



The Arab Gulf States and the Rush for AI Technology

In the Middle East, a notable phenomenon has emerged which has seen Arab Gulf states heavily push to invest in artificial intelligence (AI) technology. Experts have highlighted that there are several key motivating factors that are driving this AI rush in countries such as Saudi Arabia, the United Arab Emirates (UAE), and Qatar. One of these is a desire for economic diversification, as the region strives to initiate strategies that help transition it away from high levels of oil sector dependence. Additionally, Arab Gulf states are aggressively pursuing AI adoption in an effort to become a global technology hub. The region's abundant capital and its ability to leverage this has certainly played a role in providing it with the means to try and do so, as the trillion-dollar sovereign wealth funds allow for massive upfront investments in AI infrastructure such as data centers and advanced chips. Since data centers consume vast amounts of electricity, the Gulf has benefited as well from its low-cost energy sources – which have made it an attractive choice for technology companies' building of these.

Countries in the Gulf region have sought to integrate AI across a variety of industries in an attempt to boost productivity and drive innovation. In the energy sector, for example, large national oil companies like Saudi Aramco and the Abu Dhabi National Oil Company (ADNOC) have deployed AI for operational optimization, predictive maintenance, and the reducing of emissions. Within the healthcare industry, AI has increasingly been used for robotic surgeries and diagnostic imaging, while the financial sector has relied on it to bolster fraud detection and customer service capabilities. Furthermore, the expanding focus on AI has prompted Arab Gulf states to roll out national AI strategies. Saudi Arabia and the UAE have targeted 2030 and 2031, respectively, for becoming global leaders in the AI market. Meanwhile, Qatar has partnered with tech giants like Microsoft and Google to expand its national cloud data center capacity in order to support further AI development and adoption. Kuwait, Oman, and Bahrain are among the other countries in the region that are also pursuing set national AI strategies.

The growing relevance of AI has become a major element of relations between the Arab Gulf states and the United States. This was on full display during U.S. President Trump's visit to the region earlier this year, which saw a significant emphasis on the securing of new AI deals. All of this has led analysts to note the seemingly shifting dynamic of U.S.-Gulf ties to one that is becoming increasingly concentrated on AI investments and innovations. Observers have also drawn attention to the mutual benefits of the strengthening AI ties for both parties, as the United States gains partners in its aim to outflank China in the field of AI, while the Gulf nations help position themselves as emerging players on the global stage. At the same time, however, these new U.S.-Gulf AI deals have not come without concern due to the Gulf states' deep economic and diplomatic ties with China – a factor that has elicited unease regarding the potential for the theft of U.S. intellectual property. In addition to this, critics have also warned that partnering with some of these regimes in the region could legitimize and give rise to increased digital surveillance and the further curtailing of freedoms. Nevertheless, with the array of new AI deals in the Gulf region, the Trump administration appears most concerned with hindering China's ability to spread its global AI footprint than with any other possible consideration.

Ultimately, the Arab Gulf states' rush for AI technology demonstrates an awareness of the emerging industry and the ongoing efforts to make headway in it. The focal point that AI has become in the national strategies of these

countries is proof of this, as well as a clear acknowledgement that establishing themselves as centers for AI infrastructure and development will only continue to grow in importance in the coming years. If some of the United States' recent actions and policies are any indication, the region has the potential to evolve into one of the world's main battlegrounds for AI clout, and it remains to be seen how major actors such as the U.S. and China navigate this moving forward.