CBI Economics

Energy&Climate INTELLIGENCE UNIT

THE FUTURE IS GREEN:

The economic opportunities brought by the UK's net zero economy

February 2025

Contents

Foreword – Energy and Climate Intelligence Unit

The Government is clear that economic growth is a priority for the country. What is clear from this analysis is net zero is delivering that growth in sectors that will play an ever more important role in the global economy in the years to come – sectors that have a bright future.

Change in the economy is inevitable and constant, and can at times be painful, but stasis is a recipe for decline. Separate research carried out by CBI Economics last year found that a slow transition to electric vehicles in the UK's automotive industry could see the loss of 400,000 jobs or conversely an additional 160,000 if the shift was sped up.

We may not see every ribbon cut on a new place of work or indeed every new job advert, but the net zero economy is now supporting almost a million livelihoods with a disproportionate number of those jobs outside London and the South East.

Underpinning this progress, growth and jobs has been stability. The cross-party political consensus on climate change expresses itself in part through the Climate Change Act which was passed to ensure politicians in power had to plan for the long-term, avoiding some of the short-termist politics that would be incompatible with the decarbonization challenge.

Policy certainty and rhetorical signals from government matter to investors and businesses alike and the UK can compete to provide a safe harbour for international investors based on its policy stability. The global momentum behind net zero is unstoppable, and even when the US took its foot off the clean growth accelerator before, investment in renewable energy and electric vehicles continued to surge around the world.

This country's pump priming of the offshore wind industry has not only delivered greater energy independence domestically, but spurred global deployment which is now five times larger than our own fleet of turbines, each one doing the job of cutting emissions beyond our shores. The UK is incredibly well placed to compete in clean technology markets while its political commitment gives it out-sized influence in international climate negotiations.

Ultimately, unless the UK plays its part in driving and delivering net zero emissions, ever more carbon dioxide added to the atmosphere means only ever worsening extremes. The Institute and Faculty of Actuaries, the body representing those who measure risk for the insurance industry, is clear that these extremes are fundamentally incompatible with growth. British farmers struggling following an extreme wet winter and the consequent second worst harvest on record can testify to that.

And while the UK's vulnerability to the volatility of gas markets in recent years has hampered economic growth, the transition to net zero will bolster future growth against these disruptions through ever greater clean power, free from outside influence. This analysis shows that 'green' delivers growth.

Pete Chalkley

Director, Energy and Climate Intelligence Unit

Foreword – CBI Economics

In an age marked by global uncertainty and rising energy costs, the pursuit of net zero stands as both an economic necessity and a moral imperative. Greater energy security is paramount to improving the resilience and competitiveness of the economy, and embracing green technologies must be at the heart of the UK's growth strategy.

For the third consecutive year, we have collaborated with the Energy and Climate Intelligence Unit to explore the opportunities presented by the transition to net zero. Our analysis has consistently shown that the net zero economy is growing at a faster pace than the rest of the economy. This reflects growing investor confidence that adapting the economy to climate risk will secure huge competitive advantage through inward investment, export opportunities and mitigating volatility of high exposure to international energy markets.

With the government in the process of constructing a modern industrial strategy, this analysis demonstrates clear opportunities from the development of clean energy industries. However, for this to continue, well-intentioned ambitions must be matched by concrete policy actions that not only support decarbonising the power system but also sectors across the economy from industry, to transport and the built environment.

As we reach critical milestones in the delivery of the UK's carbon budgets and increased scrutiny of countries' Nationally Determined Contributions (NDCs), the UK can lead by example and show the world that the energy transition can drive positive economic transformation. Businesses are steadfast in their commitment to progress and serve as the foundation for tomorrow's innovations. The time for debate is over; now is the time for decisive action.

