

Egypt's AI build has begun. The open questions are now about *power, data and people*

What was said at Dcode CONNECT in March, what has been announced since, and what Cairo ICT 2026 and the new data protection regime add to the agenda.

Dcode CONNECT Suhoor 2026

Dcoding the Race · Cairo, 8 March 2026

Dcode Consulting

Policy brief · Eight months on
November 2026

The bottom line

Egypt has chosen to build AI capacity at a scale it can power. With the data law now in force, the next decisions are about whose data, whose power and whose jobs.

1 **The state is building, in phases**

A USD 1 bn, 200 MW AI data centre begins with a 20 MW first phase (Arab News, 9 Sep 2026), and five to seven AI data centres are targeted by 2030 (Daily News Egypt, 7 Nov 2026).

2 **Data is now regulated, and sovereignty is a stated aim**

The Personal Data Protection Law has applied in full since 31 October 2026, and transfers of personal data abroad are subject to licensing. Consolidating Egypt's digital sovereignty was named as an aim at the opening of Cairo ICT 2026 (Al Nahar, 7 Nov 2026).

3 **The Arabic engine is in the market**

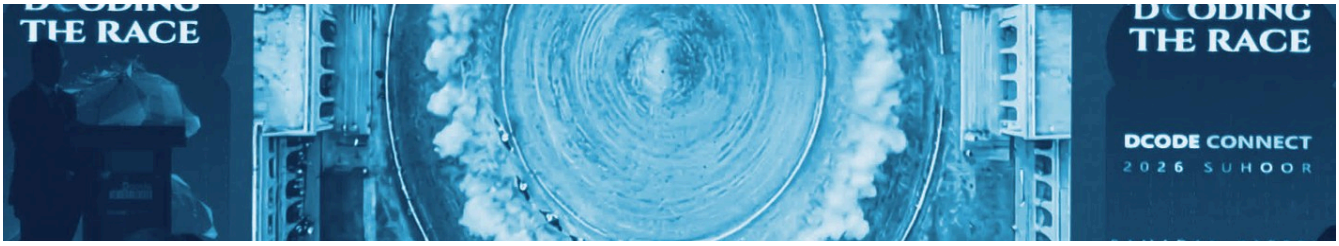
Karnak, the national Arabic language model, has passed 300,000 downloads and now carries legal, education and health applications (Daily News Egypt, 7 Nov 2026).

4 **Skills commitments are in place; delivery is the next milestone**

Orange pledged training for about 200,000 Egyptians and EUR 25 m for start-ups (Ahram Online, 27 Sep 2026); Intel and the ICT ministry aim to build AI skills for 1 million Egyptians a year (Zawya, Sep 2026).

5 **Four questions remain open**

Which model, who pays the power bill, whose data trains Egypt's AI, and who gets connected and who gets displaced.



A conversation that started in March

On 8 March 2026, Dcode CONNECT brought together policymakers, business leaders and experts around one question: is AI going to happen to Egypt, or through it? Eight months later, the answers are arriving as announcements, first on infrastructure, then on skills and, since 31 October, on data. This brief sets what was said that evening alongside what has since been announced, and looks ahead to the choices that remain.

20 → 200 MW
first phase and full build of the AI data centre

5 to 7
AI data centres targeted by 2030

300,000+
Karnak downloads, by Cairo ICT 2026

31 Oct
data protection law in full force

Part one Eight months of announcements

From a question in March to a pipeline, a regulator and a national model by November. Drawn to scale, one month per segment.



