



Press Release

## Offshore wind creates jobs in Baden-Württemberg

### Wind energy at sea leads to added value and jobs across Germany

**Stuttgart, 21 January, 2020 – No other federal state has more jobs in the offshore wind sector than Baden-Württemberg. This is one result of a report authored by the market research company wind:research. The 4,455 jobs in the South-West of the country show that the added value for the construction of offshore wind farms is distributed throughout Germany. The current problem: this added value is being weakened by the expansion slump planned by the federal government for wind energy at sea in the early 2020s.**

WAB e.V. has therefore been implementing the "WAB-Inn2Power German Inland Campaign" since summer 2019, which strengthens the perception of the offshore wind supply industry. These medium-sized companies create employment and added value in Germany and contribute a large part to the implementation of the energy transition. Innovative small and medium-sized companies in particular will suffer from a slump in German offshore wind expansion in the coming years and from the unambitious expansion targets of the German government for 2030. The "German Inland Campaign" supported by the EU project Inn2POWER depicts that these companies need a strong home market to tap their export potential and create more jobs in the long term.

The wind:research report shows that the value chain of offshore wind energy extends across Germany, with regional focus areas. EnBW is one of the largest developers and operators of wind farms in the German North and Baltic Seas. "Renewable energies in general and offshore wind energy in particular are the focus of entrepreneurial action at EnBW. Only recently the EnBW Hohe See and Albatros offshore wind farms went into operation. Together they are the largest offshore wind project in Germany with a capacity of 609 MW. And EnBW He Dreiht, the follow-up project with an output of 900 MW, is already being worked intensively on," says Dirk Güsewell, Head of Generation Portfolio Development at EnBW. During the construction of EnBW's latest offshore wind farms, more than 600 employees worked and lived on the large construction site in the North Sea. More than 80 vessels were deployed.

The employees in the offshore wind sector in Baden-Württemberg primarily work in engineering as well as in research and development. This focus adds to a turnover of around one billion Euros (1.01 billion) for the offshore wind sector in the region, ranking Baden-Württemberg on position four among German federal states, behind Lower Saxony (2.53 billion), Hamburg (1.79 billion) and North Rhine-Westphalia (1.13 billion). In terms of the number of market participants, Baden-Württemberg is also on the podium when compared with other German federal states. The 86 market participants active in the Southwest are only outmatched by Lower Saxony (126) and North Rhine-Westphalia (98).

"The analysis has shown that – also to our surprise – there is a lot of added value that includes sales, jobs and market participants, especially in Baden-Württemberg. Baden-Württemberg has a strong presence in offshore wind energy, particularly in research and development and engineering, and that has even increased since our first analysis nine years ago," said Dirk Briese, managing director of wind:research. "Our third scenario shows that in order to achieve the goals of the energy transition,

including sector coupling, policy makers need to ensure the expansion of offshore wind energy – then the added value will again increase again, across Germany,” Briese comments on future developments.

According to the report, the number of employees in the offshore wind industry in Germany (currently 24,350) heavily depends on the federal government's expansion targets. The German offshore wind industry is among the global technology leaders since the early days of this technology and is internationally recognized. Under appropriate framework conditions, offshore wind can also help to compensate for the expected job losses in the fossil industries in the coming years.

Over the next 2-3 years, the expansion rate of offshore wind energy in German waters will be significantly below its long-term average. This foreseeable development is a high economic burden for numerous companies. The expansion gap that has been foreseeable for some time now threatens jobs in Germany and can lead to companies moving abroad. “The wind industry in Germany needs reliable political framework conditions to justify long-term investments to maintain its technology and innovation leadership. If there is a lack of a sizeable market, continuous expansion and economic perspective, we will also see a trend in the supply chain towards production in more attractive markets,” explains Matthias Zelinger, Managing Director VDMA Power Systems.

Therefore, the Federal Government should immediately create the legal preconditions for the special tender for offshore wind announced in the coalition agreement in 2018. Up to 2 gigawatts of additional capacity for offshore wind are not only technically and economically feasible, but also required from an industrial policy perspective. Without this additional tender, grid connection capacities will not be used for several years.

In the long term, the industry needs ambitious and reliable expansion goals. The scenarios of the report also show the positive effect of the expansion goals. Due to the slump in orders in the German market, it is expected that the number of employees and sales will decrease by 2022/23. After that, the growth or further decrease in employment depend on the expansion goals by 2035. In the pessimistic case, more than 8,000 jobs may be lost – in the optimistic case, around 10,000 new jobs will be added.

“Every third employee in the German offshore wind sector works in Baden-Württemberg, Bavaria or Hesse. This shows that federal states far from the coastline also benefit from the steady expansion of offshore wind energy and from a long-term perspective for this technology. That should also be reflected in the political support for ambitious expansion goals,” comments WAB e.V. managing director Heike Winkler on the results of the report.

“The 20 gigawatts planned by the federal government by 2030 without a perspective for the period up to and after 2035 are not sufficient. Germany will be able to unlock a potential of 57 gigawatts of offshore wind in the German North and Baltic Seas, and interest in ‘green’ hydrogen is increasing. That is why we are calling for the 2 GW special tender immediately and for 35 gigawatts by 2035,” says Heike Winkler. “With these goals, offshore wind can continue to show that it is cost-efficient, that it reliably delivers high amounts of electricity and that it combines climate protection with domestic added value.

## **Brief overview of the results of the wind: research report „Added value of offshore wind energy in Germany“:**

- 771 market participants are active in the offshore wind sector in Germany.
- Of these, 33 percent work exclusively in offshore wind energy, the other two thirds also in onshore wind energy or in other areas.
- The market participants have a total of around 24,350 employees who work full-time in offshore wind energy.
- The German offshore wind sector generates approximately 9.8 billion Euros in sales. This also includes sales from exports. Market participants abroad and thus turnover from imports were not examined, since the study focuses on the added value within Germany.

### **About WAB e.V.:**

WAB is the leading business network for wind energy in the north-west region and nationwide contact partner for the offshore wind energy industry in Germany. The association comprises more than 260 businesses and institutes from all sectors of the wind energy industry, the maritime industry as well as research.

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