

Don't Surrender China's AI Market

di Aaron Ginn

Why did [Jensen Huang](#) go to China? The [Nvidia](#) CEO wants to make American tech platforms the global artificial-intelligence standard by gaining market share and engaging other countries with U.S.-developed computing infrastructure. That means doing business in the largest AI market outside the U.S.

Some in Washington seem confused by this. Sens. Elizabeth Warren (D., Mass.) and Jim Banks (R., Ind.) sent a letter in May asking Mr. Huang to explain why his company would “choose to enrich an authoritarian country’s innovation ecosystem.” They’re at it again, chiding him in another letter last week for meeting with Chinese business executives. It’s the second time these senators have questioned the patriotism of one of America’s most important CEOs. The objections reveal a deep misunderstanding of how America wins: not through fear and withdrawal, but through strength and engagement.

Mr. Huang’s strategy aligns with President Trump’s: Engage with all, compete everywhere, and avoid abandoning markets out of ideological fear. Mr. Trump hasn’t isolated. He has negotiated more with foreign countries than any modern president and built leverage for U.S. manufacturing. President Biden, in contrast, presided over a shrinking American share of the AI and semiconductor markets in China, offering moral lectures with little follow-through.

If Nvidia were violating export controls or handing over sensitive intellectual property, that would be a problem. But that isn’t happening. The company established a compliance center in China to ensure that its operations follow U.S. regulations, even shutting down chip sales after a recent ruling by the Bureau of Industry and Security. Nvidia could face billions of dollars in losses as it navigates a shifting legal landscape.

What critics don't understand is that selling Nvidia chips to China doesn't "enrich" China's ecosystem. It locks China into ours.

Owning Nvidia hardware isn't the same as creating a proprietary AI ecosystem, just as buying a PlayStation doesn't make you [Sony](#). China can buy the "console," but the true value lies in the platform—its software, developer community and tools. That's Nvidia's enterprise suite and its parallel computing platform, CUDA. Nvidia's strength is its hardware-software combo, like the [Apple](#) of semiconductors. When Chinese AI developers code on U.S. graphics processing units, they strengthen American software dominance, building on our system, not Huawei's.

If we exclude Chinese firms from Nvidia, we won't slow their progress. In fact, we might accelerate it. The reason other global customers consider Huawei's AI infrastructure a suitable alternative is that we previously surrendered the largest AI developer market to the Chinese company based on faulty assumptions, not lack of demand. Export restrictions and mistrust in U.S. trade policies initially created Huawei's early-adopter market. Its GPU division is expanding and is expected to ship millions of units within a year. The best way to erase our lead is to force our competitors to develop viable alternatives.

Here's the best strategy for America to keep its lead: Get your rivals to buy from you, not your competitors.

America should endorse Nvidia's globally linked approach. It boosts revenue, expands American jobs, reinforces our software leadership, and slows competitors' growth. This isn't about "enriching" adversaries; it's about making them rely on us. China used this strategy against us with low-cost manufacturing over the past three decades. Now it's our turn to reciprocate with semiconductors.

Mr. Trump's approach involves strategic engagement with a mix of rewards and pressure. He uses tariffs when needed but always keeps negotiations active, closing deals rather than lecturing. In contrast, Mr. Biden's more isolationist stance ended up pushing countries and customers toward China. The Chinese are ready. Their large language models are advancing, their chip industry is growing, and Huawei is stepping in to fill the gaps we've left.

Technological leadership is about leverage and adoption. Nvidia is playing to win, and a victory for them is a victory for America. It's setting the global standard while keeping the largest AI market in the world tethered to American technology.

When senators try to make headlines by questioning a CEO's patriotism, they undermine American economic leadership. America's strength comes from open markets, free enterprise, and platform dominance, making us the default choice at scale.

Retreating equates to losing; competing leads to winning. Messrs. Huang and Trump realize this. Let America compete, and we will win.

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