

Job cuts continue

An industry under pressure: the wind industry in Germany is in financial trouble, resulting in redundancies. Companies lack reliable framework conditions.

The statement that the wind industry creates jobs has been an accepted fact for quite some time. According to a study commissioned by the Federal Ministry for Economic Affairs and Energy, 160,200 people were employed in the wind industry, the strongest single renewable energy sector, in 2016. Of these, 133,000 worked in the onshore sector and 27,200 in the offshore sector. This means that the number of employees in the wind energy industry has risen by more than 50,000 since 2011.

Lately, however, this creator of jobs has run into serious problems. Due to the changeover of the remuneration to a tendering system in conjunction with quantity limits and controversial exemptions, the up-and-coming industry has fallen upon hard times (p. 10). Employees are also particularly affected. In 2018, turbine manufacturers Enercon and Vestas announced redundancies. At the German market leader Enercon, more than 800 employees of supplier companies lost their jobs by the end of 2018. Vestas announced its intention to part with

400 employees, most of them in Denmark and Germany. "Due to the tense market situation in Germany, it is no longer possible to utilise the capacity of our suppliers to the necessary extent. A reduction in supplier contracts is therefore inevitable," said Enercon's Managing Director Simon-Hermann Wobben, justifying the painful step. Vestas explained that the company wants to grow predominantly outside Europe in future. The two manufacturers are only the latest examples: previously, Senvion, Nordex and Siemens Gamesa already responded to the grow-



Photo:
Siemens Gamesa
Renewable Energy

Production of nacelles at the Nordex DMR plant in Rostock
Photo: Ove Arscholl



ing pressure in the industry in terms of cost and competition as well as the decline in orders in the European market by cutting jobs.

Further redundancies expected

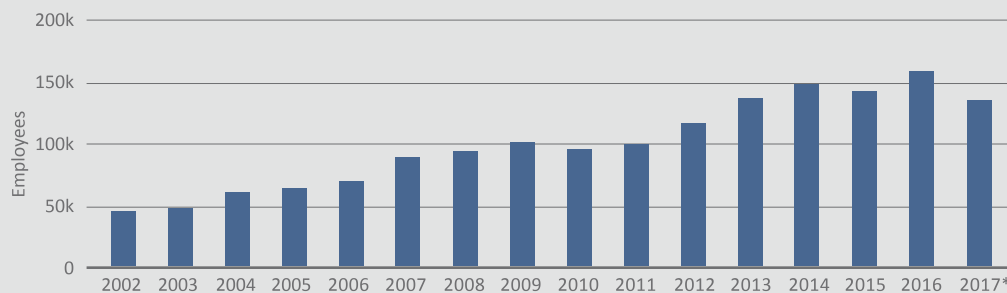
According to a survey conducted among works councils in July 2018 on behalf of the IG-Metall Küste trade union, more than 2,000 jobs have already been cut in the German wind industry since the beginning of 2017. In total, companies had announced that they would lay off between 3,500 and 4,000 people. In addition, 65 percent of the companies expect a negative market development, and 40 percent expect further redundancies. Industry representatives believe that the German government’s energy policy is primarily responsible for the situation.

In addition to the changeover to the tendering system including the expansion caps at 2,800 to 2,900 megawatts per year, the exemptions for citizens’ energy projects – which have since been withdrawn – proved problematic. In 2017, no permits under the Federal Immission Control Act were required for the projects to participate in auctions. As a result, it remains unclear whether the wind turbines will actually be built – which will have a detrimental impact on the manufacturers’ order books.

“The Federal Government shares responsibility for the current job cuts as a result of the substantial reduction in expansion”, explains Hermann Albers, President of the German Wind Energy Association. What is therefore needed is “a reliable time and quantity concept for further expansion until 2030. This is the only way for the companies in our industry to return to viable cost, supply and personnel planning in view of planning periods of three to five years per wind turbine”.

GERMANY

Employees in the wind industry



An important employer irrespective of job losses: More than 100,000 people are employed in the wind energy sector.

Source: Institute of Economic Structures Research on behalf of the Federal Ministry of Economics and Technology (BMWi) (2016) and the BWE, VDMA Power Systems and the Offshore Wind Industry Alliance (up to 2015).

* (From a response by the German government which draws i.a. on estimates by the German Institute for Economic Research)