



Market Report

A Snapshot of your Marketing Sector

Low Carbon Transport

This pack has been designed to provide information on setting up a business in the **Low Carbon Transport** 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 2026**.

What do I need to know about the Low Carbon Transport 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:

- ◆ Interest in electric and hybrid vehicles is rising, with **54%** of potential buyers interested in 2025. However, high costs and concerns over charging infrastructure remain significant barriers. Addressing these issues is crucial for accelerating market adoption and meeting government emission targets. (Mintel, *Electric & Hybrid Cars UK*, December 2025)
- ◆ With the government's goal of achieving 100% zero-emission new car sales by 2035 and reaching net-zero emissions by 2050, coach and bus transport companies are making moves to do their part by decarbonising their fleets... The substantial upfront costs associated with electric fleets and the limited availability of charging infrastructure pose financial and logistical hurdles for smaller companies. This highlights the need for sustained government assistance and funding. Support from the government can help companies overcome these obstacles, moving the industry closer to achieving its emission reduction goals. (IBISWorld, *Coach and Bus Transport in the UK*, November 2025)
- ◆ Environmental pressures have surged in recent years, significantly shaping the Freight Road Transport industry as the government advocates for more sustainable practices to cut back on carbon emissions. The government aims to ensure all new HGVs are zero emissions by 2040 as part of its broader strategy to achieve net-zero by 2050. This target has accelerated freight road transport companies' investment in low-carbon solutions. Government funding is supporting this, with £200 million invested in October 2023 to deploy up to 370 zero-emission trucks across the UK, aiding the industry's progress towards net zero (IBISWorld, *Freight Road Transport in the UK*, December 2025)
- ◆ The UK Government's main policy for encouraging the use of low-carbon fuels is the Renewable Transport Fuel Obligation. In August 2025, the government published a statutory review as well as an outline for the future of the review ([RTFO statutory review and future of the scheme - GOV.UK](#)).
- ◆ There are a number of national organisations and associations you might wish to approach for more information. The [Electric Vehicle Alliance](#), [Renewable Transport Fuel Association](#), [Zemo Partnership](#), and the various member organisations of the [Sustainable Transport Alliance](#) might all have some additional information or resources you could use. .



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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 – Freight Rail Transport (September 2025). The UK’s Freight Rail Transport industry has recently found itself at the intersection of two major forces: a growing need for low-carbon logistics and significant pressures from labour shortages and operating costs. Over the five years through 2025-26, companies have capitalised on heightened demand for sustainable freight, with large businesses and retailers shifting away from more emissive long-distance road haulage. Major players have invested in cleaner locomotives, biofuels and more efficient intermodal hubs, in response to stricter environmental targets and persistent disruptions in road transport (think driver shortages and rising HGV operating costs).

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

- ◆ The Energy Demand Research Centre (EDRC) published a report in June 2025 ([Headwinds - Transport Decarbonisation in a Storm](#)) which analyses the progress made towards the surface transport decarbonisation pathway set out by the Climate Change Committee. Quote: “The purpose of the report is to match what is expected from the sector with the current delivery commitments, particularly in the light of the Spending Review 2025 which has set the funding envelope out to 2029/30.”
- ◆ The Scottish Government’s [Climate Change Plan: monitoring report 2025](#) is the fifth annual monitoring report on Scotland’s progress against the 2018 Climate Change Plan. Chapter 3 of the report looks specifically at the transport sector.
- ◆ The House of Commons released a report from the Committee of Public Accounts on the state of [Public charge points for electric vehicles](#) in the UK. The report looks at the geographical distribution of charging points; the Local Electric Vehicle Infrastructure program; ultra rapid charging on the strategic road network; the next steps in the future of developing the network; and driver experiences of using public charge points (and how these experiences can be improved).

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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 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.



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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.

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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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