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# WHERE NEXT FOR THE MEDITERRANEAN?

## The Emerging Geography of Data Centres and AI Infrastructure

# Executive Summary

**Europe's next megawatt of compute to support Artificial Intelligence (AI) applications does not necessarily need to be located where the demand originates. For latency-tolerant workloads, connectivity allows compute to move toward available power, land and infrastructure. Mainland Europe is increasingly limited in terms of meeting the demand. The coast of North Africa looks well-positioned to absorb a significant proportion of such demand.**

The geography of European data centre infrastructure is entering a period of significant change. Demand for cloud computing, digital services and artificial intelligence accelerates across Europe. At the same time, many established data centre markets are becoming increasingly difficult and new locations are needed to deliver new capacity.

Power availability, grid connection queues, land constraints, permitting, sustainability requirements and rising development costs are challenging the data centre sector. For the next generation of large-scale infrastructure, particularly AI infrastructure, the critical question is increasingly not simply where demand originates, but where sufficient power, land and connectivity can be found at scale and with speed. Global interested parties are desperate to win the AI race and need solutions to the supply problem.

This has very important implications for the Mediterranean. Established Southern European markets including Madrid, Milan, Marseille and Athens, have demonstrated the scale of demand for digital infrastructure around the Mediterranean basin. They benefit from major population centres, existing cloud adoption, extensive telecommunications networks and proximity to important international subsea cable systems. Their success, however, is creating constraints.

The large development pipeline, for which Cushman forecasts a ten-fold increase in data centre capacity from 800MW to 8GW[7], means severe competition for grid capacity and suitable land.



Grid reinforcement and connection timelines are pushing out development schedules, while the power requirements for AI campuses are dramatically larger than the previous generations of colocation and cloud facilities. As the demand seems to eclipse the total available power in the mature markets, governments, regulators, electricity companies and pressure groups are applying the brake.

The better news is that other countries situated around the Mediterranean, which are already connected by multiple undersea optical fibre cables, can be brought into scope for different applications. This is a major opportunity for a second generation of Mediterranean data centre markets. Countries including Croatia, Crete, Morocco[2], Tunisia[3] and Egypt[1] combine varying degrees of available land, renewable-energy potential, international connectivity and surprising proximity to European demand. The key development perspective in this report is that these markets should not be viewed simply as domestic data centre markets. Their strategic significance lies in their potential to provide infrastructure for regional EU workloads, which do not need to be physically located within the existing metropolitan markets. As Johor in Malaysia has proved to be a 'release valve' for pent up demand in Singapore, so the Southern Mediterranean provides that potential mechanism for the Northern countries of the Mediterranean.

AI capacity demand is the driver for this proposition. Large-scale AI training workloads demand power-intensive processing.



Unlike many traditional enterprise applications, training workloads (or ‘travelling’ workloads as they are now being referred to) do not need to sit adjacent to the end user. They are relatively location agnostic. Some real-time inference applications require extremely low latency and will remain immediately next to users. Other inference workloads have substantially greater latency tolerance and can be delivered regionally. The emerging AI infrastructure architecture combines distributed edge and metropolitan capacity with larger regional compute campuses, and this reality can change the Mediterranean data centre landscape.

Instead of every major European city attempting to accommodate the full growth of cloud and AI demand locally, the Mediterranean could evolve into a network of interconnected compute markets in which workloads are allocated according to their requirements for latency, power, cost, sovereignty (especially as relates to GDPR) and connectivity.

Within that emerging geography, Egypt presents a particularly interesting case. Coastal Northern Egypt sits on the Eastern Mediterranean, which is one of the world's most important international telecommunications corridors. Egypt has 15 undersea cables serving the country. Large-scale data centre campuses developed along the coast combine access to scalable power, land and connectivity in Southern Europe, the wider Mediterranean, North Africa, the Middle East and beyond down the East Coast of Africa. The opportunity is not for Egypt to replace established markets such as Milan, Madrid or Marseille. For selected workloads new locations are needed urgently.



If this hypothesis is correct, the next phase of Mediterranean data centre development will not simply be an expansion of today's established hubs, it will involve the emergence of a wider regional infrastructure ecosystem integrating compute, power, infrastructure and data privacy/security.

Considering conflict hundreds of kilometres away in the Gulf, first mover advantage will be key to establishing the ‘Med Pressure Release Valve’, as well as a backup opportunity for Middle East-originated workloads.



# The Mediterranean Data Centre Market Is expanding rapidly

The Mediterranean is a vital component of the European data centre landscape. Historically, European capacity has been concentrated in the major FLAP-D markets (Frankfurt, London, Amsterdam, Paris and Dublin). But recent demand has increasingly expanded southwards to Southern Europe as well as North to the Nordics. In Southern Europe, the $M^3$ cities (Madrid, Marseille and Milan) are being joined by Athens and Barcelona.

