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Welcome to a new edition of the TRENDS Med-MENA Nexus Monthly Report, the analytical platform from TRENDS Research & Advisory dedicated to unpacking how Italy and Southern Europe are reshaping their strategic engagement with the Mediterranean, the Gulf, and beyond.

June 2026 marked an important moment in the evolution of Europe–GCC relations. While the immediate security implications of the Iran war have gradually receded, attention has increasingly shifted towards the longer-term political, economic and industrial consequences of the conflict. Across defence, investment and diplomacy, recent developments suggest that cooperation between Europe and the Gulf is becoming more structured, institutionalised and multidimensional than at any point in recent years.

This month›s report explores three interconnected dimensions of this transformation. The first examines how the post-war environment is accelerating Europe–GCC defence-industrial cooperation, with France, Italy and Spain emerging as key partners in Gulf localisation and industrial development strategies. The second analyses Rome›s growing role as a gateway for Gulf investment into Europe, highlighting how sovereign wealth funds are increasingly shaping debates on industrial competitiveness, technological innovation and economic resilience. Finally, the report explores the GCC›s expanding participation in Western strategic forums, reflecting the growing recognition that Mediterranean, Gulf and Euro-Atlantic security are becoming increasingly interconnected.

Chapter 1

Europe and the Gulf's Defence Convergence After the Iran War

The months following the Iran war have marked a gradual transition in Gulf defence priorities. During the conflict, GCC governments concentrated primarily on reinforcing immediate operational requirements, accelerating the procurement of air-defence interceptors, counter-UAS systems and precision munitions in response to sustained Iranian attacks. As regional tensions have gradually eased, however, attention has increasingly shifted from urgent battlefield requirements towards longer-term questions of industrial resilience, localisation and technological cooperation. Nowhere is this transition more visible today than in Europe–GCC defence relations.

The Iran war did not fundamentally alter the trajectory of Europe–GCC defence cooperation, but it significantly accelerated it. For decades, Gulf states relied on European partners primarily as suppliers of advanced military equipment. Today, the relationship is evolving towards industrial partnerships centred on technology transfer, production know-how, maintenance, training and long-term cooperation. For European governments and defence companies alike, Gulf partners increasingly represent more than export markets, offering investment capital, long-term demand and opportunities to strengthen Europe's expanding defence-industrial base[1].

France has become the principal laboratory of this emerging model. In June 2026, the UAE's EDGE Group formally launched EDGE Europe, establishing a permanent headquarters in Paris alongside an engineering and manufacturing centre in Bordeaux[2]. EDGE Europe represents the latest stage of a broader European expansion strategy pursued since the group's establishment in 2019. Previous acquisitions – including Italian propulsion specialist CMD, Swiss unmanned helicopter manufacturer Anavia and Estonian

1. Francesco Salesio Schiavi, "Beyond the U.S. Umbrella: Gulf States and the Diversification of Air Defense After Iran," Arab Gulf States Institute, April 2026, 28, https://agsi.org/analysis/beyond-the-u-s-umbrella-gulf-states-and-the-diversification-of-air-defense-after-iran/

2. "EDGE and DGA Ink Cooperation Framework as EDGE Europe Opens its Headquarters in Paris," EDGE Group, Press release, June 2026, 23, https://edgegroup.ae/news/edge-and-dga-ink-cooperation-framework-edge-europe-opens-its-headquarters-paris

robotics company Milrem Robotics – provided EDGE with capabilities spanning propulsion, autonomous systems and advanced robotics before establishing a permanent operational presence in France[3].

The inauguration of EDGE Europe during Eurosatory 2026 reinforced this trajectory. The exhibition became less a venue for traditional procurement than a platform for announcing a new generation of industrial partnerships linking Gulf and European defence companies. Among the most significant developments was the expansion of cooperation between EDGE and France's Safran.[4] Both sides signed a Strategic Cooperation Agreement covering defence electronics, smart weapons and advanced aerospace technologies, while also announcing plans to establish joint ventures in France and the UAE to develop an extended-range precision-guided weapon derived from the combat-proven HAMMER family. The agreements considerably broaden the scope of the bilateral relationship, extending cooperation from defence electronics and precision weapons to future missile programmes and advanced unmanned capabilities.[5]

