



Market Report

A Snapshot of your Market Sector

Waste Management and Recycling

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 **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 **May 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 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:

- ◆ Boosting recycling rates in the household sector will be a key focus over the coming years, supported by upcoming waste reforms, such as consistent collections, separate collections of food waste and a deposit return scheme (DRS). **The government has set a target to recycle 65% of municipal waste by 2035**. This represents an increase from current levels, with 41.4% of local authority collected waste recycled in 2020/21. Veolia Environment Services is the largest UK operator, with turnover of £1,571 million in 2020. Biffa is the second largest operator with turnover of £1,042 million in the financial year ending 31 March 2021. (Intel, *Waste Management and Recycling, UK*, May 2022).
- ◆ Industry revenue is anticipated to **grow at a compound annual rate of 3.9% to reach £1.4 billion** over the five years through 2027-28. An anticipated rise in residential construction activity is expected to support growth as work on brownfield sites continues. In November 2021, a further £11 million in funding was allocated to councils to transform derelict sites for construction of new homes, over the next five years. (IBISWorld, *Waste Management Services in the UK*, May 2022).
- ◆ Scrap Metal Recycling revenue is projected to **grow at a compound annual rate of 1.7% to £6.8 billion** over the five years through 2027-28, while the average profit margin is anticipated to reach 2.7%. In the coming years, rising environmental awareness and greater focus on sustainability by both households and businesses will likely raise recycling rates, expanding scrap metal volumes. (IBISWorld, *Scrap Metal Recycling in the UK*, March 2023).
- ◆ Only 1.3% of the resources Scotland uses are cycled back into the economy, with **over 98.7% of Scotland's material use coming from virgin resources**. This is in addition to Scotland's per capita material footprint which is nearly double the global average. Evidence shows that by reducing wasteful consumption and making construction more circular **Scotland could reduce its overall material use by 11.2%** and its carbon footprint by 11.5%. (Envirotec Magazine, "*Report reveals significance of built environment to Scotland's circular economy, as new tool is launched to reduce site waste*" February 2023.) (tinyurl.com/29akcpdw).
- ◆ The UK's first deposit return scheme goes live across Scotland in August 2023, helping to recycle billions of bottles and cans every year. (Scottish Government, [Scotland's deposit return scheme](#), August 2022).

The national organisation for this industry is the [Chartered Institution of Wastes Management \(CIWM\)](#). Other industry bodies include [Scottish Environmental Protection Agency \(SEPA\)](#), [The Recycling Association](#), and the [Environment Services Association UK](#).

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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-Hazardous Waste Treatment & Disposal in the UK (March 2023)**. Revenue in the Non-Hazardous Waste Treatment and Disposal industry is expected to rise at a compound annual rate of 2.7% to £4.6 billion over the five years through 2027-28, when the average profit margin is on track to reach 15.2%. Small companies that send waste to landfill will take a hit on their average profit margin as landfill taxes increase. Waste incinerators will benefit by selling electricity and heat to the UK grid, enhancing the average profit margin, especially if global supply issues continue. Profitability is set to rise because of higher charges to commercial operators, with waste companies contending with higher landfill costs.
- ◆ **IBISWorld – Waste & Scrap Wholesaling in the UK (January 2023)**. The curbs on Russian exports have ballooned the international price of iron, copper, zinc and other minerals in 2022. Businesses that create large amounts of scrap materials can gain additional revenue by selling it to wholesalers instead of discarding it. Increasing environmental awareness will also support future growth in recycling rates, boosting waste and scrap volumes.
- ◆ **IBISWorld – Waste-to-Energy Plant Operation in the UK (March 2023)**. The Waste-to-Energy Plant Operation industry is growing. Revenue is forecast to grow at a compound annual rate of 4.6% to reach £1.9 billion over the five years through 2027-28. The end of coal in 2024 will provide opportunities for EfW plants to sell more to the national grid. The stable level of energy and heat generation supplied by the industry will be more important going forward. The UK government's strategy to achieve net zero by 2050 will lead to more money poured into EfW plants.

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

- ◆ Zero Waste Scotland (zerowastescotland.org.uk). This Scottish government initiative provides leadership and practical support to encourage growth of the circular economy in Scotland. The website offers information, research and latest developments in waste management.
- ◆ Environment Times Online (tinyurl.com/7rhvpkz4). This website offers UK environmental business information.
- ◆ Chartered Institution of Wastes Management (CIWM) Reports and Research (tinyurl.com/yvwwmkxy). Reports published on a range of topics, including the impact of digital technologies on waste and resource management.
- ◆ Materials Recycling World - MRW (www.mrw.co.uk) provides news from the UK on the waste management and recycling industry.
- ◆ Scottish Environment Protection Agency (SEPA) – Waste Regulations (tinyurl.com/yhrsk8mj). This 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 [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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