

New factory to reduce power cable imports

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The utility providers of Abu Dhabi and Dubai have formed a Dh500-million joint venture with cable manufacturer Ducab to set up a new factory that will offer substitutes to the country's imports of high-voltage cables used in electricity transmission lines.

The project's promoters said yesterday the Ducab-HV plant's annual output of 30000 cable tones will cater to large power projects being developed or planned in the UAE. Surplus will be used for exports to Gulf and neighbouring countries.

Dubab, which is owned equally by the governments of Dubai and Abu Dhabi will hold a 50 percent share while Dubai Electricity and Water Authority (DEWA) and Abu Dhabi Transmission and Despatch company (Transco), a subsidiary of Abu Dhabi Water and Electricity Authority (ADWEA), each have a 25 percent stake.

The new facility is being built on 22000sqm next to Ducab's existing factory in Jebel Ali with production planned for late 2010. "By replacing the need for imported cables, the new state-of-the-art plant will play a key role and is a milestone for the UAE industrial sector," Saeed Al Darmaki, deputy managing director of Transco said.

It will be the first factory in the country to produce 400 kilo volts cables as Ducab, a leading industry player produces only 132kv and lower voltage cables at present.

About 120 technical jobs will be created at the new facility.

"As the population in the region continues to grow so too does the demand for electricity and power. Ducab-HV will be able to supply the region with 30000 tonnes per year of high-voltage cables in the range 66kv to 400kv. We see this expansion in the Ducab portfolio beneficial, not only for Ducab and its new partners but for UAE society as a whole." Ducab chairman Ahmad Al Shaikh said at the agreement signing event in Dubai yesterday.

In the Gulf region, 400kv is the highest voltage level for cables being used at present. Such cables are used to transmit electricity from the generation plant to power sub-stations. Afterwards medium and lower voltage cables are used to take power to electricity consumers.

Both Adwea and Dewa have huge electricity infrastructure plans to support their economic growth, particularly large-scale real estate, industrial and tourism projects.

Dewa last year had a capacity of generating 6676 mv of electricity and aims to triple that in the coming years with a major chunk of its planned Dh70 billion investment being directed to plants.

Adwea's aim is to boost its capacity to 10600mv by 2012 and 7735 mv now.

Ducab managing director Andrew Shaw said demand for cables is improving in the UAE after the growth rate snapped last year amid a sharp decline in construction activity. The company has two plants in Abu Dhabi and one in Dubai with a combined annual capacity of 250000 cable tones. It used 80 percent of its capacity in 2008.

Shaw said the construction slowdown has pushed back his company's output but demand is growing as contractors are "seeing more clarity about which projects are going ahead and what is being deferred."

"We are seeing a steady increase in demand. There is less uncertainty," he said