



**Fueling the Future: How Energy and
Digital Policy Can Align to Realize
Oman's AI Ambition**



FUELING THE FUTURE

Aligning Energy and Digital Policy to Realize Oman's AI Ambition

OMAN'S OPPORTUNITY AT A GLANCE



**11+ GW /
200 MW**
Clean-Power Supply
Potential



RO 106M
AI Special Economic
Zone
Royal Decree 50/2026



**10%
by 2040**
Digital Economy
Contribution to GDP

ONE CONNECTED PATHWAY



CLEAN ENERGY



AI INFRASTRUCTURE



LOCAL VALUE

01

ALIGN POLICY

Energy + Digital + Investment

02

CONNECT POWER & COMPUTE

clean Power + Data Centers

03

CREATE LOCAL VALUE

Talent + Startups + Capabilities

MUTUALLY REINFORCING

THE OUTCOME



**Reliable
Clean Power**



**Scalable AI
Infrastructure**



**Omani Skills
and Enterprise**



A COMPETITIVE AND SUSTAINABLE AI ECOSYSTEM

Oman is in the middle of assembling something genuinely ambitious: a national capability in AI and data infrastructure built, distinctively, on the back of its energy transition rather than in spite of it. Over the past eighteen months, a dedicated Artificial Intelligence Special Economic Zone has been established by royal decree. A tripartite agreement with the International Data Center Authority has launched what is described as the world's first “Digital Triangle” of interconnected AI data center hubs. The national operator has stood up a sovereign cloud and AI centre of excellence, and a new state backed clean energy platform, O-Green, has entered the picture with a re-

newable development portfolio exceeding 11 gigawatts and an explicit target of 200 megawatts of AI-ready data centre capacity by 2028. A national roadmap now targets a tenfold expansion of the digital economy's share of GDP by 2040. Each of these initiatives, on its own, is a credible and well-reasoned policy move. Together, they represent the most concentrated technology-infrastructure push the Sultanate has attempted, and one with a genuinely distinctive premise: that a country's energy endowment, not just its capital or its cloud contracts, can be the foundation of its AI strategy.

THE SCALE OF THE OPPORTUNITY

11+ GW	200 MW by 2028	10% by 2040
Renewable development portfolio	AI-ready data centre capacity	Digital economy contribution to GDP

What this moment calls for is not caution but coordination. A digital-economy ministry, a special-zone authority, a national telecom operator, and a new energy platform are all building toward the same national ambition, and each is moving with real momentum of its own. The opportunity in front of Oman is to align that momentum into a single, legible pathway from vision to delivery. Other countries that have gone through this same phase of AI infrastructure buildout offer a useful guide for what that alignment can look like in practice, and this article draws on their experience to sketch a policy pathway built on collaboration among the entities already at the table.

Oman's Vision 2040 has long identified diversification away from hydrocarbon revenue as a structural imperative, and the digital economy has increasingly been positioned as one of its principal vehicles. The Ministry of Transport, Communications and Information Technology (MTCIT) reports

that the sector contributed roughly RO 800 million to GDP between 2021 and 2025, and the government's 2026 to 2030 Digital Economy Roadmap now targets a 10 percent contribution to GDP by 2040, up from an estimated 2.4 to 2.8 percent today. Within the GCC, Oman currently ranks second behind the UAE and eighteenth globally among fast-growing digital economies, with a digital readiness score that already exceeds Saudi Arabia, Qatar, Kuwait, and Bahrain on the same index. What distinguishes the current period from earlier phases of digital-economy planning is the shift from services digitization toward physical infrastructure: data centers and the AI workloads they are meant to host. Digitizing 2,277 government services, as Oman has done since 2021, is a matter of process re-engineering. Building gigawatt-scale data center capacity is a matter of land, power, water, capital, and years of construction lead time, and it is a credit to Oman's planners that all four are

