chips, which of course are optimized for machine learning, will not have a quote immediate material impact on its financial results.
So AMD NVIDIA's competitor in the market has also been served with similar restrictions.
A source familiar with the situation told routers about this, that the new restrictions are not going to materially affect AMD's revenue streams.
So this is kind of interesting, right?
AMD NVIDIA, they're like, look, don't worry, it's not going to affect our revenue streams.
I mean, of course it's not going to affect the revenue streams.
Right now there's like, there's wait lists a mile long for everyone to get these chips.
So it's not like, oh no, we can't ship more chips there.
We're going to like, no one cares about the revenue streams.
They're making so much money and there's a massive shortage.
So they're just going to make however much they can.
They're going to charge whatever they want to charge.
But it is interesting the downstream effects of this.
Export controls like these are generally instituted by US officials for national security reasons.
So last year, like I mentioned, a very similar action had underscored Washington's kind of tightening grip on China's technology capabilities.
However, I think it remains unclear what specific, you know, national security risks are attributed to chip exports to the Middle East.
So in a follow-up statement, NVIDIA clarified its stance on the issue saying, quote, the new licensing requirement doesn't affect a meaningful portion of our revenue.
We are working with the United States government to address this matter.
So the US Commerce Department, responsible for administering export licenses, stated that the US quote has not blocked chip sales to the Middle East, however, it declined to offer specific comments on new requirements affecting individual US companies.
So like publicly they're saying, we're, you know, we're not blocking chip sales, but like privately they're like, yo NVIDIA, you guys aren't allowed to like ship any more chips over there or, you know, you have to, you got a quota or whatever you got to follow.
I don't know.
It's kind of funny.
Anyways, I think interestingly last September, AMD also disclosed new license requirements that would prevent the export of its MI250 AI chips to China.
And this regulatory landscape, I think, since prompted NVIDIA and AMD and Intel to develop less powerful AI chips, which are exportable to the Chinese market.
And so what's interesting here is it's like, these licenses go to specific products.
And I also kind of like work with different, you know, specifications or capabilities of the products.
So essentially if they want to get around like the loophole of not being able to export

to China, all they have to do is make like a less capable chip.
And what's interesting is like, I guess America is okay with that because they're like, hey, we're still maintaining like our AI dominance because we can ship China chips.
But they're going to be like way less powerful.
So we get the best of the best kind of deal.
So I think the most recent restrictions come without kind of explicit reasoning from the US government, although NVIDIA noted in last year's filings that the controls essentially aim to quote, address the risk that products might be used in or diverted to a military end use or military end user in China.
So I think for context NVIDIA's recent fiscal quarter reported $13.5 billion in sales mostly, which was coming from the US, China and Taiwan.
So only about 13.9% of the company's sales were attributed to other countries.
And I think the specific Middle Eastern nations impacted by the news restrictions remain sort of undisclosed.
So last year, the geopolitical tension concerning Taiwan, which is a significant hub for semiconductor
manufacturing added kind of a new layer of complexity to chip export policies.
And in October of last year, the Biden administration took further action by issuing a comprehensive set of export controls designed to limit China's access to certain semiconductor chips manufactured globally with US equipment.
So I think this move aimed to kind of curb China's technological and military advancements and was subsequently echoed by Japan and the Netherlands.
I think what's interesting here is that, you know, the absence of AI chips from American companies like NVIDIA and AMD has some pretty fairly significant ramifications because without these more advanced chips, Chinese organizations find it difficult to perform complex computational tasks like image and speak recognition and doing this like cost effectively.
That's the big difference here.
So these technologies are kind of integral, not only in consumer applications like smartphones, but also they have a lot of potential in the military and military applications, including analyzing satellite imagery for weapons or bases and kind of sifting through digital communications for intelligence purposes.
So all in all, you know, I'm sure there's gonna be a lot of criticism out of the country's band from these things.
The US seems to think this is kind of like a military play where they're not just slowing down other countries access to AI, but also their access to integrating like powerful chips and AI into their military.
So kind of keeping the edge there.
It's going to be interesting to see what the impact is and how this story continues to evolve.
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I'll drop a link in the description to this podcast.
We'd love to see you there where we share tips and tricks of what is working in chat GPT.
It's a lot easier than a podcast as you can see screenshots.

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