



## SOLAR POWER FOR EUR 1 CENT PER KWH IN THE UAE & SAUDI ARABIA - THREAT OR OPPORTUNITY FOR EUROPE'S ECONOMY?



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While in Europe the price of electricity is constantly reaching new heights due to the expansion of renewable energies and price increases for fossil energies, solar parks are being built in the deserts of the UAE and Saudi Arabia, which are constantly undercutting each other with ever lower electricity prices.

Thus, in line with the goals of the Paris Agreement, the UAE's Net Zero by 2050 Strategic Initiative aims to invest in clean and renewable energy sources over the next three decades to reduce carbon emissions. In the charter, the governments of the seven emirates commit to take and monitor initiatives and measures to mitigate the impacts of climate change on biodiversity, the environment, biosecurity and public health. These include introducing emissions trading schemes, promoting clean mobility and investing in research and development of climate-friendly technologies, as well as expanding or switching to renewable energy in the industrial and building sectors in the form of primarily solar installations.

The UAE has implemented several innovative solar projects that have made the country a global pioneer in the use of solar energy. One example is the Mohammed bin Rashid Al Maktoum Solar Park project in Dubai, which is considered one of the largest solar projects in the world. It was launched in 2012 and aims to provide 75% of Dubai's energy from renewable sources by 2030. About 35 kilometers from Abu Dhabi, the world's largest solar power plant is being built on a site that will generate enough electricity for about 160,000 UAE households with about 3.5 million solar modules - and for a price of AED 4.97 fils/kWh (USD 1.35 cents/kWh). About 2.4 million tons Carbon dioxide will be avoided annually. The last solar panels will be laid in April 2023.

In comparison, energy prices in Germany and Austria are significantly higher, with prices starting at EUR 30 cents/kWh. And even for pure solar energy, according to a study conducted by the Fraunhofer Institute for Solar Energy Systems (ISE) in 2021, the cost of electricity for ground-mounted photovoltaic systems at EUR 4.5 to 6 cents/kWh and EUR 4.7 to 10 cents/kWh for roof-mounted photovoltaic systems is significantly higher than the cost in the UAE.





