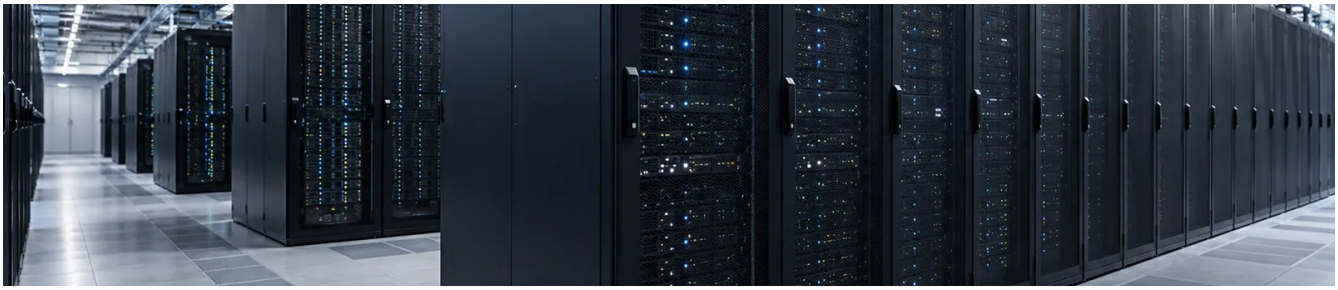
Opportunity Brief

EU Cloud and AI Development Act: Opportunities for Gulf Investors

Opportunity, regulation and what it means for UAE investors

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3×	€30bn+	12 months	2027
EU data center capacity target within 5-7 years	AI Gigafactories program, incl. €20bn private funding	Maximum permit timeline in acceleration zones	Targeted European Parliament vote on CADA

The Background

- The European Union (EU) has announced concrete plans to triple its data center capacity (currently estimated at 12 GW) within 5-7 years.
- The EU's AI Gigafactories tender, closing mid-November, targets up to seven facilities and over €30 billion in total investment, including €20 billion in private funding.
- Entities from Pax Silica signatories, which include the UAE, are eligible to join many of these consortia, but face restrictions defined by upcoming EU legislation.
- The UAE has announced concrete plans for data center investments of up to 6 GW in France, Italy and Germany, which remain at various levels of development.

The Regulation

At the center of Europe's efforts to regulate data center investments is the Cloud and AI Development Act (CADA), tabled by the European Commission in June 2026. CADA matters for several reasons:

- **Accelerated buildout** | Each EU Member State must designate acceleration zones with a 12-month maximum permit timeline. Through streamlined permitting and improved access to power, land and financing, CADA also seeks to reduce development bottlenecks.
- **Sovereignty requirement** | CADA sets an EU-ownership bar for the most sensitive work. Sovereignty Level 3 and above require EU ownership and control. The only derogation is for countries with a GDPR-adequacy decision, which no GCC country holds. As it stands, Gulf-controlled cloud providers would be shut out of the highest-value public-sector workloads.
- **Foreign control rules** | At Level 2, a non-EU-controlled provider must prove, through an annual audit, that no foreign government can access its data, switch off its service, or force it to apply foreign sanctions. This is an open question for operators running US-licensed AI chips. Banks, utilities and other critical-sector buyers may also adopt the same test when choosing providers.
- **EU added value** | Public buyers must score bids on how much value they create in the EU, alongside price, making it more difficult for non-EU providers to win tenders.

The concrete details of CADA are currently under negotiation, and more changes may be forthcoming. The European Parliament aims to vote on the law in June/July 2027, which will be followed by negotiations with the EU Member States. In parallel, the EU has adopted a revised foreign investment screening regulation, applying from January 2028, and is preparing new energy and sustainability standards for data centers. Both will further influence the outlook for UAE investment in EU datacenters.