now being addressed at once rather than
Several initiatives anchor the current push, and each brings a different, complementary strength. The Oman Digital Triangle, signed with the US-based International Data Center Authority (IDCA), is the most ambitious in framing: three geographically distributed, interconnected digital hubs designed to deliver, in IDCA's own description, “gigawatt-scale capacities for data centre builds” along with the connectivity and workforce needed to operate them. The agreement was signed by MTCIT's Eng. Said bin Hamoud al Maawali and Dr. Ali bin Amer al Shaithani on the Omani side, and by IDCA's Chief Digital Hub Development Officer Buddy Rizer, and it is explicitly framed as a green infrastructure play, leaning on Oman's solar and wind resource base as a point of differentiation from more carbon-intensive regional hyperscale buildouts. The AI Special Economic Zone, established under Royal Decree 50/2026 and sited on roughly 104,000 square metres in Seeb near Muscat International Airport, brings a more advanced set of particulars: a projected investment of RO 106 million, or approximately \$275 million, across three phases, with Phase 1 construction slated for the fourth quarter of 2027, Afouq Investment and Development United named as first private operator in partnership with Egypt's Prime Group, reported early-stage discussions with Microsoft and IBM, and planned content ranging from incubators and robotics laboratories to a proposed specialised AI university. Omantel's subsidiary Otech has contributed a third pillar, launching what it describes as the first sovereign cloud platform in the Middle East in February 2026, followed by an AI Centre of Excellence and

one after another.

startup programme in May and a sovereign AI platform developed with DeepAstra in August. A fourth, structurally distinct contribution comes from O-Green, which approaches the same ambition from the power side rather than the compute side. Its flagship Continuous Renewable Energy Project spans Duqm and Mahout at a combined 2.7 gigawatts of solar, wind, and battery storage, engineered to deliver 770 megawatts of firm, dispatchable power, alongside a 58-megawatt wind pilot in Duqm developed with OQ Alternative Energy and the state-owned Naqaa Sustainable Energy that will help decarbonise a wind-turbine manufacturing plant O-Green is building on site. O-Green describes data centres and high-performance computing as “a downstream extension” of its renewable generation business, and that sequencing logic turns out to matter a great deal, as the international examples below make clear. A fifth strand, signed at May 2026's Oman Sustainability Week, sees an Italian-Omani consortium of RINA, Vitali, Forte Secur Group, Corpolgia, and Oman's Ahlam Group advancing a 150-megawatt hyperscale AI data centre under the same low-carbon, Vision 2040-aligned banner. Independent market analysis values Oman's data centre market at approximately \$492 million by 2031, with established players including Equinix, Ooredoo Oman, Oman Data Park, Cloud Acropolis, and DATAMOUNT already active. Taken together, these five vehicles give Oman a genuinely broad base of activity across government, telecom, and energy: precisely the ingredients a coordinated national strategy needs. The next task is to connect them, not to add a sixth.

SEVERAL INITIATIVES ANCHOR THE CURRENT PUSH

Oman Digital Triangle	Three geographically distributed, interconnected digital hubs.
AI Special Economic Zone	RO 106 million · 104,000 m² · Phase 1 in Q4 2027.
Otech	Sovereign cloud platform · AI Centre of Excellence · Startup programme.
O-Green	2.7 GW renewable project · 770 MW firm power · 58 MW wind pilot.
Italian-Omani Consortium	150 MW hyperscale AI data centre.

Other countries that have gone through the same period of rapid AI infrastructure ambition offer a genuinely useful guide, because several of today's most mature data centre markets went through much the same experience: fast initial announcements followed, in time, by a deliberate policy reset. Ireland is perhaps the clearest example. After data centre electricity demand rose from roughly 5 percent of national consumption a decade ago to 23 percent by 2025, prompting a 2021 freeze on new grid connections, regulators chose recalibration over retreat.

