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The Rise of Sovereign AI: Nations Vie for Leadership in AI Inference and Influence

Over the past decade, nations have moved toward abandoning the once-glorified globalization era to a more fragmented, protectionist alternative. As geopolitical tensions rise, governments have increasingly prioritized safeguarding technical infrastructure for national economic security and reducing dependency on foreign supply chains. For example, countries are investing billions to build domestic manufacturing capabilities of semiconductors, which are essential for everything from smart devices to military weaponry (Read our [Tech Wars](#) Newsletter). Other examples include the unprecedented vigilance and monitoring of undersea cables or submarine communication cables, which carry 95% of global internet traffic for communications and power transmission.¹ The race for 5G supremacy is yet another example of the

critical need for self-reliance. Countries like the United States and China heavily invest in their 5G infrastructure to avoid dependence on potentially “adversarial” powers.² In short, nations have long invested in domestic infrastructure to advance their economies and as a tool for geopolitical influence. The latest battleground for control is ***Sovereign Artificial Intelligence (AI)***.

Sovereign AI refers to a nation's ability to build and train AI models using its hardware, infrastructure, data, and workforce, and it is a direct extension of the de-globalization narrative. Each nation has its priorities—the United States’ focus has been bolstering its AI private and public investments, including the CHIPS Act, to protect intellectual property and limit tech exports³; whereas China aims to lead AI investments globally by 2030, focusing on smart city and surveillance technologies.⁴ The European Union has prioritized ethical AI and privacy and reduced dependence on U.S. and Chinese firms.⁵

Perhaps the most significant trend of countries is constructing essential infrastructure for AI production, often referred to as inference data centers, where training data comes in and intelligence comes out. These centers support next-generation high-performance computing, hosting a full stack of hardware and software solutions to accelerate computationally intensive AI tasks. Nations are employing several different approaches to building local capacity. Some procure sovereign AI clouds with state-owned utilities offering operational support and resources. Others are sponsoring regional cloud partners for public and private-sector use of AI computing.

For example, Norway’s Earth Wind & Power aims to develop Europe's first vertically integrated AI Compute Center by deploying Groq's LPU Inference Engine to generate energy-efficient and cost-effective AI applications, in contrast to energy-intensive GPU clusters.⁶ The joint venture aims to democratize access to AI and support European developers with GDPR-compliant infrastructure. Similarly, in Saudi Arabia's private energy sector, Aramco Digital is partnering with Groq to build one of the largest AI Inference-as-a-Service infrastructures in the MENA region, with capacity for domestic and global demand.⁷

In addition, Japan is working with NVIDIA to develop models for the Japanese language, upskill its labor force, and increase the use of AI for climate and natural disaster response teams.⁸ Applying the Public-Private partnership (PPP) model is rewarding industry giants like SoftBank Corp. On the other hand, Singapore is supporting several independent AI initiatives, such as updating its National Supercomputer Center (NSCC) in collaboration with NVIDIA.⁹ Additionally, two language models—Llama-3-Swallow-70B for Japanese and Llama-3-Taiwan-70B for Mandarin—are part of NVIDIA's four new NVIDIA NIM microservices, which are intended to make it easier to develop and implement generative AI systems suited to regional needs.¹⁰

Sovereign AI could represent a philosophical turning point that potentially redefines power, autonomy, and ethics. Localized and culturally contextualized AI systems can align with a nation’s local values, laws, and nuances—reflecting a world where nations leverage AI to extend their influence and secure their interests. This pursuit raises critical questions about the entity of AI that reciprocally influences and is influenced by societal norms, who controls the data, and who sets standards. And, of course, from our perspective, the rise of localized and specific use cases, regardless of nations’ motivations, creates opportunities for agile private companies to develop a myriad of

regional solutions, a trend we will continue to watch closely.

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¹<https://www.noaa.gov/submarine-cables>

²<https://issues.org/china-and-5g/>

³<https://www.whitehouse.gov/briefing-room/statements-releases/2022/08/09/fact-sheet-chips-and-science-act-will-lower-costs-create-jobs-strengthen-supply-chains-and-counter-china/>

⁴<https://www.nytimes.com/2017/07/20/business/china-artificial-intelligence.html>

⁵<https://carnegieendowment.org/research/2024/03/charting-the-geopolitics-and-european-governance-of-artificial-intelligence?lang=en>

⁶<https://earth-wind-and-power.com/earth-wind-power-and-groq-to-establish-pioneering-ai-compute-center-in-norway/>

⁷https://groq.com/news_press/groq-raises-640m-to-meet-soaring-demand-for-fast-ai-inference/

⁸<https://blogs.nvidia.com/blog/japan-sovereign-ai/>

⁹<https://www.nscs.sg/>

¹⁰<https://blogs.nvidia.com/blog/nim-microservices-generative-ai/>

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