SAUDI ARABIA 2025

The Year of Transformation

EXECUTIVE SUMMARY & UPDATES

DATA SOURCE: SAUDIGULF PROJECTS

EXECUTIVE SUMMARY:

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1. STRATEGIC OVERVIEW

2025 marked a pivotal "mid-term" milestone for Saudi Arabia's Vision 2030. The year was characterized by a decisive shift from conceptual master planning to large-scale operational delivery. With non-oil activities now contributing over **50% of real GDP**, the Kingdom has successfully decoupled its growth from oil price volatility, driven by a surge in private sector participation and foreign direct investment (FDI).

2. ENERGY & SUSTAINABILITY MILESTONES

In 2025, Saudi Arabia solidified its position as a global leader in low-cost renewable energy:

- **Renewable Energy Expansion:** The Ministry of Energy awarded **4.5 GW** of renewable projects in Round 6 of the National Renewable Energy Programme (NREP), with total investments exceeding **$2.4 billion**.
- **Record-Breaking Tariffs:** The **Dawadmi Wind Project (1,500 MW)** set a world record for the lowest levelized cost of wind energy ($0.01338/kWh).
- **Solar Power Dominance:** Major awards included the **Najran Solar Plant (1,400 MW)** and the **Ad Darb Solar Plant (600 MW)**, bringing the total tendered renewable capacity to **64 GW** by year-end.
- **Water Innovation:** The Saudi Water Authority was recognized globally for the **Shuaiba Phase-1** project, achieving record-low energy consumption for seawater desalination.

3. GIGA-PROJECT UPDATES

The Kingdom's landscape transformed as several flagship projects reached operational phases:

- **NEOM:** Construction of **THE LINE** and **Oxagon** accelerated. **Sindalah Island** became a premier luxury destination, while **Trojena** made significant progress toward hosting the 2029 Asian Winter Games.
- **Red Sea Global: AMAALA** opened its first phase of luxury wellness resorts, and the **Red Sea Destination** completed its initial 16-hotel phase, powered entirely by off-grid renewable energy.
- **Qiddiya:** The **Six Flags Qiddiya** theme park and the **Speed Track** motorsports circuit neared completion, positioning Riyadh as a global entertainment hub.
- **Diriyah:** The $62 billion heritage project saw the opening of new luxury Najdi-style residential and retail districts, emphasizing "walkability" and cultural preservation.

4. ECONOMIC & DIGITAL TRANSFORMATION

- **Digital Hub Status:** The launch of the **National Computing Infrastructure** roadmap in early 2025 accelerated Saudi Arabia's AI and data center capabilities.
- **Infrastructure Funding:** The **Public Investment Fund (PIF)** partnered with global managers (e.g., I Squared Capital) to launch dedicated Middle East infrastructure funds, attracting fresh international capital.

PowerChina awarded 1,100 MW Wind Power Project by ACWA Power Consortium

PowerChina announced in a statement that it has signed the EPC contract for the 1,100 MW Suez Gulf wind power project in Egypt.

The agreement was signed with Project Company, Suez Wind Energy.

The project is developed and operated by the consortium of Acwa Power and Hassan Allam Holding in an IPP model. The project will be located in Suez Gulf and Gabal El Zeit province near Ras Gharib city.

Related: **ACWA Power signed Project agreement for 1.1GW Wind Project in Egypt**

China Power Construction is responsible for the design, procurement, construction, commissioning, handover and quality assurance of the entire project.

Once the project is completed and put into operation, it is expected to generate more than 4.3 billion kWh of electricity annually, providing green, stable and clean energy for more than 1 million local households, reducing carbon dioxide emissions by approximately 2.2 million tons each year. It can actively help Egypt achieve its voluntary emission reduction targets under the Paris Climate Agreement and the goal of 42% of clean energy by 2030, while promoting Egypt's economic and social development and energy security.

This project is the second wind power project that PowerChina has fulfilled in Egypt under the EPC contract model.

The Project is PowerChina's largest overseas, the largest in Egypt, and the second largest onshore wind power project on the African continent.

Al Yamamah Steel awarded $26 million 380kV OHTL Towers Supply Contract

Saudi Arabia's Al Yamamah Steel Industries Co. announced in a statement that it has secured a new contract for the supply of steel towers from Trading & Development Partnership.

The value of the contract is SAR 97.5 million.

The Contract is related to supplying steel towers for the project to construct a 380 kV ultra-high-voltage line in the eastern region of Saudi Arabia. The duration of the contract is one year. Supplying to the project will start in May 2025.

