



# Market Report

A Snapshot of your Market Sector

## Unmanned Aerial Vehicles (UAV)

### 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 **Unmanned Aerial Vehicles** 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 **April 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 Unmanned Aerial Vehicle 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 global **consumer drones** market was valued at **\$5,416.01 million in 2022** and is estimated to grow to **\$10,778.61 million in 2027**. This will create an incremental growth opportunity worth \$5,362.6 million between 2022 and 2027, which translates to around 100% of the market size in 2022. (Technavio, *Global Consumer Drones Market, 2023-2027*).
- ◆ The global **commercial drones** market was valued at **\$5,781.98 million in 2021** and is estimated to grow to **\$29,420.15 million in 2026**. This will create an incremental growth opportunity worth \$23,638.17 million between 2021 and 2026, which translates to around 409% of the market size in 2021. The global commercial drones market is expected to witness increased adoption from the agricultural, infrastructure, and insurance sectors. In Europe, countries such as Germany are witnessing increased adoption of commercial drones in the energy and insurance sectors. Increased emphasis on artificial intelligence (AI) and Data Analytics software in drones is further expected to drive the growth of the market. (Technavio, *Global Commercial Drones Market, 2022-2026*).
- ◆ The **CAA regulates all airspace** use in the United Kingdom, including drones. The regulations are the initial rules that EASA established, which came into effect before Brexit. Recreational and commercial operations have distinct requirements. In the UK, drones cannot operate at night unless special permission from the CAA is obtained. (Frost & Sullivan, *Regulatory Environment for Commercial Drone Applications Growth Opportunities*, December 2022).
- ◆ The global **electric unmanned aerial vehicle (E-UAV)** market was valued at **\$5.67 billion in 2021** and is estimated to **grow to \$11.09 billion in 2026**. **Europe was the 3rd-largest region** in the market in 2021 and will continue to be the 3rd-largest segment in 2026. (Technavio, *Global Electric Unmanned Aerial Vehicle (E-UAV) Market, 2022-2026*).
- ◆ The global **commercial drone market** is projected to reach the size of around **\$58.4 billion in 2026**. The market is expected to grow at a compound annual growth rate of over **16%** between 2021 and 2026. (Statista, *Consumer and commercial drones worldwide*, April 2022).
- ◆ Industry bodies include the [Association of Remotely Piloted Aircraft Systems UK](#) (ARPAS-UK), the [Royal Aeronautical Society](#), [Search & Rescue Aerial Association Scotland](#) and the [British Association of Remote Sensing Companies](#) (BARSC).



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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).

- ◆ **Frost & Sullivan - *Growth Opportunities for Global Commercial Drone Last-mile Deliveries*** (February 2022). The current market size of drone platforms for last-mile delivery is \$207.5 million, with most drone deliveries carried out by drone service providers (DSPs) that develop their own platforms. As countries continue to ease restrictions for beyond-visual-line-of-sight (BVLOS) operations, demand for drone delivery platforms will increase. By 2025, an approximate 2.2 million delivery drones will be operating in the global eCommerce space. The regions contributing most to the last-mile drone delivery market are the United States, Europe, and China. In common with all commercial unmanned aerial system (UAS) applications, a lack of regulations to enable drone delivery operations at scale is the main challenge to market growth.
- ◆ **Mintel – *Courier & Express Delivery, UK*** (May 2022). Pricing pressures will prove to be a strong motivator to improve operational efficiency through the uptake of a wide range of EVs, from bikes through to trailers, deeper integration of telematics and other fleet management software and further exploration into the use of drones. For example, Royal Mail is exploring a range of initiatives, including the use of micro electric vehicles and drones for delivery to remote locations, to use fewer vans in its network.

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

- ◆ **PWC – *Skies Without Limits v2.0, 2022*** - By 2030, the increasing use of drones could result in a £45bn increase in UK GDP, £22bn in net cost savings to the UK economy, a reduction in carbon emissions by 2.4m tons and 650,000 jobs in the drone economy. ([tinyurl.com/3ad89xcm](https://tinyurl.com/3ad89xcm)).
- ◆ **Civil Aviation Authority** - Information on the latest guidance and regulatory developments relating to drones and their operation in UK. ([tinyurl.com/yb66pa4f](https://tinyurl.com/yb66pa4f)). ([www.caa.co.uk](http://www.caa.co.uk)).
- ◆ **Drone DJ** – November 2021, *4 Drone use cases Brits want to see more of in 2022* – this article reports on recent research by Project Xcelerate which found that 49% of people surveyed want to see more drones being used for risky jobs – for example, firefighting, inspecting infrastructure, tracking criminals and investigating crime scenes. ([tinyurl.com/2b6avnfs](https://tinyurl.com/2b6avnfs)).
- ◆ **Drone Delivery Group** – in 2020 a white paper '*The commercialisation of the UK air drone industry*' was presented to the UK government. The paper can be downloaded from BAPCO resources on the following link - [tinyurl.com/44224s4y](https://tinyurl.com/44224s4y).
- ◆ **Drones Direct** – The **UK Drone Users Report** ([tinyurl.com/mtke5r8v](https://tinyurl.com/mtke5r8v)). Using a survey of 274 UK drone owners, and studying data from thousands of sales of drones, this report sets out to review UK usage of drones.
- ◆ **Nesta** – this British charity supports innovation and has offices in London, Cardiff and Edinburgh. They offer an online **Drone Industry interactive map**. ([tinyurl.com/27hf7x9w](https://tinyurl.com/27hf7x9w))

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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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