



Market Report

A Snapshot of your Market Sector

Chemical and Life Sciences

This pack has been designed to provide information on setting up a business in the **Chemical and Life Sciences** 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 2025**.

What do I need to know about the Chemical and Life Sciences 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:

- ◆ [output] in the Life Sciences sector **decreased by 6.2%** in the most recent quarter, with output across the economy as a whole increasing by 0.3%. Compared with the same quarter in the previous year, output in this sector **decreased by 1.7%**, with output across the economy as a whole increasing by 0.9%, comparing Q3 2024 to Q3 2023... In 2022, turnover for the Life Sciences sector was **£4.3 billion** and approximate Gross Value Added (aGVA) was **£2.2 billion**. Between 2021 and 2022, turnover in this sector increased by **4.7%** and **aGVA by 2.0%** in nominal terms. Total turnover for businesses in the wider Life Sciences Cluster was estimated at **£10.5 billion in 2021**. Total turnover increased by **19.2% between 2020 and 2021**. Gross Value Added for businesses in this wider cluster was estimated at **4.6 billion in 2021** and increased by **12.7%** from the previous year (Scottish Government, *Life Sciences Sector Briefing*, December 2024)
- ◆ The industry is poised for growth driven by government investments and technological advancements. Outlined in December 2023, the UK government's **£2 billion** investment plan, promises to fuel R&D and infrastructure development over the next decade. Revenue is anticipated to climb at a compound annual rate of **8.3%** over the five years through 2029-30 to **£34.9 billion** (IBISWorld, *Biotechnology in the UK*, December 2024).
- ◆ The industry remains largely globalised despite Brexit and pandemic-spurred trade disruptions that dented exports. The chemical sector contended with fluctuating oil prices, leading to unpredictable costs and financial pressure. However, with the easing of restrictions and economic recovery, industrial activity witnessed a rebound, boosting sales for chemical products. As measures to champion sustainability explode, recycled materials now feature prominently in production processes, pushing the industry towards greener practices. Revenue is expected to expand at a compound annual rate of **1.8%** over the five years through 2023-24 to **£6.7 billion**, including **2.2%** in 2024-25. (IBISWorld, *Chemical Product Manufacturing in the UK*, November 2024)
- ◆ The national association for this industry is [Life Sciences Scotland](#). There are other industry bodies who may also be able to provide you with useful information: [The Royal Society of Chemistry](#); [International Organisation for Chemical Sciences in Development](#); [Scottish Life Sciences Association](#); [Life Sciences Organisation](#); [UK Bioindustry Association](#); and [The Association of British HealthTech Industries](#).



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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 – Biotechnology in the UK (December 2024): “Early data suggests that confidence has rebounded, as UK biotech businesses raised £2 billion in investment over the first two quarters of 2024 (already beating the £1.8 billion raised in 2023), according to BIA. This demonstrates heightened investor interest and confidence in the UK biotech space, marked by significant public financing and a notable hike in venture capital funding driven by several large deals. Pheon Therapeutics secured £94 million in Series B funding in May 2024, while Amber Therapeutics raised £79 million in June 2024. This heightened capital influx will likely accelerate R&D activities in 2024-25, fostering innovation across medicinal, industrial and agricultural biotechnology applications. Biotech companies are positioned to leverage this capital injection towards cutting-edge technologies like CRISPR and next-generation sequencing to support a strong revenue hike in 2024-25.”
- ◆ Statista – Chemical Industry in the UK (November 2024): Data aggregator Statista has a report on the UK chemical industry which pulls together different data points from a range of sources and presents them in a clear, easy to read format. The Information Service has access to this complete report, which covers topics like import and export values; industry revenue; and the leading companies in the UK chemical manufacturing industry.

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

- ◆ [The Chemical Industry Association](#) website has a page on their website which offers a statistical overview of the UK chemical industry and it’s contribution to the UK economy. There are also links to regional snapshots, which include one for [Scotland](#).
- ◆ [The European Chemical Industry Association \(CEFIC\)](#) also have a statistical overview of the UK chemical industry, which focuses on slightly different measurement criteria like total industry turnover, spending, R&D investment, as well as looking at some of the trends and challenges facing the industry in the UK.
- ◆ The UK Government website publishes [annual data](#) for the Life Sciences sector. The report covers the research environment; domestic market; production environment; international collaboration; investment environment; and access to skilled labour. There’s also a similar report produced for the UK [Bioscience and Healthtech](#) sector.

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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 [Market and customer research](#) will help you to identify new trends, opportunities, customers and competitors.

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 websites, 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 Accountant](#)" 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.

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Last updated: 20th January 2025

Updated by: Patrick MacDonald

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