

Project Magi, X.AI, and GPT-4 improvements mean AI's frenetic pace not slowing

Article

The trend: The generative AI arms race isn't slowing down.

- **OpenAI** is working on **GPT-4** upgrades and is pursuing new research strategies for further advancement, per [Gizmodo](#).
- **Twitter** CEO [Elon Musk launched an X.AI startup](#) to compete with OpenAI.
- **Google's** generative AI efforts—including its project **Magi**—are getting kicked into high gear after learning that [Samsung was considering switching to Microsoft Bing](#) as its default search engine, threatening a **\$3 billion** contract.

The fear of missing out: Companies continue ratcheting up commercial generative AI efforts despite a [six-month moratorium letter](#) that Musk signed. OpenAI CEO **Sam Altman** didn't sign the letter, criticizing it over a lack of “technical nuance,” per [The Register](#).

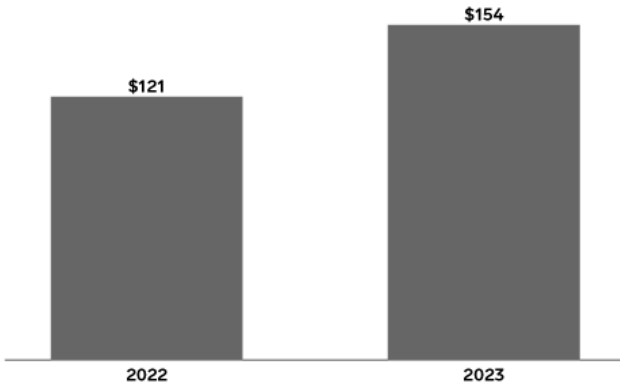
- **OpenAI** says it hasn't begun **GPT-5** training, but **the difference between not training GPT-5 and enhancing GPT-4 could amount to a semantic sleight of hand.**
- Musk's X.AI ambitions beg the question: How could his chatbot compete with **ChatGPT** unless it's based on a more powerful model?
- Google's precautionary instincts over the technology are getting bulldozed by market forces.

What's next? Google's internal testing that shows generative AI's startling [capacity for spontaneous learning](#) illustrates the technology's status as a wild animal yet to be tamed by regulation.

- We'll likely see more outcry among those in the AI field who say we're getting closer to the [precipice of catastrophe](#).
- **Nvidia's H100** release and new AI training techniques that might require less compute power mean that the [cloud server crunch](#) won't throttle the pace of development for long.
- As the EU's **AI Act** gets closer to passage, we'll likely see more lobbying efforts for lax restrictions from some tech companies, while others might quietly want stricter regulation to provide justification for caution.
- Because no one understands how advanced AI models work, they might be difficult to effectively regulate, hence calls to [“shut it all down.”](#)

Spending on AI-Centric Systems Worldwide, 2022 & 2023

billions



Note: defined as systems with a core AI component, without which the system will not function; includes software, hardware, and services
Source: International Data Corporation (IDC), "Worldwide Artificial Intelligence Spending Guide" as cited in press release; Insider Intelligence calculations, March 7, 2023

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