

Malaysian Firm to Setup \$2b Power Plant in Ajman

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Dubai: The first coal-driven power plant in the UAE is to be up and running in Ajman in around three and a half years as part of government efforts to ensure adequate infrastructure is in place to cope with increasing residential projects in the emirate.

His Highness Shaikh Humaid Bin Rashid Al Nuaimi, Member of Supreme Council and Ruler of Ajman, and Ernest Nevaratnam, head of investment and projects at Malaysian Mining Corporation (MMC) Malaysia, signed the agreement yesterday to build a 1,000-megawatt power plant at a cost of \$2 billion.

Although the UAE sits atop the world's fifth largest gas reserves, this power plant is to be powered by coal. As the economic boom continues in the Gulf, pushing the demand for power and water to the limit, many countries are turning to coal which is a cost-effective alternative.

However, it is not clear where the coal will be brought in from.

The new plant will be a welcome relief for the emirate's developers who have been struggling with delays in handover of projects while simultaneously trying to attract investors, due to the lack of adequate electricity supplies.

Positive development

Abdul Sattar Dero, chairman of Sweet Homes developers in Ajman, said the power plant would be very positive for developers and investors. "There won't be any more problems as electricity will be there. It will definitely help us," Sattar Dero said.

Sweet Homes currently has over Dh4 billion worth of projects in Ajman and many end-users have been put off investing due to the lack of electricity and water facilities.

On the downside, the new power plant may cause the market to increase in Ajman as such fears will be reduced, said Sattar Dero.

He said that the power plant is to provide enough electricity to the many upcoming real estate projects in Ajman. MMC Malaysia will operate the plant for 20 years once completed.

Two other power plants built by the Federal Electricity and Water Authority (FEWA) will start operating in the next few months in order to provide existing real estate projects with electricity until the new power plant is completed. Officials at Fewa, which has been mandated to develop and manage power and water supply to the four northern emirates, were unavailable for comment.

Power, water and gas supplies could fall short of demand due to the massive construction activities in Ajman, Umm Al Quwain, Fujairah and Ras Al Khaimah.

The news comes a few days after Ras Al Khaimah officials said they are going to develop power plants with a total capacity of 2,740MW.