Aegir

Prices, politics and power demand

What direction could Europe's offshore wind market go?

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Aegir Insights serves a global client base across government, developers and key suppliers, trusted as the bankable offshore wind intelligence

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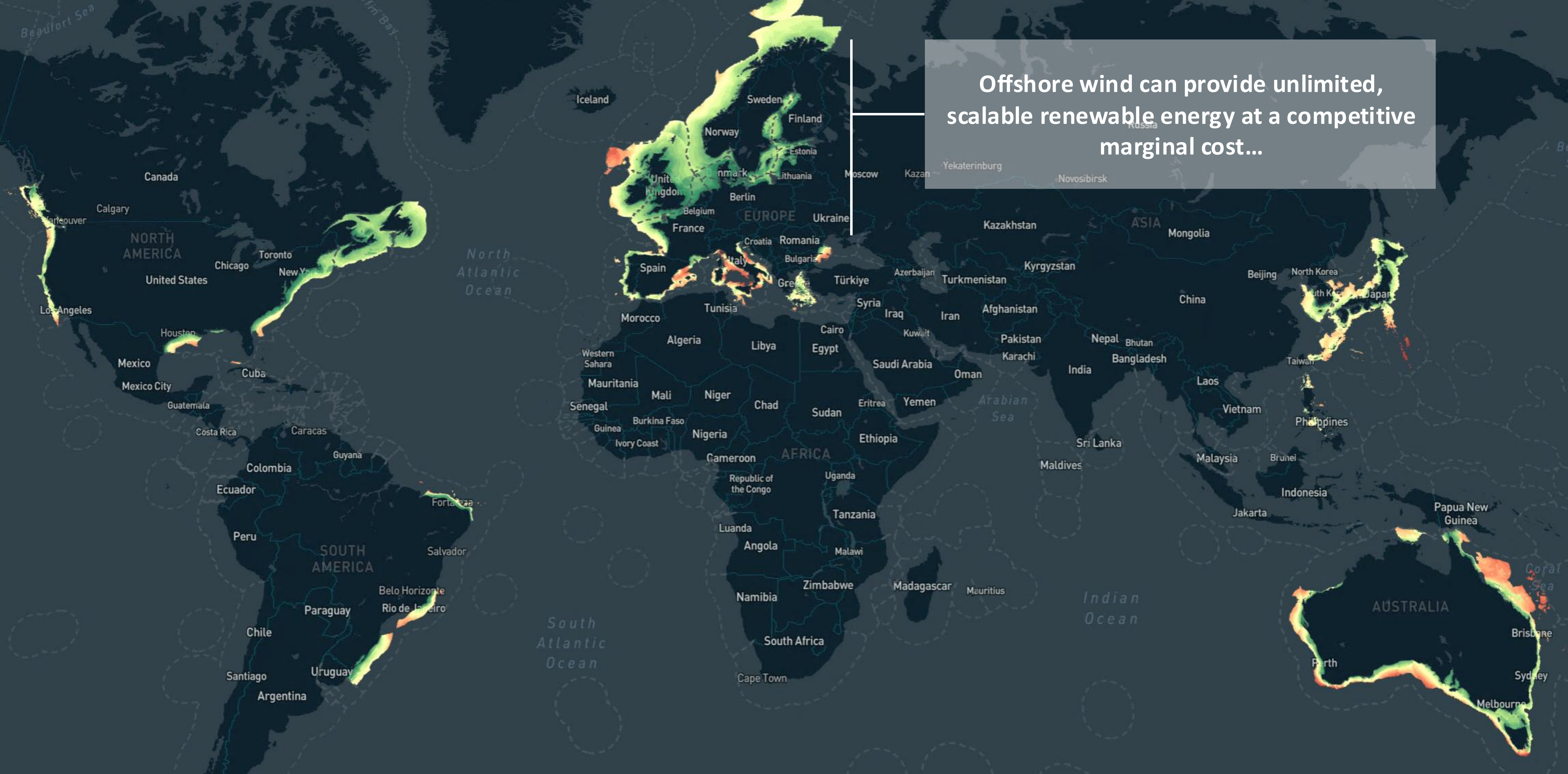
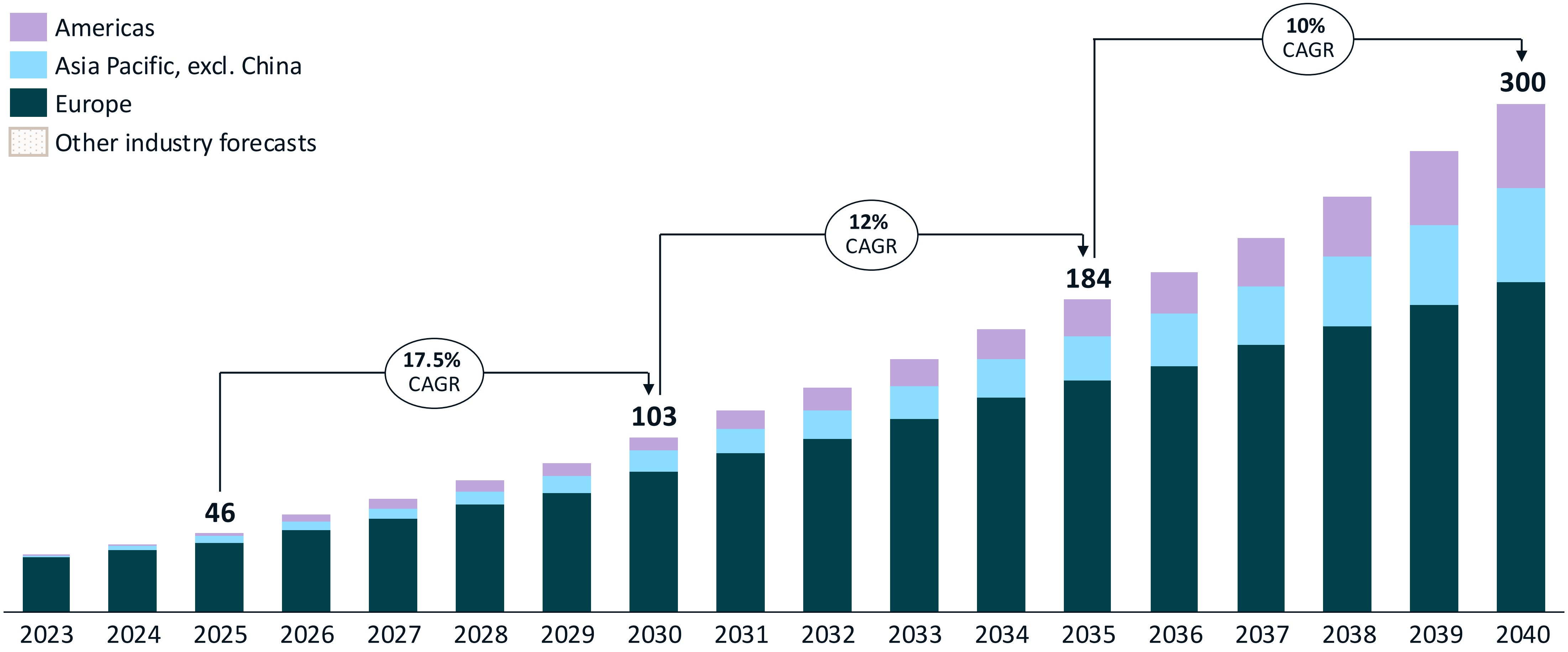
Europe holds the world’s largest and most competitive offshore wind conditions, in close proximity to major demand centers…



