



## *Orsted cuts jobs and scales back offshore wind projects*

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## Body

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ONE of Britain's largest offshore wind developers has been forced to cut hundreds of jobs and quit several global markets as it battles spiralling costs.

**Ørsted**, which operates 12 wind farms in the UK, announced a raft of cost-cutting measures after posting around £2.2bn worth of losses for 2023.

This includes halting dividend payments until 2025 and pulling out of several international markets, including in Norway, Spain and Portugal.

**Ørsted**'s cash crunch comes after the business abandoned several uncompleted projects in the US last year on incurring billions of pounds of losses.

Mads Nipper, chief executive of the Danish business, said up to 800 roles will be affected by the cost cuts, with expected wind farm output falling from 50 gigawatts to 38 gigawatts by 2030.

This could mean the business builds 1,500 fewer turbines.

Mr Nipper said: "Despite a year with strong underlying business progress, 2023 marked a year with substantial challenges for **Ørsted**.

"Our financial results are adversely affected by the impairments we took on our US offshore projects in the third quarter of 2023."

## Orsted cuts jobs and scales back offshore wind projects

The latest update also confirmed that chairman Thomas Thune Andersen will step down in March. Mr Andersen said: "2023 was a challenging year for Ørsted. We have learned from the challenges and today, we are announcing a robust business plan with revised strategic growth ambitions for 2030."

In total, Ørsted has written off £3.3bn from its wind farm business.

It comes as Siemens Energy, which produces turbines for many UK wind farms, swung to a (EURO)1.58bn (£1.35bn) profit in its first quarter thanks to a one-off gain relating to the sale of an Indian subsidiary to its parent Siemens for £1.8bn.

The German company is still reeling from cash struggles partly caused by quality issues affecting some of its onshore wind turbines.

This led to the business being forced to seek a financial guarantee from the German government last year.

Siemens Energy has become a vital part of the UK wind industry, owning a turbine blade factory in Hull that employs 1,200 people. Overall, the company employs 6,000 people in the UK.

The company has other profitable divisions, including producing tech for gas generation and power grids.

However, its business has struggled in the past year as a result of its troubled wind division, as faults in its 4X and 5X onshore wind turbine models led to them being taken off the market.

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