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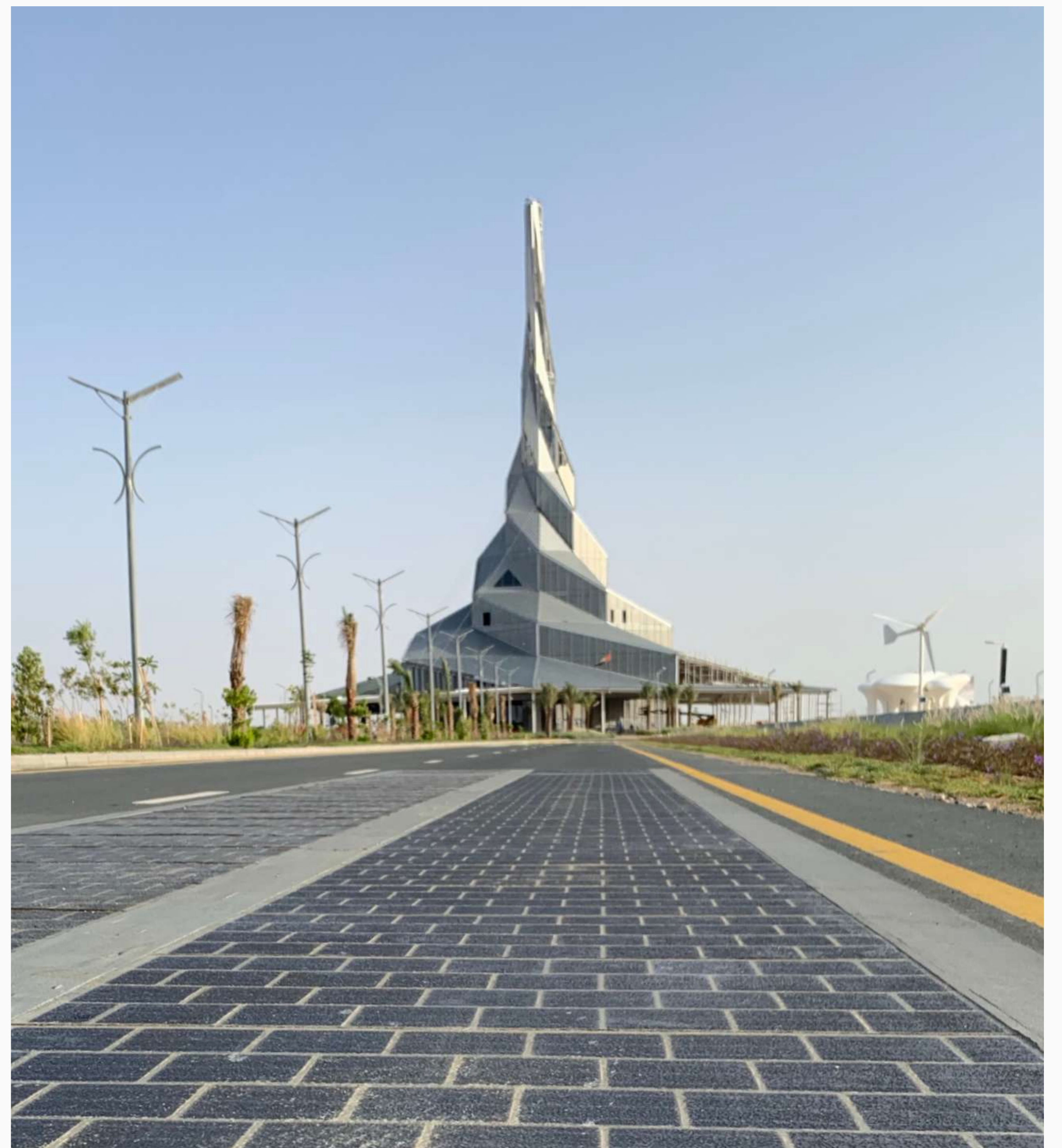
In addition to political and economic conditions, such as taxes and levies, regulatory costs resulting from the costs of complying with legal regulations and environmental standards, and subsidies and grants, the geographical location is decisive. For example, the Abu Dhabi region averages over 3,000 hours of sunshine per year, which allows for a high yield of solar energy and efficient use of solar modules. In addition, modern solar modules in the UAE are generally highly efficient and can achieve efficiencies of up to 20-25 percent. In contrast, Germany and Austria have temperate climates with fewer hours of sunshine due to their geographic location in Central Europe. In Germany, the average sunshine hours are about 1,400-1,700 per year, while in Austria they are about 1,600-1,900 per year.

Electricity plays a central role in the modern economy and is an important production factor in many industries. The price of electricity therefore has a significant impact on the competitiveness of companies and the economic development of a country. Especially in energy-intensive industries such as the metal industry, the chemical industry or the paper industry, electricity consumption is a significant cost factor that influences the competitiveness and profitability of companies. In particular, energy-intensive companies in Austria and Germany face challenges as higher energy costs lead to higher production costs, which can affect the profitability of companies and jeopardize their international competitiveness.

It is important to consider the economic impact of electricity prices in an international context and make strategic decisions to remain competitive. Lower electricity prices in the UAE can provide a competitive alternative for companies in energy-intensive industries and offer opportunities for cost savings and growth. It is advisable to keep an eye on one's energy costs and changing energy price trends, and take appropriate strategic measures to remain competitive and successfully advance one's business.

Private households could also benefit from the favorable conditions in the UAE and switch their energy supply to renewable energies, which can not only bring cost savings but also contribute to climate protection.

Invest in the future of the United Arab Emirates (UAE)! With a strong and diversified economy, the UAE offers diverse investment opportunities - [“Investment Opportunities in the UAE”](#) in real estate, tourism, energy, and infrastructure. Benefit from attractive returns and appreciation potential in a stable political environment with modern infrastructure. At the same time, living in the UAE offers a high quality of life for expatriates - [“Top 7 Reasons why Dubai is one of the best cities to live in and work for Expats”](#). Immerse yourself in the dynamic economy of the UAE and invest in a promising future!



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