Data center plans in ten major EU countries

Country	Today	Plan / outlook to 2030	Main projects
Germany	**~3.0 GW** IT connected load, 2025 (Bitkom/Borderstep)	**Government target** ~6 GW by 2030	Microsoft Rhenish cluster, NRW - ~520 MW grid connection; part of €3.2bn programme; under construction AM:PM, Rackwitz (Leipzig) - 500 MW; €4-6bn; early planning, no tenant yet Telis (Carlyle), Mehrum - 500 MW; initial planning, build from 2028 Schwarz Digits, Lübbenau / Dummersdorf - 200 MW under construction (€11bn); 240 MW by 2033, up to 1 GW by 2045
France	**714 MW** colocation and hyperscale, 2024 (EY / France Datacenter)	**No MW target · forecast** ~2.3 GW by 2030	Campus AI, Fouju - 1.4 GW (240 MW by end-2027, 700 MW by end-2029); MGX, Bpifrance, Mistral AI, Nvidia SoftBank-Sesterce, Bosquel - 1 GW; site selected May 2026 Data4 (Brookfield), Escaudain - 700 MW; €5bn; preliminary works
Ireland	**~2 GW** contracted demand; 23% of electricity use in 2025 (CSO)	**No target · constrained** Growth dependent on power built out	Echelon, Arklow (Wicklow) - 200 MW campus; construction started Art Data Centres, Ennis - 200 MW; €1.6bn; cleared by High Court March 2026, phase 1 by 2028 Herbata, Naas (Kildare) - €3bn, six buildings; permitted subject to grid connection
Netherlands	**~0.6 GW** average load (5.1 TWh, 2024, CBS); Amsterdam 927 MW live colocation	**No target · restrictive** Hyperscale campuses capped	Pure DC, Amsterdam - 78 MW; ~€1bn; leased to one hyperscaler, phased from 2028 Yondr, Amsterdam - 70 MW Microsoft, Amsterdam + 4 hyperscales, Haarlemmermeer - permitted before 2022 rules; under construction
Italy	**609 MW** installed IT load, 2025 (Politecnico di Milano)	**No MW target · forecast** ~1.4-2 GW by 2030	Khazna-Eni, Ferrera Erbognone - 500 MW; Khazna (G42/MGX) with Eni; in development TechBau, Trino - 300-400 MW; €4bn; national strategic interest, first lot 2028 Apto, Lacchiarella (Milan) - 300 MVA; €3bn QTS (Blackstone), Vimercate - ~220 MW; up to €2.3bn

Country	Today	Plan / outlook to 2030	Main projects
Spain	**439 MW** commercial IT capacity, end-2025 (SpainDC)	**Forecast (industry)** ~2.5 GW by 2030	QTS (Blackstone), Calatorao, Aragón - 300 MW; €7.5bn first phase AWS, Aragón - multi-site; €15.7bn to 2033 Grupo VDR, Navarra - 300 MW; planned
Poland	**~0.7 GW** 2026 market estimate	**No MW target · forecast** ~1 GW by 2030	WBS Power, Baltic campus (Pomerania) - 3.2 GW in four phases; grid terms secured, permits pending Microsoft - PLN 2.8bn cloud and AI expansion
Finland	**~0.4 GW** live colocation (Knight Frank); national total not published	**No target · grid data** ~5 GW contracted	Pure DC, Seinäjoki - 550 MW+; €7.5bn; phase 1 (110 MW) financed and leased Nebius, Lappeenranta / Mäntsälä - 310 MW (2027); 75 MW live + up to 70 MW (2027) Google, four sites - ≥€13bn for 2027-28; Kajaani and Muhos paused for environmental review
Sweden	**n/a** no national figure published	**No target · grid data** ~7.3 GW in grid queue	Brookfield, Strängnäs - 750 MW; up to SEK 95bn; 10-15 year build-out EcoDataCenter, Borlänge - 250 MW, expandable to 600 MW; first building early 2027 atNorth, Långsele - 200 MW; completion 2027 Microsoft - $3.2bn expansion at Gävle, Sandviken and Staffanstorp
Portugal	**<0.1 GW** Sines SIN01 31 MW; Lisbon ~25 MW IT (Colliers)	**Government pipeline** >2.6 GW in 44 projects	Start Campus, Sines - 1.2 GW; SIN02 next; Nvidia GPUs for Microsoft via Nscale Merlin Edged, Lisbon region - up to 1.3 GW planned; 80 MW under construction (Q4 2027) AtlasEdge, Lisbon - expansion to 30 MW IT

Impact for UAE Investors

Current developments have a clear impact on UAE investors looking at EU data centers:

1. As a Pax Silica signatory, the UAE has more access to the European data center market than most non-EU investors. This is an advantage that it can turn into opportunity.
2. Announced bilateral deals provide additional leverage - currently UAE pledges include 3GW of capacity in France, 2GW in Italy and 1GW in Germany.
3. According to the current CADA draft legislation, the most sensitive data center work in the EU will likely remain closed to UAE investors unless CADA is changed significantly.
4. CADA's sovereignty tests are applied to the provider not the owner of the infrastructure, which means that owning powered land and buildings providers an easier path for UAE investors.

Key Takeaway

For interested investors, the moment to pursue data center investment opportunities in Europe is now, while there are still options to join EU funded consortia, the CADA regulation is being shaped, and bilateral investment agreements are providing for considerable momentum.

For deeper analysis or tailored advisory on any of the topics, get in touch with our team.

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