

WHY ARE OIL MAJORS INVESTING IN OFFSHORE WIND? *

Offshore wind will play an important role in the Majors' plans to transform against the backdrop of the global energy transition.

Some of the European Majors, such as Equinor and Shell, have been on that road for several years. However, other European major oil companies have recently adopted radical shifts in strategic direction that will transform them over the coming decades.

It's all about a change from big oil to big energy and expansion in renewable power, and offshore wind will be a huge part of that. Offshore wind is an obvious choice for the oil majors for several reasons. Firstly, the offshore wind sector has large growth potential. We estimate that installed capacity in offshore wind will grow sixfold over the next decade to nearly 200 gigawatts (GW), and government targets are even higher than that. The ultimate potential of the sector is much bigger, and our figures indicate the total capacity of projects in the development pipeline is currently over 400 GW. Secondly, there's an obvious overlap with the oil Majors' experience in managing and developing the operation of large offshore oil and gas projects. The Majors can use their supply chain power synergies with oil and gas operations and existing project management experience to create value. Finally, offshore wind provides avenues for additional growth within emerging new energy technologies. Green hydrogen is the obvious one that everybody is talking about now, and the oil companies are already targeting this area.

They will seek to gain a competitive advantage through operational and marketing synergies, geographical reach, partnership experience, financial muscle, and technology leadership. For example, Equinor is targeting leadership as a developer while Shell stands out as being most market oriented.

* "Why Are Oil Majors Investing In Offshore Wind?", [Forbes](#)