…which translates into the largest share of global offshore wind capacity through to 2040

Offshore wind capacity will more than double by 2030 and quadruple by 2040

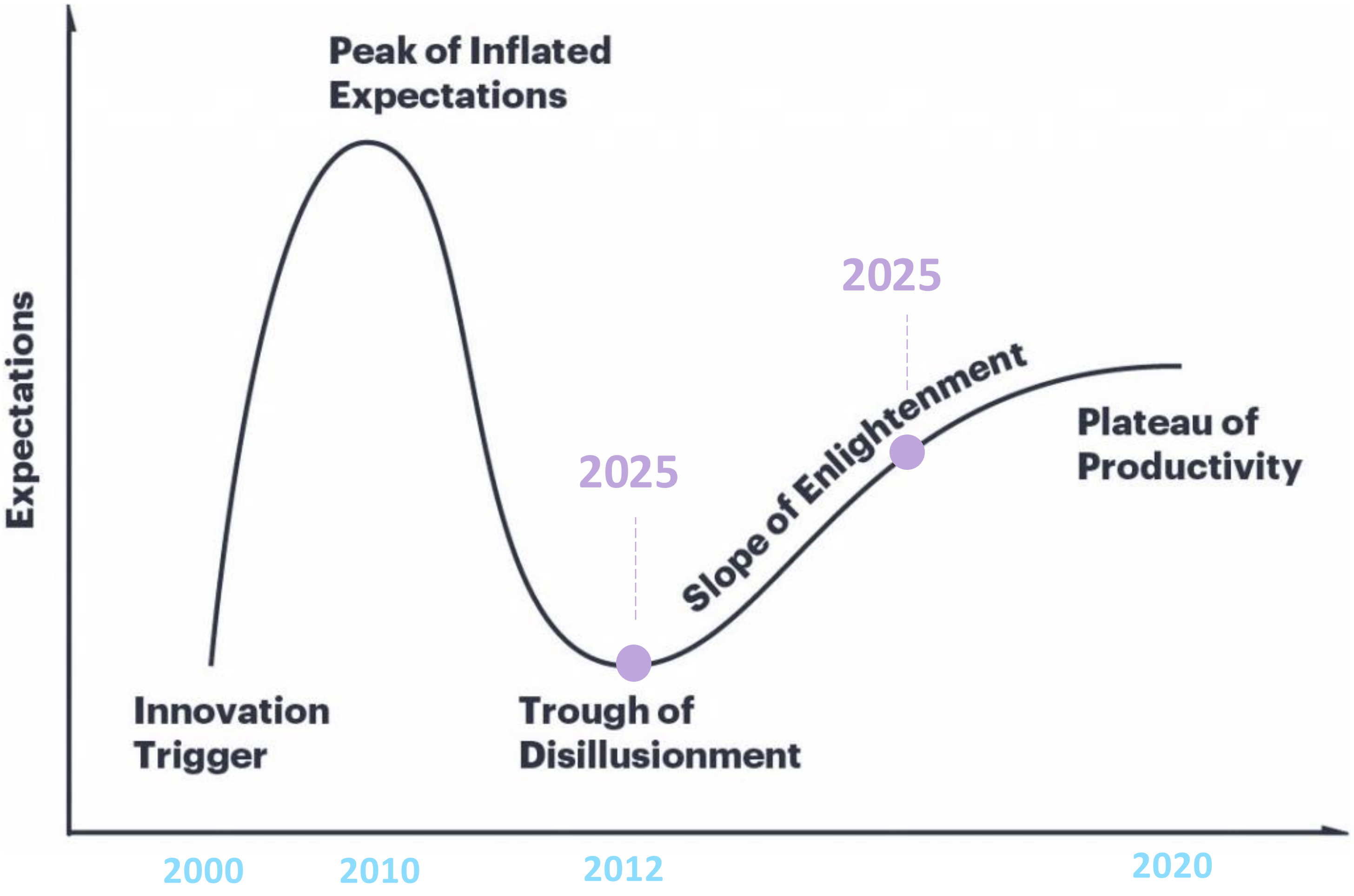
Cumulative installations by region, Aegir Central Case, GW



Sources: Aegir Insights Market Forecast H1 2025

But, the current situation…offshore wind is back in the ‘trough of disillusionment’ after having already reached a commercial plateau

Gartner ‘hype cycle’ applied to offshore wind



What set us back…

- Unrealistic expectations – unmet targes, unrealistic price
- Supply inflation / supply chain crisis
- Interest rates

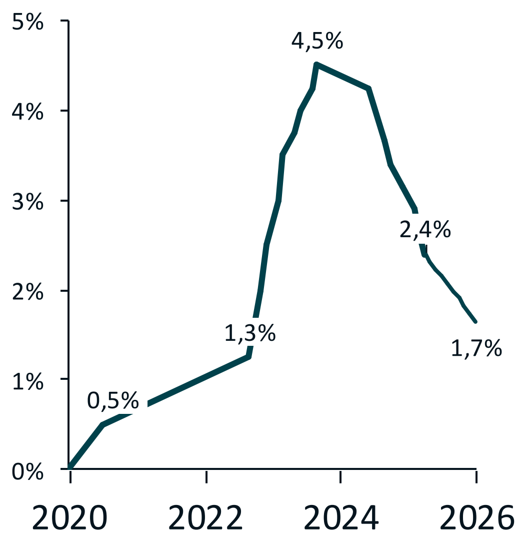
…when they industry was just lifting off.

