



AI Is The New Oil

How GCC Capital is Redefining
the Global Power Map

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EXECUTIVE SUMMARY



USD 2 tn

Total MENA AI
& Tech Investment

USD 98.3 bn

Saudi + UAE Combined
AI Investment

USD 5 tn

MENA Sovereign
Wealth Fund Assets

USD 320 bn

Projected GDP
Impact by 2030



Strategic Context & Analysis

The GCC's transition from oil dependency to AI leadership represents the most significant economic transformation in modern Middle Eastern history. This USD 2 tn commitment isn't merely about technology adoption—it's a calculated geopolitical strategy to secure relevance in a post-carbon economy.

What makes this transformation unique is the speed and scale. While Western economies debate AI regulation and China focuses on domestic control, the Gulf states are leveraging their sovereign wealth advantage to become neutral AI Switzerland—offering infrastructure, capital, and strategic partnerships without the regulatory constraints of other major markets.



Key Insight:

The USD 5 tn in sovereign wealth fund assets provides the GCC with a unique advantage—patient capital that can sustain long-term AI investments without quarterly profit pressures or political election cycles.





The Great Convergence: From Oil Wells to AI Factories

The Gulf Cooperation Council's unprecedented USD 2 tn commitment to AI, semiconductors, and advanced technology represents more than economic diversification—it is a fundamental reshaping of global power dynamics. Where oil once determined geopolitical influence, artificial intelligence now emerges as the new strategic commodity.



Investment Highlights by Country

Country	2025 AI Investment	Key Initiatives	Strategic Focus
Saudi Arabia	USD 37.5 bn	HUMAIN (USD 33 bn), NVIDIA partnerships	Sovereign AI Infrastructure
UAE	USD 60.8 bn	Stargate (USD 40 bn), MGX, G42	Commercial AI Hub
Qatar	USD 2.5 bn	AI incentive package	Workforce Development



Key Takeaway

The combined Saudi-UAE investment of USD 98.3 bn creates the world's third-largest AI investment hub, challenging the US-China duopoly and establishing the Gulf as the critical swing player in global AI development.



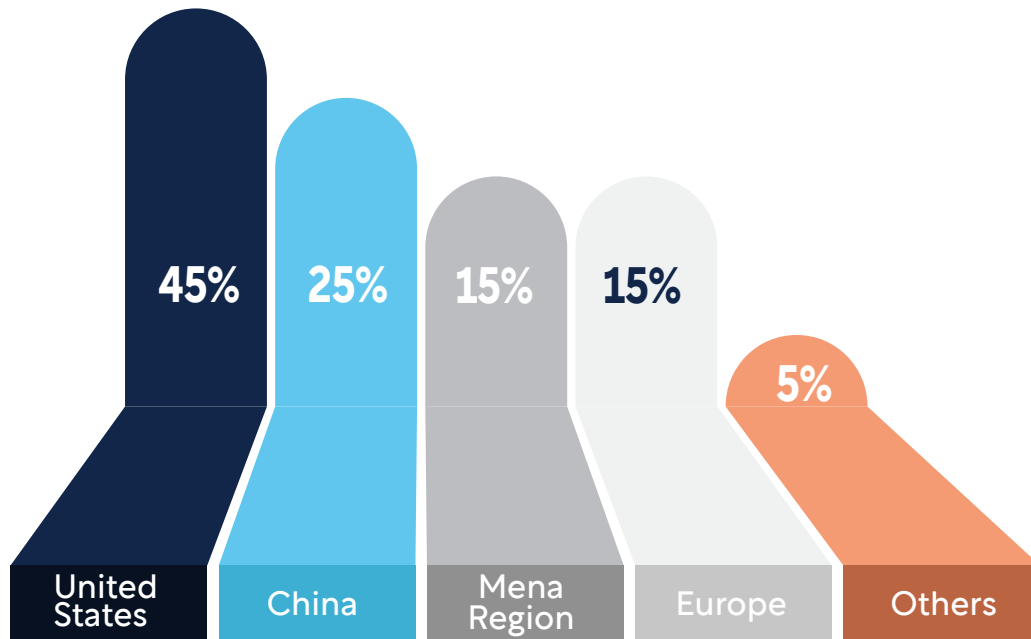
MARKET OVERVIEW





Global AI Investment Landscape

Global AI Investment Distribution



Market Dynamics & Positioning

The global AI investment landscape is experiencing a fundamental shift. While the US maintains its 45% market share through private sector innovation and China holds 25% via state-directed development, the MENA region's rapid 15% capture represents a third model: sovereign wealth-driven AI development.

