

UAE to remain renewable energy leader in 2011

Abu Dhabi is building the world's largest single solar project

Massive investments in renewable energy projects will allow the UAE to maintain its leadership in this field in the region in 2011 despite mammoth projects planned by other Middle East countries, industry experts said on Wednesday.

The UAE, which controls the world's fifth largest oil and gas deposits, has already been a regional leader in renewable energy and a global pioneer in undertaking such clean energy projects as Masdar City, they said.

Its position has been strengthened by the signing of Dh70-billion deal to build nuclear power plants in the next 10 years and in constructing the world's largest solar energy venture in Madinat Zayed in Abu Dhabi emirate.

"The UAE is now the leader in renewable energy and will remain so in 2011 because massive projects are in the pipeline," said Hannes Reinisch, consulting manager at Deloitte, a global industry services company.

"Some of these projects could be completed in 2011 and this will ensure the UAE will maintain its leadership in this field."

Speaking to Emirates 24/7 at the renewable energy summit in Abu Dhabi, Reinisch cited Shams 1 solar energy project in Madinat Zayed, which he described as the world's largest venture of its kind.

The project, an initiative by Masdar, was launched two years ago and will have a production capacity of 100 megawatts, making it the largest single solar energy project in the world, according to Reinisch.

"The UAE will be a renewable energy leader again this year despite large projects planned by other countries in the region," he said.

"Our expectations for the Gulf and the Middle East are that there will be continued growth in investments in energy projects, including renewable energy...there are several solar projects in the pipeline, mainly that in Saudi Arabia."

Another Deloitte expert said he expected a surge in mergers and acquisitions (M&A) activity in the global energy sector in 2011.

Peter Bommel, Global Energy and Resources Industry Leader, said the company's projections are based on the fact that renewable energy is not a "hot" issue in the world and that it is recording rapid growth.

"Another area of global investment this year will be unconventional gas, mainly shale and tight gas in the United States and Australia," he said.

He said a key factor for such investments will be an expected surge in the number of electric cars coming on the market.

“Manufacturers see a big market for these cars and this means there will be a need for infrastructure to use these cars...our projections are that large investments are needed for such infrastructure projects,” he said.

Bommel said investments in energy would also be spurred by high growth in the world’s population to reach nearly 8.5 billion in 2030 from 6.5 billion at present.

“This means there will be growth of around 40 per cent in energy demand and this means there will be a need for more investments.”

In a statement distributed at the summit, Deloitte said trends for an expected increase in energy investment worldwide are apparent in the Middle East.

“Solar as well as the nuclear developments are key opportunities for energy diversification in the region, with the Abu Dhabi government taking a regional lead role in both those sectors,” it said.

“An interesting dynamic of future energy here in the Middle East is how governments develop ways to complement their natural fossil resources with future energy resources for the long term...they recycle oil revenue into solar energy and sustainability research...this is a smart way of investing current wealth to return sustainable economic stability and energy security in the future.”

Referring to what it termed as “Desertec Industrial Initiative,” the statement said.

Deloitte considered it as a driver of change with significant potential to deliver transformation to the future energy industries of MENA and Europe,.