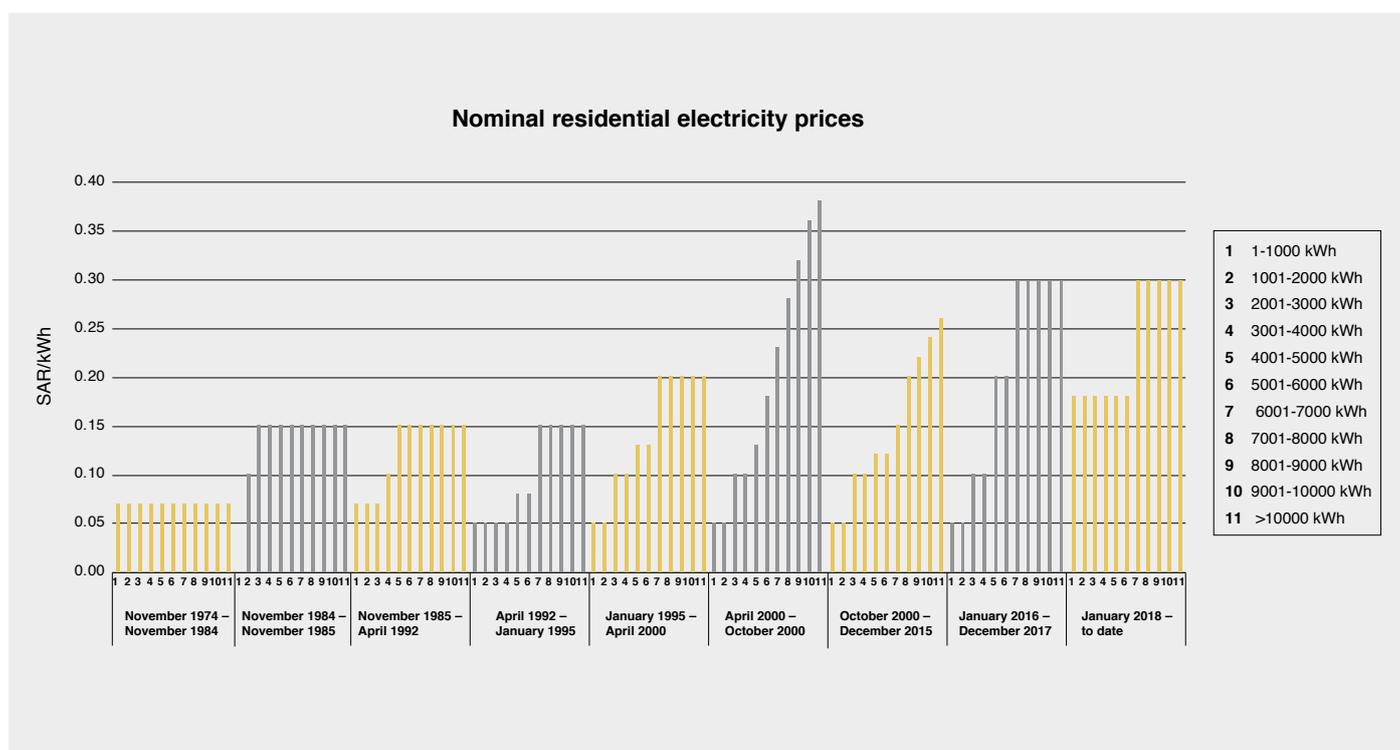


Data Insight

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Electricity Tariff Changes in Saudi Arabia (1974-2018)



Source: Data from KAPSARC energy data portal.

The Kingdom of Saudi Arabia's households account for around 50% of national power consumption, with more than 7 million residential customers in 2017. The majority of this power is used for air conditioning and cooling systems due to the climate in the Kingdom, where the demand for energy increases dramatically in the hot summer months. Electricity prices have increased several times over recent decades to better reflect the costs of electricity generation. In 2018, electricity prices rose for the low consumption brackets as a first step to improve energy efficiency and electricity conservation.

Key insights:

- Electricity prices in Saudi Arabia vary by consumption segment and sector. The residential sector was charged flat fixed tariffs for all consumption classes until 1984. There were several price changes from 1984 onwards for different types of consumer.
- In 2016, four tariffs were introduced for the residential sector. The price for 1-2,000 kilowatt-hours (kWh) was set at 0.05 Saudi riyals (SAR) per kilowatt-hour (SAR/kWh), 2,001-4,000 kWh at 0.10 SAR/kWh, 4,001-6,000 kWh at 0.20 SAR/kWh, and residents who consumed more than 6,000 kWh were charged 0.30 SAR/kWh.
- In pursuit of Vision 2030, Saudi Arabia launched new reforms effective January 2018. These include increasing the price of electricity substantially to rationalize its use.
- Electricity prices were raised for the residential, commercial and agricultural sectors in 2018, while prices for other sectors remained the same. For more information about electricity price changes in Saudi Arabia [click here](#).
- In 2018, residential tariffs were revised and applied to only two consumption classes rather than the four introduced in 2016. The tariff for residents who consume less than 2,000 kWh increased from 0.05 to 0.18 SAR/kWh and from 0.10 to 0.18 SAR/kWh for those consuming between 2,000 and 4,000 kWh. The tariff for end users who consume over 6,000 kWh remained the same.

The government also implemented a value-added tax (VAT) of 5% on goods and services, including water and all types of energy, such as electricity and gas. This was in line with the Unified VAT Agreement of the States of the Gulf Cooperation Council.

- About 48% of Saudi Arabian citizens receive full eligibility benefit from the country's [Citizen's Account](#) program, which saw 2.3 billion SAR allocated to more than 11 million beneficiaries by August 2018. The program is intended to cover some utility costs and to offset the impact of energy price increases.

This KAPSARC data insight uses historical and tariff data for electricity in Saudi Arabia gathered from multiple sources including the Electricity and Cogeneration Regulatory Authority and the Saudi Electricity Company.

KAPSARC data analysts have made the data machine-readable for ease of use in economic models. The data provide the means for researchers to understand tariff structure changes and sector-wise price changes over time.

[Access the machine-readable data set from the KAPSARC data portal.](#)

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