Business Growth Hub

The Potential of the Low Carbon Sector in Greater Manchester

A report by GC Business Growth Hub, August 2018

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Executive Summary

An update to the Business Growth Hub's understanding of Greater Manchester's (GM) potential to develop and grow the low carbon sector was prepared using two stages of research:

I.   Quantitative sector analysis led by kMatrix Ltd, which used five different definitions of the low carbon sector for comparison and data for the year 2015/16. The methodology and tables of data are provided in Appendix 1 of the main report;

II. Qualitative research led by Gyron LLP, which focused on the future threats and trends impacting the growth of the sector. The research methodology and findings are summarised in Appendix 2 of the main report.

The main report provides headlines and main findings from both stages of research. Gyron LLP consolidated these findings to provide an up to date description of the characteristics of the GM low carbon sector, as shown below.

- Sales in the GM low carbon sector grew by 24% over the four-year period between 2011/12 and 2015/16, equivalent to a compound growth rate of 5.6% per year.

- The GM low carbon sector outperformed the UK sales growth rate between 2014/15 and 2015/16.

- Internationally, GM outperforms Barcelona, Milan and Copenhagen when comparing low carbon sector sales value in proportion to GDP.

- GM is ranked second behind London and the South East with 5% (£6.8bn) of low carbon sector sales in England.

- GM forecast sales growth rates exceed global forecast sales growth rates for the low carbon sector, to 2020/21.

- There are 2,400 low carbon sector companies in GM employing 45,100 people.

- The low carbon sector represents 13.6% of the GM business base (based on GVA) and 3.2% of GM employment.

- GM's low carbon sector is larger than Advanced Manufacturing, Digital, Life Sciences and Textiles sectors combined.

- The strongest diversification opportunity with a market value of £28,660m is for General Engineering companies going into Biomass, Wind and Heat Pump markets.

- GM contributed 43% of the North West's low carbon sector exports (£764m) in 2015/16, with the top exporting sub-sector being Wind (£152m).

- Sub-sectors in a good position based on sales, forecast growth and national/local developments indicating support for these sub-sectors, are:

    o Wind (Renewable and Low Carbon Energy);
    o Heat Pumps (Renewable and Low Carbon Energy);
    o Building Technologies and Sustainable Construction (Energy Efficiency); and
    o Low Emission Vehicles and Infrastructure.

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