Madrid emerged as a major European data centre location from a retail colocation hub first, to support Spain's cloud computing economy, backed by international fibre connectivity and renewable-energy resources with 261MW of operational capacity, with 471MW in the pipeline.

Marseille occupies a different, but strategically important position. Its concentration of international subsea cable landings established it as one of Europe's principal connectivity gateways between Europe, Africa, the Middle East and Asia. Interxion (now Digital Realty) established the highly connected gateway data centres in the port thereby controlling the routed traffic. Marseille has 54MW of operational capacity, with a modest 72MW in the pipeline.

Milan has developed most recently as Italy's principal data centre market and an important hub between continental Europe and the Mediterranean, with 212MW of operational capacity, and 877MW in the pipeline. Athens is also emerging as an increasingly credible regional market, supported by cloud investment and its position on the Eastern Mediterranean. And Barcelona is set to grow its current capacity from 68MW to 150MW.

Together, these markets demonstrate that the Mediterranean is becoming one of Europe's key growth corridors, with market forecasts predicting a x10 increase in data centre capacity in Southern Europe from 800MW to 8GW[7].

This White Paper examines the opportunity for Emerging and Frontier markets around the Mediterranean to provide solutions to the existing market's limitations. The table below highlights how underserved countries like Türkiye and Egypt are in terms of data centre capacity.

# Mediterranean & Adjacent Data Centre Benchmark

| Country | Population (m, 2024) [5] | GDP (US$bn, 2024) [5] | Tracked data-centre facilities [6] | Tracked operational capacity (MW) [6] | MW / million population | MW per $100bn GDP |
|---|---|---|---|---|---|---|
| Egypt | 116.5 | 389.0 | 12 | 13.5 | 0.1 | 3.5 |
| Türkiye | 85.5 | 1360.0 | 37 | 87.8 | 1.0 | 6.5 |
| France | 68.6 | 3160.0 | 220 | 880.6 | 12.8 | 27.9 |
| Italy | 59.0 | 2381.0 | 100 | 267.1 | 4.5 | 11.2 |
| Spain | 48.8 | 1726.0 | 93 | 444.3 | 9.1 | 25.7 |
| Morocco | 38.1 | 161.0 | 12 | 12.5 | 0.3 | 7.8 |
| Tunisia | 12.3 | 51.4 | 2 | 2.5 | 0.2 | 4.9 |
| Jordan | 11.6 | 53.0 | 9 | 8.7 | 0.8 | 16.4 |
| Greece | 10.4 | 256.2 | 14 | 26.1 | 2.5 | 10.2 |
| Israel | 10.0 | 540.0 | 27 | 97.1 | 9.7 | 18.0 |
| Serbia | 6.6 | 90.1 | 7 | 6.2 | 0.9 | 6.9 |
| Albania | 2.4 | 27.0 | 5 | n/a | n/a | n/a |
| Slovenia | 2.1 | 73.0 | 12 | 11.0 | 5.2 | 15.1 |
| Cyprus | 1.4 | 37.6 | 15 | 12.3 | 8.8 | 32.7 |
| Montenegro | 0.6 | 8.0 | 3 | 1.3 | 2.2 | 16.3 |
| Malta | 0.6 | 25.0 | 5 | 3.7 | 6.2 | 14.8 |

[5] World Bank, population and GDP, 2024. [6] Cushman & Wakefield Data Centre Research, DCByte: tracked facilities and operational capacity. MW per million population and MW per $100bn GDP are calculated from these figures.

# Rapid growth in demand faces significant physical constraints

Demand is not the principal problem facing European data centre development. Deliverability is. The data centre industry increasingly faces five interconnected constraints. Modern data centres require large and highly reliable grid connections. AI campuses can require hundreds of megawatts from a single location. This is in sharp contrast to previous market dynamics where most cloud data centre loads were in the order of 20-30MW rather than 300MW plus. Existing electricity networks were not designed around this level or concentration of demand.

This has created dramatic shifts in the market, as securing power at scale has shifted focus to locations where such power is available. Additionally, securing a firm grid connection is in many locations complicated, expensive and time-consuming. Grid reinforcement can require several years, creating substantial uncertainty between announced data centre pipelines and capacity that can become operational. Of course, despite densification of data centre designs which follow the power consumed by AI GPUs (Graphics Processing Units), the large AI campuses require considerably more land than conventional metropolitan colocation facilities. Suitable sites must combine power, fibre, planning, security, cooling and expansion potential. That combination is increasingly difficult to assemble around established metropolitan clusters. Many talk about the cost of land, but in our view, this is a less significant factor in the mix.

More importantly, electricity presents one of the most significant operating costs for large-scale compute. As AI increases rack densities and total campus consumption, relatively small differences in electricity cost are significant across hundreds of megawatts. Where low prices can be obtained, investors look to the long-term to lock in these prices, through connection agreement and Power Purchase Agreements (PPAs). For hyperscalers and AI infrastructure providers, time-to-power is as strategically important as power price. The apparent pent-up demand for compute from the cloud, social media and AI providers are putting huge pressure on developers and builders to deliver operational data centre capacity ‘Yesterday…. if not sooner’.