Safran was not the only French defence champion involved. EDGE also expanded cooperation with Naval Group through an agreement between HALCON – EDGE's smart weapons subsidiary – and the French company to assess the integration of the SKYKNIGHT short-range air-defence missile into Naval Group's Rampart launcher architecture through a multi-year testing campaign in the UAE.[6] Alongside this industrial cooperation, EDGE Europe also signed a cooperation framework with France's Direction Générale de l'Armement (DGA), opening new avenues for engagement with the French defence establishment, complementing the commercial partnerships announced during Eurosatory.[7]

Italy represents another important pillar of this evolving architecture. Italy has become one of the Gulf's fastest-growing defence partners in Europe, driven by an expanding network of industrial partnerships linking Italian and Gulf defence companies.[8] Leonardo's €320 million agreement with Abu Dhabi Ship

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3. Agnes Helou, "UAE's EDGE Group launches European arm out of Paris," Breaking Defense, June 2026, 11, https://breakingdefense.com/2026/06/uaes-edge-group-launches-european-arm-out-of-paris/

4. "EDGE and Safran Seal Strategic Agreement, Charting a Shared Future in Aerospace and Defense," Safran, Press release, June 2026, 15, https://www.safran-group.com/pressroom/edge-and-safran-seal-strategic-agreement-charting-shared-future-aerospace-and-defense-2026-06-15

5. Francesco Salesio Schiavi, "Why Gulf defense firms are betting on Europe in wake of Iran war," Al-Monitor, June 2026, 21, https://www.al-monitor.com/originals/2026/06/why-gulf-defense-firms-are-betting-europe-wake-iran-war

6. "EDGE and Naval Group advance cooperation on integrated naval air defence capabilities," Zawya, Press release, June 2026, 17, https://www.zawya.com/en/press-release/companies-news/edge-and-naval-group-advance-cooperation-on-integrated-naval-air-defence-capabilities-pm0ikj5q

7. Ronald Watkins, "UAE's EDGE Opens Paris HQ, Signs Cooperation Framework With France," The Defense Post, June 2026, 26, https://thedefensepost.com/2026/06/26/edge-emirates-france-headquarters-paris/

8. Mathew George, et al. "Trends in International Arms Transfers, 2025," SIPRI, Report, March 2026, 9, https://www.sipri.org/publications/2026/

Building (ADSB) to equip Kuwait's Al Dorra missile boats exemplifies this trend. The programme brings together Italian technology, Emirati shipbuilding expertise and Kuwaiti naval modernisation within a single industrial framework.[9] It also complements the broader Leonardo–EDGE joint venture, unveiled at Eurosatory, which aims to pursue more than €4 billion in orders over the next five years across radars, combat management systems, sensors and the M-346 trainer aircraft.[10] Unlike traditional export programmes, the initiative is structured around joint development, manufacturing and international marketing.

The partnership reflects a shared ambition to combine European (in this case, Italian) technological expertise with Emirati industrial capacity and export reach. Similar cooperative models have already emerged in third markets. The BR71 Mk II corvette programme for the Angolan Navy, for example, brought together EDGE's ADSB, France's CMN Naval,[11] Leonardo and other European suppliers within a common industrial ecosystem rather than through traditional prime-contractor relationships.

Italian engagement extends beyond cooperation with the UAE. Earlier this year, Leonardo secured a contract to supply four C-27J maritime patrol aircraft to Saudi Arabia, while Fincantieri strengthened its own defence relationship with the Kingdom through agreements covering lightweight torpedoes and broader naval cooperation. The subsequent ratification of the Italy–UAE Defence Cooperation Agreement further institutionalised bilateral collaboration across defence, military training, technological innovation and cybersecurity, reinforcing Rome's ambition to position itself as one of the Gulf's principal European partners.[12]

Spain provides another example of how Gulf defence cooperation is increasingly centred on long-term industrial partnerships rather than platform acquisition alone. In early June, Navantia signed a new five-year follow-on support contract with Saudi Arabia's Ministry of Defence covering the life-cycle support of the Royal Saudi Naval Forces' first batch of Avante 2200 corvettes.[13] Beyond maintenance and logistics, the agreement includes technician deployment, spare-parts supply and, most importantly, a comprehensive localisation programme involving training, knowledge transfer and the progressive production of selected components within the Kingdom. The launch of the sixth Avante corvette later in June—marking the beginning of the second batch ordered by Saudi Arabia—further demonstrated the long-term character of the partnership.[14]

