



Market Report

A Snapshot of your Market Sector

Forest Industries Including Tree Surgery

This pack has been designed to provide information on setting up a business in the Forest Industries Including Tree Surgery industry in Scotland, as well as helping to inform the market research section of your business plan. You can find more information on how to write a business plan from the Business Gateway website (www.bgateway.com/businessplan), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in January 2018. If you find the information contained in this document useful, tell us about it! Send us feedback [here](#); we will use your comments to help improve our service.

What do I need to know about the Forest Industries Including Tree Surgery market?

The following summary statistics have been taken from market research reports and reliable resources that the Information Service uses to compile industry information. They should give you an indication of how your industry is faring at present and whether there is demand for your type of business:

- ◆ Over the five years through 2022-23, **industry revenue is expected to rise** at a compound annual rate of **2.1% to reach £1.3billion**. It is projected that high disparity in the demand and supply of houses will boost construction activity, increasing industry demand. The industry is expected to take advantage of the growing renewable energy market by selling wood chips, a by-product of industry services, to biomass energy generators. (IBISWorld, *Forestry & Logging in the UK*, December 2017).
- ◆ In 2017-18, **revenue is projected to grow by 1.5% to £1.5 billion**. Economic turbulence following the EU referendum is expected to dampen growth in construction activity and hamper demand. The number of residential property transactions is also forecasts to fall and limit demand for industry products. Timber prices are forecast to rise over the next five years, fuelled by a depressed pound and stronger demand for timber. This is expected to increase input costs. Import competition is expected to remain intense. Revenue is forecast to grow at a compound **annual rate of 1.8% to reach £1.6 billion in 2022-23**. (IBISworld, *Sawmilling & Wood Planing in the UK*, November 2017).
- ◆ A report on the economic value of the industry showed that Scottish forestry contributes nearly **£1 billion GVA to Scotland's economy each year** from forestry & timber processing and forest recreation & tourism. Employment levels are up with more than **25,000 full time equivalent (FTE) people working in the sector**. (Forestry Commission, *The economic contribution of forestry in Scotland*, September 2015 – available at <https://tinyurl.com/y8z7hhsw>)
- ◆ The national organisation for this industry is the [Forestry Commission Scotland](#). Other industry bodies include the [Royal Scottish Forestry Society](#), the [Arboriculture Association](#), [Scottish Forest and Timber Technologies](#) and the [Institute of Chartered Foresters](#).



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Where can I find more information on my market?

The Information Service has access to a number of databases which can offer more detail on this industry. Some of these reports are listed below - if you would like to be sent extracts from any of these reports, please contact us on **0300 013 4753** or email info@bgateway.com.

- ◆ **IBISWorld – Forestry & Logging in the UK (December 2017)**. Increased public concern over environmental issues has led to an increase in demand for industry products. Biomass power is generated from burning biological matter, a large share of which is wood chips. Industry operators are able to take advantage by using the off cuts from regular activities to sell to biomass companies, with some entering the industry for the exclusive purpose of creating wood chips for the biofuel industry. Restocking is the largest segment within the industry and accounts for 42% of revenue for 2017-18.
- ◆ **IBISWorld – Sawmilling & Wood Planing (November 2017)**. Demand for the industry's products is highly dependent on activity in downstream building markets, especially residential building construction, where sawn wood products are used in structural framing, flooring, architraves, roofing trusses and cladding. Residential construction activity increased over the past five years boosted demand, because homeowners often undertake repairs and renovations after buying a property. Furniture manufacturing activity has rebounded during the past five years, supported by rising business capital expenditure levels and improvements in the housing market. Structural sawnwood timber is the largest segment in this market, expecting to account for 31.3% of industry revenue.

There are also a number of online resources you may find helpful:

- ◆ **Forestry Commission Scotland £7.05M for sustainable timber transport projects to benefit communities – June 2017.** (tinyurl.com/y9sxn2dk). This article published by the Forestry Commission Scotland gives details of the Strategic Timber Transport Fund which has benefitted from additional government investment this year.
- ◆ **The Scottish Timber Industry and Scotland's Timber Resources** (tinyurl.com/o7spshj). Industry information provided by the Forestry Commission Scotland. Further information on the industry, grants and licences for Scotland can be found on the Forestry Commission Scotland website.
- ◆ **Forestry Commission Scotland, The Economic Contribution of Forestry in Scotland 2015** (<http://tiny.cc/m3t2cy>) The aim of this study is to estimate the economic contribution of forestry in Scotland. More specifically it updates four indicators in the Scottish Forestry Strategy (SIS) Implementation Plan.
- ◆ **Agriculture, Fisheries and Rural Statistics** (tinyurl.com/op27epf). The Scottish Government's statistics on forestry and includes links for Timber Harvested and Sawnwood Production.
- ◆ **Scottish Government Information Centre – Scottish Forestry SPICe Briefing (November 2016)** (tinyurl.com/y8wlej3). This Scottish Government report provides an overview of the forestry sector in Scotland including jobs & economic activity and key environmental considerations.