So, an attractive location with a five-year connection horizon is less competitive than an emerging market capable of delivering capacity materially sooner. The consequences are significant as the scarcity of deliverable power in established markets creates an economic mechanism through which demand can and will migrate to new locations. As has been seen in both the Nordics and the Iberian Peninsula, the powerful markets are the markets with the power. The power position is just part of the story. Growth is only possible where permission to build is given, either by local municipalities, the government (regional and central), or both, and many other aspects are considered including data protection, data transfer speeds (expressed in terms of latency), climate risk, and the underlying economics of the data centres needed.

# Artificial Intelligence changes the geography of Data Centres

Traditional data centre location strategies were strongly influenced by proximity to users, enterprises and telecommunications ecosystems. AI changed that equation. Not every AI workload has the same infrastructure requirements, but the message for the Mediterranean is that there is substantial undersea cable connectivity available to connect the constrained locations to more open and available ones:

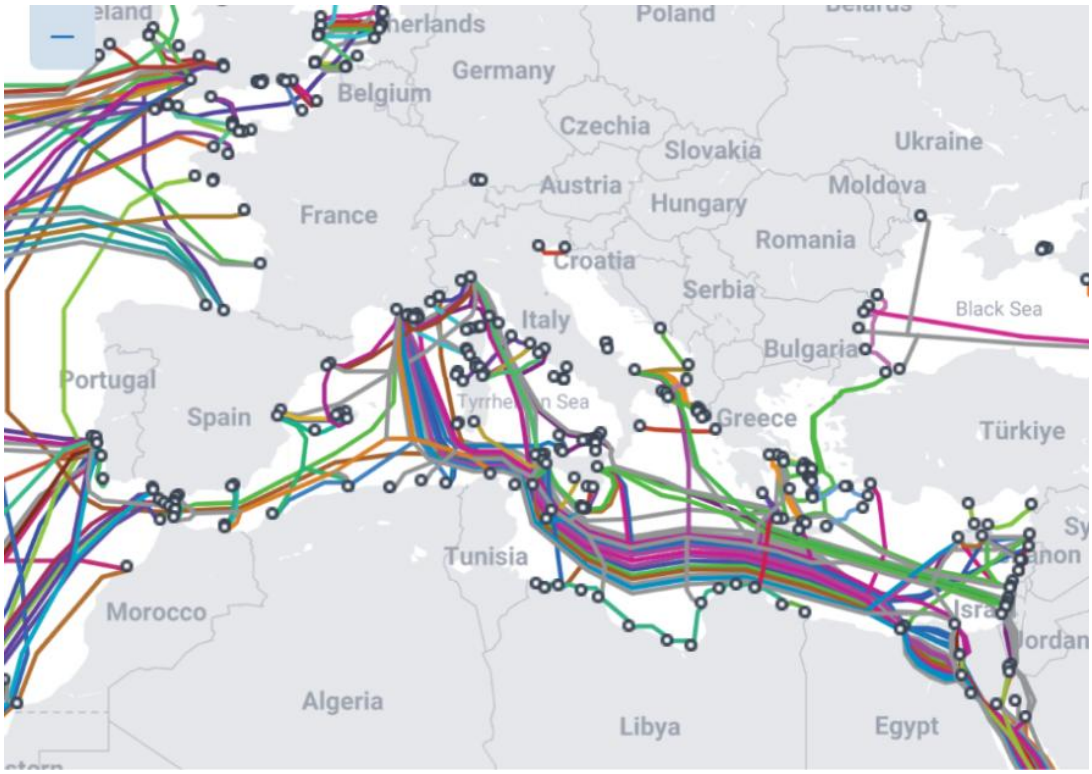
## MEDITERRANEAN SUBMARINE CABLES BY FACING COUNTRIES[4]

| Country | Operational Mediterranean -facing cables | Total operational international submarine cables | Planned / under-development cables | Total international cables |
|---|---|---|---|---|
| Italy | 20 | 20 | 2 | 22 |
| France | 12 | 21 | 5 | 26 |
| Greece | 11 | 11 | 6 | 17 |
| Spain | 10 | 17 | 4 | 21 |
| Egypt | 15 | 16 | 5 | 21 |
| Cyprus | 8 | 8 | 2 | 10 |
| Tunisia | 5 | 5 | 1 | 6 |
| Malta | 5 | 5 | 0 | 5 |
| Türkiye | 4 | 5 | 1 | 6 |
| Algeria | 4 | 4 | 2 | 6 |
| Israel | 4 | 4 | 3 | 7 |
| Libya | 3 | 3 | 1 | 4 |
| Morocco | 1 | 5 | 2 | 7 |
| Croatia | 1 | 1 | 0 | 1 |
| Albania | 1 | 1 | 0 | 1 |
| Jordan | 0 | 2 | 0 | 2 |

