



Market Report

A Snapshot of your Market Sector

Wave and Tidal Power

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 **wave and tidal power** 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 wave and tidal power 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:

- ◆ Electricity-generating capacity from waves remains low in the UK, with the overall installed capacity increasing from **9MW in 2014 to 22MW in 2019**. The technology's overall contribution to renewable electricity is very small, while generation is intermittent due to test rigs not being continuously online. All currently installed shoreline wave energy capacity is located in Scotland. As of July 2022, **eight tidal barrage and tidal stream projects were awaiting construction (482MW)**. (Intel, *Renewable Energy, UK, 2022*).
- ◆ The cost of generating power from tidal streams has fallen by **40% since 2018** – and a report published last month by a government-backed research centre, Offshore Renewable Energy Catapult, forecasts **prices could fall below nuclear energy in little over a decade**, with one-megawatt hour of power due to cost as little as £78 by 2035 compared with £92.50 for the new Hinkley Point C power plant. (The Guardian, *How tide has turned on UK tidal stream energy as costs ebb and reliability flows*, November 2022)
- ◆ As part of the fourth allocation round of the Contracts for Difference Scheme, the UK Government will ensure that £20 million per year will be ringfenced for Tidal Stream projects, giving Scotland's marine energy sector a chance to develop their technology and lower their costs in a similar way to its world-leading offshore wind industry. (UK Government, *UK Government announces huge investment into Scottish tidal power*, November 2021) (tinyurl.com/mr2kz4s4).
- ◆ Industry bodies for the wave and tidal power industry include [Scottish Renewables](#), [Wave Energy Scotland](#), [RenewableUK](#) and the [UK Marine Energy Council](#).



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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 – Renewable Energy, UK (2022)**. It is estimated the UK has around 50% of Europe's tidal energy resource. According to a 2012 study by the Crown Estate into the UK's potential marine energy resource, tidal power could generate around 20% of the UK's current electricity needs, equating to an installed capacity of around 30GW-50GW. The majority of the potential capacity is in the Severn Estuary (which has 8-12GW), with the estuaries and bays of the Northwest representing a similar amount and the east coast a further 5-6GW.
- ◆ **Statista – Electricity generation from marine energy in the United Kingdom (UK) 2010-2021 (July 2022)**. Electricity generation from marine energy, including wave and tidal, has presented an overall trend of growth over the past decade, though the last two years have seen a decrease from a high of 14 gigawatt hours in 2019, down to 11 in 2020 and only 5 in 2021.

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

- ◆ **RenewableUK – UK Marine Energy Database (UKMED)** (tinyurl.com/45t3vmwb). A map and database of wave and tidal sites in the UK.
- ◆ **Marine Energy Supply Chain Gateway (MESCG)** (www.mescg.co.uk). A database of suppliers supporting the UK's marine energy industry.
- ◆ **European Marine Energy Centre (EMEC)** (www.emec.org.uk). Founded in 2003 in Orkney, the only accredited wave and tidal test centre for marine renewable energy in the world. Resources include lists of [wave developers](#) and [tidal developers](#).
- ◆ **Wave Energy Scotland (WES)** (www.waveenergyscotland.co.uk). A subsidiary of Highlands and Islands Enterprise, with the aim of driving the search for innovative solutions to the technical challenges facing the wave energy sector. Includes a library of wave technology research.

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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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