

**Workshop on environmental innovation and global markets
Berlin, 20-12 September 2007**

**Session I: Environmentally-related innovation in global markets:
Opportunities and challenges for companies**

Innovating world-wide in wind energy

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Ladies and Gentlemen,

On behalf of Vestas Wind Systems, I would like to thank OECD and the German Federal Ministry for the Environment, Nature Conservation and Nuclear Safety for organising this workshop on environmental innovation and global markets.

Wind energy is one of the modern inexhaustible sources of climate friendly renewable energy and wind energy is particularly competitive. Vestas is the market and technology leader in the global wind turbine industry. Thus, Vestas is no. 1 in modern energy.

As indicated by the title of the speech, Vestas innovates world-wide in wind energy. Vestas' R&D business unit, Technology, will soon reach the target of having around 900 employees situated around the world. New R&D centres in Singapore and in Chennai, India, is currently under development. The Asian centres together with Technology's main office in Denmark and some Technology groups situated in other developed countries, give Vestas the best possible conditions for attracting the best wind energy R&D talents world-wide. It also gives Vestas the best possible conditions for cooperating globally with top universities. In fact, if a particularly interesting wind energy research environment exists in a top university, Technology in some cases establishes a Vestas R&D office and/or place a Vestas professor there.

Vestas believes that dialogue in combination with determination and long-term commitment both on the corporate and the Government side is essential for producing synergies between environmental innovation and markets - nationally as well as globally. The Vestas history illustrates this fundamental insight. Vestas and shifting Danish Governments have since the first oil crisis in the 70ties and the Rio Summit in 1992 both recognised that energy markets need a new modern energy agenda. While Vestas has shown the necessary business skills and determination in its past wind energy business development, shifting Danish Governments have ensured long-term stable wind energy market conditions in Denmark, by adopting and keeping in place relevant regulation and policies. As a result of this, Vestas is today no. 1 in modern energy, while Denmark has the world record of 20% wind energy in its national electricity supply.

The Vestas history illustrates also that while national markets might be the point of the departure for new small environmental innovative companies, markets abroad are soon to become interesting for such companies. Sustainable development is per definition about markets world-wide. Thus, in Vestas we began early on to internationalise our company. Today we are a global

company. In our contacts with Governments all over the world, we repeat the above insight that we gained, while developing our business primarily in Denmark. We do this, because even though wind energy is becoming more and more competitive, it is still important that Governments around the world understand that dialogue, determination and long-term commitment is essential in wind energy business development. The process of wind energy innovation does not stop and should not stop. In Denmark, we have reached a 20 % wind energy penetration and now the target of a 50% wind energy penetration is discussed. If wind energy shall be one of the key answers to the threat of global climate change, we need to continue to innovate world-wide in wind energy.

In finalising this speech I should say that Vestas has noted with satisfaction that the EU recently adopted a 20% renewable energy target. We also have noted with satisfaction that the House of Representatives in the USA has adopted a 15% Renewable Energy Portfolio Standard. No doubt, a global company such as Vestas will be able over time to create a growing number of new modern high skilled jobs in those markets where Governments adopt, implement and keep in place ambitious wind energy policies and regulation.

Thank you very much