# Mediterranean Market Growth

For Egypt, there are 15 operational Mediterranean-facing Cables with two further cables planned.[4] The below map showing the Subsea Cables running to and from the Mediterranean, highlighting the geographical density involved.[4]

## UNDERSEA CABLE CONNECTIVITY IN THE MEDITERRANEAN




[4] TeleGeography www.submarinecablemap.com

The number of cables does not indicate the relative total transmission capability, but they are a strong indication of where data traffic is flowing. In terms of how fast data can be transmitted between the main European hubs, the following table looks then at the millisecond RTT (Round-Trip Time) from the landing station locations to selected major hubs shown here for Marseille, Paris, Frankfurt and London:

# Round Trip Time connection latencies to key locations

The implications here are that the Emerging and Frontier locations open up the opportunity to run workloads across the Mediterranean and connect via various cable landing stations. All things being equal, some locations will be suitable for certain workloads, and other not. This potential is explored in section 4.

| Country | Indicative RTT to Marseille (ms) | Indicative RTT to Paris (ms) | Indicative RTT to Frankfurt (ms) | Indicative RTT to London (ms) |
|---|---|---|---|---|
| Italy | 5-7 | 9-12 | 7-10 | 13-15 |
| France | 10-12 | - | 7-9 | 5-8 |
| Algeria | 11-13 | 18-22 | 21-23 | 22-24 |
| Slovenia | 11-14 | 13-16 | 9-11 | 17-19 |
| Spain | 12-14 | 14-16 | 19.5 | 17-19 |
| Tunisia | 12-14 | 20-23 | 20.0 | 25-27 |
| Croatia | 13-16 | 15-18 | 9.8 | 18-20 |
| Montenegro | 15-18 | 20-23 | 15.9 | 24-26 |
| Malta | 15-18 | 24-27 | 22.3 | 28-30 |
| Albania | 16-19 | 22-25 | 17.6 | 26-29 |
| Serbia | 16-19 | 20-23 | 14.3 | 23-26 |
| Libya | 19-21 | 27-30 | 26.3 | 32-35 |
| Morocco | 21-23 | 26-30 | 30.6 | 28-31 |
| Greece | 22-25 | 28-31 | 24.3 | 33-35 |
| Türkiye | 26-29 | 31-33 | 25.2 | 34-38 |
| Egypt | 34-37 | 41-43 | 37.0 | 45-48 |
| Cyprus | 35-38 | 40-42 | 35.0 | 44-46 |
| Israel | 39-42 | 44-46 | 39.7 | 48-51 |
| Jordan | 40-43 | 46-48 | 40.7 | 40-52 |

# What's driving extraordinary demand for data centres?

While cloud computing has been the dominant consumer of data centre space for the last 15 years, the development of semiconductor chips in support of Artificial Intelligence (AI) has changed the demand profile and is rewriting the rule book. McKinsey predicts in its medium case that over $5 trillion are due to be invested to build AI infrastructure globally by 2030. This investment is deploying AI in two broad modes; AI Training/Large Language Models (LLMs) and AI Inference, and each model has triggered different data centre requirements.

AI LLMs require enormous quantities of compute and electrical power but is generally relatively insensitive to end-user latency. Training can be located where the economics of compute are most attractive, but with the provisos that there is sufficient power connected quickly, high-capacity network connectivity, suitable permitted land, effective cooling appropriate to climate, access to equipment, technical capability and operational skill and acceptable regulatory and geopolitical conditions.

This makes AI training highly relevant to the emerging Mediterranean markets, with probable use cases including batch and asynchronous AI workloads; model fine-tuning, data processing, synthetic-data generation, rendering, scientific computing and other batch workloads. These workloads can effectively follow power availability and total cost of ownership.

In contrast to training, AI Inference requires greater differentiation. Ultra-low-latency applications, including certain autonomous, financial, industrial or interactive applications, need compute close to users. But significant volumes of inference do not always require single-digit millisecond latency. Where latency budgets permit, inference can be distributed across regional compute hubs.

The resulting infrastructure model is still to be defined but can be broadly described as 'edge computing', which is located adjacent to metropolitan areas representing both concentration of population, but also GDP/financial liquidity, with regional AI compute, frequently hybridised with established cloud computing in Availability Zones and also in more remote locations, large-scale LLM campuses.

Emerging Mediterranean markets (which we can define as Mediterranean Middle East and Africa) are, hence, well-placed to satisfy the needs of the AI workloads identified in the table below.