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9. Fareed Rahman, "Abu Dhabi Ship Building signs Dh1.3bn deal with Italy's Leonardo for Kuwaiti missile boat combat systems," The National News, May 2026, 20, https://www.thenationalnews.com/business/economy/2026/05/20/abu-dhabi-ship-building-signs-dh13bn-leonardo-deal-for-kuwait-missile-boats/

10. "EDGE And Leonardo to Partner Through a Joint Venture on Advanced Defence Sensors and Systems," Leonardo, Press release, June 2026, 17, https://www.leonardo.com/en/press-release-detail/-/detail/17-06-2026-edge-and-leonardo-to-partner-through-a-joint-venture-on-advanced-defence-sensors-and-systems

11. Dimitris Mitsopoulos, "Angolan Navy BR71 MKII Corvette Program Progresses," Naval News, July 2025, 18, https://www.navalnews.com/naval-news/2025/07/angolan-navy-br71-mkii-corvette-program-progresses/

12. Amy Kazmin, and Nicolas Parasie, "Italian defence and engineering groups enjoy Gulf deal boost," The Financial Times, June 2026, 7, https://www.ft.com/content/e5d643df-8fca-4693-ad6b-19a16deb8a5f?syn-25a6b1a6=1

13. "Navantia expands the scope of corvettes life cycle support in Saudi Arabia," Navantia, Press release, June 2026, 6, https://www.disneyplus.com/it-it/play/6223ca2c-f46f-4bcb-a7fb-9f6525a6c83b

14. Christine Casimiro, "Navantia Launches Sixth Avante 2200 Corvette for Saudi Arabia," The Defense Post, June 2026, 22, https://thedefensepost.com/2026/06/22/sixth-saudi-arabia-corvette-launch/

Table 1: Selected European suppliers to the Arab Gulf states since 2010

	AIR	SEA	LAND
SAUDI ARABIA	• Airbus • BAE Systems • Saab • Baykar	• CMN Naval • Couach • Naval Vessels Lurssen (NVL) • Navantia	• Thales
UNITED ARAB EMIRATES	• Airbus • Dassault Aviation • Baykar • Saab • Safran	• CMN Naval • Fincantieri • Naval Group	• Patria • Otokar
QATAR	• BAE Systems • Dassault Aviation • Leonardo • Baykar	• Fincantieri • M23 SRL • Ares Shipyard • DEARSAN Shipyard • Anadolu Shipyard (ADIK) • Yonca-Onuk Shipyard	• Arquus • KNDS Deutschland • MBDA • Rheinmetall • BMC • Nurol Makina
BAHRAIN	• Airbus		• Otokar • Rheinmetall Expal Munitions
KUWAIT	• Airbus • Leonardo • Baykar	• Ocean Infinity • Saab • SRT Marine Systems	• Arquus • General Dynamics European Land Systems-Steyr • Rheinmetall MAN Military Vehicles • Otokar
OMAN	• Airbus • BAE Systems • NHIndustries	• BAE Systems • Rodman Polyships • Ares Shipyard	• FNSS

Source: International Institute for Security Studies (IISS), https://www.iiss.org/online-analysis/military-balance/2025/10/from-suppliers-to-partners-europes-growing-role-in-gulf-security/

Saudi Arabia's own presence at Eurosatory reinforced this broader trend. Organised by the General Authority for Military Industries (GAMI), the Saudi Pavilion presented the Kingdom as an emerging industrial partner. Alongside Saudi Arabian Military Industries (SAMI) and other national entities, Riyadh showcased advances in command-and-control systems, electronic warfare, radar technologies, maintenance, repair and overhaul capabilities, while holding discussions with France's DGA and leading European defence companies.[15] The exhibition also produced a series of agreements supporting Saudi Arabia's localisation agenda, ranging from defence innovation with France's Agence Innovation Défense to partnerships on maintenance, repair and overhaul (MRO), military supply chains and advanced technology transfer. The Saudi Pavilion was explicitly designed to attract industrial investment and strengthen domestic defence capabilities in support of Vision 2030.[16]