This positioning is strategically brilliant. Unlike the US model (subject to market volatility and political cycles) or the Chinese model (constrained by geopolitical tensions), the Gulf model offers stability, neutrality, and patient capital—making it attractive to global partners seeking reliable, long-term collaboration.

Strategic Advantage: The MENA region is becoming the "AI Switzerland"—geopolitically neutral, financially stable, and strategically positioned between East and West.

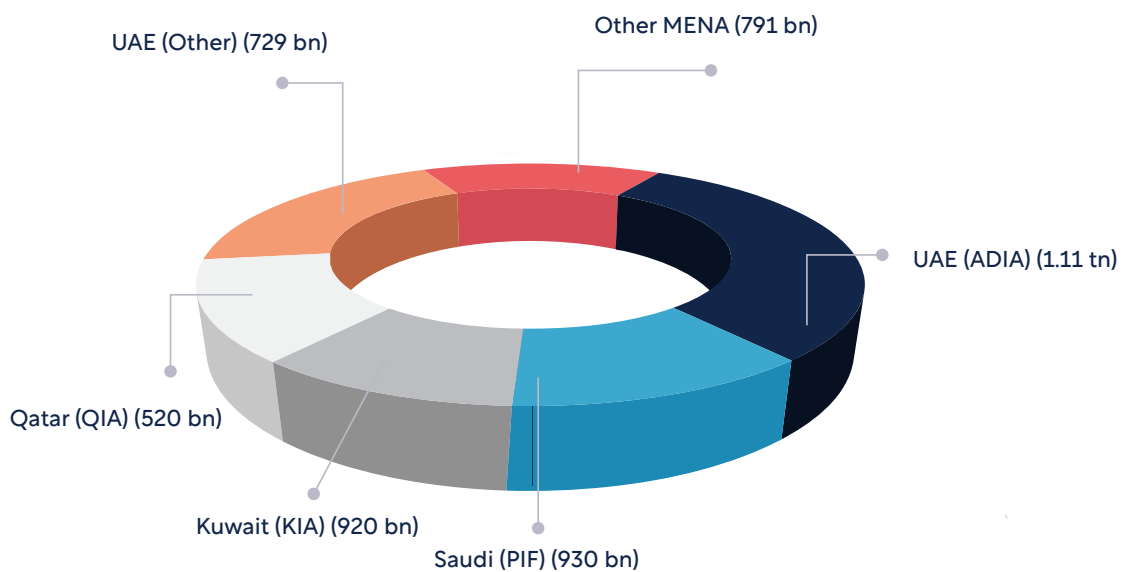




MENA's USD 5 tn Sovereign Wealth Fund Advantage

The MENA region controls USD 5 tn in sovereign wealth fund assets—38% of the global total. This unprecedented capital concentration enables rapid AI deployment while Western markets face regulatory constraints and funding cycles.

MENA Sovereign Wealth Fund Assets (USD 5 tn Total)



