"AI, geopolitics and the Mena opportunity", Op-ed in Arabian Gulf Business Insight (AGBI), 27 Feb 2025

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AI, geopolitics and the Mena opportunity

DeepSeek's emergence has spotlighted the GCC's role in hosting green AI infrastructure

The surprise arrival of Chinese LLM startup DeepSeek roiled global markets, wiping billions from US chipmaker Nvidia's market cap and slashing global tech stocks.

DeepSeek's breakthrough highlights China's rapid innovation capabilities, as well as Washington's struggle to contain Beijing's rise, particularly in AI and quantum computing.

The Chinese tech firm's emergence is attributable to its open source, cost-effective AI models, which operate with significantly lower costs and data requirements than existing models. Since DeepSeek entered into the market, global tech firms have announced even higher spending on AI infrastructure and accelerated deployment.

However, financial sustainability remains a question. There is also a long way to go to reach human-level intelligence levels or Artificial General Intelligence (AGI).

DeepSeek has challenged the belief that advanced chip hardware is necessary for better AI. This raises hope for less advanced countries to catch up in the AI race, particularly against the backdrop of greater geopolitical fragmentation and increased protectionism.

As it becomes easier and cheaper to adopt new technology this will increase the ubiquitousness of AI-based applications and services.

AI is a general-purpose technology that promises to be transformational. Its wide applicability will increase economic efficiency and reshape innovation and R&D processes, while complementing other innovations — such as in quantum computing, generative biology and robotics — leading to an upward shift in total factor productivity.

In the early 2020s, initial expectations assumed that AI tools would primarily benefit lower-skilled workers by enhancing efficiency (for example, assisting new customer support employees). However, research has since warned that AI could exacerbate socio-economic disparities.

The International Labour Organisation estimates that 75 million jobs worldwide (or 2.3 percent of global employment) are at risk of automation due to high exposure to generative AI (GenAI) technology, with the risk rising to 5.1 percent in high-income countries.

Nobel Laureates Daron Acemoglu and Simon Johnson caution that decisions regarding powerful automation tools should not be left solely to a small group of entrepreneurs and engineers, as this could deepen income and wealth inequality.

They advocate for AI policies that prioritise worker interests

to prevent widespread job displacement and unemployment.

Where does the Middle East stand?

As GenAI technology becomes more mainstream, its growing adoption calls for more data centres, increased electricity consumption and higher carbon emissions.

AI is highly carbon-intensive, with ChatGPT alone generating over 260 tonnes of CO_2 emissions per month. This presents a significant sustainability challenge for tech firms and governments.

However, the GCC offers a solution: renewable energy powered data centres.

Moro Hub, a subsidiary of Digital Dewa, operates a data centre entirely powered by renewable energy (in partnership with Masdar and Acwa Power). With abundant and cost-effective renewable energy, the GCC has a strategic advantage in becoming a global hub for sustainable data centres.

Within the next five years, renewables could account for 30 percent of the region's total energy capacity, supporting the expansion of "green" data centres.

The GCC had $3.1 billion worth of data centre projects in progress, as of November 2024, with the UAE and Saudi Arabia leading investments in this sector.

Recent partnerships with Europe, China, and the US to develop AI capacity have cemented the ambition of the region to become a prominent player in the sector.

For example the UAE plans to invest EUR 30-50 billion in building a mammoth AI data centre in France. The project is backed by a consortium of French and Emirati investors, including MGX, a major Abu Dhabi government-backed investor.

MGX is also a core stakeholder in OpenAI's Stargate project,

which aims to invest $500 billion in AI infrastructure over the next four years.

The successful adoption of AI and digital technologies requires both hard and soft infrastructure.

This includes electrification, digitalisation infrastructure, supportive policies, R&D investments, STEM education, workforce reskilling, an enabling regulatory environment, and adaptable legal frameworks.

There remains a wide technology divide between the GCC and other Mena countries, which face challenges such as a shortage of AI talent, digital illiteracy, underdeveloped infrastructure, and limited R&D investment.

While AI has the potential to be transformative, it also risks deepening inequalities due to the region's disparities in digitalisation and AI preparedness.

As the GCC emerges as a leader in AI, it should prioritise technology sharing and capacity building across the region through investment, digital infrastructure integration, and inclusion in foreign aid programmes.

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COVID-19: Good can also come

out of a global scourge, Article in Gulf News, 16 Apr 2020

Dr. Nasser Saidi's op-ed titled "COVID-19: Good can also come out of a global scourge" was published in Gulf News on 16th April 2020, and is posted below.
Link to the original article is [here](). An edited version was also published in [Al Khaleej Today]().