# AI workload suitability for Mediterranean Middle East & Africa

| AI workload | MMEA Suitability* | Why |
|---|---|---|
| LLM pre-training | Excellent | Location largely driven by power, GPU scale, cooling and cluster economics rather than end-user RTT |
| Fine-tuning / post-training | Excellent | Similar economics to training; little sensitivity to user proximity |
| Synthetic-data generation | Excellent | High-volume, asynchronous GPU workload |
| Batch / offline inference | Excellent | Throughput and cost/token dominate latency |
| Document processing / summarisation / embeddings | Very good | Typically, tolerant of tens of milliseconds of network latency |
| RAG / enterprise copilots | Good/very good | Model processing often dominates the additional network latency |
| General conversational LLMs | Good | 30–50 ms network RTT to major European locations can be relatively small compared with overall TTFT |
| AI search / recommendations | Selective | Depends on application latency budget and architecture |
| Voice / real-time multimodal agents | More challenging for distant Europe | End-to-end responsiveness makes network location more important |
| Autonomous / industrial real-time AI | Poor for remote European control | Millisecond-level response requirements favour local/edge inference |

*Suitability for Southern Mediterranean markets

# The emergence of a distributed Mediterranean compute market

The next generation of Mediterranean data centre infrastructure need not be assessed by domestic demand. The more important metric is reachable demand, i.e. a market capable of serving 10 million domestic users may have substantially greater strategic value if its infrastructure can also efficiently reach 50–100 million users across neighbouring markets. This creates a new category of connected Mediterranean data centre locations.

## SELECTED MEDITERRANEAN MARKETS DISTRIBUTED COMPUTE SUITABILITY

| | |
|---|---|
| Croatia | Offers access to Central and South-Eastern Europe while providing an Adriatic location potentially capable of supporting Balkan and neighbouring European demand. Its opportunity should be assessed against available power, renewable generation, international connectivity and latency into Central European markets. |
| Crete | Occupies an unusually strategic geographic position between mainland Europe, North Africa and the Eastern Mediterranean. Its potential is less about domestic demand and more about connectivity, subsea infrastructure and the ability to become an energy-linked compute location between several regions. |
| Egypt | Egypt represents the eastern end of this emerging Mediterranean compute corridor. Its opportunity is differentiated by three enhanced characteristics: scale, connectivity and geography. Across North African power markets, Egypt has the largest electricity system, with around 60 GW of installed generation capacity and a record peak load of 40.2 GW in August 2026. [1] |
| Morocco | Combines proximity to Iberia and Western Europe with significant renewable-energy potential and access to African markets. Its position close to Spain also creates the possibility of locating compute workloads outside the EU, while maintaining relatively short network distances to major European population centres. Morocco has a power system of around 12 GW. However, headroom is tighter, with electricity consumption growing faster than domestic generation (+8.4% vs. +1.6% in H1 2026) and peak demand reaching 8.4 GW [2]. |
| Tunisia | Offers similar geographic logic across the Central Mediterranean. Its proximity to Italy creates a potential proposition around regional compute, provided sufficient scalable power, connectivity and investment conditions can be secured. Tunisia has the smallest system of the three, with peak demand of around 5 GW. The system also came under strain during the July/August 2026 heatwave, with rolling power cuts reported across several regions [3]. |

Hence, rather than being assessed primarily against Egyptian domestic demand, Northern Egypt is being considered according to markets that infrastructure located there could reach, which is addressed in the next section.

## Northern Egypt as a Mediterranean Compute Location: The example of Project Atlas

One of the most promising projects currently underway is 'Project Atlas', based near to Alexandria on Coastal Northern Egypt. Its Mediterranean coastal location provides direct geographic orientation toward Southern Europe and the Eastern Mediterranean, while remaining connected to Egypt's extensive international telecommunications infrastructure. It is strategically different from a data centre proposition centred solely on Cairo since it is set up to serve European workloads rather than Egypt. This creates the possibility of serving several demand pools and to initially pick up 'stranded' or unfulfilled workloads sitting in Southern Europe and the Eastern Mediterranean. As a second stage, such a location can become a new gateway for the East Coast of Africa, notably Kenya, The Middle East and Asia.

The interesting investment thesis is therefore not to build data centres in Egypt, because Egyptian demand will eventually require them. That may come in time. The proposition is to build scalable compute infrastructure where workloads can be more economically and reliably served from Egypt than waiting for constrained capacity to become available within established European markets. Simply put, projects like Atlas avoid the power queues, while delivering on the fundamentals of AI data centre requirements.



