



# AI's \$1 Trillion Cycle: Who Gains in the New Ecosystem?

Artificial Intelligence is no longer a future theme – it is an unfolding investment cycle.

Global AI infrastructure capex could approach **\$1 trillion by FY2030**, and its implications may extend far beyond software.



## 1. Speed at an unprecedented scale

AI is estimated to have the fastest technology adoption cycle in history, **reaching scale in just 3–4 years**, compared with roughly 15 years for the internet and about 8 years for mobile computing.

This pace is already driving large-scale investment in:

- Hyperscale data centres
- Semiconductor capacity
- Power infrastructure
- Advanced cooling and storage systems



## 2. India's Transition to the AI Era

India has crossed **1,000+ MW of third-party data-centre capacity** and is projected to scale toward **~3,250 MW by 2030 (24% CAGR)**.

While **India generates nearly 20% of global data**, its share of digital infrastructure remains relatively small. This presents an opportunity for structural catch-up.

**Globally, data-centre power demand is projected to rise toward ~200 GW over the next few years**, underscoring the capital intensity of this buildout and the sustained demand for transformers, power equipment, cables and cooling systems.



## The bigger story: AI is a physical ecosystem

AI is not just code – it is infrastructure.

At scale, it requires gigawatts of electricity, advanced cooling, specialised materials and grid expansion.

This creates structural demand across:

- **Metals:** Copper, aluminium, specialty steel and rare earths
- **Energy & power equipment:** Transmission, renewables and grid upgrades
- **Semiconductors & OSAT:** An emerging domestic ecosystem
- **Battery Energy Storage Systems (BESS)**



## Our Outlook

### **AI is moving from a software theme to an infrastructure cycle.**

Anticipating this shift, we increased exposure to metals and commodity-linked sectors, while remaining underweight in traditional IT.

AI growth may hence rely as much on physical infrastructure as on software, and we are poised to capture that opportunity.



## Impact on IT

Adaptability, rather than scale alone, may determine leadership in this sector in the next phase. This evolving risk-reward is one factor behind our **moderated exposure to the sector**.

AI may gradually reshape traditional services models, with the opportunity increasingly lying in moving up the value chain toward :

- AI integration and system design
- Cybersecurity and data architecture
- Cloud and platform orchestration
- Domain-led digital transformation

**Sources:** Bloomberg, Reuters, Internal Analysis | Data as on 28<sup>th</sup> February, 2026.

**Past performance may or may not be sustained in future.**

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