The Commission for Regulation of Utilities lifted that freeze in December 2025 with a new framework requiring new data centres to install on-site generation or storage ca-

pable of meeting their full demand, to supply power back to the grid when needed, to source at least 80 percent of annual electricity from new renewable projects, and to report renewable usage and emissions annually. The lesson for Oman is that conditional, rules-based growth, rather than either unconditional approval or a blanket pause, is what let Ireland keep attracting investment while protecting grid stability, and it maps closely onto the power-supply logic O-Green's model already suggests. Singapore offers a complementary lesson in tying capacity growth to efficiency. Its 2019 pause on new data centres gave way, first to a conditional pilot in 2022 that allocated 80 megawatts to operators including Equinix, Microsoft, and GDS, and then to the Green



Data Centre Roadmap in 2024, which is unlocking a further 300 megawatts by requiring facilities to hit a Power Usage Effectiveness of 1.3 or better within ten years, adopt liquid cooling, and raise data hall operating temperatures. Capacity, in other words, is earned through demonstrated efficiency rather than granted by default.

Finland and Sweden illustrate a third model. Rather than relying on government allocation, Nordic data centre growth has been financed largely through long-term power purchase agreements negotiated directly

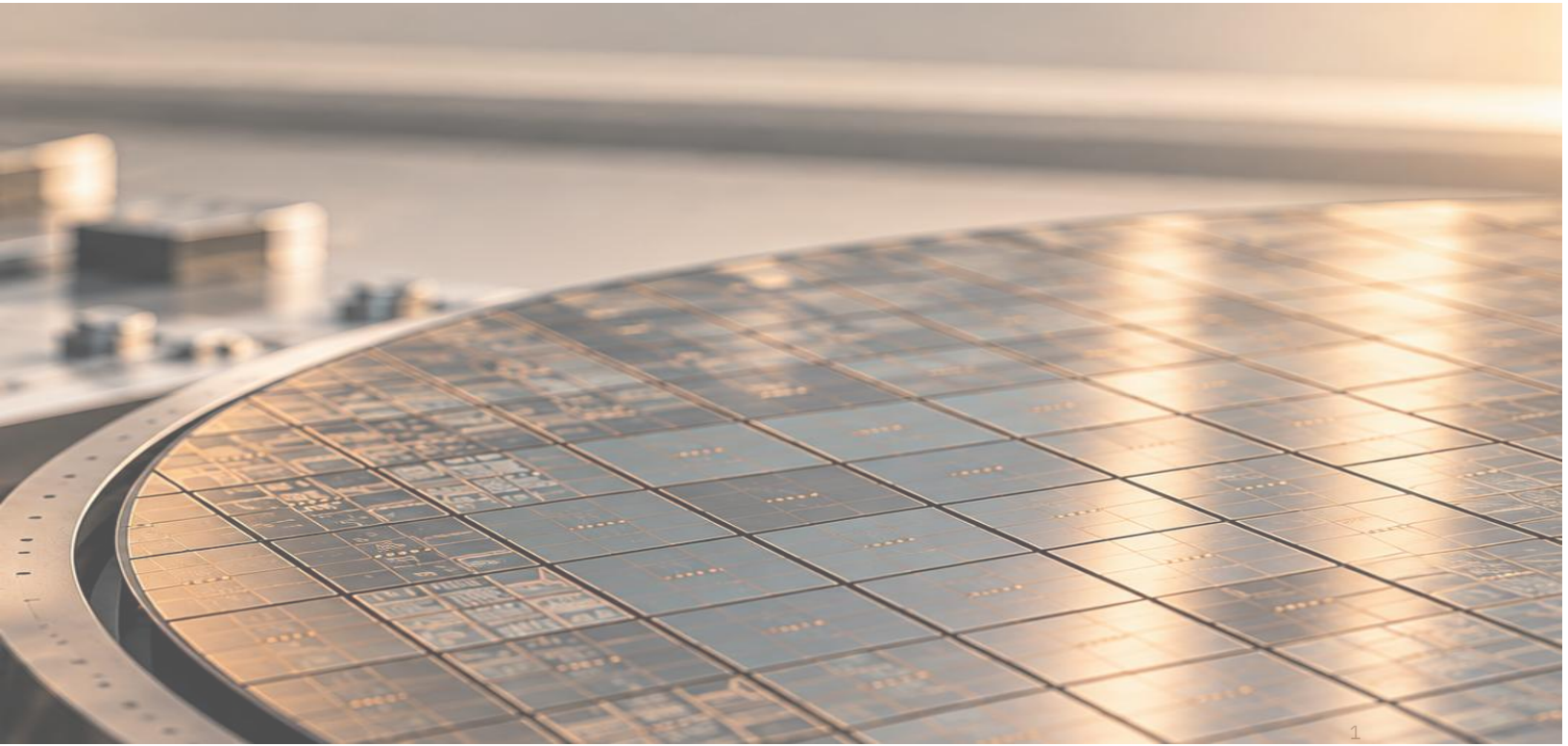
between renewable generators and hyperscale operators. Amazon alone has contracted 746 megawatts of Swedish renewable capacity across four such agreements, and the IT sector now accounts for roughly 3.3 gigawatts of disclosed corporate power purchase capacity across the region. None of these three markets solved the power-compute equation by decree. Each built a structure (conditional connections, efficiency-linked capacity release, or long-term bilateral contracts) that let the market do the sequencing once the rules were clear