# Which AI workloads could Northern Egypt support?

The strongest initial opportunity is likely to be workloads where latency is not the primary location criterion. Cushman & Wakefield have considered in general what AI workloads may find themselves run from the North African coast, divided into 3 categories; Strong Fit, Potential Fit and Unlikely Fit:

| Strong Fit Applications | |
|---|---|
| Large-model training | Where large GPU clusters could take advantage of scalable power without requiring physical proximity to European end users. |
| Model fine-tuning | Where enterprise and sector-specific model adaptation can similarly operate remotely where data-governance requirements permit. |
| Batch inference | Where non-real-time AI processing could potentially be served regionally. |
| Synthetic-data generation | For highly compute-intensive but relatively latency-insensitive. |
| Rendering and media processing | For large-scale graphics, video and generative-media processing can be geographically flexible. |
| Scientific and engineering computing | Where simulation, modelling and other HPC workloads are similarly suited to power-rich locations. |

| Potential Applications | |
|---|---|
| General AI inference | Feasibility depends upon application-specific latency requirements and network routes. |
| Cloud infrastructure | Selected cloud workloads could be served regionally, particularly where latency and sovereignty requirements permit. |
| Content processing/ distribution | Northern Egypt could potentially combine compute with regional content-delivery infrastructure. |

| Less Suitable Applications | |
|---|---|
| Highly latency-sensitive applications | Need compute immediately adjacent to European users would remain within metropolitan, or edge environments such as gaming or high-frequency trading. |

The argument for Egypt therefore does not require claiming that all Mediterranean workloads can migrate. It only requires demonstrating that a sufficiently large proportion of rapidly growing AI and cloud workloads are geographically flexible.





## A new Mediterranean Data centre Hierarchy

Cushman consider the Mediterranean market could consequently evolve into three complementary layers:

| Established Hubs: **Madrid \| Milan \| Marseille \| Athens** |
|---|
| Deep connectivity, established customers, cloud ecosystems and significant existing capacity. Their strategic importance remains intact, but expansion becomes increasingly constrained or expensive. |
| Emerging Regional Hubs: **Croatia \| Crete** |
| Markets capable of capturing overflow and new demand through combinations of connectivity, power, land and geographic reach. |
| Frontier Markets: **Morocco \| Tunisia \| Egypt** |
| Locations capable of supporting very large AI and cloud campuses where power availability and economics outweigh the requirement to be physically located inside an established metropolitan market. These categories are complementary rather than mutually exclusive. AI infrastructure will require all three. |

# The Strategic Question: ‘Where will the next Megawatts go?’

The traditional industry question has been: ‘Where is the next data centre market?’ The AI era requires a different question: ‘Where can the next megawatt of compute be located?’

If power is readily available in Milan, Madrid or Marseille at an acceptable cost and within the required timeframe, established markets of course retain significant advantages. But if delivering another 100 MW requires lengthy grid reinforcement, expensive land and several years of delay, the economics completely change. Hence. a Mediterranean location capable of providing secured power plus scalable land plus competitive energy plus resilient fibre plus acceptable latency plus a welcoming and decisive government and local municipality, can certainly compete for workloads generated hundreds, or potentially thousands of kilometres away. That is the structural opportunity facing emerging Mediterranean markets.



# In an Era of Uncertainty in the AI Age, managing risk requires resilience

Global economies are facing significant risk with daily changes in both risk and reward. Geopolitical uncertainty has been increased by many factors, whether related to war, climate or the pace and cost of technological change. Relating this to the Mediterranean data centre landscape, we see established markets tightening availability of electrical grid power and placing challenges to power generation entities to step up and both deliver and connect new supplies. In the squeeze between supply and demand, a chaotic situation has emerged when overlayed by the demands of AI interests.

So, in a market where leaders state that 'First Wins' there are clear opportunities for frontier markets to succeed.

Recognise that the established Mediterranean markets cannot cope in terms of supply and are constrained, maybe for several years.

However, the demand will but simply flow into adjacent countries. Current market conditions require those locations to deliver to the following 'shopping list',

- Governments which welcome investment in the data centre sector and, learning from the mature markets experiences of queuing and managing national grids, can open up in a managed sustainable* manner, without 'boom and bust' power strategies.
- A retail power cost which is sub-10c USD kWh to compete with other EMEA locations.
- Available land which can be scaled with power availability.
- Power which can be scaled in months rather than years, as the demand for capacity continues to be 'Yesterday please'.
- A robust data sovereignty framework based in GDPR compliance, which is vital in the current market.
- Carrier neutral optical fibre options to connect to major markets, with multiple undersea connections and bandwidths available on a carrier neutral basis.



Quickly deployed ecosystems, to include the technology to build and then operate the data centres. This needs to include both the supply chain and human talent needed to deliver a world class data centre build, followed by world class operations and the flexibility to change these as new requirements evolve.

Lastly, and perhaps most importantly is to attract early engagement with potential off takers for the compute, which loops back to the welcome, security and ease of use which the above factors can deliver.

To conclude, the Emerging and Frontier markets can, and will, offer back up resilience for those markets which are constrained, and especially where conflict is leading to data centre brands being bombed and destroyed, or in locations being denied further power due to grid incapacity.



# Conclusion: Where Next for the Mediterranean for AI Data Centres?

The Mediterranean data centre market is entering its next stage of development. The first phase established major hubs around Madrid, Milan, Marseille and increasingly Athens. The second phase is driven by the interaction of accelerating cloud and AI demand, with as constrained power and land supply hold back the market.