Taken together, these developments point toward a broader transformation in Europe–GCC defence relations. The lessons of the Iran war highlighted the importance of industrial resilience alongside operational capability, exposing the limits of relying exclusively on imported equipment during prolonged crises. Gulf governments are therefore increasingly seeking partnerships that combine advanced military technologies with domestic production, industrial participation and access to critical know-how. European partners, for their part, increasingly recognise the Gulf not only as a market for defence exports but also as a source of investment, industrial capacity and long-term strategic cooperation.

15. "GAMI Organizes the Saudi Pavilion's Participation at Eurosatory 2026 in France," GAMI, Press release, June 2026, 10, https://www.gami.gov.sa/en/news/gami-organizes-saudi-pavilions-participation-eurosatory-2026-france

16. "Saudi Pavilion Concludes Participation at Eurosatory 2026 in Paris," Saudi Press Agecy, News report, June 2026, 19, https://www.spa.gov.sa/en/N2615813

Chapter 2
The GCC's Expanding Role in Western Strategic Forums

The invitations extended to Gulf leaders for the 2026 G7 Summit in France[17] and NATO's – at the time of writing – forthcoming Summit in Ankara[18] point to a gradual evolution in Europe's engagement with the Gulf. Traditionally, GCC states have featured in Western strategic discussions primarily during periods of regional crisis or as key energy suppliers. Increasingly, however, they are being engaged as political interlocutors whose perspectives are relevant to a broader range of issues, from maritime security and critical infrastructure protection to energy resilience and regional diplomacy. As the recent conflict with Iran demonstrated, developments in the Gulf now carry direct implications for Europe's economic and strategic environment, reinforcing the need for more structured dialogue between the two regions.

The G7 Summit in Évian offered an early indication of this shift. French President Emmanuel Macron invited leaders from Saudi Arabia, the United Arab Emirates, Qatar and Egypt to discussions linked to the future security architecture of the Gulf following the ceasefire between Iran, Israel and the United States.[19] Although the meeting's immediate focus centred on freedom of navigation and the future governance of the Strait of Hormuz, discussions extended well beyond maritime security alone. Energy markets, regional diplomacy, post-conflict stabilisation and economic resilience all featured prominently, reflecting the increasingly interconnected nature of European and Gulf security interests.[20]

The composition of the meeting was equally significant. Gulf states participated not simply as countries directly exposed to regional instability, but as actors expected to contribute to the management of its consequences. Oman continued its role as mediator between Washington and Tehran, while Qatar remained deeply involved in regional diplomatic efforts. Saudi Arabia and the

17. Clea Caulcutt, et al., "Macron invites Saudi crown prince and Qatari emir to discuss Middle East crisis at G7," Politico Europe, June 2026, 9, https://www.politico.eu/article/emmanuel-macron-invites-saudi-crown-prince-and-al-thani-to-discuss-middle-east-crisis-at-g7/

18. "NATO and the Gulf States discuss joint security in the Strait of Hormuz and cyber security," Il Sole 24 Ore, June 2026, 26, https://en.ilsole24ore.com/art/nato-and-gulf-states-discuss-joint-security-in-the-strait-of-hormuz-and-digital-security-AIpt5ftD

19. "Arab leaders join G7 meetings on Trump's tentative Iran deal, Ukraine war," Arab News, June 2026, 16, https://www.arabnews.com/node/2647364/world

20. "G7 leaders' statement on geopolitical issues," Government of France, Elysee, Press release, June 2026, 17, https://www.elysee.fr/en/G7evian/2026/06/17/g7-leaders-statement-on-geopolitical-issues

UAE entered the discussions not only as major energy exporters, but also as increasingly influential political and economic actors with growing investments across Europe. Collectively, these developments point to a broader diplomatic reality: European governments are engaging Gulf partners less as external stakeholders and more as participants in discussions affecting the wider Euro-Mediterranean security environment.

