
WILL THE $2.5 TRILLION AI BET EVER PAY OFF?
EPISODE 438
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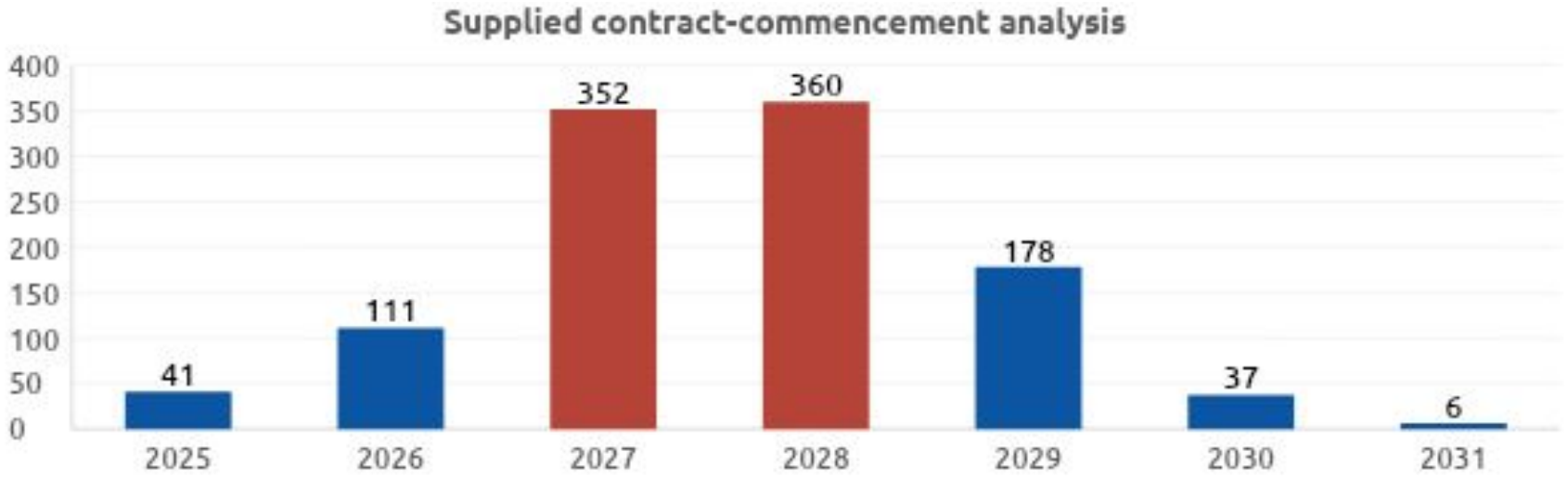
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GPU Cost per hour (1 yr contract)



The 2027–28 compute commencement wall

OpenAI + Anthropic. Multi-year contract notional at commencement, US$bn.



Anthropic: $161bn of five-year Broadcom equipment leases

The two vintages total $712bn of multi-year notional. Payment timing depends on delivery and contract terms.

AI capex and the annual revenue hurdle

Back-of-the-envelope assumptions. US dollars. Revenue assumes a full operating year.

Buildout assumption	2027	2028
New AI capacity	50 GW	75 GW
Capex at $50bn per GW	$2.50tn	$3.75tn
Revenue at $15–20bn/GW/year	$750–1,000bn	$1,125–1,500bn

2027 working hurdle: $800bn of additional annual revenue

Capital recovery: $500–625bn/year. Cash operating costs: $100bn/year.
The remaining $75–200bn allows for financing and investment risk.

Scarcity thesis: chips, powered sites, compute and models all charge premiums.

2027 target: $16bn/GW/year. Cheaper new equipment may lower the hurdle. Lower rental prices alone reduce returns.

Scarcity prices and leverage amplify returns

Annual revenue per GW differs across contract vintages and layers of the AI stack.

Annual revenue basis	US$bn/GW	Interpretation
CoreWeave-style rental model	$10–12	Contracted compute
SpaceX rental scenario	$40–50	Scarce bridge capacity
Inference retail scenario	~$100	Customer token spending

Google’s disclosed SpaceX payment is $11.0bn/year.
The per-GW conversion and Microsoft rate remain unverified.

Asset return before financing	11%	12%	14%
Equity return: 80% debt at 9%	19%	24%	34%

CoreWeave figures and per-GW price comparisons are scenarios. Leverage returns exclude tax, fees and amortisation.

The $800bn funding question

Illustrative annual contributions to the new 2027 capacity. US$bn.

Source of infrastructure payments	US$bn/year
Hyperscalers and frontier labs' own budgets	100–200
Commercial use by other industries	600–700
Required annual revenue	**800**

Other industries: equivalent to 8–10% of global IT spending

At $150,000 annual employment cost, $600–700bn equals 4–4.7 million jobs' worth of annual payroll.

Savings, new sales and other cash must reach the infrastructure owners.

Budget allocations are assumptions. IT share is a scale comparison. Job equivalents do not forecast actual layoffs.

Halving prices reduces the dollar growth hurdle

Illustrative annual revenue at one consistent layer. US$bn.



$1.3tn
required annual revenue

30%
more dollars than today

2.6× usage
at half the price

$1,000bn × 50% + $800bn = $1,300bn

Scenario assumes the same 50% price cut across all comparable usage and keeps the new-capacity revenue hurdle at $800bn.

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