

# Saudi says must invest \$88bn in power over 10 years

- Sunday, 15 May 2011 8:45 AM



**POWER NEEDS:** Saudi Arabia needs to invest SR330bn (\$88bn) over the next 10 years as demand for electricity continues to grow 7-8 percent annually (Khatib/AFP/Getty Images)

Saudi Arabia needs to invest SR330bn (\$88bn) over the next 10 years as demand for electricity continues to grow 7-8 percent annually, the kingdom's water and electricity minister said.

Abdullah Al Husayen told an industry conference on Saturday that the water and power sector would need investments of SR500bn in the next ten years, and that demand for water was growing by more than 7 percent annually.

"It is expected that the maximum power load will reach 75,000 megawatts in the next 10 years which means the need to invest around 330 billion riyals to boost generation capacity and transmission and distribution networks," Husayen said.

The figure for power investments was higher than an earlier SR300bn given by officials as needed to boost capacity to 80 gigawatts from 50 gigawatts, but appears to also include transmission and distribution costs.

"The private sector is expected to contribute roughly 30 percent of it or the equivalence of SR100bn," Husayen said.

"Its an approximation... that the demand for power is expected to continue to be growing 7-8 percent during the next ten years," Husayen told reporters.

Although sitting on the world's biggest oil and fifth gas reserves, Saudi Arabia is struggling to keep pace with rapidly rising power demand, as petrodollars have fuelled a region-wide economic boom as well as rapid population growth.

Asked about solar power, Husayen said: "It may not be [of use] in the short term... but maybe nuclear energy will be more than solar energy in the future."