Sovereign Wealth Fund Strategy

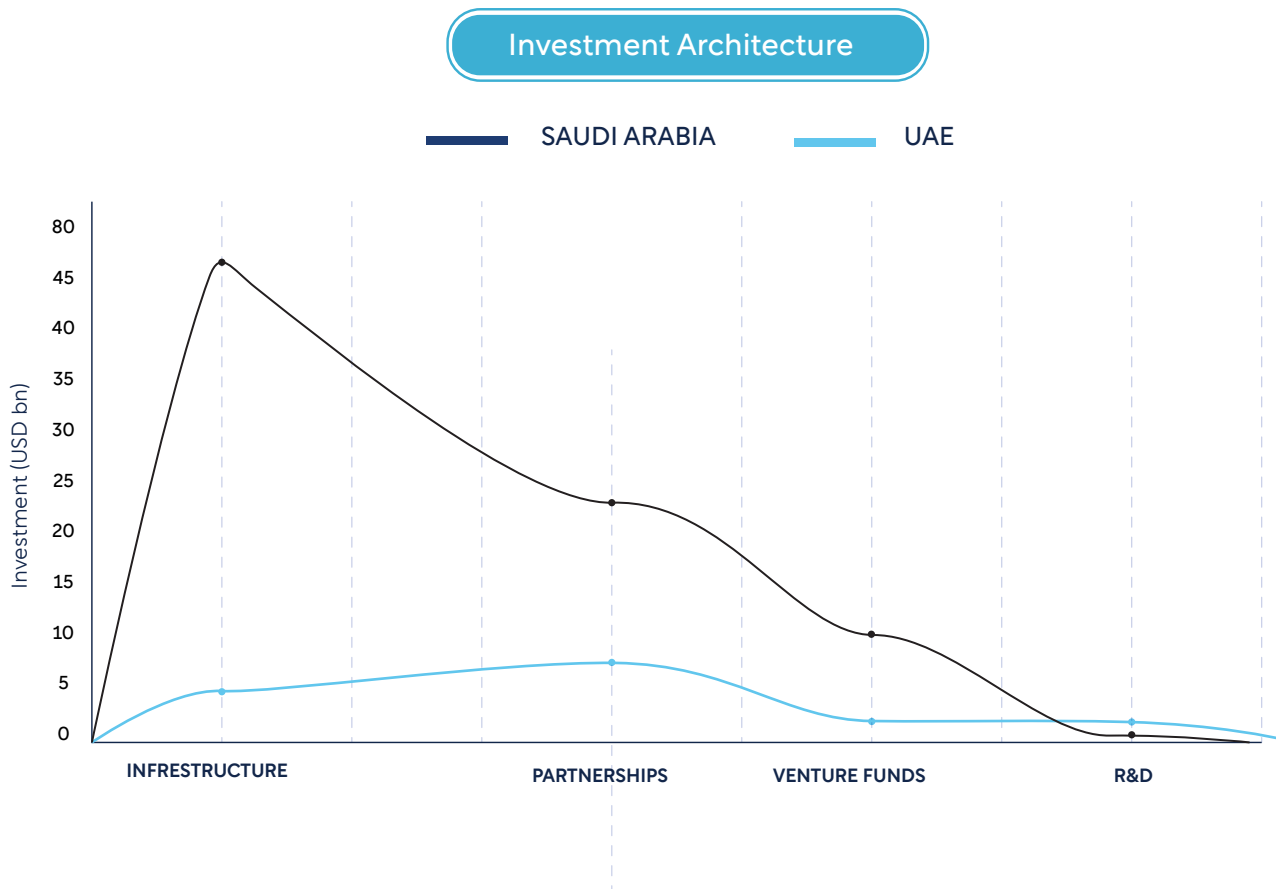
The distribution of the USD 5 tn across different funds reveals sophisticated strategic planning. UAE's ADIA (USD 1.11 tn) focuses on global diversification and risk management, while Saudi's PIF (USD 930 bn) concentrates on domestic transformation and Vision 2030 goals.

This complementary approach creates a comprehensive ecosystem: UAE provides global connectivity and commercial expertise, while Saudi Arabia offers scale, sovereign control, and strategic depth. Together, they form a formidable AI development powerhouse.



INVESTMENT ANALYSIS





Investment Strategy Analysis

The investment architecture reveals fundamentally different but complementary strategies. Saudi Arabia's approach is heavily weighted toward partnerships (USD 23 bn) and venture capital (USD 10 bn), reflecting a strategy to build ecosystem relationships and acquire global expertise through collaboration.

Conversely, UAE's massive infrastructure investment (USD 47 bn) demonstrates a commitment to becoming the physical backbone of regional AI development. This creates natural interdependencies: Saudi partnerships generate demand for UAE's infrastructure capabilities.

Strategic Synergy: Saudi Arabia is building the ecosystem (partnerships + talent), while UAE is building the infrastructure (compute + connectivity). Together, they create a complete AI value chain.



