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The future for SME in Offshore Wind

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Presentation

- About Offshoreenergy.dk
- Setting the scene
- Supply Chain Challenges



About Offshoreenergy.dk





- Membership based national business support organization – +280 organizations
- National competence center & innovation network for the Danish offshore industry
- We provide supply chain and business development to the Offshore Industry through: Networking, Knowledge Sharing, Projects and Internationalization



Setting the scene



Zooming in on Denmark's current world leading position

30 % wind energy in 2012 and 50 % in 2020

30.000+ employees in the industry

Turnover of 81,1bn DKK in 2012 – 64 % exported

1,3 GW offshore, world second high

9 out of 10 installed offshore wind turbines are manufactured by Danish based companies

The Danish based manufactures have a market share of app. 25 pct. of the global wind turbine market

World's most globalised wind industry with a strong first mover advantage on the offshore wind market





Broad political support for the new Danish Energy policy

Onshore	1.300-1.800 MW
Near shore offshore	400 MW
Offshore	1.000 MW

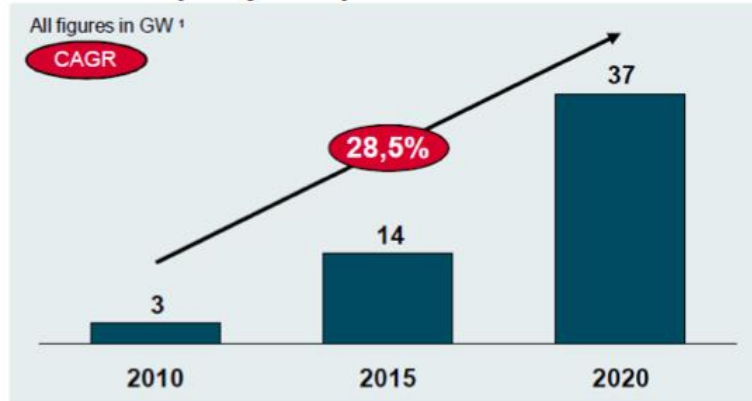
We will reach 50 pct. with fewer turbines than today

**50 pct.
wind by
2020**

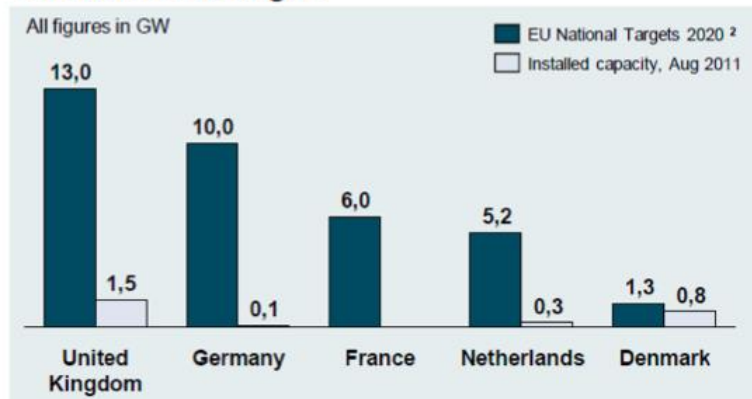
**Onshore
3,000 MW
Offshore
2.800 MW**

The offshore wind industry is growing rapidly

Offshore capacity Europe in 2020



Offshore wind targets



Source: ¹IHS Emerging Energy Research, Europe Renewable Power, Market Forecast 2011–2025, April 2011 | ²Selected EU member states. Source: European Commission

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DONG
energy

The market for offshore wind – an European market



Offshoreenergy.dk

Industry challenges

Cost of Energy must come down (faster)

- The cost is still too high to compete fully with fossil fuels
- Grid parity (in EU) will be reached in 2015 onshore and in 2022/23 offshore (MAKE Consulting, 2013)
- A new Megavind strategy has been launched to guide directions in innovation, test and development

Industrialising the supply chain

- Improved supply chain and smarter thinking
 - Away from single products
 - Products to become package solutions
 - Companies to work together (system delivery)
- Standards & certification
- Improved cooperation in the supply chain



Supply Chain Challenges



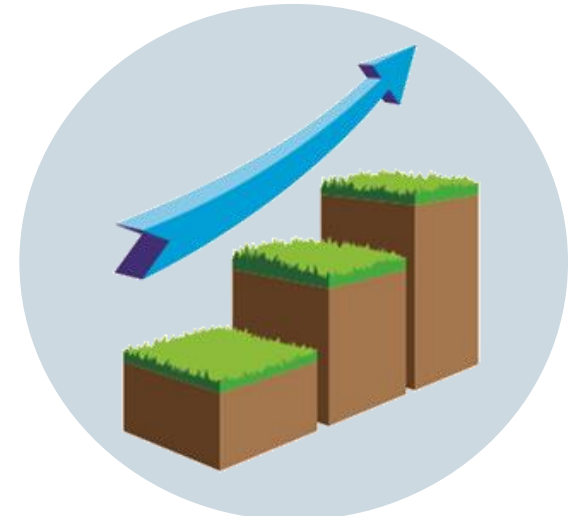
Core targets



Reduce cost of wind energy



Stay global leader on- and offshore



Grow profitably on- and offshore



SMEs – “survival of the fittest” ?

- Bigger and more complex projects
- The paradox of cost reduction and need for innovation
- The paradox of competition and knowledge sharing
- The importance of scope of work
- The importance of balance sheet
- The importance of network – in a quite closed industry



Thank you for your attention

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