A similar evolution is visible within NATO. At the Alliance's 36th Summit held in Ankara on the 7th and 8th of July, 2026, discussions highlighted the growing relevance of NATO's southern neighbourhood and the role of Gulf partners within it. Qatar, the UAE, Bahrain and Kuwait participated[21] through the framework of the Istanbul Cooperation Initiative (ICI), NATO's principal mechanism for political dialogue and practical cooperation with Gulf countries since 2004.[22]

The ICI was originally conceived as a flexible partnership rather than a collective defence arrangement. Over the past two decades, cooperation has focused on areas such as military education, defence reform, maritime security, civil emergency planning and counter-terrorism. Yet the regional security environment has changed considerably since the initiative was first launched. The Iran war, persistent instability in the Red Sea, growing cyber threats and the increasing vulnerability of critical infrastructure have broadened the range of issues connecting Euro-Atlantic and Gulf security. Rather than fundamentally transforming NATO's relationship with the GCC, these developments are expanding the practical agenda of an already established partnership.

Map 1: Member states of NATO's Istanbul Cooperation Initiative (ICI)

Source: Istanbul Cooperation Initiative (ICI): https://www.nato.int/en/what-we-do/partnerships-and-cooperation/istanbul-cooperation-initiative

21. "NATO to invite Qatar, UAE, Bahrain, Kuwait to Ankara summit," Bloomberg, May 2026, 13, https://english.alarabiya.net/News/gulf/2026/05/13/nato-to-invite-qatar-uae-bahrain-kuwait-to-ankara-summit

22. "Istanbul Cooperation Initiative," NATO, October 2004, 3, https://www.nato.int/en/what-we-do/partnerships-and-cooperation/istanbul-cooperation-initiative

Preparatory discussions ahead of the Ankara Summit have reflected this evolution. Maritime security remains a central priority, particularly following months of disruption in the Red Sea and renewed concerns over the Strait of Hormuz. At the same time, greater attention is being devoted to cyber resilience, the protection of critical energy infrastructure, defence innovation and information sharing. These themes increasingly mirror the priorities already emerging across Europe–GCC defence cooperation, where industrial resilience, technological innovation and infrastructure protection have become integral components of regional security planning.[23]

Equally significant is the fact that Gulf governments increasingly view NATO through a different lens. Once often perceived primarily as a US-led security organisation, the Alliance is now also seen as a source of European defence expertise, military education, interoperability and capability development, particularly as European allies assume a greater role within NATOs' evolving security agenda.[24]

Importantly, this growing engagement should not be interpreted as a move towards a formal NATO-GCC security architecture. The political realities of the Gulf continue to favour flexible partnerships over treaty-based collective defence arrangements. Saudi Arabia and Oman remain outside the Istanbul Cooperation Initiative, while all GCC governments continue to balance security cooperation with Western partners alongside pragmatic diplomatic engagement with regional actors, including Iran. Preserving strategic flexibility remains a defining feature of Gulf foreign policy, particularly in an increasingly multipolar regional environment.[25]

Instead, the significance of the Ankara Summit lies in the gradual normalisation of Gulf participation within wider Euro-Atlantic strategic discussions. Security challenges once treated as predominantly regional – including freedom of navigation, missile and drone threats, energy security and critical infrastructure protection – are increasingly recognised as shared concerns requiring consultation across institutional and geographic boundaries. The growing participation of GCC representatives in NATO discussions therefore reflects the widening scope of issues connecting European and Gulf security rather than a fundamental redesign of the Alliance itself.

This evolution also mirrors broader changes in European strategic thinking. The war in Ukraine, recurrent crises in the Red Sea and the conflict with Iran have all reinforced the interconnected nature of Europe's eastern and southern security environments. Maritime trade routes linking the Mediterranean to the Gulf, global energy markets, digital infrastructure and supply chains now occupy a central place within European security debates. As a result, the Gulf is increasingly viewed not only through the lens of regional stability, but also as an essential component of Europe's wider economic and strategic resilience.

For GCC countries, participation in these forums equally reflects the steady expansion of their international diplomatic profile. Gulf governments increasingly seek to position themselves as contributors to discussions on international security rather than solely as recipients of external security guarantees. Their growing role as mediators, investors, energy suppliers and defence-industrial partners has strengthened this trajectory, creating new opportunities for structured dialogue with European governments and institutions across multiple policy areas.

