

Agenda Item 20

EnviroBusiness ETS Market Growth Forecasts Mar 2009 for South East

Data

	Current year	Forecast	Forecast	Forecast	Forecast	Forecast
	2007/8	2008/9	2009/10	2010/11	2011/2012	2012/2013
Air Pollution	2.62	1.93	2.00	2.08	2.16	2.24
Environmental Consultancy	4.16	3.12	3.23	3.36	3.49	3.63
Environmental Monitoring	4.17	3.08	3.20	3.32	3.45	3.57
Marine Pollution Control	4.85	3.55	3.69	3.87	4.02	4.17
Noise & Vibration Control	4.38	3.44	3.56	3.68	3.85	4.01
Contaminated Land	2.97	2.37	2.47	2.57	2.68	2.79
Waste Management	2.90	2.26	2.38	2.46	2.56	2.68
Water and Waste Water Treatment	1.91	1.53	1.59	1.65	1.72	1.78
Recovery and Recycling	3.57	3.24	3.40	3.61	3.84	4.09
Hydro	6.43	2.55	2.68	2.79	2.91	3.02
Wave & Tidal	6.36	4.95	5.15	5.36	5.56	5.82
Biomass	5.84	4.55	4.77	4.99	5.19	5.44
Wind	7.39	6.94	7.27	7.63	7.97	8.31
Geothermal	5.86	4.47	4.69	4.91	5.14	5.40
Renewable Consulting	3.25	2.93	3.03	3.15	3.23	3.30
Photovoltaic	7.66	5.49	5.70	5.92	6.18	6.43
Alternative Fuel Vehicle	4.81	3.23	3.35	3.47	3.59	3.72
Alternative Fuels	5.00	4.07	4.24	4.42	4.66	4.93
Additional Energy Sources	4.71	3.60	3.71	3.87	4.01	4.14
Carbon Capture & Storage	4.18	3.19	3.32	3.42	3.56	3.68
Carbon Finance	6.35	6.00	6.18	6.37	6.69	7.24
Energy Management	3.95	3.26	3.40	3.53	3.66	3.80
Building Technologies	5.14	4.12	4.30	4.47	4.68	4.87
Total for all ETS sub-sectors	5.01	4.05	4.25	4.45	4.68	4.93

Analysis

Market forecasts for the UK and South East show gradual short term decline for the current year from August through until March 2009. The UK forecast out turn for the ETS sector in 2008/9 is down from 6% (Aug) to 4% (Mar). The same level of decline is true for the South East.

The UK and South East forecast for 2009/ 10 is still positive at @4.5% and this is well ahead of the forecast ETS growth for most major economies.

Most of the impact of recession on ETS forecasts (as mentioned above) can be traced to the much lower growth estimates for 2009 onwards and specifically in Renewable Energy and Low Carbon. We should not pay much attention to those figures at this time but they are included so that we can monitor the forecasting changes as they occur.

ETS is the only sector in the South East that we have studied recently to show such positive results. In other cases where August growth forecasts for 2008/9 were 5-6%, by Feb or Mar 2009 they have declined to 1-2%. We are as yet unclear whether this means that ETS is more recession- proof than some other sectors, or whether it is just slower to react to recession. Initial data suggests (but no more than suggests) that short term decline will be much shallower than for other sectors.

Conclusions

- ETS is forecast to weather the economic storm better than most other sectors
- ETS Growth forecasts for the UK and South East are still very positive
- Confidence in the longer term prospects for ETS growth will improve as the full effect and duration of recession are better understood.

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Definition of Environmental Technologies and Services (ETS) Sub Sectors

Market Segments	Description of Market Segment
Air Pollution	Manufacture and supply of air emissions cleaning equipment
Environmental Consultancy and Related Services	Consulting including EIA, Management systems, ecology. Also other supporting activities.
Environmental Monitoring, Instrumentation and Analysis	Equipment to measure air and water emissions, water and soil testing services etc
Marine Pollution Control	Oil spill remediation equipment, consulting and services for this and other types of marine pollution
Noise & Vibration control	Monitoring and noise reduction equipment
Contaminated Land Reclamation & Remediation	Treatment of contaminated soils and land from industrial and nuclear pollution
Waste Management	Operation and development of MBT, composting, landfill and waste to energy plant
Water Supply and Waste water Treatment	Supply of water and sewerage services, as well as manufacture of equipment, consulting and other support services
Recovery and Recycling	Collection of waste, manufacture of sorting and processing equipment, recycling of different streams of waste
Energy Management	Manufacture and installation of a range of energy saving equipment for buildings and industrial uses
Hydro	Development and equipment for hydroelectric power schemes
Wave & Tidal	Development and equipment for wave and tidal power schemes
Biomass	Development and equipment for biomass power plant (but not fuels)
Wind	Development and equipment for both large and small wind power plant
Geothermal	Development and equipment for geothermal power generation and geothermal heating systems for buildings
Photovoltaic	Companies involved in the development of hydroelectric power schemes
Renewables Consulting	Consulting related to renewable energy schemes.
Alternative Fuel Vehicle	Building of alternative vehicles and fuels for vehicles
Alternative fuels	Alternative fuels for non vehicle applications (batteries)
Building Technologies	Development and manufacture of low energy building components - windows, doors, insulation, control systems
Additional Energy sources	Development and manufacture of alternative energy systems such as fuel cells, flywheels and compressed air schemes, combined heat and power
Carbon Capture and Storage	Development and equipment for carbon capture and storage schemes
Carbon Finance	Financial products and services in carbon markets, including funds, carbon trading, reporting. Also other supporting activities.