Opportunity Brief

Gulf Data Center Outlook

Growth, Opportunity and what it means for international companies

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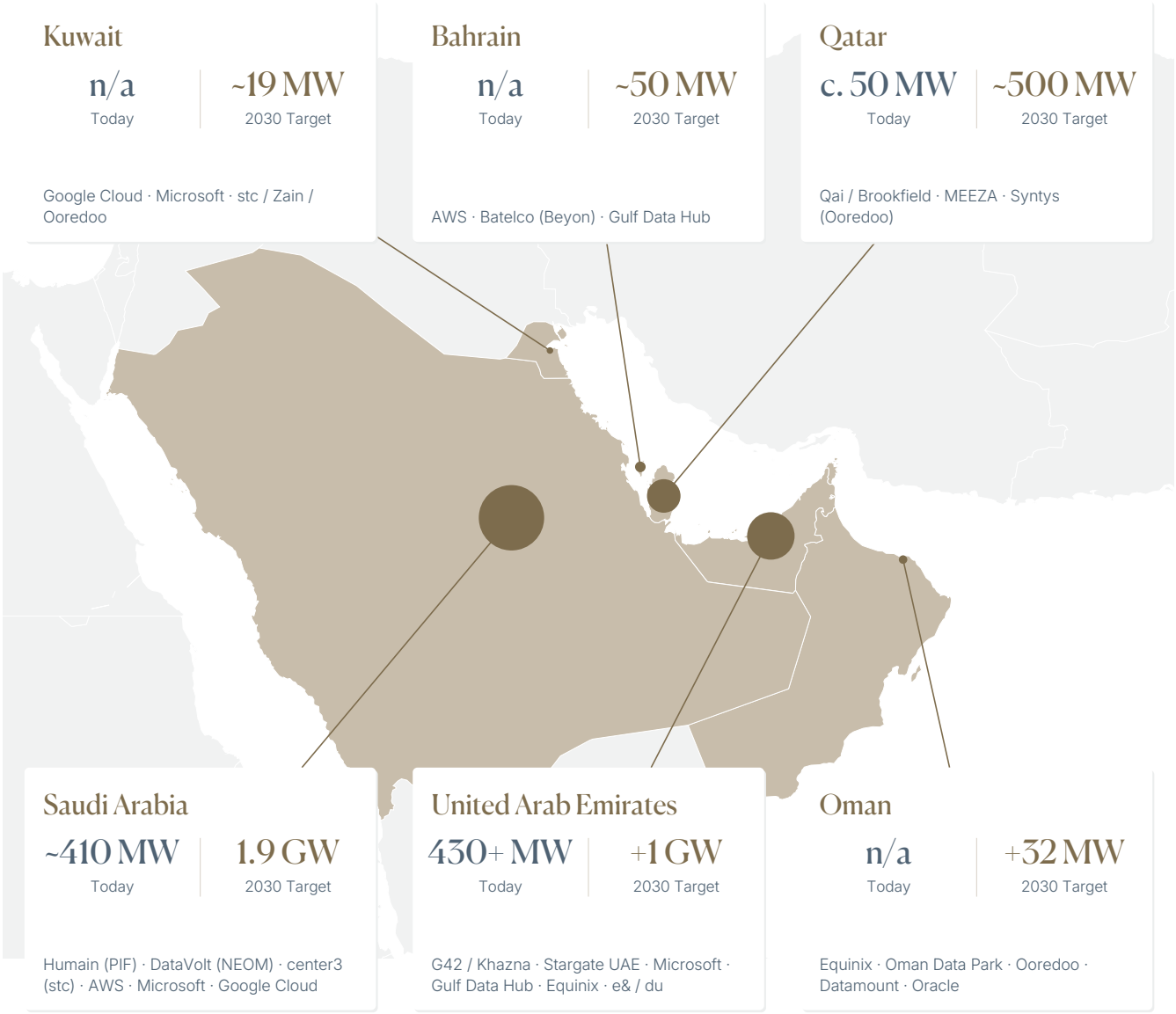


3×	$93bn+	170+	3 GW+
Growth in Gulf data center capacity by 2030	Est. value of active projects	Number of active projects	Expected GCC data center capacity in 5 yrs

The Opportunity

- The Gulf's data center capacity is set to roughly triple in the next five years, from about 1 GW today to more than 3 GW (PwC, S&P Global). MEED counts more than 174 active projects across the GCC, worth over USD 93 billion.
- This buildout needs power generation and grid connections, cooling, prefabricated modules, fibre and subsea links, security, and long-term operations and maintenance. This opens opportunities for large contractors, but also for mid-sized specialists and component suppliers.
- The Gulf's location makes it a natural hub for regional cloud and AI services. New subsea cables and digital corridors between India, the Gulf and Europe open opportunities in connectivity, landing stations and network services.
- Extreme heat, humidity, dust and scarce water create demand for efficient and water-free cooling, liquid and immersion cooling, and reuse of waste heat (for example in district cooling). This is a segment where specialist suppliers can compete on technology rather than scale.

