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Wind energy: how long will the wind stay in the industry's sails?

Wind energy undoubtedly has a bright future, with many countries around the world eager to develop this source of power due to its affordable cost of production, its ease of use, and the abundance of wind.

The rise of offshore wind, with an increasing number of turbine projects in the sea, seems to be the beginning of the creation of maritime energy infrastructures that will be able to benefit from the stronger ocean winds. Developing countries, with their restrained means, show a will to empower community with this kind of technology, helped by decreasing costs, access to funding, and the knowledge of advanced economies with a strong track record and more experience.

However, with this opportunity come risks: although wind is a worthwhile investment, it is a risky one, due to technical difficulties and a high probability of reduced access to cheap financing. Wind energy is being courted due to falling selling prices of windmills, but this advantage is also a problem for manufacturers, as it dents their profitability and may exert pressure on their will to invest. Moreover, wind energy development will have to face many challenges linked to increasing costs looking forward, including reduced access to financing for companies in the industry on the back of tightening monetary policies, and the global protectionist environment (including the US-China trade war).

Additionally, nations are currently racing to lead on the development of this technology and to become biggest producer as started; with the key players being Europe, China and the United States of America, the largest markets for this technology so far. Europe appears likely to dominate the industry over the coming years, mainly due to its technical lead, strong national and European financial support, and the size of its market.

Europe is likely to take the lead in wind energy production

Alongside other renewables, wind energy has experienced a strong growth since the mid-2000s. European turbines makers were and still are able to deliver quality products due to their four decades of experience in the business. The leading position of European manufacturers and the quality they offer is based on a large ecosystem where innovation and

competition are fostered, with a large range of steel and component suppliers (towers, nacelles, blades, gearboxes, and converters), along with numerous service providers (project developers, consultancies, engineering companies, etc.). Moreover, their footprint is much more geographically balanced than that of China or the United States. For instance, Mexican wind farms use turbines from big European players in the field, such as Siemens-Gamesa, Nordex-Acciona, and Vestas (Table 2).