Date	*What was announced*	*Source*
8 Mar	Dcode CONNECT Suhoor 2026: Dcoding the Race. Keynotes by Dr. Mohamed Khater and Dr. Mahmoud Mohieldin.	Dcode
Jun	National strategy for data centres and cloud computing advances, linking new capacity to investment and renewable power.	MEA Tech Watch, 23 Jun 2026
Aug	Karnak Chat, a conversational assistant built on Egypt's national Arabic model, launched as a tool of digital sovereignty.	Ahram Online, Aug 2026
9 Sep	USD 1 bn, 200 MW AI data centre with Nvidia technology, with Vodafone Business, Elsewedy Electric and Cassava Technologies; first phase 20 MW.	Arab News, 9 Sep 2026
Sep	Presidential directive to expand AI, cloud computing, data centres and 5G networks.	Daily News Egypt; Egypt Today, Sep 2026
Sep	Intel and the ICT ministry: AI skills for 1 million Egyptians a year for three years. Orange: training for about 200,000 Egyptians, EUR 25 m for start-ups, university labs.	Zawya, Sep 2026; Ahram Online, 27 Sep 2026
Oct	At Egypt Forum, the ICT ministry presents its data centre plans within a digital sovereignty agenda.	iAfrica, 23 Oct 2026
31 Oct	The transition period under the Personal Data Protection Law ends; full compliance applies.	Law 151 of 2020 and its Executive Regulations
7–10 Nov	Cairo ICT 2026, "AI in Action". Digital Egypt 2030 targets restated; three Karnak applications presented; sovereign AI infrastructure roundtable with AICTO and the Smart Africa Alliance.	Daily News Egypt, 7 Nov; Middle East AI News, 5 Nov 2026

Why the sequence matters

In March the discussion was about whether and how Egypt should compete on compute. By September the state had chosen to build in phases, at a scale it can power, with partners pairing local capital with global technology, and moved from hardware to people with the skills pledges. October and November added the third layer: rules for data, and a national model with real users.

That sequence matches Dr. Khater's central message: an AI strategy that is "highly coupled with your energy strategy", built in layers from infrastructure to people to data.

The next opportunity

Building demand

Which institutions and firms will buy the compute, on what data, under which transfer rules, and with which people. Karnak Legal, built with the Ministry of Justice, is the first sign of the state acting as a customer.

Part two What the room saw early

Three propositions from 8 March that the announcements have since reinforced.

01 AI is heavy industry, and the race is for energy

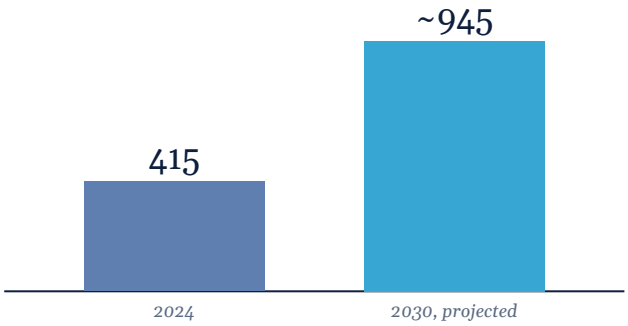
Every query sits on data centres, chips, fibre and cooling.

Dr. Khater opened by dismantling the image of AI as a light industry living in the cloud: "AI has moved from being a technology to being infrastructure." His conclusion was that "the race for artificial intelligence is a race for energy domination." Dr. Mohieldin added the other half of the loop: AI can save energy, but it is the largest new consumer of it, and of water, through data centres.

The national data centre strategy, which links new capacity to renewable power, reflects the coupling Dr. Khater called for: "Planning for AI without planning for energy just won't work."

Data centre electricity use more than doubles by 2030

Global data centre electricity consumption, TWh



Source: IEA, Energy and AI, April 2025 (Base Case). 945 TWh is slightly more than Japan's total consumption today.

02 Geography is real, but transit is not advantage

The cables pass through Egypt; the value is added elsewhere unless data is refined here.

>90%
of Europe to Asia communications travel through Egypt (CSIS, Nov 2025)

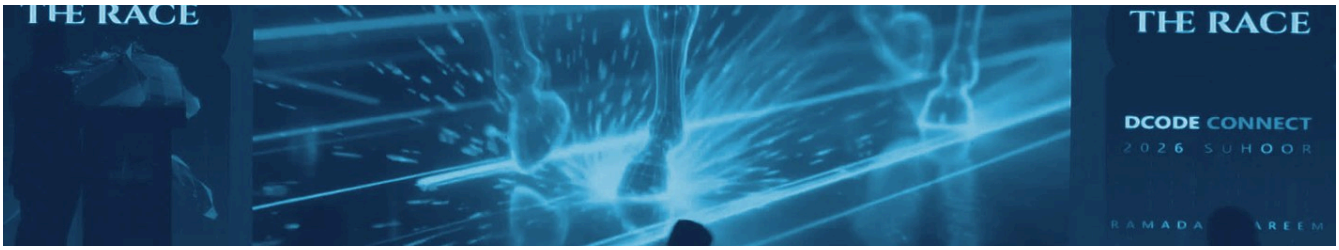
14
active subsea cable systems land in Egypt (CSIS, Nov 2025)