Earlier, the company announces it has awarded $82.4 million contracts from L&T. (read more)

Saudi Arabia Successfully implements the first road utilizing Recycled Construction

The Roads General Authority (RGA), Saudi Arabia announces that it has successfully implemented the first road utilizing recycled construction and demolition (C&D) waste in its asphalt mixture, in collaboration with Al-Ahsa Municipality in the eastern region and the National Center for Waste Management (MWAN).

This groundbreaking project involved incorporating C&D waste into the asphalt paving layers of a road within the Al-Ahsa Governorate.

According to the press release, this initiative underscores the Kingdom's commitment to environmental sustainability and efficient infrastructure development. The utilization of C&D waste aligns with the Kingdom's ambitious goal of transitioning to a circular economy, aiming for a 60% recycling rate of such waste by 2035.

RGA said it conducted extensive research at its research center to evaluate the performance of asphalt and gravel layers containing aggregates derived from crushed C&D materials sourced from the Al-Ahsa Municipality's environmental landfill. This successful collaboration with MWAN paves the way for broader adoption of this sustainable paving approach.

By transforming environmental challenges into innovative opportunities, the Kingdom demonstrates its leadership in sustainable infrastructure. This initiative not only minimizes the environmental impact of waste accumulation but also reduces reliance on raw materials, leading to cost-effective road construction and maintenance while enhancing environmental sustainability. "This marks a significant step towards a more sustainable and environmentally friendly road sector in the Kingdom," statement mentioned.

ACWA Power, HAU Energy achieves financial close for 1.1GW Suez Wind Farm in Egypt

ACWA Power, Saudi Arabia, together with consortium partner HAU Energy, a subsidiary of Hassan Allam Utilities, have achieved the financial close for the 1.1GW Suez Wind Farm in Egypt, the largest single-contracted wind farm in the Middle East.

The project will play an important role in supporting the Egyptian government in achieving its target of increasing the share of renewable energy in its electricity generation mix to 42% by 2040.

The project secured a USD 703.6 million senior debt facility from a consortium of banks, including the European Bank for Reconstruction and Development (EBRD), the African Development Bank (AFDB), the British International Investment Corporation, the German Investment Corporation, the OPEC Fund for International Development, and the Arab Petroleum Investments Corporation (APICORP). The senior debt funded by EBRD included a B loan structure provided by Standard Chartered Bank and Arab Bank.

Located in the Gulf of Suez and the Gabal El-Zeit area, the Suez Wind Farm has an overall investment value of USD 1.2 billion. ACWA Power holds a 70% stake in the project, with HAU Energy owning the remaining 30%.

The project will contribute to eliminating 1.1 million tonnes of carbon dioxide annually and will be implemented in two phases with a capacity of 550MW for each phase, with a total of 138 turbines. The capacity of each turbine will reach about 8MW and a height of about 210 metres per turbine. The project is expected to achieve full commercial operations by Q2 2027.

Dorsch Global awarded Consultancy Contract with Saudi Arabia's National Water Company

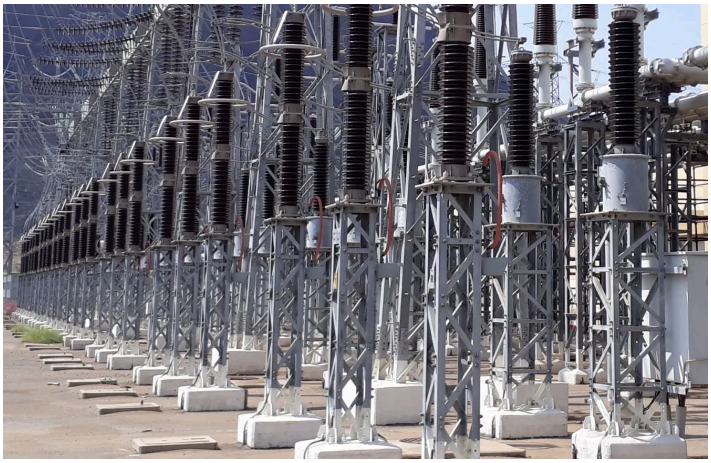
Dorsch Global has secured a historic five-year contract with Saudi Arabia's National Water Company to oversee 253 water and sewage projects aimed at advancing the Kingdom's water infrastructure.

Dorsch will provide comprehensive engineering and consultancy services, including design review, contract management, construction supervision, testing and commissioning. The company will deploy specialised personnel and resources to ensure that all projects meet the required standards and specifications, maintaining strict quality control throughout the process.