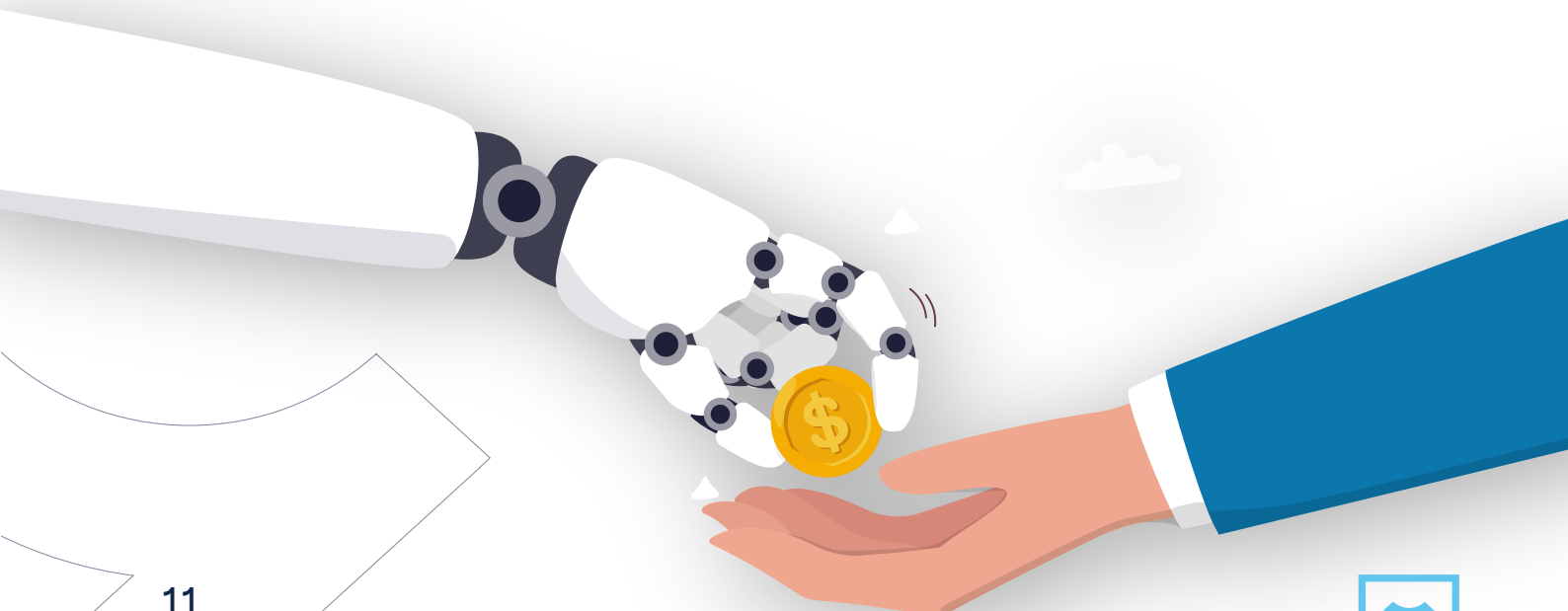
Saudi Arabia		UAE	
HUMAIN Strategic Partnerships	USD 23.0 bn	Stargate NVIDIA Project	USD 40.0 bn
HUMAIN Venture Fund	USD 10.0 bn	MGX AI Supercomputing	USD 7.0 bn
AI Infrastructure & Data Centers	USD 3.0 bn	OpenAI Partnership	USD 6.6 bn
NEOM Smart City AI	USD 1.0 bn	G42 AI Platform	USD 1.5 bn



Risk Assessment & Mitigation

Both countries have adopted sophisticated risk management approaches. Saudi Arabia's diversified partnership strategy reduces dependency on any single technology provider, while UAE's infrastructure-first approach creates durable competitive advantages that aren't easily replicated.

The geographic and political stability of the Gulf region, combined with strong rule of law and business-friendly regulatory environments, provides additional risk mitigation that many global AI companies find attractive compared to more volatile markets.