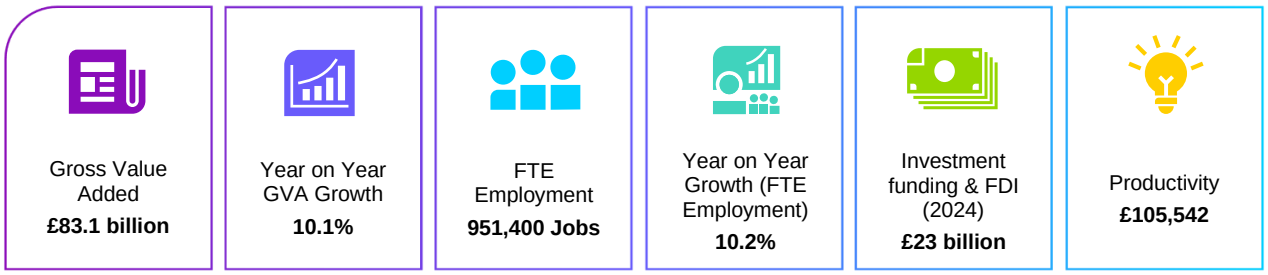
Louise Hellem

Chief Economist, Confederation of British Industry

Executive Summary

CBI Economics was commissioned by the Energy and Climate Intelligence Unit (ECIU) to measure the contributions of the UK's net zero economy and assess the opportunities the sector brings across regions and local communities. This report builds upon previous research, providing an updated and expanded analysis of the sector's economic impact at national, regional, and local levels.

The net zero economy has become a significant driver of growth and innovation in the UK, achieving remarkable growth over recent years. Between 2023 and 2024, the sector grew 10.1% and now generates **£83.1 billion** in Gross Value Added (GVA), with £28.8 billion directly from net zero businesses and £54.3 billion from supply chain activities and broader economic contributions. This robust performance underscores the sector's multiplier effect, **with every £1 of value** generated by the net zero economy creating **an additional £1.89 in the wider economy**.



Employment within the sector has also seen significant growth of 10.2% over the past year, with the net zero sector now supporting the equivalent of **951,000 full-time jobs**, including 273,000 directly tied to net zero businesses and 678,000 through supply chain and related activities. Jobs in this sector stand out for their productivity, with **each full-time role generating £105,500 in economic value** – 38% above the UK average. This enhanced productivity translates into higher wages, with employees in net zero businesses earning an average of £43,076 per year. Since 2022, the sector has added 125,700 full-time equivalent jobs, reflecting a 15.2% increase in total employment contributions.

Private investment has played a pivotal role in driving this growth, with net zero businesses attracting £23 billion since 2019—alongside £1.1 billion in Innovate UK grants. In 2024, net zero related activity generated **£23 billion in investment funding and FDI.** Regional success stories highlight significant achievements across the UK. Scotland's net zero economy has grown by 21.3% since 2022, contributing £9.1 billion in GVA and supporting 100,700 full-time jobs – a 19.5% increase in employment.

Yorkshire & the Humber, Northern Ireland, London, and the South East, have demonstrated remarkable productivity and investment growth, with job productivity in these areas significantly outperforming regional averages.

The net zero economy is fostering transformative opportunities across the UK, with local hotspots driving both regional and national progress toward sustainable economic growth. By leveraging natural resources and industrial strengths, regions such as coastal areas for offshore wind farms and resource-rich zones for renewable energy production are creating thriving hubs of innovation. The West Midlands, Yorkshire & the Humber, and South West England contain the largest contributing hotspots of net zero activity, collectively accounting for 16.3% of the net zero economy. Additionally, several emerging hotspots are poised to solidify their status as leading net zero contributors, including the government flagship Great British Energy headquarters in Aberdeen, as well as the Humber and Teesside industrial clusters, both key hubs for carbon capture, hydrogen production, and offshore wind.

The results of this growth are clear: the net zero economy is not only driving environmental progress but also delivering transformative economic and social benefits across the UK. With its high productivity, investment, and innovation, the sector is a vital pillar of the UK's transition to a sustainable future.

Introduction

The transition to net zero is an economic opportunity the UK must capitalise on

The transition to a net zero economy is not just a climate imperative; it is one of the most significant economic opportunities of our time. For the UK, seizing this opportunity is essential to securing long-term prosperity, global competitiveness, and environmental sustainability. As the nation strives to meet its target of achieving net-zero greenhouse gas emissions by 2050, a clear pathway to leveraging this transition as a driver of economic growth must be charted.

