



Global Renewable Energy Outlook

The Coronavirus pandemic has negatively impacted almost every sector including the renewable energy sector. Investments in renewable energy projects witnessed a significant drop across the globe, with capital expenditure across the energy sector dropping 18% to \$1.5 trillion, based on the data by International Energy Agency (IEA). However, businesses and states continued to pursue decarbonization plans during the crisis.

The IEA revealed that global new renewable capacity jumped by a record 200 gigawatts (GW) in 2020, led by China and the US. China has now committed to reach carbon neutrality by 2060, placing the world's biggest solar and wind power market on track to ramp up installations in the near term. According to the China Photovoltaic Industry Association (CPIA), photovoltaic installations in China doubled in 2020 to 35 GW from 17.5 GW in 2019. Meanwhile, US added nearly 19 GW of total solar power in 2020, despite a 20% drop in residential installations in Q2 2020. India is also on track to achieve its target of 175 GW renewable energy generation capacity by 2022 and has set a target of mammoth 450 GW of capacity by 2030.

Saudi Arabia Not Far Behind the Global Clean Energy Trend

Saudi Arabia has joined the global bandwagon of diversifying its source of power generation from fossil fuel to renewable energy and move towards a cleaner and sustainable energy source. The country has been heavily reliant on crude oil for power production, which is one of the primary sources of carbon emissions. It is estimated that the Kingdom currently burns about 800,000 barrels of oil per day for domestic power generation. As the country is planning for a rapid industrial transformation, it is expected that there will be a surge in electricity demand from businesses as well as new communities that are being proposed alongside these industries. In its Vision 2030 framework, the Kingdom has set an ambitious target to generate 30 GW from renewables by 2025 and 60 GW by 2030. Saudi Energy Minister has revealed that the country plans to produce half of its electricity from renewable sources by 2030, as the Kingdom intends to strike a balance between sustainable development, environmental protection and ever-increasing energy needs.

Move towards Solar-Powered Desalination Plants

In the last few decades, desalination of sea water has become an alternative to plug the growing supply-demand gap of potable water, especially in the Middle East and North Africa region. However, desalination plants consume high volume of electricity to convert sea water into clean potable water, which leads to higher operating costs. Solar-powered desalination plants, in the past few years, has become a cost-effective and sustainable solution to this problem. Saudi Arabia revealed its first solar-powered desalination project in 2015 which was aimed at lowering production cost and provide a carbon-neutral and sustainable solution.

Saudi Arabia Unveils Futuristic Zero-Carbon City - The Line

In accordance with its carbon-neutrality target, Saudi Arabia has announced a new futuristic zero-carbon city, the Line, situated within the NEOM city, which will be home to a million people and will have no cars or streets. The Line city will be a 170-kilometer belt of hyper-connected future communities developed around the natural environment. Essential services including schools, medical clinics, leisure facilities and green spaces will be within a five-minute walking distance and will consist of carbon-positive urban developments powered completely by clean energy. Additionally, high-speed transit and autonomous mobility solutions will ensure that no journey would be longer than 20 minutes. Once the city shows some successful results, it will serve as a role model for other concept futuristic cities across the world, which are being designed on the similar vision of sustainable development.

Huge Opportunities Lie Ahead for Saudi Arabia to Achieve Carbon-Neutrality

Saudi Arabia has a comparative advantage in harnessing renewable energy, particularly solar energy, given its huge area and warm climate. Over the next decade, the Kingdom expects to garner more than \$20 billion in investments in renewable energy projects, which are expected to attract record lower per unit prices. Moreover, industry experts forecast that renewable energy sector could create up to 750,000 jobs in Saudi Arabia in the next few years. These projects would not only help in creating employment opportunities in the country and boost local economy, but also would support the Kingdom's commitment to become the region's leader in green energy and sustainability.

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