AI INVESTMENTS





Saudi Arabia vs UAE: AI Investment Comparison

SA Saudi Arabia AI Investments

Key Strategic Partners

NVIDIA **Microsoft** **Huawei**
Zhipu AI **Google**

Strategic Focus:

Sovereign AI development, Arabic language models, domestic capability building

AE UAE AI Investments

Key Strategic Partners

NVIDIA **AWS** **OpenAI**
G42 **Masdar**

Strategic Focus:

Commercial AI hub, global trading platform, AI as a Service exports



Partnership Strategy Deep Dive

The partnership portfolios reveal distinct strategic philosophies. Saudi Arabia's inclusion of both Western (NVIDIA, Microsoft, Google) and Eastern (Huawei, Zhipu AI) partners demonstrates a commitment to technological neutrality and sovereignty—ensuring no single geopolitical bloc can constrain its AI development.

UAE's partnership strategy focuses on commercial excellence and global reach. The OpenAI alliance positions UAE as the primary commercial deployment partner, while G42 provides regional AI expertise. This creates a powerful commercial AI ecosystem designed for global market penetration.

Cultural Intelligence: Saudi Arabia's focus on Arabic language models addresses a 400+ mn person market that has been underserved by existing AI systems, creating both commercial opportunity and cultural sovereignty.



Combined Regional Impact

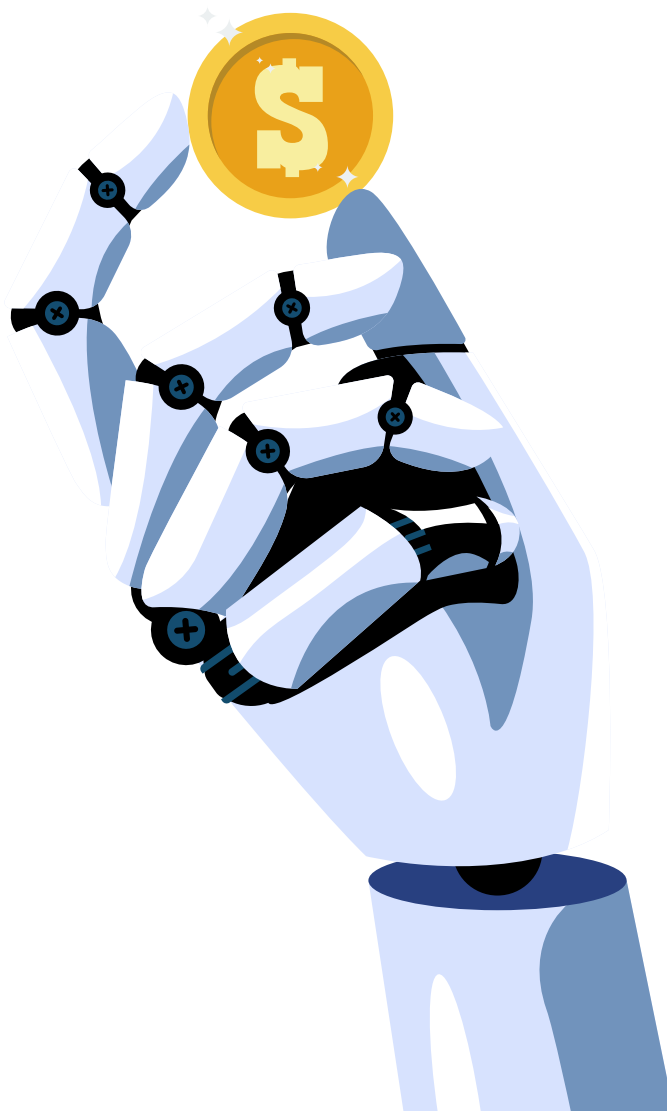
Together, Saudi Arabia (USD 37.5 bn) and UAE (USD 60.8 bn) represent USD 98.3 bn in committed AI investments - creating the world's third-largest AI investment hub after the US and China.



Competitive Advantage Analysis

Saudi Arabia's sovereign focus creates long-term strategic depth and control, essential for Vision 2030's economic transformation goals. The USD 33 bn HUMAIN initiative isn't just an investment—it's a declaration of technological independence and regional AI leadership.

UAE's commercial focus leverages its traditional role as a regional trading hub, now extended to AI services. The Stargate project's USD 40 bn investment creates infrastructure that can serve not just UAE but the entire region, establishing UAE as the essential AI gateway to MENA markets.



