

Waste management market value for 2020 impacted by Covid-19



In terms of contracting output, the waste management contracting market value was worth an estimated £9.8bn in 2019 but is expected to have fallen in 2020 due to the impact of the Covid-19 pandemic and the implementation of the lockdowns and other restrictions.

In 2020, the pandemic has impacted heavily on non-household waste arisings and thus demand for waste management services. With large parts of the non-household sector inactive for much of 2020, overall waste arisings are expected to fall, which in turn has impacted on uplift volumes and demand for collection, recycling and disposal services. This is partly offset by an increase in household waste arising from the surge in DIY activity during the first lockdown and increases in food consumption and waste due to students and office workers having to stay at home in the day.

Another factor contributing to pressure on revenues and margins for waste management contractors is the constraints on local authority budgets imposed by the government in efforts to rein in public sector indebtedness. With cuts to local authority budgets, environmental services have been among the hardest hit. An effort

to reduce spend on waste collection has encouraged a gradual trend among local authorities to bring waste collection and disposal services back in-house, also known as insourcing. Responding to the Covid-19 pandemic and increased restrictions on public sector finances, Chancellor Rishi Sunak pledged that councils spending potential would increase by 4.5%, this is largely dependent on council tax bills increasing by 5% in 2021. Many priority services urgently need more funding, such as social services meaning there could be significant pressures on environmental services budgets. More councils are likely to insource waste collection services to better manage costs, which could impact on growth among the private contractors.

The impact of the Covid-19 pandemic on the manufacturing sector appears to be mixed. Government has ensured the food and pharmaceutical sectors continue to operate, while for other industries trading has been much harder. Difficulties in sourcing materials and components, plus the impact of the containment measures and staff absences through illness or quarantining, have resulted in many companies temporarily closing down production. However, with most larger manufacturers recycling in-house through closed-loop systems, the impact of the pandemic on waste arisings and recovery in the manufacturing sector is not expected to be substantial.

In the commercial sector, there may be significant impact. During 2020 businesses in the hospitality, leisure and entertainment and retail sub-sectors have remained closed most of the time. No trade means minimal generation of waste, so reduced levels of recycling and waste disposal. The closure of many offices and education establishments for the spring and summer terms has also resulted in lower levels of consumption and hence lower levels of waste being generated.

Editors Note:

The information was taken from the [Waste Management Market Report – UK 2021-2025](#) by AMA Research, which is available to purchase now at www.amaresearch.co.uk or by calling 01242 235724.

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