For example, Madrid's total market capacity is reported at 538 MW and is forecast potentially to reach 1.1 GW by 2030. Another dataset records 175 MW operational with more than 1.4 GW in pipeline. Milan/Italy similarly has 174 active facilities, more than 1.2 GW secured pipeline and over 2.4 GW planned. Further, power economics and time-to-power are providing pressure in the face of demand across mature markets. Until the recent Royal Decree in Spain[8], the IEA warns that if Europe's announced pipeline is delivered, data centres could represent around 10% of today's peak electricity demand in Spain and the Netherlands, illustrating the magnitude of the grid challenge.

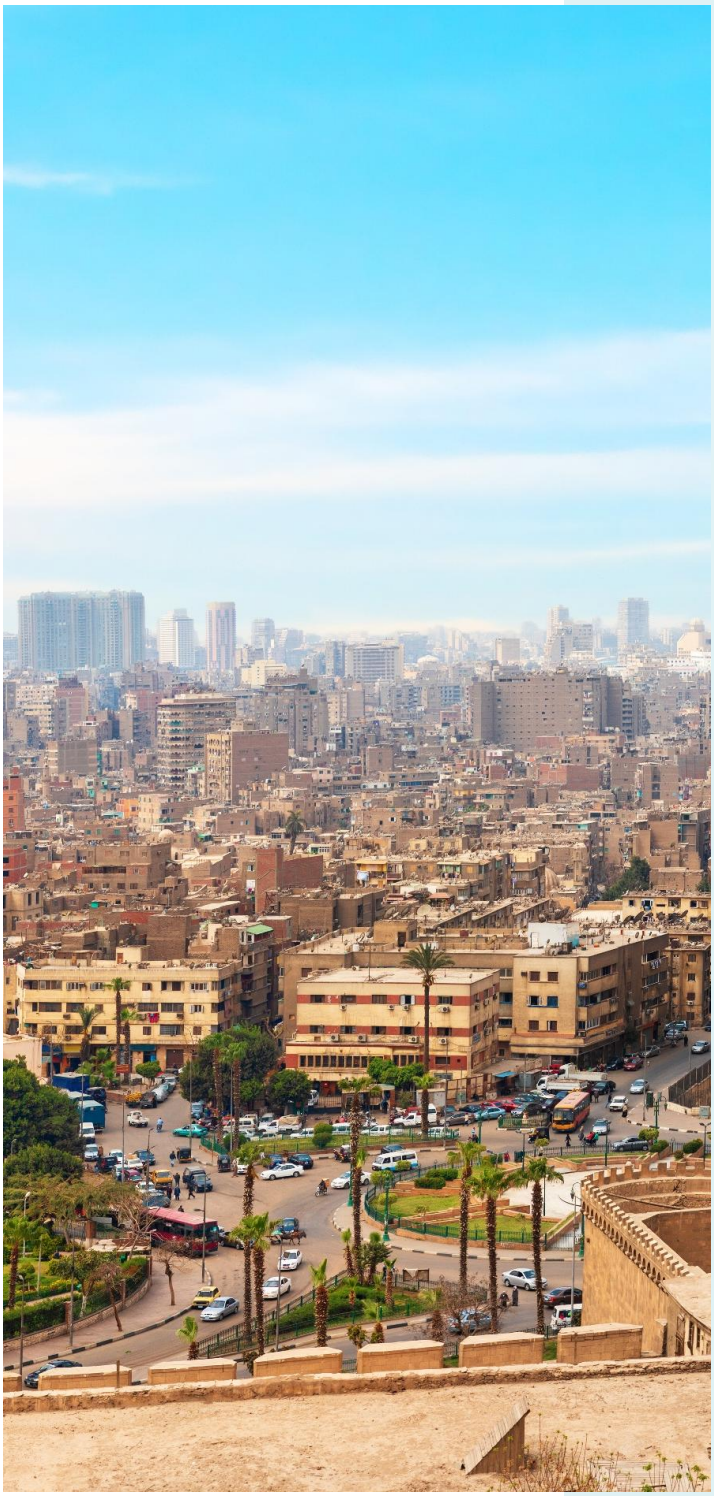
AI changes the significance of geography in data centre location. Training, fine-tuning and batch inference are fundamentally compute- and power-intensive workloads and follow locations capable of providing large, economically attractive blocks of power. Generative inference is more nuanced. While network latency remains an element of time-to-first-token, model processing, queueing and token generation can represent a much larger proportion of the end-user response time. The modest latency premium associated with serving European users from Northern Egypt may therefore be acceptable for a substantial range of LLM applications.

As an interesting example, this creates an important role for Northern Egypt as a regional AI factory, rather than a conventional data centre market, concentrating large-scale GPU infrastructure for training and high-volume inference while serving Europe, Africa and the Middle East through Egypt's unusually strong international connectivity. Ultra-low-latency workloads, however, would continue to favour distributed inference closer to users.

