
Saudi Arabian electrify investments to cross USD 80 billion

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Arab News reported that Saudi Arabia would need to invest SAR 300 billion in electricity generation and distribution over the next 10 years to cater for domestic demand that is growing by 8% per year.

Mr Abdullah Al-Hussayen water and electricity minister of Saudi Arabia said that “The Kingdom currently produces 40,000 MW of electricity.

Mr Al Hussayen said while opening a workshop of electricity investment organized by his ministry in cooperation with World Bank that by 2015, the Kingdom will add 5,200 MW in new capacity of which 3,200 MW will be operational in 2013.

He spoke about the ministry’s efforts to encourage the private sector in participating in the Kingdom’s electricity projects through the build, own and operate system. The current investment program includes three projects: The Rabigh plant to produce 1,200 MW in 2013; the 11th Riyadh plant to operate in 2013 with a capacity of 2,000 MW and the Qarya plant to produce 2,000 MW by 2015.

Mr Al Hussayen said that the new electricity projects would be financed by local, regional and international banks. The sukuk issues in local capital market to finance electricity projects had received good response from investors. It shows that there are investors seeking such investment products. As a result of this response we decided to increase the sukuk issue to SR6 billion. He stressed the ability of Saudi banks and other financial institutions in funding electricity projects in the Kingdom.

(Sourced from Arab News)

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