



# 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](http://www.bgateway.com/businessplan)), including an interactive template and tips to get you started.

This market report was updated by Business Gateway in **October 2020**. 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 government's lockdown measures are set to result in a very significant reduction in C&I waste arisings in the short term. The imminent recession will also exert a downward pressure on waste generation in this sector, although to a lesser degree than the lockdown measures. Waste generation in the construction and demolition sector is set to see a significant decline in 2020 as a result of the COVID-19 crisis, although with a bounce back anticipated in 2021. UK construction output is anticipated to **fall by 23% in 2020**, followed by a **21% increase in 2021**. (Intel, *Waste Management and Recycling*, April 2020)
- ◆ Industry revenue is expected to fall in the current year due to the COVID-19 (coronavirus) outbreak which led to many industrial and commercial firms suspending operations in March 2020 as part of measures to stem the spread of the virus. Construction and industrial activity were halted for several weeks which reduced demand for some waste management services. As a result, industry revenue is expected to fall by 5.4% in the current year. Over the five years through 2020-21, industry revenue is forecast to increase at a compound annual rate of **2.2% to reach £1.1 billion**. Over the five years through 2025-26, industry revenue is forecast to increase at a compound annual rate of **3.8% to reach £1.4 billion**. (IBISWorld, *Waste Management Services in the UK*, July 2020).
- ◆ According to the Department for Environment, Food and Rural Affairs, the proportion of waste recycled from households was **45% in 2018**, decreasing from **45.5% in the previous year**. Nevertheless, the volume of waste recycled from households has risen gradually over the past five years. The increase in recyclables allows successfully vertically integrated firms to benefit from lower gate fees, which are mandatory charges levied on quantities of waste received at a waste processing facility and generate substantial revenue from selling recycled materials to third parties. Over the five years through 2020-21, industry revenue is forecast to expand at a compound annual rate of **3.1% to reach £9.1 billion**. (IBISWorld, *Non-Hazardous Waste Collection in the UK*, September 2020).
- ◆ 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), [Environment Services Association UK](#) and the Scottish Government's initiative [Zero Waste Scotland](#).

## 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).

- ◆ **IBISWorld – Non-Hazardous Waste Treatment & Disposal in the UK (July 2020)**. Over the past five years, the landfill tax rate in the United Kingdom has increased significantly. The tax was increased to £94.15 per tonne in April 2020 from £91.35 in the previous year. Rising landfill taxes have provided sustained demand for the industry's services and enabled industry operators to increase their prices and boost revenue.
- ◆ **IBISWorld – Sorted Material Recovery in the UK (October 2020)**. Greater public interest in recycling has significantly boosted the volume of waste sent to materials recovery facilities (MRFs). The Landfill Tax has increased steadily in recent years, in line with inflation, to help meet the government's environmental objectives to reduce the proportion of waste sent to landfill. The tax has increased industry demand, as waste has been diverted from landfills by waste collection firms to reduce operating costs. According to the Department for Environment, Food and Rural Affairs (Defra), the average household recycling rate rose from 18% in 2000 to 45.7% in 2017 due to the introduction of the tax. The tax was increased from £91.35 per tonne in April 2019 to £94.15 per tonne in April 2020.
- ◆ **Mintel – Ethical Lifestyles (June 2018)**. 72% of all adults recycle all of the time, while just 8% do so rarely or never. However, while encouraging in isolation, when compared with stilted household recycling levels, it is clear that more must be done to ensure that Brits are recycling as much as they say they are. The young in particular index as less conscientious recyclers, suggesting opportunities for campaigns to engage directly with this cohort.

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

- ◆ **Environmental Times Online** ([tinyurl.com](http://tinyurl.com)). This website contains environmental business information for the UK.
- ◆ **Chartered Institution of Wastes Management (CIWM) Reports and Research** ([tinyurl.com](http://tinyurl.com)). 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](http://tinyurl.com)) provide news from the UK on the market.
- ◆ **Scottish Environment Protection Agency (SEPA) – Waste Regulations** ([tinyurl.com](http://tinyurl.com)). The Scottish Environment Protection Agency website provides information on the key regulations affecting the waste management industry in Scotland.
- ◆ **Envirotech Magazine** (<https://envirotechmagazine.com/>). This website contains news and articles on technology in the environment.

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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**

## 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 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.

## 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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