



# GROWING THE GREEN ECONOMY - AN UNTAPPED OPPORTUNITY

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## Introduction:

I am hugely excited to be launching Green Economy – a new service that will play a key role in building a greener, net zero economy powered by local suppliers.

The UK is the first major economy to have set a legally binding target to become net zero by **2050**, but delivering this ambition will require an estimated **£350-400bn** investment to decarbonise our homes, workspaces, transport networks and energy systems.

Green Economy is the evolution of decade of experience working with the businesses that will play a key role in delivering this target. There are currently around 75,700 businesses in the UK's Low Carbon and Environmental Goods and Services (LCEGS) sector, employing some **1.2 million people**, and estimates suggest that a further **700,000** jobs could be created within the next decade as we transition to net zero.

The net zero transition represents a significant market opportunity, with the whole of the supply chain set to benefit. Whilst some businesses are already well positioned to exploit these opportunities, others will require additional support to fill the sector with sustainable, resilient business.

Simultaneously, we need to address the market failures around uptake of low carbon technology by working with buyers to explore the potential of the sector. Our ambition is to increase confidence and access to the sector, so that procuring green products and services isn't just the right choice; it is also the easiest choice.

In this short report, we've drawn upon industry intelligence from KMatrix and our own research to provide a flavour of the opportunities that can be leveraged by investing in this vibrant and innovative sector. Against a backdrop of Covid-recovery, energy insecurity and rising inflation, this is a hugely important moment to be prioritising solutions to the net zero ambition.

**Amy House, Director  
Green Economy**



# WHAT IS THE GREEN ECONOMY?



The green economy comprises a wide range of LCEGS sub-sectors that deliver products and services that provide net zero solutions. This could be as broad as the provision of renewable energy or infrastructure for a construction project, to the installers of LED lighting or electric vehicle leasing.

The breadth of this sector sees businesses operating across business activities from innovation and design, manufacturing, supply, distribution and installation.

At Green Economy we want to bring together the sector, to advocate for these businesses and influence decision makers at all levels to improve procurement practices, and increase confidence in local suppliers to deliver the transition to net zero.

## Green Economy businesses

Solar PV & Thermal
Wind, Wave, Tidal & Hydro
Energy Storage
Grid Connections
Building Services & Energy Management Systems
Smart Meters & Energy Management Technology
LED Lighting
Voltage Optimisation
Electric Vehicles & Alternative Fuels
HVAC & Heat Pumps
Biomass
Hydrogen
Heat Networks & Micro CHP
Energy from Waste

Energy Procurement & Forecasting
Environmental Consultancy
Carbon Footprinting
ESG Reporting
Energy Saving Advice
Sustainable Construction & Building Design
Insulation
Retrofit Training
Tree Planting
Biodiversity Services
Green Walls & Roofs
Rainwater Harvesting & Rain Gardens
Sustainable Urban Drainage Systems & Flood
Commercial and Industrial Waste & Recycling

# WHAT IS THE SECTOR WORTH TO THE UK?



In 2020/21 financial year the UK's Green Economy:

**Generated  
£205.7bn**

**Comprised of 75,700  
businesses**

**Employed over  
1.2 million people**

UK LCEGS Forecast Growth Rates 2021/22 to 2025/26



Although growth in the LCEGS sector slowed in 2020/21 due to the pandemic, it is forecast to revert to pre-pandemic levels. In comparison to global markets, however, UK growth is slower – which is why Green Economy is needed.

Source: KMatrix Data Services, UK Low Carbon Environmental Goods and Services, 2021



Globally, around 5% of LCEGS sales were exported or imported in 2019/20. The UK accounted for 5% of global LCEGS exports and 3% of imports.



# GREEN ECONOMY ROADMAP



Green Economy has launched to support the UK's green tech sector growth and address the market failures linked to its adoption. We will do this by working across five pillars:



## 1. Drive Green Economy growth

We will support the growth and development of green technology and services businesses to improve business performance and competitiveness, by providing access to business support and market intelligence, embedding best practice quality assurances and upskilling its people at all levels.



## 2. Build the sector and supply chain

We aim to unify the sector through our online Marketplace which will connect buyers and suppliers of products and services, to encourage collaboration that will lead to increased innovation and entrepreneurship.



## 3. Improve access to sales opportunities

We will work with buyers to help them navigate the complex and fast-moving green sector with confidence, whilst providing tailored support throughout the procurement process to ensure opportunities are accessible to firms operating throughout the sector.



## 4. Increase confidence to buy green

We will overcome the market failures around the uptake of low carbon technology by working with buyers to showcase the best the sector has to offer, demystifying the technology, and supporting throughout the procurement process to give confidence that they are making an informed choice and finding the right supplier.



## 5. Support the delivery of net zero policies

We will support the implementation of net zero policies to deliver net zero by developing the supply chain and strengthening policymakers' knowledge of local and regional capabilities.



“ I have joined the Green Economy Advisory Board because I believe that the net zero transition is a huge opportunity, but it needs to be relevant, easy to act and to benefit day-to-day business. By bringing green tech and low carbon companies and suppliers together with purchasers and investors through an active network, Green Economy can develop an ecosystem of innovation, services and solutions. We can help remove the barriers and challenges, grow the green and low carbon sectors and transition the rest of the economy with it. ”

**Louise Marix Evans, Chair of the Green Economy Advisory Board**



# GREEN ECONOMY – THE LOCAL STORY



## GREATER MANCHESTER

### SNAPSHOT

Sales	£8.644bn
Companies	3,144
Employees	58,736

In Greater Manchester, the LCEGS sector grew by **27.9%** (by sales) between 2015/16 and 2019/20 – a compound growth rate of **6.34%** per year. National growth across all sectors in same period was 6.25% (Statista).

The sector represents **14.5%** of Greater Manchester's business base (by GVA) and **3.2%** of total employment. As a whole, the sector is larger than the city region's Advanced Manufacturing, Digital, Creative, and Science and R&D sectors combined.

More specifically, Greater Manchester is a national leader in carbon capture & storage, energy management and renewable energy consultancy; and ranks second in the UK (behind London) for alternative fuel vehicles and carbon finance.

Internationally, Greater Manchester's LCEGS sector outperformed a host of global cities in 2019/20 including Milan, Portland, Copenhagen, Seattle, Stockholm, Berlin and Rome.

*Source: Low Carbon Sector Mapping 2019-20, Green Economy*



## GET IN TOUCH

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