

Market Engagement Brief

The **UK offshore wind sector** offers immense opportunities for supply chain development, driven by the growing demand for turbines, subsea cables, and infrastructure needed to achieve renewable energy targets.

The UK is a world leader in developing offshore wind and is home to five of the world's largest wind farms. This is reinforced by the findings of RenewableUK's 2024 Offshore Wind Industrial Growth Plan, which identified that the UK employs over 30,000 people in the sector and contributes between £2 – 3 billion per gigaWatt (GW) of installed wind capacity, GVA to the economy.

Offshore wind capacity is forecast to grow to 14.7GW in 2023 from only 2GW in 2012. We have estimated that over 13GW of offshore wind projects are in development around the **Welsh coastline**. These projects cover both bottom fixed and floating offshore wind technologies and are located in Welsh, English and Irish waters.

Development around north Wales is focussed on bottom fixed offshore wind. This builds on the nine existing operational projects across the Liverpool Bay region. The technology focus off the south Wales coastline in the Celtic Sea will be floating offshore wind. The Crown Estate is currently undertaking a seabed leasing programme that will bring 4.5GW of projects to the market.

The Crown Estate's Blueprint report estimated that the 4.5GW Celtic Sea programme will deliver £1.4 bn GVA into the UK economy, and an average of 5,300 jobs through the development of necessary port infrastructure and the supply of critical components and vessel needs

This programme not only reinforces the UK's leadership in offshore wind but also prioritises **maximising participation from the Welsh supply chain**, with a focus on installation, construction, support services and follow-on operations and maintenance. These efforts are set to drive sustainable economic growth in Wales while strengthening its role as a key contributor to the UK's energy security and net zero ambitions.

A cornerstone of this initiative is ensuring that future supply chain opportunities are **open, inclusive, and accessible to small and medium-sized enterprises (SMEs)**. SMEs are vital to fostering innovation, enhancing local capabilities, and creating long-term employment opportunities for the people and businesses across Wales. As the global deployment of offshore renewable energy accelerates, floating wind farms are poised to play a pivotal role due to their ability to operate in deeper waters with stronger, more consistent wind conditions. This innovation unlocks new seabed areas for renewable energy generation, further cementing the UK's position as a leader in this renewable technology.

The Offshore Wind Industry Council's 2023 Supply Chain Capability Analysis calculated that £92 billion of economic value (GVA) could be captured by 2040. To make the most of this future potential, the Welsh Government is focused on understanding and strengthening the current and future Welsh offshore supply chain through four critical areas:

1. **Appetite** – Engaging Welsh suppliers and bringing them together on a dedicated platform to align future contract opportunities with suppliers best suited to deliver the required works, goods and services.
2. **Sector Experience** – Identifying prior experience within the offshore wind sector to harness existing expertise.
3. **Capability** – Understanding the capabilities of Welsh businesses, including what they currently deliver and how they can support the sector moving forward.
4. **Barriers to Entry** – Understanding the barriers that inhibit Welsh businesses from entering into the sector.

This focused engagement ensures that **the Offshore Wind sector** delivers significant investment into the Welsh supply chain as part of the UK Government's response to energy security and net zero priorities. It sets the stage for Wales to play a central role in the UK's renewable energy future, creating a **greener, more inclusive, and sustainable economy** for generations to come.