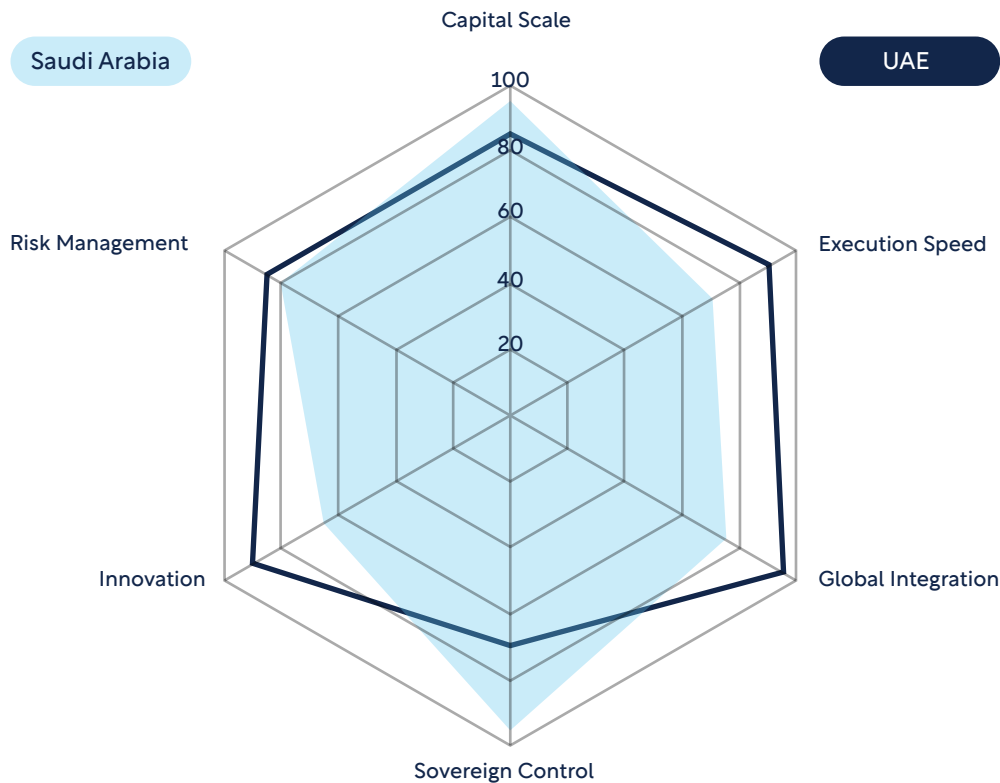
COUNTRY COMPARISON





Strategic Positioning Analysis

Competitive Positioning Matrix



Radar Chart Analysis

The competitive positioning matrix reveals complementary strengths rather than direct competition. Saudi Arabia's high scores in Capital Scale (95) and Sovereign Control (95) reflect its massive financial resources and strategic autonomy, while lower Execution Speed (70) indicates a more deliberate, long-term approach.

UAE's profile shows exceptional Execution Speed (90), Global Integration (95), and Innovation (90), reflecting its business-oriented approach and established international networks. The slightly lower Capital Scale (85) and Sovereign Control (70) scores indicate a more collaborative, partnership-driven model.

Strategic Complementarity: Rather than competing, these profiles suggest natural partnership opportunities where Saudi capital and sovereignty combine with UAE execution and global reach.



Country	Saudi Arabia	UAE	Strategic Advantage
Total AI Investment	USD 37.5 bn committed	USD 60.8 bn committed	UAE leads in absolute terms
Investment Model	Centralized (PIF-led)	Diversified (Multi-fund)	Complementary approaches
AI Strategy	Sovereign capabilities	Commercial services	Full value chain coverage
Projected 2030 GDP Impact	USD 135.2 bn (12.4% of GDP)	USD 96.0 bn (14% of GDP)	Both exceed global benchmarks

GDP Impact Analysis

The projected GDP impacts reveal the transformative scale of these investments. Saudi Arabia's USD 135.2 bn impact (12.4% of GDP) represents the largest absolute economic transformation, while UAE's 14% of GDP impact shows higher economic efficiency per dollar invested.

Both percentages significantly exceed global AI GDP contribution benchmarks (typically 3-7%), indicating that the Gulf states are positioning themselves for disproportionate benefits from the global AI economy. This suggests successful capture of AI value chains rather than mere participation.

