



Market Report

A Snapshot of your Market Sector

Waste Management and Recycling

This pack has been designed to provide information on setting up a business in the **Waste Management and Recycling** 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 **January 2019**. 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 Waste Management and Recycling 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 total amount of waste generated continued to grow in 2017, driven by rising consumption and population growth. This figure grew by **1.3%** to an estimated **151.7 million tonnes** in 2017. The largest component remains the construction and demolition sector, accounting for **38.2%** of total volumes. The amount of waste generated by the sector has continued to rise in line with high construction output and the UK's improving economic landscape. In fact, construction output increased by **5.7%** in 2017, recovering momentum following 2016's relative lull in line with the UK's decision to leave the EU (Mintel, *Waste Management and Recycling*, June 2018).
- ◆ Industry revenue is forecast to increase at a compound annual rate of **3.2%** over the five years through 2023-24 to reach **£1.3 billion**. In April 2014, the government withdrew funding from the Contaminated Land Capital Project Funding programme, which has reduced demand and could increase operating costs in the future. However, an overall increase in construction activity is anticipated to support demand for building services, while several government policies to increase homebuilding activity over the next five years should increase demand for site preparation and industry services. (IBISWorld, *Waste Management Services in the UK*, December 2018).
- ◆ There is a positive correlation between the amount of municipal waste generated and population growth. An increasing population leads to an increase in the amount of waste generated and an increase in the amount of waste requiring disposal. The UK population is forecast to grow in 2018-19, which will support demand for industry services. (IBISWorld, *Sorted Material Recovery in the UK*, August 2018).
- ◆ Recycling rates have plateaued in recent years, with the UK increasingly in danger of missing the EU's target of **50%** of all waste being recycled by 2020. There are also serious concerns that changes in China's waste recovery industry could have a severely negative impact on recycling rates across Europe. (Mintel, *Ethical Lifestyles*, June 2018)
- ◆ The national organisation for this industry is the [Chartered Institution of Wastes Management](#) (CIWM). Other industry bodies include [The Recycling Association](#), [Scottish Environmental Protection Agency](#) (SEPA) and the Scottish Government's initiative [Zero Waste Scotland](#).



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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.

- ◆ **Mintel, *Waste Management and Recycling (June 2018)***. Mintel thinks that mounting awareness of plastic waste has seen UK environmental policy face increased scrutiny over the past year. The environmental impact of marine litter has raised the profile of plastic waste, triggering greater public concern, which could result in significant policy changes. The government has proposed a number of schemes to address the issue, the majority of which could see growth revived in recycling rates and an expansion in recycling capacity. This could be key to the direction of the industry in the coming years, particularly given the need for new legislation following Brexit.
- ◆ **IBISWorld, *Sorted Material Recovery in the UK (August 2018)***. Metal is the largest product segment for the industry. The value of recyclable material sorted and sold by material recovery facilities (MRFs) is linked to world commodity prices, which affect the returns that industry operators gain from the sale of their materials. The world price of steel is expected to increase in 2018, creating an opportunity for the industry.
- ◆ **IBISWorld, *Waste Management Services in the UK (December 2018)***. Enterprise numbers have been growing over the past five years, with new entrants seeking to exploit strong profit margins in the industry. Rising construction activity over the past five years has boosted demand for industry services, making the industry attractive for potential entrants. As a result, the number of industry enterprises is expected to increase at a compound annual rate of 9.8% over the five years through 2018-19. The number of small firms providing site preparation services locally has increased over the past five years, as local authorities seek to increase the supply of homes. Growth in the number of enterprises is also attributed to the industry's low barriers to entry.
- ◆ **Mintel, *Ethical Lifestyles (June 2018)***. The UK media continues to drive people's awareness of the growing inventory of environmental and societal issues that the country – as well as the rest of the world – faces if it is to create a fairer, more sustainable future. However, while it is undoubtedly encouraging that 65% of all adults say they are trying to live more ethically now than they were a year ago, plateauing household recycling rates and rising food waste levels tell a different story. There are therefore opportunities for brands to create marketing campaigns that will encourage all consumers to redouble their eco-efforts, as well as charting their own initiatives.

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

- ◆ **Environment Times Online** website (tinyurl.com/2av53l) containing environmental business information from the UK.
- ◆ **CIWM - Reports and research** (tinyurl.com/ycg9vaf4). The industry body publishes reports on a range of topics, including the impact of digital technologies on waste and resource management and a European comparison of packaging waste recovery
- ◆ **Recycling and Waste World** (tinyurl.com/y8xh73eg) with news from UK on Waste and Management market.



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- ◆ **Envirotec magazine** (tinyurl.com/yaogyc5j). The website includes news and articles on technology in environment.
- ◆ **SEPA - Waste regulations** (tinyurl.com/y8wk7bh2). The Scottish Environment Protection Agency website provides information on the key regulations affecting the waste management industry in Scotland

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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 [Retaining and Grow Your Customer Base](#) will help you to identify who your customers are, how to use this information to sell more effectively and how to actively compete in your marketplace.

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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