



Middle East OPEX Report

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Executive summary

Renewable energy projects coming online in the Middle East have grown significantly in 2023, with key projects such as Rashid bin Mohamed Al-Makhtoum Solar Park (Phase 5) and three wind farms under the UAE Wind Programme eventually finished and put into production. Solar power has tripled its capacity from 3.4 GW to 9.3 GW between the year 2020 and 2023 while onshore wind has increase from 0.9 GW to 1.97 GW during the same period. Solar and onshore wind are



expected to continue to increase their capacity in the region benefitting to initiatives such as Saudi Arabia's National Transformation Plan and Oman's Wind 2025.

Carbon capture and hydrogen plants are steadily developing in the Middle East as technology progresses and the sector matures. In 2023, Saudi Arabia successfully inaugurated their second carbon capture facilities and four other CCS projects are scheduled to commence operation in 2024. The first phase of Masdar City Green Hydrogen Demonstration Project has also



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begun commencement in 2023 and the second phase involving production of decarbonized fuels for maritime industry is currently under study. Several nations, like Saudi Arabia and Oman, have published national hydrogen initiatives to support the further expansion of the hydrogen sector, while Qatar and Bahrain are actively preparing their hydrogen policies.

The Middle East's energy landscape is still dominated by the oil and gas industries, despite ongoing efforts to include additional renewables capacity into their energy mix. Seven new production fields have been put into operation in 2023 while six other field expansion projects have been completed in the same year. Several projects in midstream

and downstream sectors were also brought into production in 2023 as demands for oil and gas-related products increased due to heavy sanctions on Russia.

Decommissioning in the Middle East has been going active on for several fields, thermal power plants and refineries. These depleted or aging assets need to be decommissioned as the cost to run its operation is more expensive compared to the cost to decommission. The Middle East recorded a large number of aging assets in hydropower, thermal power plants and refineries. Further actions need to be decided, whether to modernise and upgrade these facilities or to decommission them.



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