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## SOLAR POWER IN THE MIDDLE EAST AND NORTH AFRICA: WHAT FUTURE DOES IT HAVE? PART I

*A recent article by Stratfor, [A Bright Future for Solar Power in the Middle East](#), assessed the future of solar power in the Middle East and North Africa, and offered guidance to those seeking to invest in the market. We have been following the development of the PV sector in the region and agree with much of Stratfor's comment. With permission, we have published some of their main points below, adding our own views.*

### Summary

The Middle East might seem like a natural hotspot for solar energy. However, despite good sunlight levels, many obstacles continue to prevent widespread deployment, including natural issues (the effect of sand on solar panels), political stability and land rights.

### Jordan

Jordan imports 92% of its energy, and energy imports account for around 16% of the nation's GDP.

In 2011 and 2012, disruptions to natural gas supplies from Egypt caused Jordan to deplete its energy reserves entirely. The problem arose again in 2013, when oil imports from Iraq were interrupted. Uncertain energy supplies have the potential to stoke unrest in Jordan, where energy costs are heavily subsidized by the monarchy. After all, an erratic domestic electricity supply has aggravated social upheaval in nearby Lebanon, Iraq and Egypt.

Jordan aims to produce 20% of its energy from renewables by 2018, and we have advised on plans to develop nuclear power stations. Numerous solar projects, large and small, are underway, ranging from panels on the rooftops of homes to large solar parks with 200-megawatt capacities. Jordan has simplified the bidding process for renewable energy projects, attracting companies from around the world in the process. The [European Bank for Reconstruction and Development](#) is actively involved in supporting Jordan's renewables programme and Public private partnerships will be required to help achieve the nation's targets.

### Egypt

The threat of social unrest in Egypt is more potent than in many other countries in the region. Its massive population creates an enormous energy demand, which may strain the government's budget but also open up opportunities to invest in technologies to meet the growing need.

President Abdel Fattah al-Sisi's reforms have attracted renewed investment in the natural gas sector, with projects such as Eni's Zohr natural gas field being fast-tracked.

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Improved natural gas production might help achieve a more consistent supply of electricity, but with demand expected to climb, there is room for additional forms of power generation. Recent agreements with Japan and South Korea to develop solar power and associated projects indicate that Egypt is looking beyond traditional relationships to further the renewables energy sector, though regional players such as Saudi Arabia and the United Arab Emirates are still active investors and there is continued interest from Europe.

### **Morocco**

Morocco imports most of its energy — about 90 percent. The relatively stable nation is also looking to renewables, especially solar power, to create a cheaper, more secure energy supply. Morocco has set a lofty goal: to have renewables account for half its electricity production by 2025 (solar would satisfy about a third of the demand), and the nation even aims to become an electricity exporter.

But Morocco is taking the idea a step further by building the world's largest power plant using concentrated solar technology. The first phase of the project, the Noor Solar Complex near the city of Ouarzazate, opened earlier this year.

Of course, Morocco's projects will inevitably require large tenders and international investment, rather than participation from domestic companies.

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*Part II will assess the future of solar power in Algeria, Saudi Arabia and the UAE.*

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