



Market Report

A Snapshot of your Marketing Sector

Hydrogen

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

What do I need to know about the Hydrogen 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 United Kingdom's National Hydrogen Strategy focuses on both electrolyzers and low-carbon hydrogen with CCS. The key targets of the UK's strategy are **10GW of low-carbon hydrogen production capacity by 2030**, with at least half of it from electrolyzers (5GW). (GlobalData Power, *Europe Hydrogen Market Report*, September 2025). This content is reproduced under license from GlobalData PLC, Copyright 2026.
- ◆ The **global green hydrogen market was valued at \$2,570.5 million in 2020 and is projected to reach \$4,455.8 million by 2031**, registering a compound annual growth rate (CAGR) of 5.13% between 2021 and 2031 in terms of value. (BIS Research, *Global Green Hydrogen Market 2023-2033*, January 2024).
- ◆ In the UK in 2023, Electrolysis dominated the low-carbon hydrogen production market, with a share of 64.5%, followed by Ammonia Cracking, which accounted for 22.7%. However, this scenario is expected to change as **Steam Methane Reforming** is forecast to dominate the low-carbon hydrogen market, accounting for **42.5% of production by 2030**. (GlobalData Power, *Low-Carbon Hydrogen Market Report, Update 2025*, December 2025). This content is reproduced under license from GlobalData PLC, Copyright 2026.
- ◆ GlobalData analysis found that in 2024 low-carbon hydrogen capacity in the UK is widely distributed across sources with others accounting for 45.5% followed by **natural gas at 13.3% solar at 11.9% wind at 11.3% tidal at 11.1% biomass at 4.1%** and hybrid technologies at 2.7% while nuclear energy has no contribution. By 2030 the profile changes markedly as **natural gas rises to dominate with 65.9%** while wind increases to 15.6% and hybrid to 9.0%. (GlobalData Power, *Low-Carbon Hydrogen Market Report, Update 2025*, December 2025). This content is reproduced under license from GlobalData PLC, Copyright 2026.
- ◆ Hydrogen did not contract sharply in Q1 2026. Instead, the market became more selective. GlobalData describes **a stable quarter for low-carbon hydrogen, but with fewer new project announcements and a modest 360ktpa decline in total announced capacity**. On its own, that reduction is limited. More significant is what it suggests about investor behaviour. Developers appear increasingly reluctant to add speculative projects while financing, offtake and policy conditions remain uncertain. **GlobalData reports that 40 projects previously expected to begin operations in 2026 revised their timelines during the quarter**. The causes extend across North America, Europe and the Middle East, where subsidy structures, emissions definitions and public funding decisions remain unsettled. (GlobalData Power – *Hydrogen Market Outlook Q2 2026*, May 2026). This content is reproduced under license from GlobalData PLC, Copyright 2026.
- ◆ The national organisation for this industry is [Hydrogen UK](#). Other industry bodies include the [Hydrogen Energy Association](#), [Hydrogen Council](#), and the [Scottish Hydrogen and Fuel Cell Association](#).

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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.

- ◆ **GlobalData Power – Low-Carbon Hydrogen Market Report, Update 2025.** As of November 2025, the UK's low-carbon hydrogen pipeline is large and relatively advanced, with a strong concentration of capacity in later development stages. The approval stage is particularly significant, with about 1,017.8ktpa spread across 45 projects, indicating many initiatives that have passed key decision or permitting milestones. Early-stage activity is also substantial, with 651.5ktpa at the feasibility stage (51 projects) and 576.1ktpa in FEED (30 projects), showing a deep pipeline progressing toward investment decisions. (This content is reproduced under license from GlobalData PLC, Copyright 2026.)
- ◆ **BIS research – Hydrogen Fuel Cell Market – (January 2024).** The hydrogen fuel cell market was valued at \$2.52 billion in 2023 and is expected to reach \$17.89 billion by 2033, with a CAGR of 21.68% from 2023 to 2033. The key players in the UK hydrogen fuel cell market include ITM Power, AFC Energy, Ceres Power, Intelligent Energy, and Ballard Power Systems, among others. These companies are actively investing in research and development to further advance the technology and increase its adoption in various industries.

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

- ◆ **Scottish Government – [Hydrogen Action Plan](#)** – published December 2022 – sets out what the Scottish Government will do and how we will work with others to implement the strong strategic approach required to support the development of the hydrogen economy in Scotland.
- ◆ **Scottish Government - [A Trading Nation - Realising Scotland's Hydrogen Potential: plan for exports](#)** - details the steps required for Scottish businesses to grasp the export opportunities hydrogen presents, as both a commodity and in the supply chain
- ◆ **Scottish Industry Directories [Green Hydrogen Company Directory](#)** - This directory has been developed on behalf of the Green Hydrogen community in Scotland as represented by their industry leadership groups with the support of Scottish Enterprise, Highlands and Islands Enterprise, and Scottish Development International.
- ◆ **Hydrogen Energy Association – [The UK's Hydrogen Project Map](#)** – This map is here to showcase to Investors, Governments & the Hydrogen Industry the pioneering projects across the value chain that our members and the wider Industry are implementing.
- ◆ The **UK Offshore Energies Association (OEUK)** published [Hydrogen Insight 2025](#) This report explores the emerging role of low-carbon hydrogen in the UK's energy mix, highlighting its potential to decarbonise hard-to-abate sectors including industry, power, and transport. It also identifies key barriers such as high costs, limited demand, and infrastructure gaps.

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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 contact us on 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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