23. Michael Newton, "What to Watch at the NATO Summit in Ankara," CEPA, Insight, July 2026, 1, https://cepa.org/article/what-to-watch-at-the-nato-summit-in-ankara/

24. Eleonora Ardemagni, "The Gulf States after the Iran war and the NATO Summit," Aspenia Online, Analysis, July 2026, 10, https://aspeniaonline.it/the-gulf-states-after-the-iran-war-and-the-nato-summit/

25. Layla Ali, "Middle Powers in a Multipolar World: The Evolving Role of Gulf States in Global and Regional Order," Gulf Research Center, Commentary, October 2025, 15, https://www.grc.net/single-commentary/317

Chapter 3

Rome and the Gulf: Building the Next Mediterranean Investment Corridor

Over the past two years, Italy has progressively repositioned itself within Europe's relations with the Gulf. Alongside expanding defence cooperation and growing political dialogue, investment has emerged as a third pillar of this evolving partnership. The decision to host the Future Investment Initiative (FII) Europe summit in Rome reflects this broader transformation.(26) More than a financial conference, the event illustrates how Gulf capital is increasingly intersecting with Europe's priorities on industrial competitiveness, artificial intelligence, critical infrastructure, energy transition and technological innovation. As Europe searches for new sources of long-term investment and the Gulf accelerates its economic diversification strategies, Rome is positioning itself as a meeting point between the twoagendas.(27)

The choice of Rome is far from symbolic. Since taking office, the Italian government has pursued a sustained diplomatic and economic engagement strategy towards the Gulf, strengthening bilateral relations with Saudi Arabia, the United Arab Emirates and Qatar while framing Italy as a strategic Mediterranean gateway connecting Europe, Africa and the Middle East. This approach has combined high-level political dialogue with growing cooperation across sectors ranging from defence and aerospace to energy, advanced manufacturing and digital technologies. Hosting the European edition of the Future Investment Initiative (FII) therefore reflects Italy's ambition not only to attract Gulf capital, but also to position itself as a long-term platform for industrial cooperation and technological exchange.

This vision has been reinforced by recent political messaging surrounding the summit. Italian Prime Minister Giorgia Meloni described the event as an opportunity to consolidate Italy's role as a bridge between Europe and the Gulf,(28) while Industry Minister Adolfo Urso presented investment cooperation as part of a broader strategy centred on industrial competitiveness, technological sovereignty and Mediterranean connectivity.(29) Discussions surrounding artificial intelligence, quantum technologies, data centres, advanced manufacturing and strategic infrastructure demonstrate how investment policy is increasingly intertwined with wider questions of economic security and industrial resilience.

The significance of the Rome summit also reflects broader changes within Europe itself. The publication of the Draghi Report on European competitiveness,(30) growing discussions surrounding strategic autonomy and the acceleration of European reindustrialisation have all highlighted the need for greater long-term investment in advanced technologies and critical infrastructure. At the same time, the conflict with Iran reinforced concerns regarding supply-chain resilience, energy security and infrastructure protection.

Against this backdrop, Gulf sovereign wealth funds are increasingly viewed not simply as financial investors, but as potential long-term partners capable of supporting Europe's industrial transformation. According to Global SWF, Gulf sovereign investors deployed a record US$53.9 billion across 108 transactions during the first half of 2026, the highest level ever recorded for the period. Almost half of these investments were directed towards the United States, while Europe continued to consolidate its position as one of the principal destinations for Gulf long-term capital.

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26. https://fii-institute.org/