21+
cable systems planned within three years (CSIS, Nov 2025)

Dr. Mohieldin reminded the room that a fifth of the world's data traffic passes through cables crossing Egypt. Both speakers drew the same conclusion from Egypt's place on the map. Dr. Khater put it directly: most of the data flowing through the fibre optics under the Suez Canal passes through Egypt, but "we're a transit corridor. The transit doesn't guarantee any kind of advantage."

His alternative is an **intelligence refinery**: an industry that extracts, cleans, structures and contextualises data and builds domain-specific models. He put that market at USD 10 bn today and USD 100 bn within five years, and, citing a recent MIT study, argued that clean domain-specific data can cut the cost and energy of AI tenfold. Data, in his words, is "the new oil, but you will know that crude oil has very little value… and if data isn't refined, it is of no use."

> *"The future is for those who can create intelligence refineries."*
>
> Dr. Mohamed Khater, opening speech



Stage screens at Dcode CONNECT Suhoor 2026: Dcoding the Race, Cairo, 8 March 2026.

03 The Arabic engine was an open market, and Karnak is now in it

Arabic is spoken by about one person in twenty, yet by Dr. Khater's estimate it is about one per cent of the data used to train AI models.

Dr. Khater's numbers: 450 million Arabic speakers, a USD 200 bn Arab digital market, and "only 1% of the data used to train models is Arabic." A technology that ignores a language ignores a nation, he argued, and "who better to do this than Egyptians?"

Eight months on, Karnak is the national answer. It has passed **300,000 downloads** and was presented at Cairo ICT 2026 by the Ministry of Communications and IT (Daily News Egypt, 7 Nov 2026). Three applications now sit on it:

Karnak Legal	Simplified legal guidance, developed with the Ministry of Justice
Seya	An interactive study assistant for secondary-school students
Senna	Early detection of tooth decay in children under six

The open questions are the ones Dr. Khater raised: where refined Arabic training data will come from, which domains Egypt will specialise in, and whether the talent stays. Each now also has a data protection dimension, discussed in Part three.

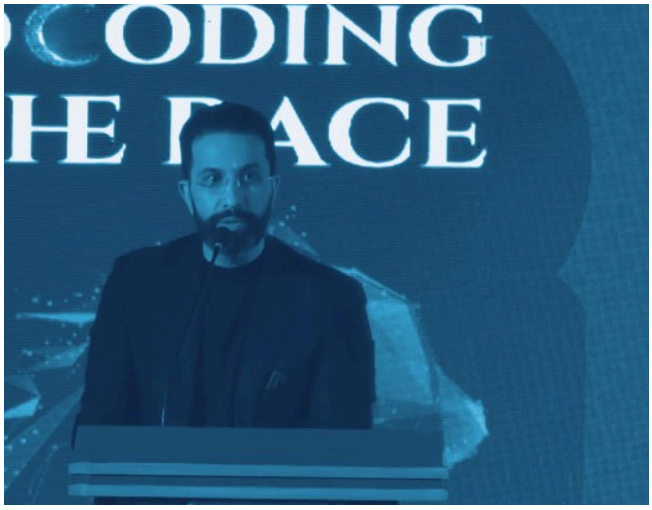
Many speakers, little training data

Arabic as a share of world population and of AI training data



Track = 10%.

Sources: Dr. Khater's remarks at Dcode CONNECT Suhoor 2026 (450 million speakers; about 1% of training data), against a world population of about 8.2 billion (UN). Compiled by Dcode.



Dr. Mohamed Khater at Dcode CONNECT Suhoor 2026, 8 March.

The targets restated at Cairo ICT

Digital Egypt 2030 goals as presented by the ICT ministry on 7 November 2026.