The global shift towards low-carbon technologies and processes is reshaping markets and industries. From renewable energy and green manufacturing to sustainable agriculture and clean transportation, this transformation is unlocking new areas for investment and innovation. The UK is well-positioned to lead in these sectors, thanks to its rich history of technological ingenuity, strong regulatory frameworks, and a growing base of talent skilled in green industries. Moreover, transitioning to net zero offers the potential to create high-quality jobs, reduce energy costs through efficiency gains, and enhance energy security by reducing reliance on fossil fuel imports.

However, capitalising on these opportunities requires bold and coordinated action. Public and private sectors must work together to ensure that policy, infrastructure, and financing mechanisms align with the demands of a net-zero economy. Strategic investments in research and development, workforce upskilling, and regional industrial clusters will be critical in establishing the UK as a global leader in green innovation. Furthermore, addressing barriers to adoption, such as the high upfront costs of clean technologies and the need for systemic reforms in energy markets, will be essential for ensuring an inclusive and equitable transition.

Overview of this study

CBI Economics first defined the net zero economy in 2022 with the help of The Data City, identifying businesses related to this activity using The Data City's net zero RTIC (Real-Time Industrial Classifications) - a substitute for the more traditional Standard Industrial Classification (SIC) codes that official statistics rely on. The net zero RTIC is made up of 16 sub-sectors; for more information on how The Data City defined the net zero RTIC, please see section 1.1 of **Appendix 1**.

There were **22,800 net zero businesses in the UK** in December 2024 according to this definition. In quantifying the scale and contributions of the net zero economy, we have taken into consideration not only the GVA and the jobs directly associated with these businesses, but also the activity in their supply chains and the induced effects from their employees' spending which are supported specifically by their net zero activity.

Since the release of our first report, CBI Economics and The Data City have continued to enhance and refine the methodology used to identify net zero activity and estimate its economic contributions. This improvement has led to an increase in the estimated overall contributions of the net zero economy compared to our original estimates. For a full breakdown of the improvements please visit section 4 of **Appendix 1**.

This analysis is comprised of three chapters:

- **Chapter 1: The UK's net zero economy.** This chapter showcases the scale of the net zero economy at a UK level, including a breakdown of the net zero sector, employment contributions, investment opportunities and a comparison to last year's study.
- **Chapter 2: The regional contributions of the net zero economy.** This chapter focusses on the regional profile of the net zero economy and how its contributions differ between regions. We also discuss how the net zero economy is boosting regional productivity.
- **Chapter 3: Analysing the net zero economy in local areas.** This chapter provides a detailed analysis of 'hotspots'— areas with high concentrations of net zero activity—and examines their impact at a local and national level.

The UK's net zero economy

Beneath the urgency to address climate change lies a significant economic opportunity for the UK, rooted in its already robust net zero economy. This chapter explores the UK's net zero economy, shedding light on its key sectors, current contributions to the nation's GVA and employment, and the investments it continues to attract.

Key Findings:

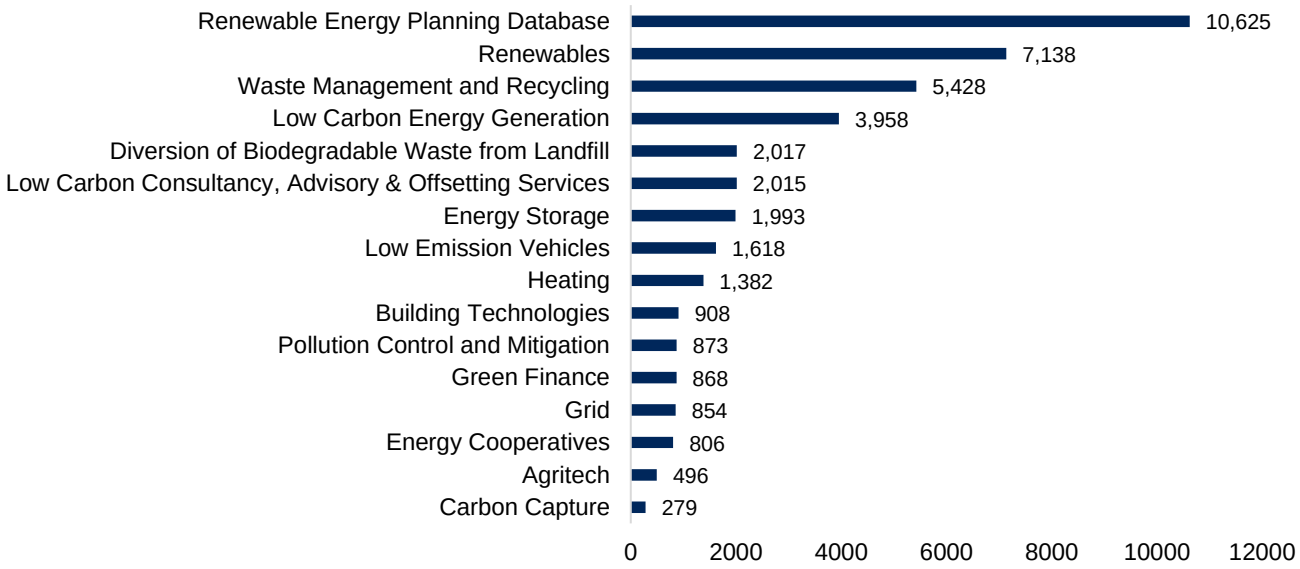
- The net zero economy generated **£83.1 billion in GVA** for the UK economy, with £28.8 billion being generated by the activity of net zero businesses and £54.3 billion being generated in the supply chain and wider economy.
- For every £1 in value generated by the net zero economy a further £1.89 is generated in the wider economy.
- The net zero economy supported employment equivalent to **951,000 full-time jobs**, with 273,000 supported directly by the activity of net zero businesses and a further 679,000 being supported in the supply chain and wider economy.
- Jobs supported by net zero businesses were **38% more productive than the UK average**, generating £105,500 in economic value per full-time job. This led to higher-than-average wages, with these jobs generating an average of £43,076 to a full-time worker.
- There has been **10.1% growth** in the total economic value generated by the net zero economy since 2023, worth £11.6 billion to the UK economy. Total employment contributions have also grown significantly (15.2%), and the net zero economy now supports 125,700 more FTE jobs than in 2022.
- In 2024, net zero related activity generated **£23 billion in investment funding and FDI.**

UK's net zero business landscape: 22,800 companies, small businesses lead the charge in renewable energy

As of December 2024, the UK had 22,800 net zero businesses. Of all 22,800 net zero businesses, 3,850 had seen growth of over 10% in the past year. There were 15,600 UK net zero businesses identified as employers (reporting at least one employee). The remaining 7,200 companies had zero reported employees; these could be sole traders, holding companies, or companies that are yet to report their employment figures. **Of the 15,600 employers identified within the net zero economy, 94% were SMEs** with fewer than 250 employees, while 6% were large employers with over 250 reported employees.

As part of the definition of the net zero economy, businesses can be part of 16 sub-sectors that together form the net zero economy. The renewable energy planning database has remained the largest component of the net zero economy, with 10,625 businesses active in this sector. These are companies that are captured in (or similar to) the Renewable Energy Planning Database (REPD). The REPD tracks the progress of UK renewable electricity projects over 150kW and includes companies that have applied for permission or are currently operating a renewable energy site generating over 150kW. Renewables and Waste Management and Recycling were the next largest sub-sectors, with 7,138 companies and 5,428 companies, respectively.

Figure 1: Net zero business count by sub-sector[1]



Source: The Data City (2024), CBI Economics (2025)

The net zero economy supports nearly 951,000 full-time jobs

[1] Please note the sum of the business counts for each sub-sector will not equal the total number of businesses as some business operate in more than one sub-sector

