

Research Note

By MAKE Consulting

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Continued low WTG order intake; no rebound expected before Q4

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The global economic downturn has significantly impacted WTG order activity in the first half of 2009. The lack of available capital to finance new project development has led to project delays and cancellations. Consequently, demand for WTGs has dropped drastically from the high levels seen in recent years. Supply-side players are left with growing inventories, leading to lower prices and cost-cutting measures.

- Announced orders in 1H/2009 down by 50% compared to 1H/2008
- Downturn most evident in the U.S.
- Widespread layoffs and delays in manufacturing capacity expansion
- WTG prices reduced by 5–25% in the U.S. and Europe

Renewed activity in the U.S. will have a ripple effect on the rest of the industry. Despite a downturn in 2009, market drivers and supportive policy indicate that the U.S. market will start its recovery in the second half of 2009. The full implementation of the American Recovery and Reinvestment Act will help to alleviate the dearth of project financing that has curtailed new growth. Moreover, the passage of a national Renewable Electricity Standard (RES) and imminent passage of a national carbon policy will further bolster the U.S. market, optimizing its position to resume high growth. As the U.S. market recovers, the global industry will shortly follow.

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