



Market Report

A Snapshot of your Marketing 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 2024**

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:

- ◆ Cars powered by fuels other than solely petrol and diesel are rapidly gaining ground as part of the transition towards zero carbon powertrains. Comprising cars with mild hybrid (MH-EV) and hybrid technology (H-EV) as well as plug-in hybrids (PH-EV) and battery electric vehicles (B-EV), this group of AFVs accounted for over a third (**36.5%**) of **new car sales in 2023** compared to only **6% in 2018**. (Mintel, *Car Purchasing UK 2024*, March 2024)
- ◆ Growing sales for AFVs is raising their profile within the wider car parc to account for 8.9% of vehicles in Q3 2023. Accounting for **2.99 million cars as of Q3 2023**, compared with **0.63 million at the end of 2018**, vehicles powered by hybrid, battery electric and other technologies are forecast to continue to expand their presence as the UK car sector transitions away from petrol, diesel and similar carbon-based fuels. (Mintel, *Car Review UK 2024*, February 2024)
- ◆ Revenue is forecast to expand at a compound annual rate of **7.9% to £18.4 billion** over the five years through 2029-30, despite operating on slim margins. AFVs still account for a small share of car registrations, indicating future growth opportunities. However, reduced funding or an end to the plug-in car grant could restrict industry expansion in the coming years. (IBISWorld, *Alternatively Fuelled Vehicle Manufacturing in the UK*, November 2024)
- ◆ Electric and hybrid cars represent a dynamic segment within the overall car market and are currently seeing especially buoyant demand. Assisted by a growing number of model launches, many increasingly focused on mid-market buyers, new sales are estimated to grow **16.3% during 2024 to 954,300 units**. With total new sales expected to be **1.96 million units in 2024**, hybrid and electric cars will hold nearly half of all sales. (Mintel, *British Lifestyles UK*, April 2024.)
- ◆ 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.



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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 – Non-scheduled Passenger Air Transport in the UK (October 2024)** – “New regulatory changes will encourage airlines to reduce their carbon emissions, with the government announcing its target to reach net zero aviation by 2050. In the short-term, refueling will enable airlines to improve their environmental credentials and lower costs by adding more fuel-efficient aircraft. Beyond this, investment in sustainable aviation fuels (SAF) will be key to achieving decarbonisation goals”
- ◆ **Mintel – Airlines UK 2024 (October 2024)** – “Sustainable aviation fuel will account for an increasing share of the fuel mix. The fuel is several times more expensive than conventional jet fuel as the production scale is still low. Furthermore, revised EU ETS rules mean free allowances, currently representing 85% of aviation emissions, will be phased out for the sector by 2026. The Carbon Offsetting and Reduction Scheme for International Aviation and airlines' investments in sustainable aviation R&D are also increasing spend”

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

- ◆ [Decarbonising Transport Week](#) is a national week of awareness and biggest UK transport conference. The dates for the 2025 conference and awareness week are the 3rd – 5th of March 2025. The conference is entirely online and free of charge. The website also hosts a number of articles written by a range of industry experts.
- ◆ [The National Audit Office](#) published a report in December 2024, looking at whether or not Department for Transport's is achieving value for money in the rollout of electric vehicle infrastructure. It assesses whether the DfT is on track to meet 2030 targets, and if it has been able to deliver on key interventions supporting local EV infrastructure.
- ◆ In the Scottish Government's [Climate change monitoring report 2024](#) is the fourth annual monitoring report on Scotland's progress against the 2018 Climate Change Plan. Chapter 3 of the report (linked) looks specifically at the transport 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.



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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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