Gulf Data Center Capacity: Today and Targets



Circle area is proportional to the displayed 2030 Target. Figures as of October 2026. 2030 Targets include announced additions and analyst estimates. Sources: Arizton / ResearchAndMarkets; Alvarez & Marsal via AGBI; S&P Global Ratings; G42; Humain; Reuters; MEEZA, Ooredoo, Batelco and Gulf Data Hub announcements.

The Background

The Gulf is increasingly shaping the demand, capital flows, geopolitics and supply chains that matter to companies that design, build, power, cool and connect data centers.

- **One of the world's largest data center buildouts** | Gulf states aim to become AI compute hubs through vehicles such as G42 and MGX in the UAE, and Humain and PIF in Saudi Arabia. Gigawatt-scale campuses create demand for engineering, construction, power, cooling, connectivity and operations expertise.
- **The Gulf is an arena in the US-China technology contest** | US access to advanced AI chips for Gulf players is conditioned on distancing from Chinese technology and meeting strict security requirements. That raises questions regarding who can work on which projects and how supply chains get structured.
- **The Gulf is a diplomatic convener on AI** | After India hosted the 2026 AI Impact Summit in New Delhi, the UAE will co-chair the 2027 edition in Geneva with Switzerland and host the 2028 summit. Qatar and the UAE are members of Pax Silica, the US-led coalition on AI and semiconductor supply chains, alongside India, the Netherlands and others, while Bahrain and the UAE recently joined the joint statement on the control of frontier AI models.
- **(In)stability affects infrastructure and supply chains** | Disruption around the Strait of Hormuz and the Red Sea put important subsea cable routes at risk, while existing data center infrastructure similarly remains exposed following Iranian strikes in early 2026.
- **Gulf capital is funding digital infrastructure worldwide** | Gulf sovereign wealth, through funds such as MGX, Mubadala and PIF, is one of the few capital pools large enough to co-fund AI infrastructure at scale, both at home and abroad. That makes it a potential investor, co-investor or competitor for data center projects in Europe, India and elsewhere.
- **India, the Gulf and Europe are becoming one digital corridor** | The UAE-India CEPA, the India-Middle East-Europe Economic Corridor (IMEC) and new subsea cables are tying Indian, Gulf and European digital markets together. India's own fast-growing data center market makes it both a partner and a competitor for Gulf capacity, while Indian engineering, construction and IT services firms are well placed to help build and run Gulf projects.
- **Data sovereignty is reshaping the market** | Gulf governments increasingly require sensitive data and AI workloads to be hosted locally, in sovereign or "trusted" environments. Early insight into these rules, and into the tenders and partnerships they generate, gives operators, integrators and suppliers a head start.

What International Companies Should Know

Staying closely and continuously informed about developments in the region, the ecosystems driving them and the (geo)politics behind them makes it possible to spot and act on opportunities and risks early.

1. Sovereign capital means projects move fast and procure early. Decisions are made by a small group of sovereign investors, AI groups and government entities. Companies that build relationships and visibility early are more likely to succeed in public tenders.
2. Companies partnering with Gulf investors need to understand what regulations are in place where, so they can structure consortia that remain eligible, or position themselves as the trusted European or Indian partner in those segments.
3. Firms that want to serve government and regulated sectors will increasingly need local hosting, local entities or certified partners. Local-content programs such as the UAE's ICV, Saudi Arabia's national local-content rules and Aramco's IKTVA reward companies that set up joint ventures, assemble or manufacture locally, and train local staff.
4. Regional instability needs to be priced in. Companies should plan for alternative shipping routes, buffer stock and contract terms that cover delays and higher logistics and energy costs.
5. Physical and cyber security of critical digital infrastructure is a growing priority. Suppliers should expect stricter vetting, certification and security clauses in contracts.

Key Takeaway

The Gulf is building a third pole of global AI infrastructure, backed by sovereign capital and relatively cheap energy. For international suppliers, developers and investors, the window to secure a role is open.

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

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