



Market Report

A Snapshot of your Market Sector

Waste Management & Recycling

This pack has been designed to provide information on setting up a business in the Waste Management & 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 2018. 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 & 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:

- ◆ Waste Management Services industry revenue is expected to increase at a compound annual rate of 5.7% over the five years through 2017-18 to reach **£809.6 million** – and is forecast to increase at a compound annual rate of 2.9% over the five years through 2022-23, to reach **£934.9 million**. (IBISWorld, *Waste Management Services in the UK*, October 2017).
- ◆ Non-Hazardous Waste Collection industry revenue is expected to rise at a compound annual rate of 2.2% over the five years through 2017-18 to reach **£7.7 billion**. Although waste collection services are essential to clients, subdued economic conditions could limit industry demand, particularly from commercial and industrial customers. (IBISWorld, *Non-Hazardous Waste Collection in the UK*, December 2017).
- ◆ Sorted Material Recovery industry performance is dependent on waste volumes, recycling rates and government policies. Over the five years through 2017-18, industry revenue is expected to decline at a compound annual rate of 3.1% to **£7.6 billion**. Poor industry performance over the period is due to falling commodity prices resulting in lower prices being received for scrap metal. (IBISWorld, *Sorted Material Recovery in the UK*, September 2017).
- ◆ Non-Hazardous Waste Treatment & Disposal industry revenue is estimated to grow at a compound annual rate of 3.2% over the five years through 2017-18 to reach **£3.2 billion** and is **expected to grow** at a compound annual rate of 2.1% over the five years through 2022-23 to reach **£3.5 billion**. (IBISWorld, *Non-Hazardous Waste Treatment & Disposal in the UK*, October 2017).
- ◆ 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 - UK (June 2017)***. Following four consecutive years of growth, and further growth expected over the next year, waste volumes are predicted to decline from 2017 to 2021, extending the trend of recent decades, with the UK's gradual realisation of a circular economy. Overall, waste arisings are expected to fall by an estimated 2.5% over the next five years, from 139.9 million tonnes in 2017 to 136.5 million tonnes in 2021. This is in contrast to the growth seen over the past five years, when volumes rose by 1.6% from 137 million tonnes to 139.2 million tonnes.
- ◆ **IBISWorld - *Sorted Material Recovery in the UK (September 2017)***. The waste management sector is being transformed as waste is driven away from landfills and into recycling and treatment facilities, and a certain level of consolidation is expected to occur in the sector. Firms are expected to increase in size and in their degree of vertical integration across waste collection, transfer, recovery, treatment and recycling in order to gain economies of scale and efficiency improvements.
- ◆ **IBISWorld - *Waste Management Services in the UK (October 2017)***. High profit margins and strong demand for industry services are expected to continue to attract new entrants to the industry. A growing population and increased public concern over environmental issues are expected to boost industry demand. The barriers to entry for the Waste Management Services industry are low and increasing. Regulation is a substantial barrier to potential entrants. Companies must invest significantly in capital and employee training and there is a moderate degree of technology change, which means depreciation costs can be significant.

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

- ◆ **CIWM - Reports and research** (www.ciwm.co.uk/ciwm/knowledge). 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.
- ◆ **WRAP - Market information** (tinyurl.com/lfg4lmy). Resources published by the Waste and Resources Action Programme (WRAP) provide market intelligence from the recycling sector, including summaries of key trends and developments.
- ◆ **Scotland's Environment - Waste Discover Data tool** (tinyurl.com/y8jv2sdz). Data on the waste generated, recycled, recovered and disposed in Scotland for 2011 onwards.
- ◆ **Zero Waste Scotland - Research & Evidence** (www.zerowastescotland.org.uk/research-evidence). Reports and information published by Zero Waste Scotland, the delivery programme funded to support the Scottish Government's circular economy strategy.
- ◆ **SEPA - Waste regulations** (www.sepa.org.uk/regulations/waste). 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](#) (tinyurl.com/c2fw4o4) 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 Account](#)" 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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