Strategic Implication

These GDP impact projections suggest both countries will become significantly more AI-dependent than traditional technology hubs, creating both opportunities and risks that will require careful management.



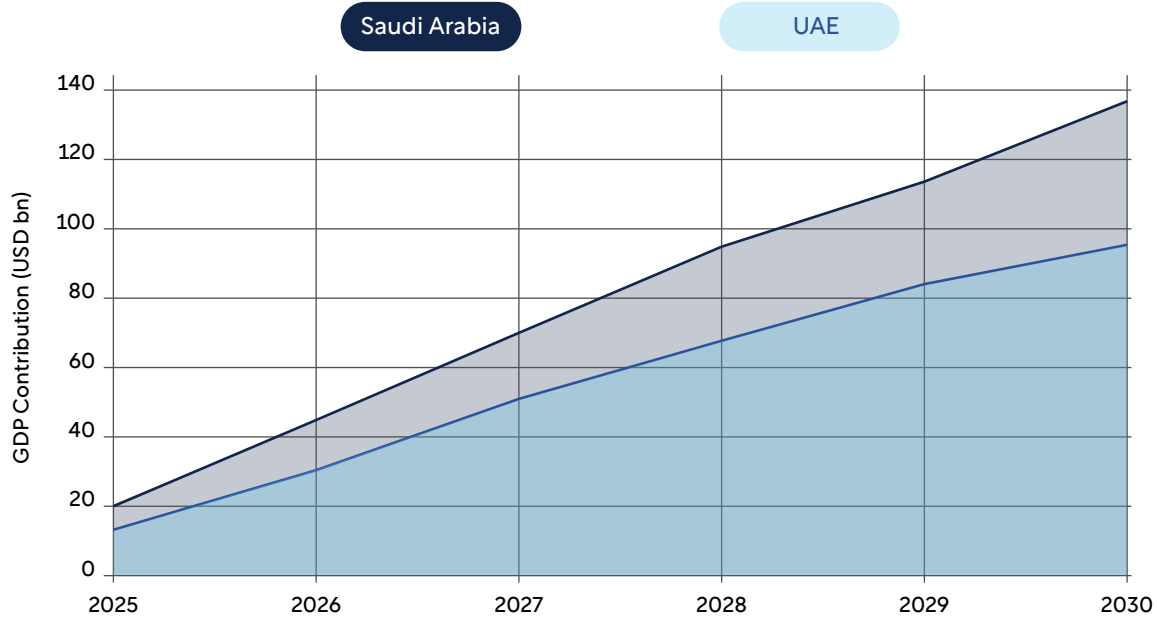
ECONOMIC IMPACT





Economic Impact & GDP Transformation

AI Contribution to GDP Projection (2025-2030)



Growth Trajectory Analysis

The GDP contribution trajectories reveal different growth patterns that reflect each country's strategic approach. Saudi Arabia's steeper curve (20 to 135.2 bn) demonstrates the compound effects of large-scale, coordinated investment programs, with significant acceleration expected after 2027 as infrastructure and partnerships mature.

UAE's more linear but consistent growth (15 to 96 bn) reflects a more incremental, market-driven approach that reduces volatility but may sacrifice some upside potential. This steadier trajectory suggests lower implementation risk and more predictable returns.

Risk-Return Profile: Saudi Arabia's approach offers higher potential returns but with greater execution risk, while UAE's approach provides more predictable outcomes with established commercial validation.



460K

Total Jobs
Created by 2030

20-34%

Annual Regional
Growth Rate

USD 320 bn

Combined
GDP Impact

43%

Average CAGR
(2025-2030)



Employment & Workforce Transformation

The 460,000 projected jobs represent more than employment creation—they signal a fundamental shift in regional human capital. These aren't traditional oil industry jobs but high-skill positions in AI development, data science, robotics, and digital infrastructure management.

The 20-34% annual growth rate in AI-related employment far exceeds population growth, indicating massive productivity gains per worker. This suggests successful transition from labor-intensive oil economy to knowledge-intensive AI economy, with implications for education, immigration, and social policy.

Workforce Challenge

Achieving these employment targets will require massive retraining programs and likely significant immigration of technical talent, representing both an opportunity and a social transformation challenge.



