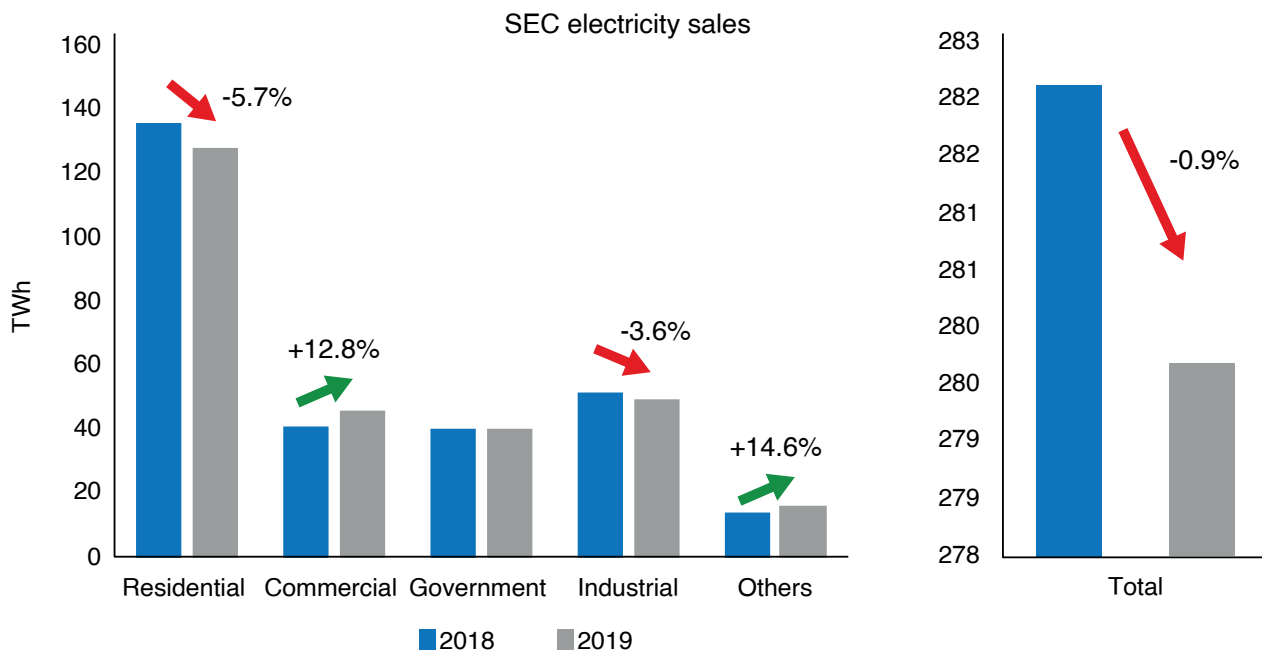


Data Insight

18/06/2020

Saudi Electricity Demand for 2018-2019 based on Saudi Electricity Company Data

Figure 1. SEC electricity sales by sector, 2018-2019.



Source: SEC financial filings.

Context

- Saudi electricity demand grew by 5% per year between 2010 and 2018.
- The Saudi government implemented two energy price reforms, in 2016 and 2018, which included significant electricity tariff hikes.
- The government also implemented a range of efficiency measures to mitigate electricity demand growth. Since 2016, Saudi electricity demand has flattened at around 300 terawatt-hours (TWh).

Analyzing the latest electricity consumption data from the SEC

- In 2018, the Saudi Electricity Company (SEC) delivered almost all electricity supply to the residential, commercial and government sectors, and 88% of industrial demand. In that year, the SEC transmitted 97% of the total electricity consumed in the Kingdom.¹
- Data for 2019 indicates that the SEC's total sales fell by almost 1% compared with 2018, primarily due to a drop in sales to the residential sector (-5.7%) compared with 2018.
- Since 2016, residential electricity sales from the SEC have been declining. By 2018, residential demand fell by 5% to 135.9 TWh, from 143.1 TWh in 2016. In 2019, residential demand fell to 128.1 TWh.
- Although electricity sales to the commercial sector recovered by almost 13% in 2019, this did not prevent the SEC's total sales from falling.
- In 2019, electricity sales to the government sector were stable year-on-year, while consumption in the industrial sector dropped by 3.6% compared with 2018.
- Given the SEC's dominance of total electricity sales in the Kingdom, the drop in the amount of power it has delivered is likely to reflect national demand. If so, 2019 will be the first year the Kingdom's total electricity demand has dropped, adding to the unprecedented stagnation of demand from 2016 to 2018.

Key takeaways

- Since 2016, Saudi Arabia's energy price reforms and efficiency campaigns have contributed to its electricity demand stagnating.
- Total SEC electricity sales dropped almost 1% in 2019 compared with 2018, primarily due to a decrease in residential electricity demand.
- The implementation of stringent energy efficiency measures in the Kingdom is likely to weigh on future electricity demand.

Source:

- [SEC financial filings](#)

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¹ The remaining share is delivered by Marafiq, which mainly provides electricity to large industrial companies in Jubail and Yanbu.

