



# Market Report

A Snapshot of your Market Sector

## Low Carbon Transport

### 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 **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](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 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 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:

- ◆ Growing demand for electric and hybrid cars in recent years has seen a rise in year-on-year growth, with sales expanding by **86.4% in 2020 and 65.6% in 2021** respectively. Growth has been more modest in 2022, with an increase in sales of **19%**. From 2017 to 2022, unit sales have risen from **120,000 to 676,000**. By 2027 it's estimated that sales will reach **1,538,000 units – a 127% increase from 2022**. (Mintel, *Electric and Hybrid Cars*, December 2023)
- ◆ Production of Alternative Fuel Vehicles (AFVs) increased during 2020-21, rising to **18.8% of all UK-produced vehicles**. Production further expanded by **29.6% in 2021**, reaching **224,011 units**. **131,994 AFVs** were registered in the UK by January 2023, up from **115,087 in 2022**. AFV demand increased **18%** between February 2022 and February 2023. According to the SMMT, plug-in and pure domestic vehicles now account for **25%** of total registrations annually, a sharp increase on previous years. (IBISWorld, *Alternatively Fuelled Vehicle Manufacturing in the UK*, December 2023)
- ◆ Demand for electric vehicles in the UK has been buoyant, with **1 in 50 new cars sold in 2021 being a Tesla Model 3**. With original equipment manufacturers being pushed to electrify their cars, and with the government aiming to eventually ban internal combustion engine (ICE) cars, the coming decade will be dominated by a shift to hybrid and electric vehicles. (Mintel, *British Lifestyles – UK*, August 2023)
- ◆ E-mobility has taken a step forward over the past three years, but overall consumer penetration remains low. **Some 7% of adults** have used e-mobility modes over the past 12 months; 5% have used an e-bike and 4% have used an e-scooter. Some **11% of adults** currently expect to use e-mobility modes in future. This is a rise of roughly 50% on current usage levels but is still relatively low in terms of the adult population. It suggests a likely incremental pattern of growth in the coming years, rather than any sudden surge in usage. (Mintel, *E-Mobility - Electric Bikes and Scooters – UK*, 2022).

## 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).

- ◆ **Mintel – Car Aftermarket – UK (2023).** Consumers who own hybrid and electric vehicles replace aftermarket parts for a few different reasons, with **product recalls (44%)** and **advertising (18%)** being much more popular reasons than in the wider market. Hybrid and electric vehicle owners are also less likely to replace parts for maintenance reasons. This may be due to the younger age of many cars in this category. As electric and hybrid cars become more popular this will affect the demands of the aftermarket, with items like batteries gaining an enhanced profile, while items like oil filters and exhausts will gradually decline in importance. Approximately **67%** of hybrid and electric vehicle owners would buy replacement parts online, compared to **56%** of the overall market.
- ◆ **Mintel – Airlines – UK (2023).** In February 2023 the UK government announced that, in conjunction with industry, they would be investing £113m in hydrogen and all-electric flight technologies through the Aerospace Technology Institute Programme. As of June 2023, **52%** of UK passengers were open to the idea of flying short distances in electric aircraft. However, just **37%** of UK passengers believe that airlines will achieve net-zero carbon emissions by 2050, compared to **39%** who don't. Passengers are also concerned about the transition to net zero causing higher ticket prices.

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

- ◆ **The Department for Transport** released a paper in 2022 titled [Decarbonising Transport A Better, Greener Britain – One Year On](#). which summarizes the progress done in the government's 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 the **UK Parliament** on [Electric vehicles and infrastructure](#) from February 2023, states that "the number of ultra-low emission vehicles in the UK has increased from just under 9,000 at the end of Q1 2010 to 991,000 at the end of Q3 2022. At the end of Q3 2013 the number of licensed ultra-low emission cars overtook the number of ultra-low emissions vehicles of other types, such as vans, scooters, HGVs and buses etc, and at the end of Q3 2022 cars account for around 93% of all licensed ultra-low emissions vehicles.
- ◆ 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.

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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 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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