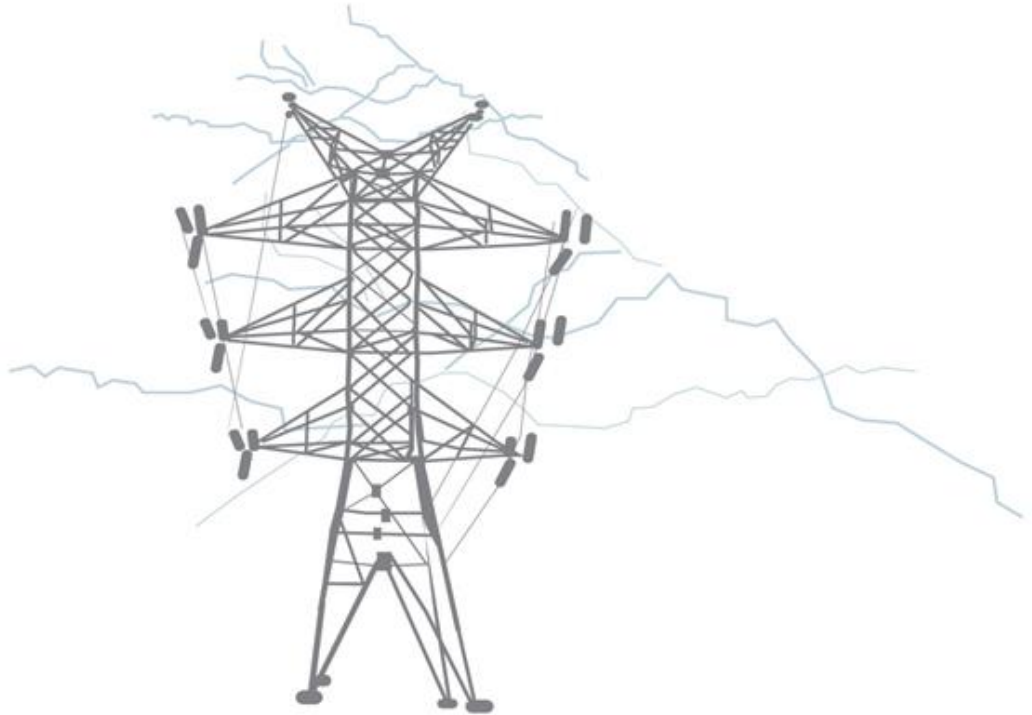


# Marmore Infrastructure Report 2013

## Saudi Power

### *Boosting Supply*



#### **Research Highlights:**

Examining and analyzing the status of Saudi Power Sector highlighting the demand, supply and investment trends. The report also presents growth drivers and key learning points.

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## Executive Summary

CAGR of power generation in Saudi Arabia will have to be kept at 6%

Among the GCC economies, Saudi Arabia can be addressed as the most aggressive nation with respect to investments in the Power sector. Reasons are multifold. Kingdom of Saudi Arabia struggles to keep pace with the increasing demand for electricity. Factors, which drive the rapid growth in demand of energy, in the Kingdom, are the population growth and high level of urbanization. According to IMF estimates, Saudi population is expected to increase from the current 28 million to reach 31 million by 2015 and 37 million by 2020. Urban conglomerates contribute around 83.6% of the total population<sup>1</sup> in the Kingdom which is growing at 2.2% annually. With this powered growth, total power generation of the country will have to be kept in an annual growth rate of 6%. GDP growth of Saudi Arabia is estimated at 6.81% in 2012. High economic development and activities have accelerated the consumption rate of energy in the Kingdom.

By 2020, the Saudi Government is planning to create an additional 30,000 MW of power capacities

As per recent reports of Saudi Electricity Company (SEC), the major electricity generating and distributing agency in the Kingdom, fresh investments close to USD 100bn will be required to cater the forecasted demand. By 2020, the Saudi Government is planning to create an additional 30,000 MW of power capacities. This is as part of its projects of ramping up the power generation capacity by two fold by 2030.

High dependency on the hydrocarbons and the thoughts of finding sustainable energy resources have made the leaders of the GCC economies in particular the Kingdom to concentrate on nonconventional energy resources. Major announcements of solar power projects and power generation from the waste are clearly indicating the nation's wish to meet its electricity demand through renewable energy resources.

Saudi Government has also announced its ambitions to establish nuclear power plants recently. According to King Abdullah City for Atomic and Renewable Energy (KACARE), after the successful completion of

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<sup>1</sup> Estimates of 2010 by United Nations, World Urbanization Prospects

Power grid in GCC has successfully completed its second phase

establishing and commissioning of the nuclear power plants, the Kingdom aims at generating 20% of its demand to be sourced through the same by the end of 2030. According to them, the world's largest oil exporter is also aiming to have 41,000 MW of solar power capacity in the next two decades.

Further, power grid in GCC has successfully completed its second phase. Saudi Arabia will be the major electricity supplier to the surrounding regions. This will help the SEC in exploring newer paradigms of revenue generation backed by its tremendous supply of resources.

**Cost of the full report: \$100**

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