

# newsletter

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Your monthly update  
on tech innovation  
and investment  
across UAE & GCC.



January 2026 opened with a clear signal across the UAE and GCC: the region is moving beyond AI experimentation into large-scale infrastructure deployment, sovereign investment strategies, and technology-led economic transformation.



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## UAE Accelerates Toward Global AI Infrastructure Leadership

Major investments announced and under development are positioning the country as a leading destination for hyperscale computing, sovereign cloud infrastructure, and AI-driven economic growth.

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## GCC Startup Investment Rebounds as Investors Focus on Scalable Technologies

January 2026 marked a strong start for the GCC startup ecosystem, with funding activity showing renewed momentum after a more cautious investment environment in previous periods.

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## AI Infrastructure Becomes the New Strategic Asset

Governments and investors are shifting capital toward data centers, cloud platforms, AI compute clusters, and semiconductor ecosystems.

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## Sovereign Wealth Funds Expand Technology Influence

Regional sovereign wealth funds are playing a larger role in global technology investment, providing long-term capital for AI infrastructure, private markets, and strategic technology partnerships.



## Expert Insight

AI is now both a powerhouse of productivity and a source of fresh economic tension.

# UAE Accelerates Toward Global AI Infrastructure Leadership



## WHY IT MATTERS

- **AI infrastructure is becoming a strategic national asset.**
- **The UAE is evolving from technology adopter to technology exporter.**
- **New investment opportunities are emerging across cloud, cybersecurity, semiconductor supply chains, and digital services.**
- **International capital is increasingly viewing the GCC as a core growth market rather than an emerging opportunity.**

The UAE entered 2026 with one of the world's most ambitious artificial intelligence infrastructure agendas.

Major investments announced and under development are positioning the country as a leading destination for hyperscale computing, sovereign cloud infrastructure, and AI-driven economic growth. Research released in early 2026 indicates that the UAE already leads the GCC in operational data-center capacity and continues to attract significant international technology investment.

Among the most significant projects is the development of large-scale AI compute infrastructure linked to the Stargate UAE initiative in Abu Dhabi. The first operational phase is expected to support advanced AI workloads and strengthen the UAE's position within the global AI ecosystem.

Technology giants continue to deepen their commitments to the UAE market. Microsoft expanded its long-term investment plans, contributing to a broader ecosystem involving cloud services, AI research, advanced computing capacity, and regional digital transformation initiatives.

Industry analysts forecast that AI infrastructure investments across the GCC will exceed tens of billions of dollars over the coming years, with the UAE serving as a central hub for deployment and innovation. The combination of government support, regulatory clarity, access to energy resources, and international partnerships has created a favorable environment for long-term technology investments.

# GCC Startup Investment Rebounds as Investors Focus on Scalable Technologies

Written by T&I News Staff Correspondent

January 2026 marked a strong start for the GCC startup ecosystem, with funding activity showing renewed momentum after a more cautious investment environment in previous periods.

Regional reports indicate that startups across the GCC secured more than USD 560 million during January, with the UAE leading investment activity across fintech, proptech, enterprise software, and AI-enabled solutions.

Unlike previous cycles characterized by aggressive growth strategies, investors are increasingly prioritizing sustainable business models, revenue generation, and enterprise adoption. AI-native companies are attracting particular attention due to their ability to scale rapidly with lean operating structures.

Government initiatives across the UAE and Saudi Arabia continue to strengthen entrepreneurial ecosystems through accelerator programs, venture capital participation, and innovation-friendly regulations. These efforts are helping create an environment where startups can access capital while building globally competitive products.

Technology sectors attracting the highest investor interest include:

- Artificial Intelligence
- Fintech
- Enterprise SaaS
- Digital Infrastructure
- Climate Technology
- Deep Technology Applications

## Investor Perspective

The market is increasingly rewarding companies capable of solving enterprise challenges through AI, automation, and data-driven solutions rather than consumer-growth models alone. This shift reflects a maturing startup ecosystem across the GCC.

*“AI-native companies are attracting particular attention due to their ability to scale rapidly with lean operating structures”*



# AI at the Helm of Global Growth: The World Economy in 2026

Written by [Erol User](#) - Thought Leader & Speaker

In 2026, artificial intelligence has shifted from technological curiosity to economic cornerstone — reshaping industries, labor markets, and national strategies. Long predicted as the next engine of growth, AI is now both a powerhouse of productivity and a source of fresh economic tension. Across boardrooms and public policy circles, leaders are grappling with its promise and peril, as investment surges, workforces adapt, and societies confront deep structural questions.

**A New Growth Engine — and a Double-Edged One**  
Economists and business leaders increasingly agree that AI is a dominant driver of global economic growth this year. Blackstone, the world's largest alternative asset manager, recently declared that AI development stands as the strongest growth driver in the U.S. economy, with extensive infrastructure investment fueling expansion in data centers, semiconductors, and computing capabilities.