LESSONS FROM MATURE DATA CENTRE MARKETS

Market	Policy approach	Evidence in the article
Ireland	Conditional, rules-based growth	Demand 5% → 23%; 80% renewable sourcing requirement
Singapore	Capacity linked to efficiency	80 MW conditional pilot; further 300 MW; PUE 1.3 or better
Finland and Sweden	Long-term bilateral contracts	Amazon 746 MW; 3.3 GW disclosed corporate PPA capacity

Oman's own advantages, meanwhile, are genuine and still only partially leveraged. Its position astride more than twenty international submarine cable systems gives it

a connectivity profile disproportionate to its economic size, linking Asia, Africa, and Europe through Omani landing stations. Government clearance times for major projects,



is way less time , compare favourably with slower-moving regional processes, and tax incentives together with full foreign ownership inside the AI Zone remove two of the more common friction points for hyperscale investors. Most distinctively, Oman's solar and wind resource base, the same endowment underpinning its green hydrogen pipeline, gives it a legitimate answer to a question every hyperscaler now asks: can this facility be powered sustainably, at predictable cost, for the next decade? O-Green's Duqm and Mahout buildout, paired with a domestic wind-turbine manufacturing plant, is the clearest evidence yet that the answer is yes, and it is the kind of vertically integrated energy asset that most competing regional AI hubs would need years of capital deployment to replicate. The regional read on Oman's positioning has, notably, been cooperative rather than competitive. Equinix's regional leadership has described it as “complementary rather than competing directly” with the UAE and Saudi Arabia's larger hyperscale ecosystems, consistent with the observation that Middle Eastern nations collectively account for only around 5 percent of global digital GDP, leaving ample room for more than one national strategy to succeed at once.

well, tying future data centre capacity allocations to measurable performance standards such as power and water usage effectiveness targets, liquid cooling adoption, and renewable-sourcing thresholds, administered jointly by MTCIT and the Ministry of Energy and Minerals, so that growth in capacity tracks growth in sustainability. And Oman's renewable developers and data centre operators could be encouraged, along Nordic lines, to negotiate long-term power purchase agreements directly with one another, a structure that would let O-Green's 2.7 gigawatts of contracted, bankable re-

Turning this base of activity into a coherent, internationally credible strategy is a matter of collaboration, not any single ministry's mandate, and the Ireland, Singapore, and Nordic examples point to a few concrete steps Oman's institutions could take together. MTCIT, OPAZ, and the Ministry of Energy and Minerals might jointly adopt an Ireland-style connection framework, in which any data centre permit above a defined capacity threshold requires a named, contracted power-supply plan as a condition of approval. That would build directly on the sequencing logic O-Green and Oman Data Park have already demonstrated, and it would give the Oman Net Zero Centre a formal seat in data centre planning from the design stage onward, rather than after siting decisions have already been made. A joint steering mechanism linking the Digital Triangle, the AI Zone, Omantel's initiatives, and O-Green, modest in scope but shared in reporting, could also publish a common project pipeline and milestone tracker. That alone would give investors the same visibility into the Digital Triangle's progress that the AI Zone already offers, and let the market see these as coordinated pieces of one strategy rather than five separate announcements. Oman could adapt Singapore's efficiency-linked approach as

