



## **Global wind energy market to reach 240GW by 2012**

*US and China markets lead the way*

**The Global Wind Energy Council is forecasting that the global wind market will grow by over 155% to reach 240 GW of total installed capacity by 2012. In its annual "Global Wind Energy Report 2007", GWEC has adjusted its previous forecast to take into account the unexpectedly strong increase in wind energy deployment around the world. The report will be presented at the European Wind Energy Conference (EWEC) in Brussels on 1 April 2008.**

The Council now forecasts an addition of 146 GW in the coming five years, equaling an investment of more than 180bn EUR or 277 bn US\$ in 2007 values. The electricity produced by wind energy will in 2012 reach over 500 TWh (up from 200 TWh in 2007), accounting for close to 3% of global electricity consumption (up from just over 1% in 2007).

"The wind energy market continues to achieve tremendous growth rates, and has now hit 20 GW of new installations per year. As a result, we have had to revise even our most ambitious estimates," said GWEC Secretary General Steve Sawyer. "The fastest areas of growth for the next five years will be North America and Asia, and more specifically the US and China."

The reasons for this adjustment are twofold: Firstly, both the US and the Chinese market have been growing and will continue to grow at a much faster rate than expected even a year ago. Secondly, the emergence of significant manufacturing capacity in China will have a more important impact on the growth of the global markets. While tight production capacity is going to remain the main limiting factor of further market growth, machines 'made in China' will help take some of the strain out of the current supply situation.

Average growth rates in total installed capacity during this five year period are expected to be 20.6%, compared with 24.7% during 2003-2007. In 2012, Europe will continue to host the largest wind energy capacity, with the total reaching 102 GW, followed by Asia with 66 GW and North America with 61.3 GW.

The yearly additions in installed capacity are forecast to grow from 20 GW in 2007 to 36.1 MW in 2012, with an average annual market growth rate of 12.4%.

"Considering that annual markets have been increasing by an average of more than 20% over the last 5 years, growth could be much stronger also in the future, were it not for continuing supply chain difficulties which considerably limit the growth of annual markets for the next two years," said GWEC Chairman Prof. Arthouros Zervos. "This problem should soon be overcome, and along with the development of the offshore market, growth rates are expected to recover in the next decade."

Asia is predicted to overtake Europe as the biggest annual market, with as much as 12.5 GW of new wind generating capacity installed during the year 2012, up from 5.4 GW in 2007. This growth will be mainly led by China, which has since 2004 doubled its total capacity every year, consistently exceeding even the most optimistic predictions. By 2010, China is expected to be the biggest national annual market globally. This development is underpinned by a rapidly growing number of domestic manufacturers in China. Already in 2007, 40 domestic suppliers supplied 56% of the new installations in the Chinese market, up from 41% in 2006.

Europe will by 2012 have fallen to third place in terms of annual installations (10.3 GW), just behind North America (10.5 GW). Overall, this means that over 71% of new installations will occur outside of Europe in 2012, up from 28% in 2004 and 57% in 2007. While in terms of total installed capacity, Europe will continue to be the biggest regional market, its share will have fallen to 42.4%.

The large scale development of offshore wind energy is further delayed and will only start to have a significant impact on European market growth towards the end of the period under consideration. However, it is expected that offshore development will lend new momentum to growth in Europe during the next decade.

The North American market will more even strongly than previously thought, led by significant growth in the US, as well as sustained development of the Canadian market. In total, North America will see an addition of 42.6 GW in the next five years, reaching 61.3 GW of total capacity in 2012. This represents an average of 8.5 GW of new capacity added every year, the bulk of which will be in the US.

These figures assume that the US Production Tax Credit (PTC) will continue to be renewed in time for the current strong growth to continue. Moreover, high level engagement of an increasing number of US states, 24 of which have already introduced Renewable Portfolio Standards, will also assure sustained growth. A change in US administration may further underpin this development.

*GWEC's Secretary General Steve Sawyer will be available for comments during EWEC 2008 or you can schedule a time for an interview.*

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**Media contact:**

**Angelika Pullen, Policy & Communications Director**

**Mob: +32 473 947 966,**

**[angelika.pullen@gwec.net](mailto:angelika.pullen@gwec.net)**

***Visit the GWEC booth 7A317***

**Global Wind Energy Council**

**Renewable Energy House - Rue d'Arlon 63-65, 1040 Brussels, Belgium**

**Web: [www.gwec.net](http://www.gwec.net)**