"Securing this five-year contract marks a milestone for Dorsch, demonstrating our company's capability to manage large-scale and complex projects," said Ayman Haikal, CEO of Dorsch Global. "This achievement represents not just a significant milestone for Dorsch, but also a testament to our continuous growth as a company and our core values of innovation, dedication, quality and client-centric excellence."

The partnership aligns with Saudi Arabia's "Vision 2030", a strategic framework for economic diversification and sustainable development. The Kingdom is prioritising projects that optimise water consumption and ensure efficient use of limited resources in the face of significant challenges related to water scarcity. The initiatives under this contract are essential components of the national water strategy.

L&T awarded Significant Contracts in Saudi Arabia, UAE and Kuwait



The Power Transmission & Distribution (PT&D) vertical of **Larsen & Toubro** announced in a statement that it has secured significant orders across the Kingdom of Saudi Arabia, the UAE, Kuwait and India.

In Saudi Arabia, an order for a key 380kV Substation which will facilitate evacuation of solar generation has been secured.

In Dubai, PT&D has bagged orders for establishing a set of EHV substations which includes a 400/132kV Substation. Several substations are being added to the Emirate's power transmission infrastructure as it seeks to remain a preferred destination to live, work and visit.

Then, at a major city project **in Kuwait**, PT&D has won a 400kV Substation order.

In India, L&T has won a project to implement an Advanced Distribution Management System in West Bengal. This technology enhances power distribution by integrating Outage Management and Distribution Management System functionalities. With real-time monitoring and control of medium and low-voltage networks, the system will improve network reliability, allowing for quick fault isolation and faster restoration.

Egis Subsidiary Omrania awarded $113.6 million Contract from Diriyah Company

Omrania, a subsidiary of Egis announces that it has awarded a contract to lead the design of the Diriyah Boulevard District, a signature component of the $63.2 billion Diriyah project.

The value of the Contract is SAR 426.3 million (USD 113.6 million).

As the multidisciplinary design consultant, Omrania will deliver concept design, detailed design, and construction supervision for three distinct community areas within this transformative development.

The company stated that, Our approach integrates Najdi architectural heritage with innovative, sustainable design to create vibrant spaces for living, working, and leisure.

This collaboration reflects our continued commitment to shaping Saudi Arabia's urban future while preserving its rich cultural legacy. We are excited to contribute to Diriyah's vision as "The City of Earth" and play a role in one of the world's most dynamic urban transformations.

Saudi Arabia awards 10,000MWh Battery Energy Storage System Contracts

Saudi Electricity Company (SEC) awards the contracts for Battery Energy Storage Systems (BESS) having Combined Capacity of 2,500 MW/10,000 MWh, across Saudi Arabia.

Following are the project locations:

- Riyadh – 500 MW/2,000 MWh
- Qaisumah – 500 MW/2,000 MWh
- Dawadmi – 500 MW/2,000 MWh
- Al Jouf – 500 MW/2,000 MWh
- Rabigh – 500 MW/2,000 MWh

The contracts are awarded as follows:

- BYD Auto industry Co Ltd awarded Design, supply, Supervision of Installation, testing & commissioning and maintenance of Battery System
- Alfanar Projects awarded EPC contract for the BESS Substation and associated works.

Battery Energy Storage System (BESS) plant will provide Load Shifting as main application while providing Black start, Frequency regulation and voltage support application through a selectable part of the system's total capacity for the network at their respective Point of Interconnection (POI).

The BESS is expected to replace part load operation of existing power plants by charging & discharging according to the system load variations, primary & secondary reserve and shall also operate to provide voltage and frequency regulations.

Related: Saudi Arabia invites Bids for 2,500MW Battery Energy Storage Systems

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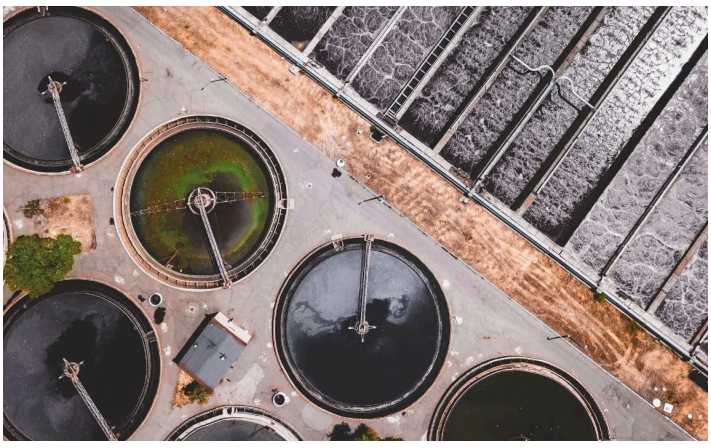
SWPC issues RFP for Hadda and Arana Independent Sewage Treatment Plants



Saudi Water Partnerships Company (SWPC) announces the release of two Request for Proposal (RFPs) for the development of Hadda Independent Sewage Treatment Plant and Arana Independent Sewage Treatment Plant located in Makkah.

