

## **Household electricity demand function for Saudi Arabia: A cointegration Approach**

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### **Abstract**

This study aims to estimate the household electricity demand function for Saudi Arabia during (1975 – 2011) in light of great expansion in urban and regional development and in bringing about economic and social development, for which it's derived because the electricity is not consumed directly but used to run other items. Thus, we intend to identify the variables that effect on the demand for electricity and to investigate the degree of impact and determine the causal relationship and the cointegration if possible between the variables.

The study has reached that the most important variables that influence the household demand are: electricity price, income, and expenditure of household construction. By examining these variables that determine the household demand function, this study would concluded that the privatization of the electricity section is not enough, and might be more regulations are needed to make the sector more competitive.