There are three key metrics we track for sector recovery: interest rates, commodities and supply chain.

Three key data trends to explain offshore wind recovery…

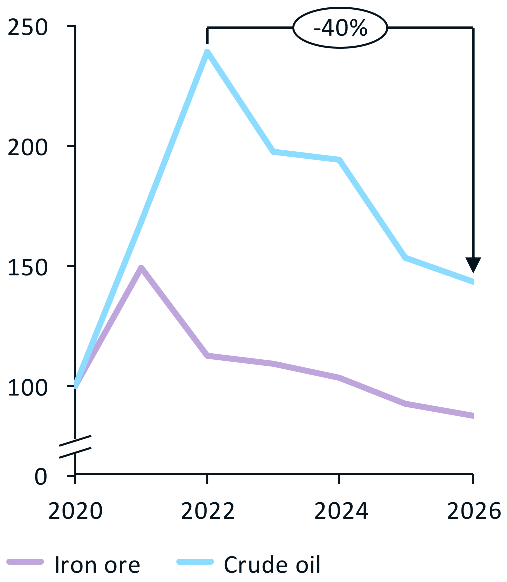
Declining interest rates

ECB lending rate (MRO), 2020-2025



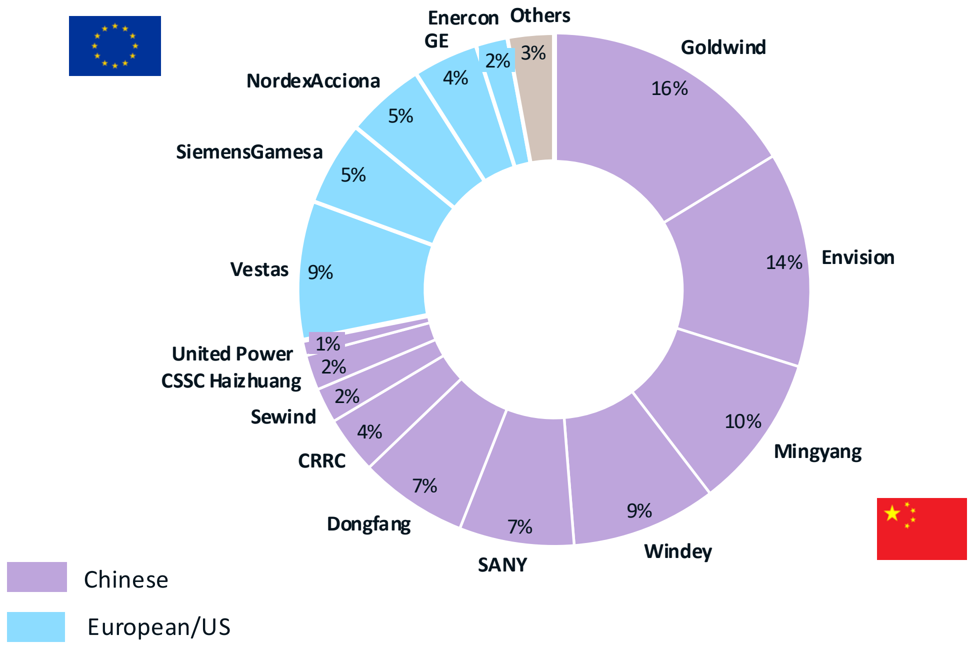
Declining commodity prices

World Bank, commodity prices (index, 2020 = 100)