COVID-19: Good can also come out of a global scourge

If we take in right lessons from COVID-19, everyone can benefit from its outcomes

As we speak, COVID-19, the grim reaper, is rampaging through the US (home to the largest number of confirmed cases) and Europe (with Italy and Spain leading the pack), with some sharp increases in the Middle East (Iran accounts for the substantial number of cases).
COVID-19 is still unfolding: many countries in Africa and Latin America with poor public health systems and nutrition are major risk areas with limited capability to counter the pandemic. The contagion and fatality rate does not spare any socio-demographic group, country or community.
It is a Global Health Crisis (GHC).
Increasingly, a strategy of suppression (slowly being embraced by many nations) that includes social distancing, closure of public venues, educational institutions, closure of nonessential businesses, was extended to a public shutdown, lockup and quarantine of entire towns, cities, regions and countries.
The "stay at home" effect has resulted in a deep contraction of economic and social activity, a concomitant sharp increase in unemployment (the US has seen an exponential increase in unemployment benefits claimants), a cratering of oil prices,

and a collapse of financial markets as investors flee to the safety of investment-grade government bonds.
The forecasts are for a deep recession, if not a depression on the scale of the 1930s.

Beyond the doom

As we pore over the COVID-19 map first thing in the morning for the latest updates, there seems little we can do other than "stay home and stay safe". Is there any silver lining to this doom-and gloom outlook?
The shining one has been on the environment with cleaner air and water and lower pollution levels. The stay-at-home effect has led to a sharp drop in road and air travel and in overall economic activity leading to lower pollution levels. Lower levels of airborne micro-pollutants result not only in lower pollution levels, but help fight COVID-19, especially for people with pulmonary vulnerabilities.

Back to old polluting ways

Could the COVID-19 induced reduction in pollution offer hope to climate change activists? There are two paths. In the short-run, the stay-at-home effect is likely to be temporary.
Crises and disasters (SARS, 9/11, the 2008 Great Financial Crisis) are associated with dips in carbon emissions, with a 1.5 per cent decline in output associated with a 1.2 per cent drop in CO2. Emissions pick up again, typically with a vengeance, once activity recovers.
The unprecedented stimulus packages and bailouts will aggravate emissions, as they target polluting activities, including heavy industry, construction, energy, the automotive sector and airlines. It is estimated that following the global financial crisis in 2008-09, carbon emissions increased by 5.9 per cent as a result of policy stimulus.
Additionally, on the road to recovery, governments will favour reviving economies by lowering pollution standards; the US is weakening auto emission standards and China is considering relaxing car-pollution rules.
Once businesses open post-lockdown, renewable energy or energy efficiency targets are unlikely to be their top priority. The

ongoing plunge in oil prices isn't likely to help either: lower oil prices will encourage greater consumption of fossil fuels and lower investment in renewable energy.

Cheaper energy reduces the appeal of cleaner, more efficient cars, homes, offices and factories. Moreover, the shutdown in China may also stall production of clean energy technologies, such as solar panels and wind turbines.

The alternates

Beyond the short-run, the other path points to a different post-COVID-19 world. COVID-19 has been traumatic; it changes our Weltanschauung. It will induce a permanent, behavioural shift in economic and social choices and politics.

People, consumers and businesses will increasingly adopt telecommuting, remote learning, online shopping and e-commerce, practice social distancing and reduce travel. Businesses will re-engineer their processes, discover that remote working can be as cost-efficient, reduce their demand for workspace and business travel and transform themselves through investment in digital technologies.

These shifts will be transformational, changing the economic and social fabric. Climate change and pandemics have burst the illusion of humans living in a virtual, globalized world, oblivious of their habitat. So what lies on the near horizon post-GHC?

* The GHC is a "Global Public Bad" that should be countered by investing in "Global Public Good" — investment in global public health systems and aid to vulnerable developing countries. National public health systems will be scrutinised. Are healthcare professionals, hospitals and supporting infrastructure prepared for epidemics and pandemics?

* COVID-19 will confirm the global geo-economic and geopolitical shift to China and East Asia and a questioning of Western governance frameworks and their ability to confront crises. Will this herald a shift to more authoritarian regimes?

* Food security will become a priority: global pandemics disrupt supply chains. Food import-dependent countries will shift to greater domestic food supply.

* Digital utilities and rise of AI, Alphabet, Facebook,

Google, Zoom, Alibaba, TaoBao and other platforms have become essential utilities in everyday life. What regulatory regimes should be established? Will we trade-off loss of privacy for greater safety?

The pandemic is proof of our vulnerability to our environment, and will lead to a reconfirmation of COP commitments to combat climate change by investing in non-polluting renewable energy and clean technology. A cleaner environment helps mitigate the risks of epidemics and pandemics.

There is a silver lining to COVID-19.