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How can I find out about my competitors?

Business Gateway's online guide to [Competitor Analysis](#) explains how to find your competitors, how to research what they're doing and how to act on what you learn about them.

Immediate competition will be from other businesses in your local area. There are several online directories which can be used to find company information and generate lists easily and at no expense. Many Local Authorities also publish local business directories on the web. Below are some key web resources:

- ◆ General business directories such as Yell, Thomson Local or Google Maps
- ◆ Trade specialists like EuroPages (European directory), The Wholesaler or Free Index
- ◆ Business to business (B2B) specialists such as Kompass

Likewise, your local Chamber of Commerce may publish a members' directory; find your local Chamber on the [Scottish Chambers](#) website.

Once you've identified who your competitors are, the next step is to gather information on the way they do business. Which services do they provide? How do they market themselves? How much do they charge?

To learn about your competitors:

- ◆ Look for articles or adverts in local newspapers, trade press and directories.
- ◆ Try to read their marketing material; if the company has an online presence, visit the company's website as a first port of call. Not only does it give you a better understanding of the company's activities, it can also offer a wealth of information such as a company history or staff biographies, as well as the company's partners or suppliers
- ◆ Search for information on limited UK companies via the Companies House website
- ◆ Gain an insight into your competitor's performance using credit checks and the accounts that limited companies are required to submit to Companies House each year.

We can provide credit checks free of charge; if you are interested in using this resource, or looking for us to help you find relevant publications, please contact us by emailing info@bgateway.com or by calling **0300 013 4753**



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What about suppliers?

[Choosing and Managing Suppliers](#) can help you decide what you need from a supplier, how to identify one and how to choose one to deal with.

Trade associations or industry specific organisations may also be able to recommend suppliers or contacts. You can also use the aforementioned resources for finding competitors to find suppliers.

Once you have decided on a supplier, we can run a credit check on the company to help assess their financial stability. We provide credit checks free of charge; if you are interested in using the resource please info@bgateway.com or by calling **0300 013 4753**.

Who are my customers?

Your business plan should include information about the customers you would expect. Business Gateway's guides on [Retaining and Grow Your Customer Base](#) (tinyurl.com/c2fw4o4) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

It can be useful to group your customers by geographical location, age or lifestyle. The websites listed below are freely available and can provide most of this information. If you can't find what you're looking for from these website, please contact us and one of the team will be happy to help:

- ◆ Access the latest population estimates from the National Records of Scotland (NRS). NRS also offers demographic factsheets for each council area in Scotland, which can provide summary statistics for the area you will be based in.
- ◆ Information from the most recent census in 2011 is released via the official website. See in particular the Census Area Profiles. Clicking on your area of interest will give the latest population figures, including estimates by age.
- ◆ Understanding Scottish Places has interactive profiles of towns and cities across Scotland. It can be useful for understanding the interrelationships and flows between towns, and also gives comparisons between two or more places.
- ◆ Scottish Government Statistics provide accurate and up-to-date statistics on Scotland, covering population, health, education and housing.
- ◆ The Scottish Household Survey provides information on the structure, characteristics, attitudes and behaviour of Scottish households, both at a national and local level.
- ◆ Office for National Statistics (ONS) is the recognised national statistical body for the UK. ONS covers a wide range of demographic, economic and social issues at a UK level.

How can you help me with other aspects of starting my business?

The Business Gateway website has guides, videos, online tutorials and tips on all aspects of starting up a business in Scotland. Follow the links below to explore each resource:

Accountancy

Institute of Chartered Accountants of Scotland's (ICAS) "[Find a Chartered Account](#)" tool

Funding

[Practical information](#) on finance and funding for starting and growing your business

Insurance

[Business insurance guide](#)

Legal Help

Gov.uk "[Licence Finder](#)" tool

Law Society of Scotland's "[Find a Solicitor](#)" tool

Pricing

Business Companion [Pricing & payment guide](#).

Please note: the most effective way to research pricing is to conduct your own research – visit wholesalers or suppliers to obtain price lists, find quotes from similar companies and work out what other businesses in your area are charging

Promotion

[BG guides to Marketing](#)

Training

[Skills Development Scotland's My World of Work](#)

[Funding for training](#)

[Small Business Bonus Scheme \(Scotland\)](#)

Your local Business Gateway can offer events, workshops and 1:2:1 support on all aspects of starting and developing your business. Call the helpline on **0300 013 4753** to find out what is available in your area.

We hope you find this Market Report useful and we'd love to hear your feedback [here](#).

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