



Market Report

A Snapshot of your Market Sector

Low Carbon Transport

This pack has been designed to provide information on setting up a business in the **Low Carbon Transport** 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 2021**. 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 Low Carbon Transport 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:

- ◆ Passenger EVs sold as company cars represent the largest customer spend compared to other eMobility products and segments. Innovative propositions around C&I eMobility – such as workplace charging, fleet management or car salary sacrifice - are therefore key for energy companies to address the European EV market. These types of proposition are emerging rapidly, especially in the UK, NL and DE. (DeltaEE, *State of the New Energy Market*, 2021)
- ◆ Sales of hybrid and electric cars are set to rise from 187,869 units in 2019 to 273,500 units in 2020 compared with the overall car market which is expected to see sales drop back from 2.35 million units to 1.57 million units. Looking beyond 2020, while the wider car sector is set to begin to recover in 2021/22, helped by the December 2020 Brexit agreement between the UK and EU, growth is still expected to be modest. In contrast, the prospects for hybrid and electric cars are much more promising. (Mintel, *Electric and Hybrid Cars, Including impact of COVID-19*, December 2020).
- ◆ Hybrid and electric vehicles have been the only real growth area in the new car market in 2021. Electrified car sales have surged in the first eight months of 2021, increasing their share of the new car market to 42.4% compared to 23% in the same period a year earlier. (Mintel, *British Lifestyles*, 2021).
- ◆ A headline commitment of the new Plan is to ban the sale of new diesel and petrol HGVs and buses. The Department for Transport (DfT) will consult on proposals to phase out polluting vehicles weighing between 3.5 tonnes and 26 tonnes from 2035 and those weighing more than 26 tonnes from 2040. It has stated that earlier dates will be set if the private sector agrees that a faster transition is “feasible”. (Edie, *At a glance: Everything you need to know about the UK’s Transport Decarbonisation Plan*, July 2021).
- ◆ There are a number of national organisations and associations you might wish to approach for more information. The [Electric Vehicle Alliance](#), [Renewable Transport Fuel Association](#), [Zemo Partnership](#), and the various member organisations of the [Sustainable Transport Alliance](#) might all have some additional information or resources you could use.

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 – Alternatively Fuelled Vehicle Manufacturing in the UK (August 2021). Industry revenue was affected by a halt in production in March 2020, after lockdown measures were implemented due to the coronavirus outbreak. Output was decimated for both alternatively fuelled vehicles (AFVs) and traditional internal combustion engine for several weeks. Production has resumed since; however, industry firms have reported disruptions to the supply chain, which has continued through the current year. For more detail, please see the Major Companies chapter.
- ◆ IBISWorld – Car Rental & Leasing in the UK (December 2021). Operators' fleet composition is expected to continue to shift towards ultra-low emission and electric vehicles (ULEVs) over the next five years. This has been partially spurred by growing consumer preference for environmentally friendly travel and the growth of the Alternatively Fuelled Vehicle Manufacturing industry (IBISWorld report SP0.012). This in addition to environmental policies which has increased running costs of diesel and petrol vehicles. Increasing infrastructure for alternative-fuel and electric vehicles could also support this trend. In January 2020, the Department for Transport announced it was doubling its funding to £10 million to drive forward installation of charging points over the next five years. This is in addition to £400 million in funding to build 3,000 rapid charging points across Britain, which was announced by the UK government in September 2019.

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

- ◆ The Department for Transport released a paper in 2021 titled “Decarbonising Transport A Better, Greener Britain” (tinyurl.com/mryf7a8m) which outlines the governments plans for the decarbonisation of transport in the UK. The report covers cycling and walking; zero emissions buses and coaches; decarbonising railways; zero emissions cars, vans and motorcycles; and decarbonising of freight and industrial transport.
- ◆ A research briefing presented to parliament on electric vehicles and infrastructure from December 2021 (tinyurl.com/y6tp35sh) and stated that “the number of ULEV vehicles in the UK has increased from just under 9,000 at the end of Q1 2010 to 565,000 at the end of Q2 2021. At the end of Q3 2013 the number of licensed ULEV cars overtook the number of vehicles of other types, such as vans, scooters, HGVs and buses etc, and now account for around 94% of all licensed ULEV vehicles. The growth in ULEVs was initially in plug-in hybrid electric vehicles from 2014 onwards. Growth in battery electric vehicles took off from early 2019 and they outnumbered plug-in electric vehicles from Q4 2020 onwards.”

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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.
- ◆ [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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Last updated: 16.12.2021

Updated by: Patrick MacDonald

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