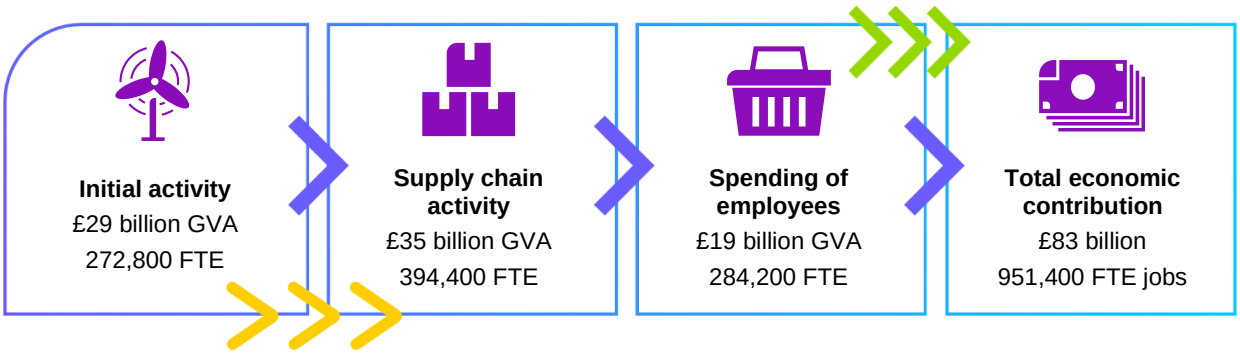
The **22,800 businesses** in the net zero economy contributed £28.8 billion to the UK economy, accounting for 1.1% of the total UK Gross Value Added (GVA). This contribution surpasses that of the Advertising and Market Research sector (£28.5 billion) and the Crop and Animal Production sector (£11.6 billion). Additionally, it is just over half the size of the Northern Irish economy (51%). Activities by net zero businesses also directly supported 273,000 FTE jobs (0.8% of total UK employment), which has overtaken the number of FTE jobs in the telecommunications sector (231,500) over the past year.

To understand the full value of the UK's net zero activity, it is important to look at its relationship with the wider economy, in terms of the knock-on effects through the linkages between sectors. This covers the spending with UK suppliers, as well as the spending of net zero employees and supply chain employees. For example, manufacturers of electric vehicles need a supply of materials and components, and the resulting economic activity that this demand creates is captured in the supply chain contributions. A more detailed explanation of our methodology can be found in **Appendix 1**, Section 2.

When considering the value supported across the wider economy, the contributions rose to account for **3.3% of the UK economy** in 2024. At a **total contribution of £83.1 billion**, the net zero economy is 16% larger than the regional economy of the North East. These figures also show that **for every £1 in economic value generated by net zero businesses, a further £1.89 is generated throughout the wider economy**.

When including these wider contributions, the sector's employment contributions also rise to 951,000 FTE jobs, which accounts for 2.9% of total UK employment and supports nearly as many jobs as directly employed by the financial and insurance services sector (just over 1 million FTEs) sector and more than double the number of people employed by the food and drink manufacturing sector (470,450 FTEs). These figures mean that **for every job supported by net zero businesses, a further 2.5 jobs are supported in the wider economy**.

Figure 2: Economic value supported by the net zero economy (£m, 2024 prices)



Source: CBI Economics (2025)

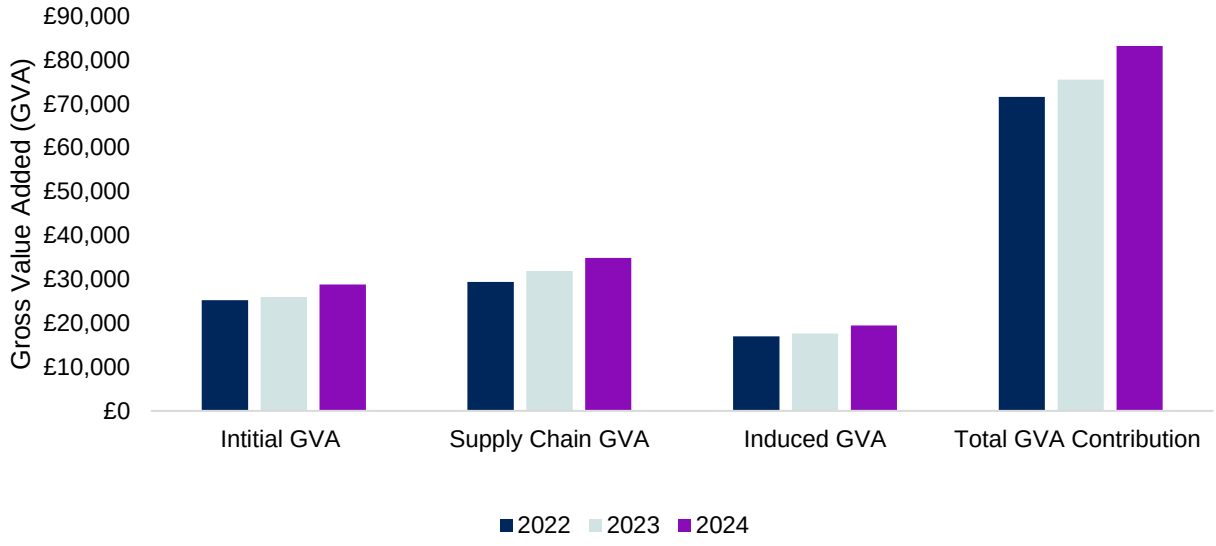
In addition, the jobs supported directly by the net zero economy were highly productive. On average, jobs in businesses within the net zero economy produce £105,542 in GVA per FTE job, 1.4 times the national average (£76,465). Reflecting this above-average productivity, CBI Economics estimates the average wages in the net zero economy to be £43,100, 15% higher than the current national average of £37,430.