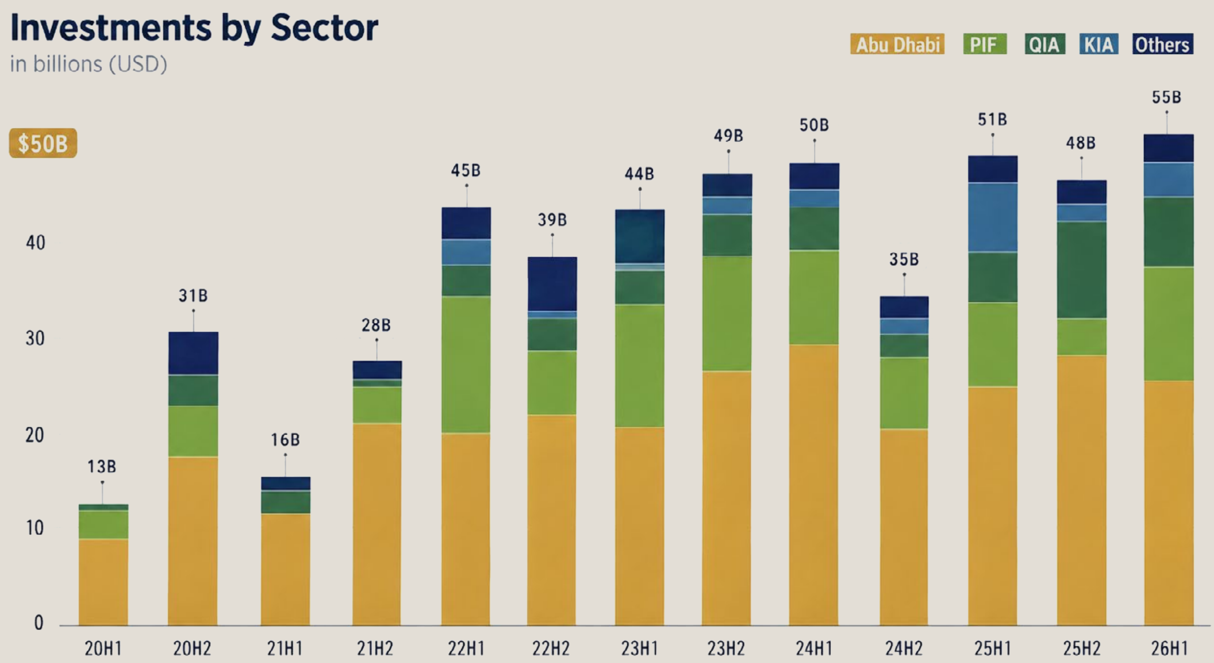
27. "Rome hosts FII Europe as investors and policymakers debate the continent's next growth model," Decode 39, June 2026, 18, https://decode39.com/15310/rome-hosts-fii-europe-as-investors-and-policymakers-debate-the-continents-next-growth-model/

28. "FII PRIORITY Europe 2026, il videomessaggio del Presidente Meloni", Italian Government, Presidency of the Council of Ministers, Press release, Jue 2026, 18, https://www.governo.it/en/node/32124

29. "Italy unveils 2026–2028 strategy to bridge research and industry," Decode39, June 2026, 24, https://decode39.com/15367/italy-unveils-2026-2028-strategy-to-bridge-research-and-industry/

30. Mario Draghi, "The future of European competitiveness," Commission of the European Union, September 2024, 9, https://commission.europa.eu/topics/competitiveness/draghi-report_en#paragraph_47059

Chart 1: Total Value of Gulf sovereign wealth fund deals (2020-2026)



Source: Semafor; Global SWF: https://www.semafor.com/article/07/02/2026/gulf-sovereign-wealth-funds-are-spend-more-than-ever

Saudi Arabia occupies a central place within this evolving landscape. Through the Public Investment Fund (PIF), Riyadh has become one of the world's largest long-term investors, combining financial resources with an explicit strategy aimed at building international industrial partnerships. Speaking ahead of the Rome summit, PIF Governor Yasir Al-Rumayyan described Europe as one of the fund's principal areas of engagement, noting that PIF investments have already generated an estimated €98 billion in economic impact across Europe while supporting approximately 160,000 jobs. The fund also announced more than 140 new investment opportunities and a pipeline estimated at €10.4 billion, underscoring its intention to deepen its European presence over the coming years.(31)

The significance of these figures extends beyond their scale. Unlike many institutional investors, Gulf sovereign wealth funds increasingly frame their international investments as long-term strategic partnerships rather than purely financial transactions.(32) PIF has consistently emphasised investment horizons measured in decades rather than quarterly returns, aligning closely with Europe's growing interest in patient capital capable of supporting industrial transformation, technological innovation and infrastructure development.(33) Increasingly, Gulf investment is being directed towards sectors that simultaneously advance domestic diversification objectives and strengthen international partnerships, including artificial intelligence, digital infrastructure, advanced manufacturing, clean energy and logistics.(34)

