

GCC Needs US \$131 Billion In Power Investment Over Next Five Years, States Power Show Report

Regulatory Framework Identified As Private Sector Incentive

Dubai, UAE – 17 January 2018: A new report from Middle East Electricity (MEE), the region's leading annual international trade event for the power industry, states the GCC requires a combined US \$131 billion worth of investment in electricity generation, transmission and distribution over the next five years to cope with increasing demand from growing populations, expanding economies and climatic changes.

The report, 'GCC Power Market', reveals that despite the GCC's current power-generating capacity of 157 Gigawatts (GW) – which equates to 43 per cent of all Middle East and North Africa capacity – its six states will still require US \$ 81bn investment for another 62 GW of increased capacity and US\$ 50bn for additional transmission and distribution.

Saudi Arabia accounts for the largest spend needs with US \$36bn required for generation and US \$23bn for transmission and distribution, followed by the UAE at US \$22bn investment needed for generation and US \$13bn for transmission and distribution. Kuwait requires the third largest investment with US \$8.4bn needed for generation and US \$5.2bn for transmission and distribution, followed by Oman at US \$6.8bn and US \$4.2bn respectively, Qatar requires US \$5.5bn and US \$3.4bn respectively, with Bahrain needing the least investment level at US \$1.9bn and US \$1.1bn.

The report, produced for the Middle East Electricity exhibition by Ventures Onsite, says much of the investment is likely to come from public-private partnerships (PPP) if a regulatory framework is introduced to incentivise independent power producers (IPP).

Over the last two decades, the PPP model has become the most attractive financing mechanism for the GCC power market with the model helping to ease the strain on government finances in delivering complex engineering solutions and delivering advanced technology solutions. The report outlines reliance on IPPs will grow but warns: "According to industry experts, there also arises the need for the power sector to establish a regulatory framework to push for the private sector's participation."

It adds: "GCC governments need to ensure that IPPs play a larger role in power generation and not be looked upon as a short-term fix to increasing demand."

Such is the demand for change, that the Global Smart Energy Summit (GSES) – which will debut alongside MEE 2018 – has a track dedicated to reforms, policy and incentives where regional and international industry leaders will look for tomorrow's financing and partnership solutions.

"There will be keen debate on energy models needed to fuel economic growth, including policy reform needed to accelerate the global transition to smart energy," explained Ryan O'Donnell, Programme Director for GSES. "This includes a review of successful policy rethinks from around the world. It will be a track that could well set a course for the region's power industry future."



The trend towards change within the regional power sector has delivered a significant boost to MEE with the 2018 event, running at the Dubai World Trade Centre from March 6-8, attracting over 1,000 exhibitors from 66 countries and 24 country pavilions so far, all demonstrating technology, systems and processes aimed at making the sector more efficient, productive, cost-effective and sustainable.

And to respond to changing demand, show organiser Informa Exhibitions has introduced a dedicated Energy Storage & Management Solutions to join its four other specialised sectors: Transmission & Distribution, Power Generation and Lighting stalwarts, as well as Solar, which joins the MEE fold as a dedicated sector after six years as a co-located event.

Middle East Electricity is held under the patronage of HH Sheikh Maktoum Bin Mohammed Bin Rashid Al Maktoum, Dubai Deputy Ruler, and is hosted by the UAE Ministry of Energy.

For more information, please visit:

www.middleeastelectricity.com/globalsmartenergysummit/en/home.html

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Notes to Editors:

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