newable capacity underwrite specific data centre commitments, including those tied to the Digital Triangle and the Italian-Omani consortium's 150-megawatt project, well ahead of 2028. None of this works without people, though. Sustained investment in the AI talent and startup ecosystem, building on the roughly 22 specialised firms already operating domestically, will ensure that the capacity now being planned translates into local economic value rather than simply hosting workloads on Oman's behalf.

Oman's data centre and AI ambitions are well matched to the moment. The country's connectivity, permitting environment, and, increasingly, its renewable power base are exactly what a serious national AI infrastructure strategy requires, and O-Green's entry shows the energy dimension of that strategy is now being built with the same seriousness as the compute dimension. What Ireland, Singapore, and the Nordic markets each demonstrate is that the distance between early ambition and mature delivery is not a flaw unique to Oman. It is simply the phase every successful data centre market passes

through, and the ones that pass through it fastest are those where the relevant institutions choose to coordinate deliberately rather than proceed in parallel. Oman now has all five of the pieces that phase requires: a digital-economy ministry, a special-zone authority, a national telecom operator, an energy platform building gigawatt-scale renewable capacity, and an international investor base already at the table. The work ahead is simply to connect them, and the international record suggests that doing so is well within reach.

WHAT THIS MOMENT CALLS FOR IS NOT CAUTION BUT COORDINATION

The work ahead is simply to connect them.				
Cross-Government Task Force (<i>Relevant Ministries & Stakeholders</i>)	Special-zone authority	National telecom operator	Energy platform building gigawatt-scale renewable capacity	International investor base

Selected sources: MTCIT, "Oman Unveils 2026–2030 Digital Economy Roadmap," AI in Oman, March 2026; Oman Observer, "Oman, IDCA Sign Agreement to Launch World's First Oman Digital Triangle," 2026; AI in Oman, "RO 106M and a 2027 Start Date: Oman's AI Zone Takes Shape," 2026; The National, "Oman to Build Dedicated AI Zone in Economic Diversification Push," April 2026; Zawya, "Oman Data Park Advances Net Zero Goals with the Country's First Green Energy Data Center Initiative," 2026; Data Center Dynamics, "Oman Data Park Taps Local Developer for 1.4MW Onsite Solar Project," 2026; Computer Weekly, "Can Oman Become the Gulf's Third AI Infrastructure Hub?," 2026; Capacity Media, "Oman and Jordan Race to Lead Middle East's AI and Data Centre Revolution," 2026; GlobeNewswire / ResearchAndMarkets, "Oman Data Center Investment Analysis & Growth Report 2026," March 2026; TechAfrica News, "Omantel Launches AI Centre of Excellence to Accelerate Oman's Digital Innovation Ecosystem," May 2026; Oman Observer, "O-Green Targets 200 MW of AI-Ready Data Centre Capacity by 2028," 2026; Oman Sustainability Week, "Oman's O-Green to Develop 58 MW Wind Power Pilot in Duqm," May 2026; Data Center Dynamics, "Oman, UAE, and Italy Sign Green Data Center Agreement," May 2026; Oil & Gas News, "Italy, Oman Sign 150 MW Green Data Centre Project," 2026; TechRadar / CSO, "Ireland's Data Center Electricity Consumption Rises 360% in Ten Years," 2026; EnergyConnects, "Ireland Ends Moratorium on New Power Links to Data Centers," December 2025; Data Center Dynamics, "Singapore to Unlock 300MW of Data Center Capacity Through Industry Energy Efficiency Initiatives," 2026; Mayer Brown, "Singapore's Green Data Centre Roadmap," 2024; Pexapark, "Breaking Down the Data Center Surge in the Nordics: Key Players, Trends and PPAs," 2026.

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