The economic value of the net zero economy has grown 10.1% since 2023

This is the third iteration of CBI Economics and ECIU analysis into the UK's net zero economy. As a result, we have conducted an analysis of the trends exhibited by the sector between 2022 and 2024. The economic value created directly by the activity of net zero businesses (initial GVA) has grown by 10.8%, or £2.8 billion, over the past year. Since 2022, the initial GVA of the net zero economy has grown by 14.3%, an increase worth an additional £3.6 billion to the UK economy.

When looking at the growth of total economic value supported by the net zero economy, we see that there has been growth equal to 16.2% since 2022, worth £11.6 billion to the UK economy. In the past year, there has been **10.1% growth in the total economic value generated by the net zero economy**, adding £7.7 billion to the UK economy. This is more than **three times faster than the 3.2% growth in UK total GVA**.[2]

Figure 3: Trends in the economic value supported by the net zero economy



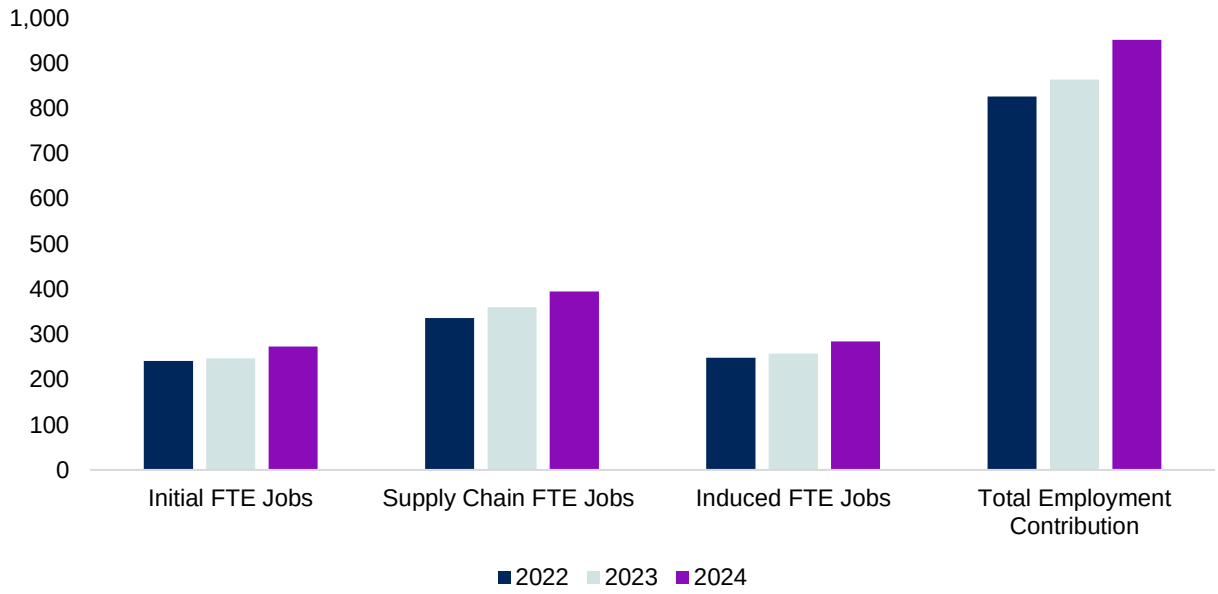
Source: CBI Economics (2025)