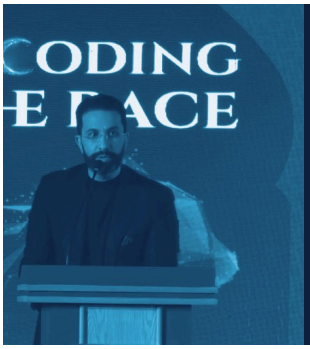
8%	USD 12 bn	200,000	250	5 to 7
ICT share of GDP	digital exports a year	new jobs	AI start-ups supported	AI data centres attracted

Source: Daily News Egypt; Al Nahar, 7 Nov 2026.

Implication *Each proposition has turned into a project: the data centre, the cable corridor and Karnak. The next phase depends less on announcements than on the rules and the demand behind them.*

Part three Whose data? Sovereignty moves from speech to statute

In March, Dr. Khater asked decision makers to treat data as sovereign public infrastructure. Since 31 October, part of that is law; the rest is still a policy choice.



"You need to start treating your data as public infrastructure… from the cameras on your traffic lights to much deeper knowledge sitting in your databases. This is public infrastructure, and it needs to be protected, it needs to be sovereign, and it needs to be handled with care."

Dr. Mohamed Khater, opening speech, Dcode CONNECT Suhoor 2026, 8 March

What is now law

Full compliance since 31 October. The Personal Data Protection Law (No. 151 of 2020) and its Executive Regulations, issued in 2025, set a transition period that ended on 31 October 2026 (Amereller, Apr 2026; Baker McKenzie, Oct 2026).

A licensing regulator. The Personal Data Protection Centre licenses controllers and processors, with dedicated licences for sensitive data such as health, biometric and financial data and data relating to children.

Transfers abroad by licence. Personal data may be transferred abroad only to destinations offering a level of protection not lower than Egypt's, and subject to a licence from the Centre.

The law regulates transfers rather than imposing data localisation as such.

Where policy is heading

Sovereignty as an aim. At Egypt Forum in October, the ICT ministry presented data centres within a digital sovereignty agenda, alongside infrastructure, cybersecurity, AI and data protection, and talent, to be pursued in line with international standards (iAfrica, 23 Oct 2026). Consolidating digital sovereignty was named again at the opening of Cairo ICT (Al Nahar, 7 Nov 2026).

National models. Karnak Chat and the Loghat applications were launched in August as tools of digital sovereignty, and three further Karnak applications were presented at Cairo ICT (Ahram Online, Aug 2026; Daily News Egypt, 7 Nov 2026).

A regional agenda. Cairo ICT hosted a sovereign AI infrastructure roundtable with AICTO and the Smart Africa Alliance on pooled, interoperable compute. Discussion centred on data governance within national legal frameworks, access to computing capacity, and support for local languages.

Dr. Khater also framed geography as a security question: the Strait of Hormuz, the Suez Canal and the Red Sea "are no longer shipping routes, they are choke points for data, they are choke points for energy. And we are sat right in the middle of this." Sovereignty over data is the policy answer to sitting on a choke point.

What it means for business *Firms processing personal data in Egypt now operate under a licensing regime, and transfers of personal data abroad are subject to licence. Data sovereignty has become a compliance matter and a procurement consideration.*

Sovereignty has four layers, and the legal one is now in place

Who holds the data, who may move it, who runs the stack, and who can switch it off.

Layer	*Where Egypt stands, November 2026*	*Still open*
Law: who may move it	In place. The data protection law and its licensing regime apply in full.	Guidance on adequate destinations and licensing timelines.
Location: where it sits	Building. Five to seven AI data centres targeted by 2030.	Which public data should be hosted in Egypt, and in which facilities.
Technology: who runs the stack	Taking shape. The first AI campus uses Nvidia technology; further technology choices lie ahead.	Interoperability, so that early choices keep later options open.
Control: who can switch it off	An area for future guidance.	Key custody, root access and exit terms in public AI contracts.

Three models for public data, compared

The market failure being corrected is informational: without a clear classification, institutions either over-restrict and forgo cloud and AI tools, or move data they should not. Shaded cells mark the strongest option on each dimension.

