



# Market Report

A Snapshot of your Marketing 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **December 2024**.

## 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:

- ◆ The Forestry and Logging industry has seen an influx of new companies set up in the UK. New entrants can rent logging and other equipment and machinery they may need during busy periods, reducing depreciation costs and the required start-up capital. Government funding towards reforestation projects has provided a stable source of funding for both larger existing companies and new, smaller entrants working for local area councils (IBISWorld, *Forestry & Logging in the UK*, September 2024).
- ◆ The industry in the United Kingdom is forecast **to generate revenue of £3.4bn in 2024, down -0.8% on the previous year. This equals 4.4% of total European revenue of £77.0bn**, representing the 6th largest share. By £3.0bn, the United Kingdom outperforms the European median revenue of £388.7m (IBISWorld, *Agricultural & Forestry Machinery In the UK*, August 2024)
- ◆ **The UK export value in forestry is projected to amount to US\$2.8bn in 2024**. An annual growth rate of 3.22% is expected (CAGR 2024–2029) (Statista, *Forestry Market Insight*, December 2024).
- ◆ In 2023/24, the **United Kingdom spent £6.72 billion on agriculture, forestry, fishing and hunting**. This is up from £6.25 billion in 2022/23 (Statista, *Public sector expenditure on agriculture, forestry, fishing and hunting in the United Kingdom from 2009/10 to 2023/24*, August 2024).
- ◆ Forestry software facilitates the functionalities of land acquisition, harvest planning, managing, processing, production, asset tracking, and logistics support. The software offers a database that manages core business functions such as harvest management contracts, forecasting, inventory management, sales, and invoicing. The demand for forestry software is increasing among forest departments because it helps in automating forestry operations, sustainable forest management, and timber sales. The software uses AI, big data, mobile technology, and sensor technology for forestry management to improve the decision-making process (Technavio, *Global Forestry Software Market 2024-2028*, February 2024).
- ◆ [Forestry Statistics 2024](#) from Forest Research provides detail on woodland area and cover, timber and wood products, imports and exports to economics, employment, woodland visits and the environment in the UK.
- ◆ 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](mailto:info@bgateway.com).

- ◆ **IBISWorld – Forestry and Logging (September 2024).** Following two years of limited downstream demand for commercial forests due to surging inflation and interest rates limiting construction activity, the outlook for 2024-25 is significantly more positive. According to Forestry England, timber prices in the UK have moved upward in the first months of 2024-25. This is largely due to lower inflation and the expectation of interest rate cuts, which are boosting demand for timber. Globally, demand for timber is also forecast to increase substantially as timber usage expands in response to efforts to decarbonise the built environment, boosting revenue growth from this sector.
- ◆ **IBISWorld Business Environment Profile – UK Timber Price Index (August 2024).** An anecdotal report published by Tilhill Forestry hypothesised a scenario whereby prices rise too high, driven by unprecedented demand from construction markets and supply shortages, consequently forcing downstream clients to find alternative material input solutions - this could siphon demand for timber products and induce volatility in the index. As suggested by the FIM, however, long-term timber supply could be constrained by increased competition for land with agriculture to provide food for growing populations, and pressure from environmentalists to preserve forests, potentially keeping prices exceptionally high as a result. Overall, albeit proving volatile year-on-year, the timber price index is forecast to drop at a compound annual rate of 1.3% over the five-year period though 2028-29.
- ◆ **Technavio - Global Reclaimed Lumber Market 2024-2028 (October 2024).** UK will generate volatile growth across all the years of the forecast period between 2023 and 2028. The year-on-year growth will alternate between growth and decline during this period. The year-on-year growth will fluctuate between 0.0% and 2.6%. UK was the 3rd-largest country in the market in 2023 and will weaken its relative position in the overall market to become the 4th-largest segment in 2028. It will grow at a compounded annual growth rate of 1.5% between 2023 and 2028, which is lower than that of the overall market.

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

- ◆ **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.
- ◆ **[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.

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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](mailto: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](mailto: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.



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## 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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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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**Updated by: Rebecca**

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