

# Solar power could displace oil in Arabian Gulf region, BNEF says



**SOLAR POWER:** Arabian Gulf nations would benefit more from selling their oil rather than using it to generate discounted electricity

Solar energy may be more attractive than oil-fueled power plants in the Middle East, suggesting governments should encourage sun power and preserve petroleum for export, Bloomberg New Energy Finance said.

Arabian Gulf nations such as Saudi Arabia, Kuwait and the UAE would benefit more from selling their oil rather than using it to generate discounted electricity, the London based analysis company said on Wednesday in a statement. Falling costs of photovoltaic panels have made solar power a better option for domestic generation, it said.

“This exercise demonstrates the clear argument for large- scale deployment of PV in the Middle East region,” Michael Liebreich, chief executive of New Energy Finance. “The continued cost decline of PV will open up electricity markets in the Gulf extremely quickly.”

A 1,000-megawatt photovoltaic project built in the region in 2011 would generate a rate of return of 9.4 percent, assuming oil prices rise to \$163 when adjusted for inflation in 2030, New Energy Finance said, using oil price projections from Standard Chartered.