The Arana ISTP will be developed with an initial capacity of 250,000 cubic meters per day, expandable to 500,000 cubic meters per day while Hadda ISTP will have an initial capacity of 100,000

cubic meters per day, expandable to 250,000 cubic meters per day.

Both projects will enhance the wastewater treatment capacity serving Makkah city and Holy Sites. The projects also encompass treated sewage effluent (TSE) re-use systems, comprising a transmission pipeline and storage tanks to maximize treated sewage utilization, particularly for irrigation across the Kingdom.

The development will be undertaken in partnership with the private sector (PPP) under the BOOT (Build, Own, Operate, and Transfer) model. This will be implemented through 25-year Sewage Treatment Agreements from the dates of commercial operation, targeted for 2028 for both projects.

Developing these two ISTP projects is aligned with Saudi Arabia's Vision 2030 and the National Water Strategy 2030 to enhance infrastructure and improve services through expanding sewage treatment capacities and promoting the utilization of treated sewage.

NEM Energy awarded major Power Plant supply contract in Saudi Arabia

NEM Energy, Netherlands announces that it will supply two horizontal Heat Recovery Steam Generators (HRSGs), including Exhaust Gas Bypass Systems (EGBSs), for a new combined cycle power plant in Saudi Arabia.

The plant, with an estimated output of approximately 1,300 MW (~1.3 GW), is expected to begin providing power to the grid by the end of 2028.

This project will support the Saudi Electricity Company (SEC), the plant's owner and end user, in delivering a reliable and efficient power supply to its customers.

NEM Energy already has numerous units in successful operation across Saudi Arabia, contributing to various gigawatts of equivalent energy capacity.

This order highlights NEM's competitiveness in delivering cutting-edge HRSG technology for some of the largest and most efficient power plants in the world.

NEM Energy signed the contract with the Spanish Engineering, Procurement and Construction (EPC) company Tecnicas Reunidas and looks forward to a successful collaboration.

Diriyah Company Launches Key Substations with Saudi Electricity Company (SEC) to Power Future Development

In a significant milestone for Diriyah's infrastructure development, the Diriyah Company has opened two major electricity substations, the 1707 MVA-capacity Bulk Substation and 200 MVA-capacity Primary Substation.

Operated by the Saudi Electricity Company, they will accelerate the growth and development of major assets now being developed across The City of Earth in Diriyah and Wadi Safar. The two substations are the first of the major urban infrastructure projects to feature a design inspired by Najdi architecture.

The 1707 MVA 380/132/13.8 kV Bulk Substation, with a contract value of SAR 605 million ($161 million), will support the development of assets in the first phase of Diriyah's development and will be implemented by the Saudi Electricity Company through Saudi Services for Electro Mechanic Works (SSEM). It will help enable a diverse range of cultural, educational, retail, offices, residential and hotel developments, including areas such as Diriyah Square, the Qurain Cultural District and Northern District areas.

To enable the energization of the substation, a major cabling contract valued at SAR 316 million ($84 million) will be implemented by the Saudi Electricity Company through the Civil and Electrical Projects Contracting Company (CEPCO).

The 200 MVA 132/33 kV Primary Substation, with a contract value amounting to SAR 77 million ($20 million), and will be implemented by the Saudi Electricity Company through (MAETEL) contracting company, Which will serve as one of the primary power sources for Wadi Safar, the prestigious development blending natural beauty with world-class amenities. This vibrant destination will feature hospitality assets and sports and recreation venues, including the Royal Diriyah Equestrian & Polo Club and the Greg Norman-designed Wadi Safar Golf Course.

To enable the energization of the substation, a major cabling contract valued at SAR 168 million ($45 million) will be implemented by the Saudi Electricity Company through the (DELTA) contracting company.

Both substations are designed to reflect Diriyah's traditional Najdi architectural style, seamlessly blending with the surrounding development to preserve Diriyah's cultural identity. By integrating Saudi Arabia's rich historical heritage with state-of-the-art infrastructure, these substations stand as a testament to the region's dedication to honoring its past while building a sustainable future.

Jerry Inzerillo, Group CEO of Diriyah Company, said: "The completion of the two substations represents a significant milestone in our journey toward delivering key assets in Diriyah, The City of Earth, including global hotel brands, branded residences, and cultural landmarks. Together with the two large scale cabling