The strategic opportunity is therefore not to replace Milan, Marseille or Frankfurt. It is to complement them, using Northern Egypt for the classes of AI workload, where power availability, scale and cost per token matter more than the final tens of milliseconds of network latency. If 100+ MW of GPU infrastructure can be deployed there faster, or more economically than another 100 MW in an established European hub, a 30–50 ms network premium can be entirely acceptable for a substantial class of inference workloads.

A significant proportion of LLM inference could potentially be served from Northern Egypt, including workloads consumed in Europe, provided measured end-to-end latency, availability and data-residency requirements are satisfied.

So, the winners in this next phase will be the locations that can combine power, connectivity, land, speed-to-market and acceptable latency at scale. That is where the next Mediterranean data centre markets are destined to emerge. “Power follows demand” is becoming “compute follows power.” Recent European market evidence is unusually strong on this point. Industry experts almost unanimously report that power, grid timelines and planning have overtaken demand as the principal EMEA constraints, while we clearly see that European AI campuses (such as Zaragoza) are moving materially farther from traditional urban hubs in search of cheaper land and faster energy access.



## About the Author

Andrew Fray serves as Head of EMEA Data Centres at Cushman & Wakefield and International Partner of the firm. Based in London, he is a veteran of the data centre industry, having held senior positions at Telehouse/KDDI and Interxion/Digital Realty, and formerly serving on the Tech UK Data Centre Committee and Tech London 5G Working Group. Andrew has worked across several service lines and countries, including land, colocation and capital markets across emerging and frontier markets. He is a leading contributor in terms of sector insight, research and strategic guidance to both global and local clients.

## About Cushman & Wakefield

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for occupiers and investors with approximately 53,000 employees in over 350 offices and nearly 60 countries. In 2025, the firm reported revenue of $10.3 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture.

In relation to data centres, Cushman & Wakefield provides market intelligence, acquisition advisory, asset management, and disposal services tailored to the regional sector. Our capital markets team structures transactions that maximise returns, while our asset services specialists optimise operational performance and tenant retention. We deliver valuations, market analysis, and strategic advisory services that support confident investment decisions in this technically demanding asset class.

# Appendix

Sources

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[2] Le360, Morocco's ONEE to invest MAD 24.8 billion in energy transition and water security by 2030

[3] Tunisia Ministry of Industry, Mines and Energy, Conjoncture énergétique, end July 2026 (PDF)

Reuters, Tunisia power outage (STEG)

[4] TeleGeography, Submarine Cable Map

[5] World Bank, Open Data: population and GDP, 2024

[6] Cushman & Wakefield Data Centre Research; DCByte: tracked facilities and operational capacity

[7] Cushman & Wakefield Research: Southern Europe data centre capacity forecast, 800MW to 8GW

[8] Latham & Watkins, New grid access rules in Spain: key takeaways

| Item | Definition / methodology | Source | White Paper caveat |
|---|---|---|---|
| Submarine cable system map | | https://www.submarinecablemap.com/ | |
| Total operational international cables | In-service international submarine systems connected to the country, across all coastlines. Domestic-only systems excluded. | https://www.submarinecablemap.com/status/in-service | This is deliberately broader than the Mediterranean-facing measure. |
| Egypt example | Egypt's total international connectivity includes both Mediterranean and Red Sea systems, while the Mediterranean-facing measure isolates its north-coast connectivity. | https://www.submarinecablemap.com/country/egypt | This distinction is strategically important because Egypt bridges the Mediterranean and Red Sea. |
| TeleGeography freshness | TeleGeography Submarine Cable Map country/cable pages checked against 2026 status/RFS pages. | https://www.submarinecablemap.com/ | Cable status can change; refresh immediately before publication. |

| Item | Methodology | Primary source | Notes |
|---|---|---|---|
| Population | 2024 total population, shown in millions | https://data.worldbank.org/ | Rounded in main table. |
| GDP | 2024 nominal GDP, current US$, shown in billions | https://data.worldbank.org/ | Rounded in main table. |
| Tracked facilities | Cushman & Wakefield Data Centre Research, DCByte | https://www.dcbyte.com/ | Counts depend on database inclusion rules. |
| Operational MW | Cushman & Wakefield Data Centre Research, DCByte | https://www.dcbyte.com/ | Blank where no defensible national aggregate was found; some DC Atlas values are modelled. |
| MW per million population | Tracked operational MW / population in millions | Workbook formula | Blank when operational MW is unavailable. |
| MW per $100bn GDP | Tracked operational MW / (GDP US$bn / 100) | Workbook formula | Blank when operational MW is unavailable. |

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## ABOUT CUSHMAN & WAKEFIELD

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2024, the firm reported revenue of $9.4 billion across its core service lines of Services, Leasing, Capital markets, and Valuation and other. Built around the belief that Better never settles, the firm receives numerous industry and business accolades for its award-winning culture. For additional information, visit www.cushmanwakefield.com.

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