Increasing supply chain competition

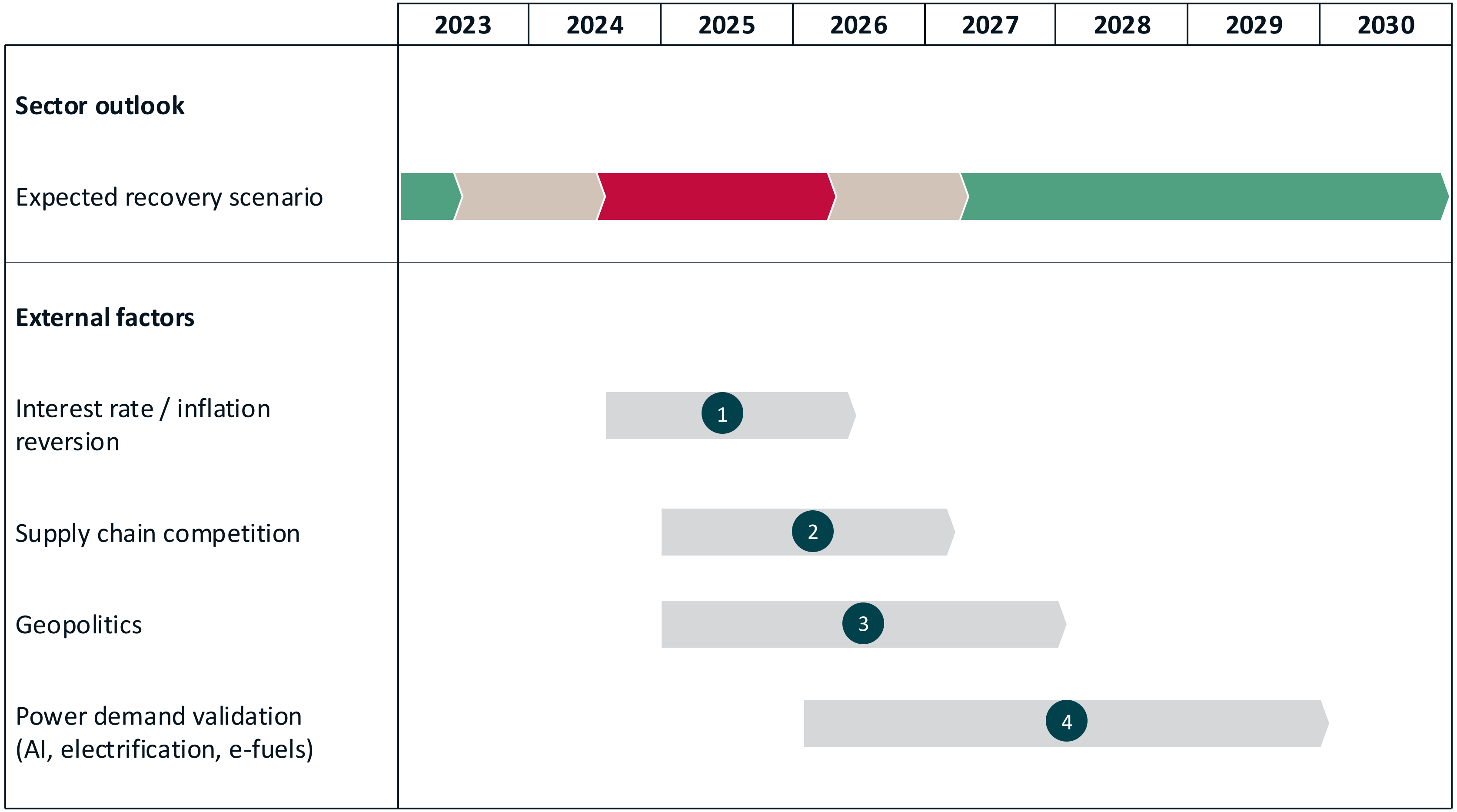
Wind turbine OEM share of global installed capacity % 2024 offshore and onshore



Sources: European central bank, World Bank, GWEC & Aegir Insights

There are signals that we have passed the ‘trough’, but the pace of recovery is still uncertain…

Outlook on offshore wind sector recovery and key external factors



Comments

The offshore wind sector may be impacted by several externalities:

1. Global **interest rate reversion** back to ~2% target, which has relatively high impact on front-loaded capital investments like offshore wind.
2. **China’s breakthrough** into the global market, potentially causing **price competition on major components**.
3. General political turmoil and the **US tariffs** are creating a new outset, where regional collaboration in both Europe and Asia might change **investment dynamics.**
4. **Clean power demand** from potential AI datacenters, green hydrogen, and electrification.

Thank you!

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Aegir Insights is a technology-driven intelligence company serving the offshore wind sector. We leverage data science and deep industry experience to help global renewable players make smarter decisions.

Our expertise lies in contextualizing complex information through use of proprietary models developed in close cooperation with industry and academia.

Going beyond data, Aegir Insights brings independent strategic insights based on our industry experience.