PwC research paints a broader picture: widespread adoption of AI technologies could add up to 15 percentage points to global GDP by 2035, equivalent to a structural lift of growth akin to previous industrial revolutions. Productivity gains — from automation in manufacturing to AI-powered insights in services — are expected to ripple through the economy, increasing output and competitiveness across sectors. Yet this surge carries paradoxes. Analysts warn of a possible “AI bubble,” where heavy spending and valuations outpace genuine returns.

Some macroeconomists express concern that if AI investments falter or slow, broader economic activity could be jeopardized — a reminder of past booms that led to sharp downturns.

## Corporate Capital Flows and New Competitive Frontiers

The scale of corporate AI investment in 2026 is staggering. In late 2025 and into early 2026, major technology firms such as Alphabet, Meta, Oracle, and Amazon issued a record \$108.7 billion in corporate bonds specifically to finance AI infrastructure, including data centers and energy systems — a clear sign that AI is reshaping corporate finance strategies. Meta's ambitious blueprint exemplifies this trend. The company reported record sales while announcing plans to boost AI-related capital spending to up to \$135 billion in 2026, nearly doubling its investment over the prior year.

Such commitments signal that firms aren't just integrating AI — they are restructuring entire business models around it. Investment booms also extend beyond Silicon Valley. In Scotland, a new £8.2 billion AI growth zone project is turning a regional town into a technology hub, creating thousands of jobs and attracting private and public capital.

**Labour Market Upheaval: Disruption and Opportunity**  
Perhaps the most contentious economic effect of AI in 2026 is its impact on work. The International Monetary Fund's leadership has warned that AI is poised to act like a “tsunami” on labor markets, potentially affecting 60% of jobs in advanced economies — not only in routine tasks but in roles previously considered secure.

At the World Economic Forum's 2026 Davos meeting, similar themes emerged: UAE billionaire Hussain Sajwani cautioned that AI could replace up to 80% of jobs in traditional outsourcing industries — a stark illustration of how automation threatens labor markets that have long depended on human-intensive services.

Yet the picture is nuanced. The World Economic Forum's Future of Jobs Report projects that while AI will displace millions of roles, it will also create new ones — with a potential net increase in employment as new categories of work emerge in data science, AI governance, machine oversight, and roles where human flexibility and judgment remain essential. Researchers also highlight that AI isn't only replacing jobs; it is enhancing productivity for many workers. Early data shows that AI tools already save employees time equivalent to a share of total work hours, boosting aggregate labor productivity.

This disruption accentuates the skills gap. Across industries, employers signal that analytical thinking, adaptability, and digital literacy are among the most sought-after skills. Half of all expected core job competencies are predicted to change in the coming years. Governments and businesses are pushing for retraining programs, and some policymakers are debating concepts such as universal basic income to mitigate displacement risks.

**Geopolitical and National Strategic Dimensions**  
AI's economic role is not confined to firm balance sheets and national GDP figures — it is increasingly geopolitical. Countries such as India are calling for dedicated public AI infrastructure and collaborative frameworks to harness growth while avoiding technological dependency. Meanwhile, nations are competing to build AI ecosystems that attract talent and capital. Turkey, for example, has seen its startup ecosystem expand significantly, with hundreds of AI ventures receiving early-stage funding and increasing global visibility.

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## KEY TRENDS

### **AI Infrastructure Becomes the New Strategic Asset**

Governments and investors are shifting capital toward data centers, cloud platforms, AI compute clusters, and semiconductor ecosystems. The focus has moved beyond AI applications toward the infrastructure required to power them.

### **Sovereign Wealth Funds Expand Technology Influence**

Regional sovereign wealth funds are playing a larger role in global technology investment, providing long-term capital for AI infrastructure, private markets, and strategic technology partnerships.

### **AI-Native Startups Gain Investor Preference**

Investors increasingly favor companies built around AI from inception rather than businesses retrofitting AI into existing products. This trend is expected to shape funding decisions throughout 2026.

### **Technology Partnerships Drive Economic Diplomacy**

The UAE's participation in international semiconductor and AI supply-chain initiatives demonstrates how technology is becoming a central pillar of economic and geopolitical strategy.

## KEY DEALS

### **UAE Joins Strategic AI & Semiconductor Supply Chain Initiative**

The UAE joined the U.S.-led Pax Silica initiative, designed to strengthen AI and semiconductor supply chains among strategic partner nations. The move further integrates the UAE into global technology manufacturing and logistics ecosystems.

#### Strategic Value

- Supply-chain resilience
- Semiconductor ecosystem development
- Enhanced technology cooperation
- Increased foreign investment opportunities

### **AED 880 Million Technology & Defence Agreements Signed at UMEX 2026**

The UAE signed four major contracts worth approximately AED 880 million during UMEX & SimTEX 2026. The agreements cover advanced aircraft, autonomous systems, and unmanned technologies.

#### Strategic Value

- Growth of autonomous technologies
- Expansion of local innovation ecosystems
- Strengthening advanced manufacturing capabilities
- Increased technology transfer opportunities