



Market Report

A Snapshot of your Market Sector

Forest Industries including Tree Surgery

Cost of Doing Business Support

For information on **reducing the cost of running your business**, the [Find Business Support](#) website has links to advice, funding and regional support.

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 **December 2023**. 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:

- ◆ There's been a wave of new forestry companies in the UK as government projects and the growing value of timber support the industry's expansion. The Forestry and Logging industry's revenue is expected to **grow** at a compound **annual rate of 2.7% to £2.4 billion** over the five years **through 2028-29**, while the industry's profit margin is forecast to rise 14.9%. Growing environmental awareness is expected to benefit forestry companies as new woodland areas are created and maintained in the UK. (IBISWorld, *Forestry & Logging in the UK*, August 2023).
- ◆ It is projected that the **revenue of forestry and logging** in the United Kingdom will amount to approximately **US\$1,808.18 million by 2025**. (Statista, *Industry revenue of "forestry and logging" in the United Kingdom from 2012 to 2025*, September 2021).
- ◆ In **2022/23** the United Kingdom spent **approximately £6.66 billion on agriculture, forestry, fishing and hunting**, compared with just over six billion in the previous financial year. (Statista, *Public sector expenditure on agriculture, forestry, fishing and hunting in the United Kingdom from 2009/10 to 2022/23*, July 2023).
- ◆ Trade disruption following the Brexit period exaggerated supply chain price inflation in 2021 and thereafter, by way of extended lead times for materials. The **timber price index inflated by 33.5% year-on-year in 2021-22**. Underlying inflation pressures, ongoing pandemic-induced supply chain difficulties and supply chain disruption associated with the Russia-Ukraine conflict have resulted in another surge in materials prices since spring 2022, but the **price index is forecast to drop at a compound annual rate of 1.3%** over the **five-year period though 2028-29**. (IBISWorld BER, *UK Timber Price Index*, April 2023)
- ◆ **Ornamental Horticulture Roundtable Group (OHRG)** estimated that the UK **ornamental horticulture and landscaping industry, including arboriculture**, would be worth **£42 billion by 2030**. This is compared with £28.8 billion in 2019. An action plan published alongside the report calls for the Government to increase plant and tree production to 'build back greener'. ([Ornamental Horticulture Roundtable Group \(OHRG\)](#), *'Growing a Green Economy: The importance of ornamental horticulture and landscaping to the UK'*, 2021).
- ◆ The national organisation for this industry is [Forestry and Land Scotland](#). Other industry bodies include the [Royal Scottish Forestry Society](#), [Scottish Forestry](#), the [Arboriculture Association](#), [Scottish Forest and Timber Technologies](#), [Horticultural Trades Association](#) 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 (August 2023)**. Logging companies in Scotland benefit from the region's sparsely populated area and from the region's strong reforestation efforts, as Scotland leads the way in terms of acres of forest planted. Larger companies like Scottish Woodlands use their scale to reduce costs. The wide area that needs to be forested and the distances between forested areas mean that smaller nurseries and forestry companies can effectively compete against larger centralised companies. Forestry companies can differentiate by the type of forestation service they offer, ranging from nurseries for saplings to companies that care for existing forests.
- ◆ **Technavio – Global Forestry Software Market (2023-2027)**. The increasing need for sustainable forestry management and its integration with forest management plans, timber inventory and sales, and wildlife management are driving the growth of the global forestry software market.
- ◆ **Technavio – Global Reclaimed Lumber Market (2022-2026)**. Factors such as the growing interest in recycling, the superior structural features, the increasing need from end-user industries, and the escalating perseverance to deal with waste-management issues will boost the **growth of the reclaimed lumber market** in Europe. The year-on-year growth during 2021-2026 will vary between 2.51% and 5.62%.

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

- ◆ **National Library of Scotland** – free eResources include a COBRA Business Opportunity Profile - *Tree Surgeon, April 2022*, which offers some market data and useful links to information on trading commercial and legal issues. Access is free after registration [here](#).
- ◆ [The Scottish Timber Industry and Scotland's Timber Resources](#). Industry information provided by Forestry and Land Scotland (formerly the Forestry Commission Scotland). [The Timber Marketing Framework 2020-2029](#) sets out how Scotland markets timber.
- ◆ **The Forest Research Services**. This page covers [a wide range of topics](#) from tree health diagnostic services to technical development services, and urban tree services.
- ◆ **Forestry and Land Scotland**, [The Economic Contribution Of Scotland's National Forests And Land, November 2018](#). The report assesses the number of jobs provided by the estate, and the value of the wide range of activities that the industry supports.
- ◆ [Agriculture, Fisheries and Rural Statistics](#). The Scottish Government's statistics on forestry and includes links for Timber Harvested and Sawn wood Production.
- ◆ **Scottish Government Publication** – [Scotland's Forestry Strategy 2019-2029](#) and [Scotland's Forestry Strategy Implementation Plan 2022-2025](#). These provide a 10-year framework for action to help achieve a 50-year vision for Scotland's woodlands and forests.

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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 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. Publications are also available at [Statistics and Research](#).
- ◆ [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.

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

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You must not rely on the information in the report as an alternative to advice from an appropriately qualified professional. If you have any specific questions speak to your Business Gateway Advisor or consult an appropriately qualified professional.

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