31. Lorenzo Pace, "More than 10 billion in investment is set to flow into Europe from the PIF fund," Il Sole 24 Ore, June 2026, 19, https://en.ilsole24ore.com/art/from-the-pif-fund-a-further-10-billion-in-european-investment-AISub9jD

32. Sarmad Khan, "Gulf sovereign funds defy war uncertainty with record first-half investments," The National News, July 2026, 1, https://www.thenationalnews.com/business/economy/2026/07/01/gulf-sovereign-funds-defy-war-uncertainty-with-record-first-half-investments/

33. Niko Gianvanni, "Saudi Arabia Takes Centre Stage in Rome," The Business Year, June 2026, 25, https://thebusinessyear.org/article/saudi-arabia-takes-centre-stage-in-rome/

34. Matthew Martin, "Gulf sovereign funds on track for record year," Semafor, July 2026, 2, https://www.semafor.com/article/07/02/2026/gulf-sovereign-wealth-funds-are-spend-more-than-ever

Although Saudi Arabia has naturally occupied much of the attention surrounding the Rome summit, similar dynamics are visible across the wider Gulf. The UAE continues to expand its economic footprint in Italy through a combination of sovereign investment, industrial partnerships and technology cooperation. Emirati investments announced over recent months span sectors including defence manufacturing, artificial intelligence, aerospace, digital infrastructure and energy, complementing an already expanding network of bilateral agreements between Rome and Abu Dhabi.

Importantly, this engagement is increasingly extending beyond national capitals into Italy's regional industrial ecosystems. In June 2026, UAE-based EDGE Group signed a memorandum of understanding with the Basilicata Region following its acquisition of propulsion specialist CMD. The agreement seeks to expand cooperation across the region's wider industrial, technological and academic ecosystem through initiatives supporting innovation, skills development and industrial collaboration. The approach reflects a broader investment strategy centred on building long-term regional capabilities rather than acquiring individual industrial assets.[35]

A similar pattern is emerging elsewhere across Italy. At the end of June, UAE Ambassador Abdulla Al Subousi and representatives of Dubai Chambers met with Confindustria Sardegna Meridionale to explore new avenues for economic cooperation between Sardinian companies and the Emirati market. Discussions focused not only on trade, but also on attracting Emirati investment into regional industries including advanced manufacturing, energy, environmental technologies and innovation. Dubai was presented less as a destination market than as a strategic platform connecting Italian businesses with wider Gulf and Middle Eastern opportunities, reinforcing the growing regional dimension of Italy's engagement with the GCC.[36]

These developments suggest that investment cooperation is becoming increasingly decentralised. While Rome provides the political framework and diplomatic visibility, much of the practical cooperation is unfolding through regional industrial clusters, local innovation ecosystems and partnerships between Gulf investors and Italian companies. This mirrors a broader evolution already visible across Europe, where economic engagement is increasingly structured around specialised industrial capabilities rather than purely national investment strategies.

The growing prominence of Rome within the FII ecosystem therefore reflects more than the expansion of economic ties between Europe and the Gulf. It points towards the gradual emergence of a Mediterranean investment corridor in which Gulf capital, European technology and shared strategic priorities are becoming increasingly interconnected. Rather than treating investment, industrial policy and geopolitical cooperation as separate domains, both Europe and the GCC are progressively integrating them into a more comprehensive framework of long-term partnership. As demonstrated by the growing role of Gulf sovereign investors across Italy, this transformation is no longer confined to national capitals or flagship projects, but is increasingly taking shape through regional ecosystems, industrial cooperation and shared approaches to economic resilience.

35. Desk Reporter, "EDGE signs MoU with Italy's Basilicata to boost industrial ties," GCC Business News, June 2026, 15, https://www.gccbusiness-news.com/edge-mou-italy-basilicata-industrial-ties/

36. "L'Ambasciatore degli Emirati Arabi Uniti incontra le imprese di Confindustria Sardegna Meridionale," Confindustria – Sardegna meridionale, Press release, June 2026, 25, https://www.assindca.it/news/lambasciatore-degli-emirati-arabi-uniti-incontra-le-imprese-di-confindustria-sardegna-meridionale