	A. Localise by default All public and personal data stored and processed in Egypt	*B. Licensed openness* Today's path: transfers licensed case by case	*C. Tiered sovereignty* Critical public data sovereign; sensitive data licensed; open data flows
Legal	Needs new localisation provisions beyond Law 151; tension with trade and services commitments	In force today; no new legislation	Fits Law 151; needs a public-data classification instrument
Technical	Requires domestic capacity at scale before it exists	Uses existing cloud and AI services	Builds on the planned mega data centres; sovereign zones for critical data
Management	Simple rule, heavy enforcement	Case-by-case approvals for each transfer	Classification across ministries once; fewer case decisions afterwards
Operational	Disrupts cloud-dependent firms and digital exporters	Workable; timelines set case by case	Clear lanes by tier; predictable for firms and agencies
Financial	Highest cost: duplicated infrastructure; anchors local demand	Lowest public cost	Moderate; anchors demand for the sovereign tier only
Stakeholders	Welcomed by local operators; resisted by multinationals and exporters	Familiar to multinationals; weak signal to local cloud	Gives each group a lane; aligns with the stated aim of sovereignty in line with international standards

Dcode view *Option C turns Dr. Khater's principle into a working rule: protect and keep sovereign what is critical, license what is sensitive, and let the rest move. It also gives the new data centres a guaranteed first customer, the state's own critical data.*

Option assessment is Dcode's. Legal descriptions summarise Law 151 of 2020 and its Executive Regulations as reported by Amereller (Apr 2026) and Baker McKenzie (Oct 2026); they are not legal advice.

Part four Four questions still open

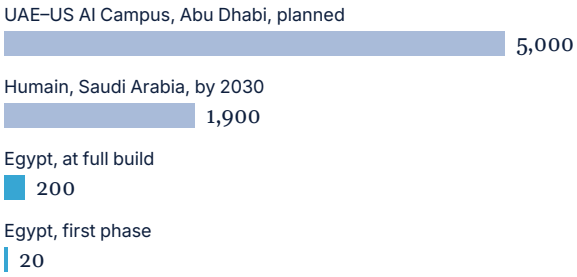
Announcements settle supply. Policy settles distribution: of electricity, of data, of bandwidth and of jobs.

1 Which model, and for whose demand?

Planned capacity in the Gulf is measured in gigawatts. Egypt has chosen a phased path, starting at 20 MW and scaling to 200 MW, with five to seven AI data centres targeted by 2030. The choice ahead is the mix between large campuses serving regional demand and capacity earmarked for domestic institutions; both depend on power and on demand.

Gulf gigawatts and Egypt's phased start

Planned AI data centre capacity, MW, to scale



Sources: The National, 5 Dec 2025 (UAE–US AI Campus, including the 1 GW Stargate UAE); RCR Wireless, 26 Aug 2025 (Humain 2030 target); Arab News, 9 Sep 2026.

2 Who pays the power bill?

A 200 MW campus at full load uses roughly 1.75 TWh a year, before cooling. The national data centre strategy links new capacity to renewable power. The policy question is allocation: how compute is prioritised and priced alongside industry and households. Dr. Khater's rule applies: "Your AI strategy is highly coupled with your energy strategy. You can't decouple them."

3 Whose data trains Egypt's AI? NEW

The law now governs personal data. The classification of public data and guidance on cross-border transfers are the next steps (Part three). For Karnak and the refinery Dr. Khater described, the test is lawful access to large, clean, Arabic and domain-specific datasets.

4 Who gets connected, and who gets displaced?

Dr. Mohieldin's test is a single benchmark: village connectivity equal to the best-served district, not an average. On jobs, Dr. Khater noted that AI changing entry-level work means that "your most valuable assets can become your greatest vulnerability", which makes skills the priority. The Orange and Intel commitments address the supply side; delivery partners, governorate targets and placement rates are the next milestones.

200,000
Egyptians offered certified AI and cybersecurity training by Orange

EUR 25 m
from Orange for AI start-ups, plus university labs

1 m a year
AI skills target, Intel and the ICT ministry, for three years



Internet speed and quality in every village should be no lower than in the best-served place in Egypt, the New Capital included.

Dr. Mahmoud Mohieldin's benchmark, keynote (paraphrased from Arabic)

For consideration Ten opportunities while the foundations are being laid

Each builds on what was said on 8 March or announced since.

