

Press release from the Danish Wind Industry Association

Wisdom of Wise Men Questioned

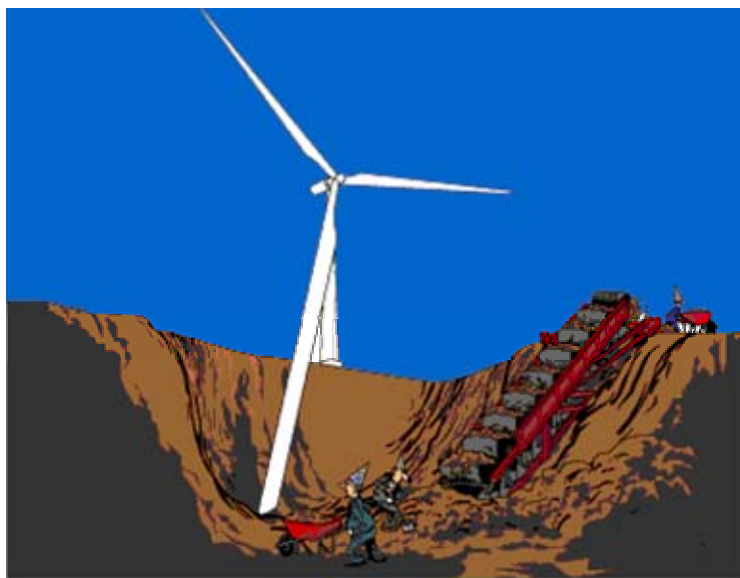
The economists of the Danish Wind Industry Association (DWIA) have studied the analytical basis of a new report from the Danish Economic Council a government financed quasi-independent academic body, which has evaluated the Danish wind industry. The industry economists believe that the so-called »Wise Men« have neither studied the technology nor the market conditions, hence the industry finds the analyses to be meaningless.

In articles in the DWIA magazine Vindformation, it is revealed that the Wise Men's calculations assume an employment in the wind industry of approx. 3,000 persons compared to the 20,000 employed in turbine and component manufacturing today.

The Wise Men have not discovered that several foreign wind turbine manufacturers use licensed Danish technology.

The Wise Men's calculations erroneously assume that there has been given no support to wind energy in Denmark since 1999, and that Danish wind turbine owners do not pay taxes.

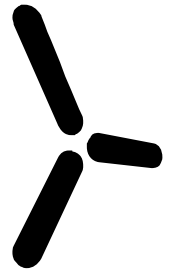
In calculations of wind turbine productivity the Wise Men assume that tower heights today remain at 18 m, like in 1980. Since the typical rotor diameter today is 54 m this would require digging holes in the ground for wind turbine rotors.



The Wise Men's calculations assume that the demand for wind turbines is independent from availability of sites for turbines, and whether the turbines can produce much or little electricity. According to the managing director of the DWIA, Soren Krohn, the Wise Men ignore the fact that wind turbines need wind in order to

VINDMØLLEINDUSTRIEN
Vester Voldgade 106
DK 1552 København V

Tel : +45 3373 0330
Fax : +45 3373 0333
E-mail : danish@windpower.org
Internet : <http://www.windpower.org>



work. »To forget about research in wind resources is equivalent to asserting that oil fields are unimportant for the cost of oil extraction« says Soren Krohn.

Soren Krohn states: »The Wise Men have underestimated the productivity development for wind turbines with approx. 80%, and they have errors in several tax distortion estimates of 100%. The Wise Men's calculations of employment and sales of wind turbines to the Danish power companies deviate 600% from actual statistical figures.«

The Wise Men created attention in the press by claiming that through statistical analysis it could be shown that Danish wind energy policy since 1980 had been too expensive from a socio-economic point of view. The Wise Men believe, however, that both wind energy and research and development of wind energy today are economic.

The wind industry in particular criticizes the Wise Men for their poor estimates of the importance of the Danish home market for exports. »The Wise Men have evaluated the socio-economic value of the existence of a Danish wind industry at some 2 billion DKK (300 million EUR). This may be compared to the stock market value of the largest turbine companies today i.e. some 50 billion DKK (7 billion EUR) « says Soren Krohn.

»The Wise Men apparently believe that the industry would have originated in Denmark anyway, and that the Danish companies automatically would dominate the world market, as they do today. The conclusions of the Wise Men are based on a lack of understanding of both the technology and the market« says Soren Krohn.
(26 June 2002)