



Market Report

A Snapshot of your Market Sector

Onshore and Offshore Wind Power

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

This pack has been designed to provide information on setting up a business in the **Onshore and Offshore Wind Power** industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2022**. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Onshore and Offshore Wind Power market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Wind power generation revenue in the UK is expected to reach £3.5 billion in 2021-22 and increase to **£5.4 billion** by 2026-27. In 2021-22, offshore wind power will account for **57.5%** of revenue, with onshore wind power accounting for **42.5%**. (IBISWorld, *Wind Power Generation in the UK*, October 2021).
- ◆ RenewableUK's UK Wind Energy Database shows that, as of September 2022, **2,601 onshore wind projects** were operational, with a total installed capacity of **14.2GW**, generating electricity from 8,811 turbines. RenewableUK has called on the government to target **30 GW** onshore by 2030. Onshore wind energy is currently the cheapest form of renewable energy, with the price of onshore wind **dropping by 30%** over the last four years alone. However, development of onshore wind farms has reduced by **more than 90%** since 2015, due to the end of government subsidies and the introduction of stricter planning regulations resulting in the development of onshore windfarms taking up to seven years. (Intel, *Renewable Energy – UK*, 2022).
- ◆ **In 2021**, the United Kingdom led the installation of new wind turbines in Europe, with **2,317** new offshore wind installations and **328** new onshore wind installations, accounting for around new 2.5 gigawatts of wind power capacity, indicating strong demand in renewable energy markets. However, import penetration has remained high and limited the industry's performance. Additionally, challenging trading conditions in global industrial markets have resulted in volatility in the industry's performance. (IBISWorld, *Engine & Turbine Manufacturing in the UK*, May 2022).
- ◆ In October 2020, the UK government unveiled a plan to increase the country's offshore wind power capacity from **30 GW to 40 GW by 2030**. The proposal is part of a larger plan aimed at reaching net-zero emissions by 2050, aligning with the global climate goals listed in the Paris Climate Agreement. The UK offshore wind installations are expected to reach **4.60 GW in 2026**. (Global Data, *Wind Turbines*, 2021-2026).
- ◆ Industry bodies for the wind power industry include [Scottish Renewables](#), [Offshore WindScotland](#), [Offshore Wind Industry Council \(OWIC\)](#), [Scottish Offshore Wind Energy Council \(SOWEC\)](#), [RenewableUK](#) and [Wind Europe](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

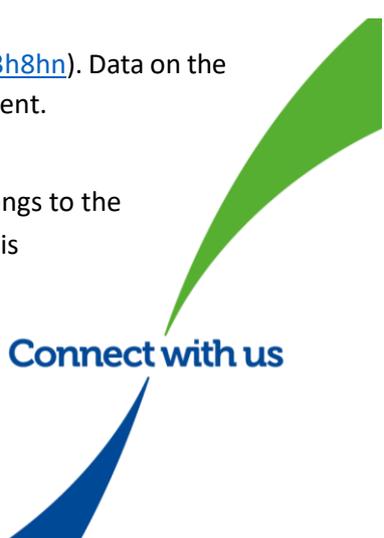
- ◆ **IBISWorld - Renewable Electricity Generation in the UK** (July 2022). Statistics released by BEIS reveal that wind power has become an important contributor to the UK energy market, representing 22.5% of total electricity generated by major power producers in the United Kingdom in 2021 and over half of the renewables used in generation over the year. This has been supported by roughly £19 billion of planned investment into offshore wind in the United Kingdom between 2016 and 2021, driving significant growth in capacity. Additionally, the cost of new offshore wind power has fallen significantly, with the price per unit of offshore wind declining by 65% between the first Contracts for Difference (CfD) allocation round in 2015 and the third in 2019, making it one of the lowest cost options for new power in Britain.
- ◆ **Mintel – Renewable Energy** (October 2022). Participants in the offshore wind sector are starting to explore the role that hydrogen electrolysis units (once integrated into an offshore wind project) can play in converting wind capacity into green hydrogen. Green hydrogen can be produced using electrolysis where the electricity is supplied by a renewable energy plant. According to RenewableUK, the UK has the potential to ‘generate vast quantities’ of renewable hydrogen using clean electricity from offshore wind.
- ◆ **IBISWorld – Wind Power Generation in the UK** (October 2021). The Wind Power Generation industry is in the growth stage of its life cycle. Industry value added, which measures the industry's contribution to the economy, is expected to increase at a compound annual rate of 9% over the 10 years through 2026-27. In comparison, UK GDP is expected to grow at a compound annual rate of 1.1% over the same period. This suggests that the industry will account for an increasing share of the economy over the period, indicating that it is in the growth stage of its life cycle.

There are also a number of online resources you may find helpful:

- ◆ **Crown Estate Scotland – ScotWind offshore wind leasing** (January 2022) (tinyurl.com/mw69enky). In January 2022, ScotWind announced 17 successful project partners from its offshore wind leasing auction. These projects have a combined potential generating capacity of 25GW and are expected to secure at least £1 billion in supply chain investment for every 1GW of capacity proposed.
- ◆ **Scottish Industry Directories – Offshore Wind** (osw.directories.scot). A directory of offshore wind supply chain companies and organisations in Scotland.
- ◆ **Scottish Renewables – Onshore and Offshore Wind Pipeline** (tinyurl.com/2p9x6nb9). Data on onshore and offshore wind projects in Scotland.
- ◆ **Office for National Statistics – Wind energy in the UK (June 2021)** (tinyurl.com/2p83h8hn). Data on the wind energy industry in the UK, covering energy generation, turnover and employment.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as [Yell](#) ,[Thomson Local](#) or [Google Maps](#)
- ◆ Trade specialists like [EuroPages](#) (European directory), [The Wholesaler](#) or [Free Index](#)
- ◆ Business to business (B2B) specialists such as [Kompass](#)

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the [Companies House](#) website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**

What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the [National Records of Scotland \(NRS\)](#). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the [Census Area Profiles](#). Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ [Understanding Scottish Places](#) has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ [Scottish Government Statistics](#) provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ [The Scottish Household Survey](#) provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ [Office for National Statistics \(ONS\)](#) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Accountant](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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