
Saudi to spend USD 28 billion on ailing electricity transmission network

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Arabian Business reported that Saudi Electricity Company is planning to spend USD 28 billion in the next 3 years to meet the Kingdom's rising power demands.

The Riyadh-based utility firm is also due to invest a further USD 70 billion by 2018 to add an extra 25,000 MW to the struggling electricity network.

Mr Ali Al Barrak CEO of Saudi Electricity Company said that "We already have major projects under construction now. This is to add about 13,000 MW of power and the required transmission distribution system."

According to figures by HSBC Holdings, Saudi's population has tripled in the last 30 years and is expected to continue growing at a rate of 2% a year.

The country's electricity power needs have also grown at a tremendous rate and power cuts are common in many cities, especially during the summer months.

According to figures by the King Fahd University of Petroleum and Minerals, Electricity consumption is estimated to quadruple to 140 GW a year by 2032. In June, Saudi Electricity raised more than SAR 7 billion from an Islamic bond sale and a SAR 4.1 billion loan from the Export-Import Bank of the US and Export Development Canada to add 2,900 MW of power generation.

Mr Barrak said that "We are diversifying our financial resources. Financing is a bit of a challenge for the company but we will have different ways to finance future projects."

He said that the firm is due to announce next week the closing of financing for the SAR 10 billion Rabigh steam powered plant.

(Sourced from Arabian Business)

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