

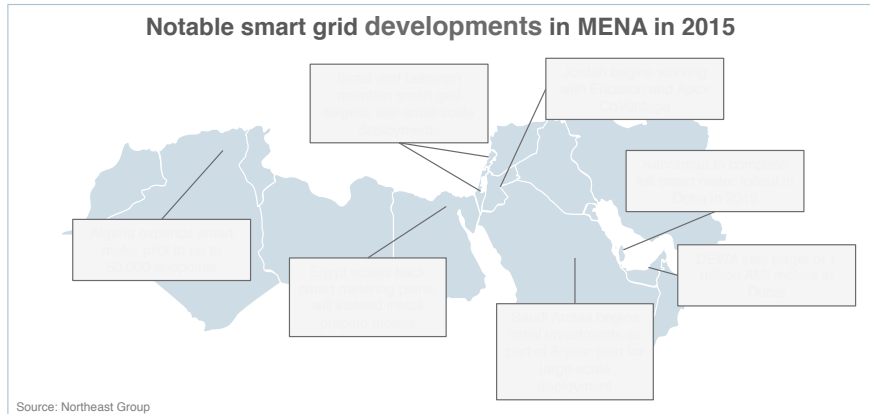
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## Middle East & North Africa Smart Grid: Market Forecast (2015 – 2025)

Volume III  
October 2015 | [www.northeast-group.com](http://www.northeast-group.com)

## Middle East & North Africa Smart Grid: Market Forecast (2015 – 2025)

Smart grid development is accelerating in the Middle East & North Africa (MENA) region, and shows strong potential in the near-to-medium term. In the Gulf states, high incomes, high electricity consumption, and small populations are driving

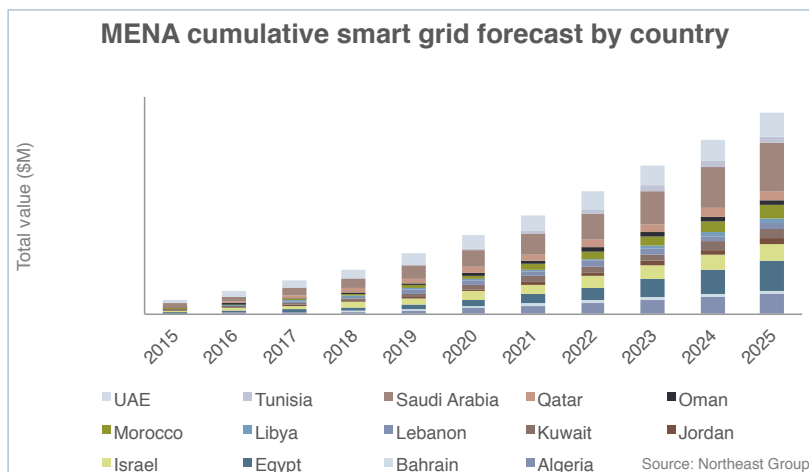


smart meter deployments. In just the past year, both Dubai and Qatar have announced large-scale smart meter rollouts. Elsewhere in the region, the prevalence of high non-technical losses and poor energy efficiency are creating positive smart grid business cases. Also, extensive solar power development and grid interconnections across the MENA region are requiring rapid grid modernization.

Smart grid investment in the MENA region will largely be a state-driven process, owing to government control of nearly all power sector activity. This creates both opportunities and challenges for smart grid development. Gulf governments have ample cash on hand – although recent low oil prices are eating into reserves - and exhibit a strong desire to modernize their countries and their economies. Smart grid offers these countries an excellent opportunity to modernize their infrastructure, lay the foundation for additional energy-saving applications, and ultimately diversify their economies away from dependence on oil and gas.

But governments and investors in the Gulf are also wary of the upheavals seen throughout the

MENA region in recent years.



Support for current governments is built in part on populist policies such as free or nearly free electricity. Some of the benefits of smart meters can only be realized with market or near-market prices for electricity, which governments may be unwilling to implement. Meanwhile,

current low oil prices are putting pressure on government budgets throughout the region and may lead some to limit infrastructure spending.

The past couple of years have seen strong evidence for a healthy future of smart grid in the MENA region. Political risk remains a challenge—and has stalled some projects—but remains low in the high-spending Gulf countries. More utilities are announcing large-scale plans, grid interconnections have continued, some electricity price subsidies have been reduced, and solar power plans have grown more ambitious. All of these trends show that MENA governments understand that smart grid infrastructure investment is critical to future growth plans. In particular, MENA countries continue to move forward with “smart city” concepts and are looking to highlight the modernization of their economies. As these projects proliferate, the MENA smart grid market will see steady growth in the near-to-medium term, setting the stage for a \$17.8 billion cumulative market between 2015-2025.

Key questions answered in this study:

- Where are the newest smart grid announcements and deployments in MENA?
- How large will the smart grid market be in 10 countries across 15 sub-segments?
- Which countries are poised to take the next steps for smart grid regulatory development?
- How will the region’s ambitious solar plans affect smart grid development?
- Which local vendors are active and who are the leading international vendors?

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