



China: New winds are blowing in China

Denmark launches a new initiative on quality and performance of China's growing portfolio of onshore wind.



8 October 2014

Denmark has launched a new pilot public-private initiative, focusing on government to government collaboration aiming to inspire other governments by the successful Danish example of greening an energy system. This new initiative will initially focus on Germany, the UK and China and will be evaluated by the end of 2015. DEA has selected the scope for this initiative in the 3 countries, based on input from energy industry trade associations.

In China, the initiative is focused on quality and performance of the existing onshore fleet. The initiative involves a.o. NEA, Danish Wind Energy Group China, Vestas, the Danish Energy Agency and the Danish Embassy in Beijing.

China is now by far the largest wind market in the world, a position achieved due to a very steep expansion of onshore wind. China's existing portfolio of onshore wind farms is fast approaching 100,000 MW and it is therefore of huge significance that these assets are well managed in order to maximise output.

The Chinese government now puts added attention to offshore wind, in order to get this market going as well. Their target for offshore wind is 5 GW by 2015 and 10 GW by 2020 and the demand for offshore expertise is therefore very high. Especially the demand on quality and operational reliability has opened new doors for foreign sub-suppliers in the Chinese wind industry and it is in the light of this that Danish companies now are focusing more on the Chinese wind market.

"It is especially in offshore wind projects that there has been a change

towards more quality and in the light of this we [Danish companies red.] have become more attractive as sub-suppliers, because we have yearlong experience in high standards of technology for that kind of wind turbines,” says Thomas Møller Andersen, chairman of the Danish trade association Danish Wind Group China, to the Danish newspaper Børsen.

Since 2008 foreign companies have been overrun especially by Chinese state owned companies like Goldwind and United Power. Chinese companies now account for 93 percent of the Chinese wind market, while only the remaining seven percent is covered by foreign companies, which have had many foreign companies turn their attention towards other markets in the Asia-Pacific region.

But now the wind seems to change direction. Feng Zhao, a Chinese wind market analyst, expects that the Chinese shift towards offshore wind and the increased focus on quality will increase the demand for foreign manufacturers to an estimated market share of 10-15 percent within a few years.

“It is a very positive signal that the Chinese developers not only focus on the price as they used to. They have realised that in the long run it is worth investing in components of a higher quality that makes the wind turbine durable and operationally reliable,” Thomas Møller Andersen continues.

At the moment, Siemens is engaging in several Chinese offshore projects to the benefit of many Danish sub-suppliers.

“Our biggest customers are international companies like Vestas and Siemens and when they grow we do as well. We are supplying significantly more for them than we have done in the last couple of years,” says Erich Kældsø Poulsen, country manager for Niebuhrs Gears in China, to Børsen.

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