Transformation Velocity

The MENA region's AI adoption rate (20-34% annually) significantly exceeds global averages (12-15%). This acceleration is driven by sovereign capital availability, concentrated decision-making, and strategic necessity for economic diversification.



Global Competitive Context

The 43% average CAGR significantly outpaces established AI markets (US: 15% - China: 25% EU: 12%), indicating the Gulf states are capturing market share rather than just participating in market growth. This suggests successful execution of a "fast follower" strategy with superior resource deployment.

The USD 320 bn combined GDP impact by 2030 would make the Saudi-UAE AI economy comparable to entire national economies like Ireland or Chile, demonstrating the scale of economic transformation being achieved through strategic focus and capital deployment.



CONCLUSION





Strategic Conclusions & Investment Thesis

Executive Assessment

The data reveals a sophisticated geopolitical strategy disguised as economic diversification. Both Saudi Arabia and UAE are executing complementary approaches to capture maximum value from the global AI transformation, with each country playing to its strategic strengths while covering the other's weaknesses.

Rather than direct competition, we observe strategic coordination that creates a regional AI ecosystem more comprehensive and resilient than either country could achieve independently. This represents a masterclass in small-state strategy leveraging sovereign wealth for geopolitical positioning.

Meta-Strategic Insight: The real winner isn't Saudi Arabia or UAE individually, but the Gulf region's emergence as a critical swing player in global AI governance and development—a position that will generate outsized influence relative to population or traditional economic metrics.

The Verdict: A Subtle but Decisive Shift in Leadership

While both Saudi Arabia and the UAE are making transformative investments, the data reveals a nuanced competitive dynamic. Saudi Arabia demonstrates raw financial commitment and strategic coherence, while the UAE shows superior execution speed and global integration capabilities. The true winner emerges not from direct competition, but from their complementary approaches creating the world's most comprehensive AI ecosystem.



Conclusion

Saudi Arabia: The Sovereign AI Powerhouse

Investment Scale: USD 37.5 bn committed
Strategic Focus: Building AI sovereignty
Competitive Edge: Centralized capital deployment
2030 Position: Regional AI infrastructure leader

UAE: The Global AI Gateway

Investment Scale: USD 60.8 bn committed
Strategic Focus: Global AI trading hub
Competitive Edge: Execution speed
2030 Position: 21st globally in AI exports



Historical Parallel & Future Implications

This transformation mirrors the oil boom of the 1970s but with critical differences: AI infrastructure is more defensible than oil wells, creates network effects rather than depletion curves, and generates cumulative rather than extractive value. The Gulf states are applying lessons from oil wealth management to create more sustainable economic foundations.

The geopolitical implications extend beyond economics. Control of AI infrastructure creates influence over global digital flows, data sovereignty, and technological standards—potentially more valuable than traditional energy control in determining 21st-century power dynamics.

FROM HYDROCARBON DEPENDENCY TO AI LEADERSHIP

"Yesterday's oil wells ► Today's data centers"

"Yesterday's pipelines ► Today's fiber networks"

"Yesterday's refineries ► Today's AI factories"





Investment Thesis & Recommendations

For global investors and policymakers, the Gulf AI transformation presents both opportunities and challenges. The region offers stability, capital depth, and strategic positioning that traditional tech hubs cannot match, but success requires understanding the unique dynamics of sovereign wealth-driven development.

The key insight for global stakeholders: engagement with Gulf AI development should focus on partnership rather than competition. The region's neutral positioning and capital availability make it an ideal partner for technology companies seeking stable, long-term development platforms outside of US-China tensions.

Strategic Recommendation

Global technology companies should establish meaningful presence in both Saudi Arabia (for sovereign partnerships) and UAE (for commercial scaling) to access this USD 98.3 bn market while it's still forming its long-term alliance structures.

Final Assessment: The MENA region's AI transformation represents the most significant wealth creation opportunity since the oil boom of the 1970s. Both Saudi Arabia and the UAE are positioning themselves as the Switzerland of AI—neutral, strategic, and indispensable to global technology flows. The winner is not one country, but the entire region's emergence as the third pillar of global AI leadership.





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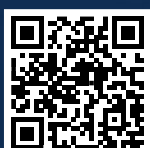
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