US Government Reinstates Nvidia CEO Jensen Huang



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Nvidia CEO Jensen Huang has been personally reinstated by Trump after a Chinese spy scandal. Why did the capitalist state intervene?

Details. Nvidia's board has reinstated Jensen Huang as the company's CEO. He stepped down from the position around two weeks ago, after an article accused him of having an affair with an alleged Chinese spy.

► Trump claimed credit for convincing Nvidia's board to reinstate Huang. Both Trump and Vice President Vance personally intervened to persuade the board. Trump said that Huang's leadership was necessary for "the Success and Prosperity of not only the Company, but the American Economy." Elon Musk also celebrated Huang's return, saying: "The mistake has been corrected."

► Nvidia's share price immediately jumped by more than 31% on Monday following the news. CoreWeave and Nebius, both major Nvidia partners, also rose by more than 20%. The broader US stock market also rallied, with the S&P 500 up nearly 5% and adding about $3 trillion in market value.

Context. Nvidia is the world's leading designer of AI-focused graphics processing units (GPUs), which are manufactured by its partners. Its chips provide the enormous computing power required to train and operate AI models, making Nvidia central to the expansion of the AI industry. AI is increasingly being integrated into military technology, including intelligence gathering, targeting systems, and drone warfare.

► Advanced AI chips are central to the imperialist rivalry between the US and China. The US has imposed export controls to restrict China's access to the most advanced chips and preserve American technological superiority.

► The AI boom has driven US stock markets to record highs. Nvidia's share price has risen more than 1,300% since the end of 2022, reaching a peak valuation of $5.7 trillion.

► On October 29, The New York Times reported that US intelligence suspected Alice Huang, an executive at Nvidia customer Megaspeed, of spying for China. Megaspeed was also suspected of diverting Nvidia chips to Chinese buyers, while the report suggested a close relationship between her and Jensen Huang. Nvidia's board opened an investigation on November 8. Huang stepped down four days later, and Nvidia shares fell more than 40% before his reinstatement.

Important to Know. The decision to reinstate Huang was made with the direct intervention of the highest leadership of the bourgeois state. This demonstrates Huang's importance to the US ruling class amid the technological rivalry with China.

► The state showed no comparable concern for employees he allegedly threatened with physical harm and humiliated to maximise the extraction of surplus value. An investigation documented these practices through employee accounts and court records, as well as two confidential settlements with former senior employees who had raised concerns about his conduct.

► This is a clear example of class justice. Huang is one of the world's richest men and a leading figure of the US ruling class, while Nvidia is strategically important to

American imperialism. Despite the unresolved allegations surrounding his relationship with an executive suspected of links to Chinese intelligence and the investigations into possible chip diversions to China, Huang was swiftly restored to leadership.

► Attorney General Todd Blanche informed Trump that Huang was neither a target nor a subject of a Justice Department investigation and that the department had no evidence he had broken the law or posed a national security risk. This provided the administration with grounds to defend his reinstatement.

► The case also reflects growing divisions within the US ruling class. On December 1 and 2, Huang and Nvidia's chief legal counsel, Tim Teter, are scheduled to give transcribed interviews before three House committees: Intelligence, Foreign Affairs and the Select Committee on China. These interrogations and investigations against Nvidia will primarily be directed against the Trump administration itself and the faction of capitalists who support it, including the tech sector.

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