Opportunity	*What it would involve*
Classify public data into sovereignty tiers NEW	A government-wide classification of public datasets (critical, sensitive, open), with storage, access and transfer rules for each tier, so that local models can be trained on local data lawfully.
Give exporters clarity on transfers NEW	Publish the list of destinations with adequate protection and indicative timelines for transfer licences, so that data protection and the USD 12 bn digital-export goal reinforce each other.
Make sovereignty a procurement standard NEW	In public AI and data centre contracts, require local key custody, clear exit terms, interoperability and open-weight model options, whichever vendor is chosen.
Set an energy allocation rule for compute	Clarify how data centre load is prioritised and priced alongside industry and households, and tie new campuses to additional, ideally renewable, generation.
Set out the data centre doctrine alongside the projects	Treat the mix of large campuses and institution-specific capacity as an evidence question, with a review after the 20 MW phase and a demand plan for the five to seven AI data centres.
Build the refinery, not only the warehouse	Fund an Arabic and domain-specific data programme (law, finance, health, agriculture, Nile Basin water) that turns transit data into refined, sovereign training assets and exportable models.
Make the state an anchor customer	Commit further state functions (tax, customs, investment approvals) to AI on domestic capacity, following Karnak Legal's lead.
Set a weakest-link connectivity standard	Benchmark village internet speed and quality against the best-served district, and report against it as 5G and fibre roll out.
Turn the skills pledges into one tracked programme	Fold the Orange and Intel commitments into a national cognitive-workforce programme with targets by governorate, certification and placement rates, and pre-positioned social protection.
Give regulators their own technology	Fund technical capacity at the data and financial regulators so that oversight keeps pace with AI-enabled firms.

Dcode Consulting can support any of these with scoping, stakeholder mapping, market sizing and policy drafting. The Dcode CONNECT format is available to convene the next round of this conversation.

What to watch in the next six months

Signals that will show which way each open question is going.

Signal	*Why it matters*
Guidance on cross-border transfers	How data protection works in practice for exporters and for firms using cloud and AI services hosted abroad.
Sites and capacity for the new AI data centres	The balance between large campuses and institution-specific capacity, and how each is powered.
Power arrangements for the 20 MW phase	The first practical answer to who pays the power bill.
Karnak adoption	Use by ministries, banks and universities will show whether the Arabic engine becomes a platform.
Orange and Intel programme roll-out	Enrolment, reach across governorates and placement will show how far the commitments extend beyond the main cities.
The Cairo ICT sovereign AI roadmap	Whether pooled Arab and African compute gives Egypt a regional role in AI infrastructure.

In conclusion From building capacity to deciding its rules

The announcements have answered whether Egypt will build. The next six months decide on whose terms.

1 *Which model, and for whose demand?*

2 *Who pays the power bill?*

3 *Whose data trains Egypt's AI?*

4 *Who gets connected, and who gets displaced?*

"We are at an inflection point... Are we going to be a recipient of artificial intelligence, or are we going to help define the field?"

Dr. Mohamed Khater, opening speech



About this brief. Prepared by Dcode Consulting from the recordings of Dcode CONNECT Suhoor 2026 (Ghurnata, Heliopolis, Cairo, 8 March 2026) and published announcements to 10 November 2026. Quotes from Dr. Mohieldin are translated from Arabic. Option assessments and "Dcode view" lines are Dcode's.

Annex Method and sources

Method

Quotations are taken from the event recordings. Dr. Khater spoke in English; quoted passages were transcribed and checked against the audio. Dr. Mohieldin spoke in Arabic and is quoted in translation. Announcements are cited from published sources, listed below.

Speakers

Dr. Mohamed (Mark) Khater, AI strategist and researcher, University of Cambridge. Opening speech.
Dr. Mahmoud Mohieldin, UN Special Envoy for Financing Sustainable Development. Keynote.

Sources

Ahram Online (2026) 'President El-Sisi meets Orange CEO as group pledges training for 200,000 Egyptians, €25 mln for tech startups', 27 September.

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MEA Tech Watch (2026) 'Egypt Advances National Strategy for Data Centers and Cloud Computing', 23 June.

Zawya (2026) 'Egypt, Intel partner to train 1mln citizens annually in AI', September.

The National (2025) 'Stargate UAE's first phase to be completed in third quarter of 2026', 5 December.

Ahram Online (2026) 'Egypt launches Karnak Chat, Loghat AI apps to support "digital sovereignty": ICT minister', August.

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