



Market Report

A Snapshot of your Market Sector

Taxi Operation

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 **Taxi Operation** 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 2022**. 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 Taxi Operation 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:

- ◆ Industry operators have faced challenging operating conditions over the past five years due to increased competition and volatile demand. Over the five years through 2022-23, **industry revenue is forecast to fall at a compound annual rate of 4.3% to £8.4 billion**. The COVID-19 (coronavirus) outbreak has had a significant effect on the industry's performance, with revenue collapsing by more than half in 2020-21. Over the two years through 2022-23, demand is expected to begin recovering from the effects the coronavirus outbreak, with revenue anticipated to rise by 11.1% during the current year. The performance of the industry is anticipated to be positive over the next five years, with **revenue expected to grow at a compound annual rate of 3.9% over the five years through 2027-28 to reach £10.2 billion**, continuing to recover from the coronavirus-induced low. (IBISWorld, *Taxi Operation in the UK*, October 2022).
- ◆ Excluding Edinburgh and Angus, there were **7,745 taxis and 10,566 private hire cars licensed in Scotland based on figures provided by Scottish local licensing authorities during October-November 2021**. The figures show that of the 7,745 licensed taxis, 3,288 (42%) are wheelchair accessible. The proportion of wheelchair accessible vehicles varies across different authority areas. (Transport Scotland, *Scottish Transport Statistics No. 40 2021 Edition*) (<https://tinyurl.com/yejt85s>).
- ◆ Overall risk in the Taxi Operation industry is forecast to be HIGH over 2023-24. The primary negative factors affecting this industry are urban population and high competition. Overall risk will be slightly higher than the previous year, a result of unfavourable movements in business confidence index as well as urban population. (IBISWorld, *Taxi Operation in the UK Risk Report*, November 2022).
- ◆ The national organisation for this industry is the [Scottish Taxi Federation](#). Other industry bodies include the [National Taxi Association](#), the [National Private Hire Association](#), and the [Licensed Private Hire Car Association](#).



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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 – Taxi Operations in the UK (October 2022).** International tourists are major users of taxis and private-hire vehicles because they usually do not have their own vehicles available to use. This means that an increase in the number of international tourists generally brings about an increase in the number of taxi journeys. The number of international tourists is expected to rise over 2021-22, supporting industry demand. However, tourist numbers are expected to remain substantially below pre-pandemic levels.
- ◆ **IBISWorld, Taxi Operation in the UK Risk Report (November 2022)** Given the large amount of fuel required to operate a taxi, fuel costs have a major influence on the industry. Volatile fuel prices can cause uncertainty for industry operators and may, in some cases, impede a business's ability to remain profitable, which decreases the viability of a business. The majority of taxi journeys are made in cities and a vast number of industry operators are located in urban areas. Therefore, a growing population in urban areas is likely to lead to higher demand for taxi services. The urban population is expected to continue edging upwards in 2022-23, supporting industry demand.

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

- ◆ **My World of Work** has a number of career profiles for a variety of industries in the UK. Their profile on Taxi Drivers shows average UK salary, number of people currently employed in Scotland and a five-year job forecast (tinyurl.com/yystakyw).
- ◆ **The Scottish Government** policy on Renewable and Low Carbon Energy details the promotion of the use of ultra-low emission vehicles (ULEVs) and the aim to phase out the need for new petrol and diesel cars and vans by 2032 (tinyurl.com/y2wmxqtm).
- ◆ **The UK Government** has information on the Private hire vehicle or minicab licence (Scotland). To drive a private hire car (PHC) in Scotland, a private hire car drivers' licence or a taxi drivers' licence must be obtained from your local authority. Vehicles used as PHCs must also be licensed by the local authority in the area in which it is to operate (tinyurl.com/y3b84lfr). Your local authority website should have contact details for the relevant team and details of the process for making an application. A list of Council websites can be found via the Convention of Scottish Local Authorities (COSLA) (www.cosla.gov.uk/councils).
- ◆ **Taxi/private hire operators and their drivers** can keep up to date with news and developments in their sector by accessing the following trade journals for the industry:
Private Hire and Taxi Monthly (phtm.co.uk), **Private Hire News** (privatehirenews.co.uk), **TAXI** (taxinewspaper.co.uk) and **Professional Driver** (prodrivermags.com)

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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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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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