[2] Note that GVA is expressed in current basic prices

Employment, measured in FTE jobs, supported directly by the activity of net zero businesses (initial employment) has grown 10.6%, or an additional 26,600 FTE jobs, over the past year. Since 2022, the initial employment of the net zero economy has grown 13.2%, an increase worth 31,744 full-time jobs to the UK economy.

When looking at the growth of total employment supported by the net zero economy, there has been growth equal to 15.2% since 2022, worth 125,689 full-time jobs to the UK economy. In the past year there has been **10.2% growth in the total employment supported by the net zero economy**, an increase equivalent to 87,799 full-time jobs. This growth rate surpasses the previously observed growth rate of 4.6% between 2022 and 2023 and is also significantly higher than the 2.3% growth in UK employment in 2024.

Figure 4: Trends in net zero employment (000's)



Source: CBI Economics (2025)

Investment ramped up for businesses in 2024

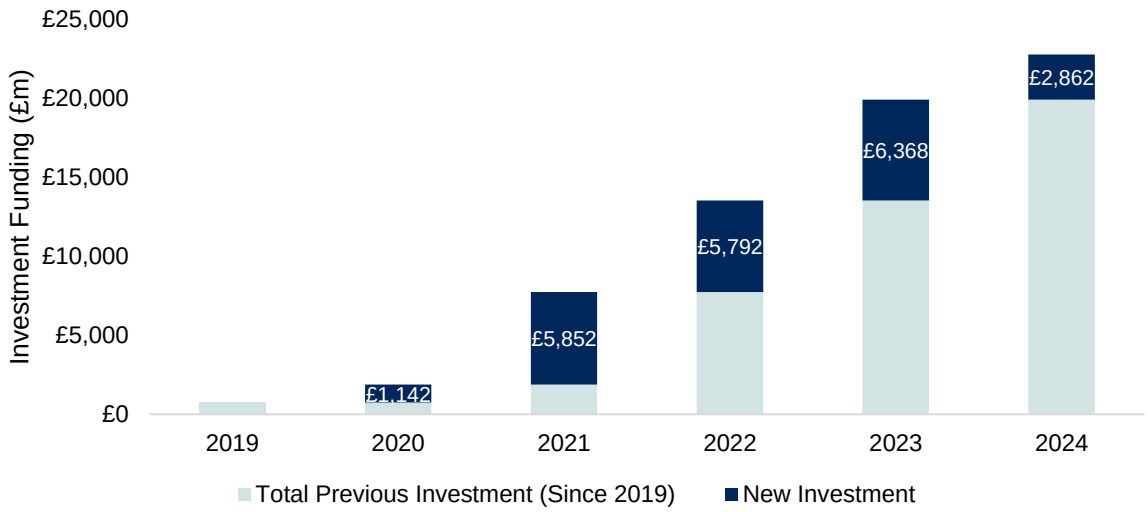
The net zero economy is a relatively young sector with huge growth potential, making it an attractive option for investors. Over the past 20 years, businesses identified as part of the 2024 net zero economy have attracted £25.9 billion from private investors. A large majority of this investment has come since 2019; in fact, net zero businesses have secured nearly £23 billion in private investment funding over this period, 12% more than the amount invested into UK AI companies over the same period.

2023 saw the highest levels of investment funding, with £6.4 billion being invested into net zero businesses. This is a £0.6 billion increase on the private investment level for 2022 and a £0.5 billion increase on the 2021 level. It was between 2020 and 2021 that private investment into net zero businesses increased significantly, with private investment funding growing by £4.7 billion or 413%.

In 2024, total private and public investment is estimated at £2.9 billion. While this represents a decrease from 2023, it does not necessarily indicate a negative trend for the industry. A key factor is that 31.5% of identified net zero businesses have no employees, suggesting that many are still in their early stages. Start-ups typically attract smaller funding amounts, and newly established companies often take time to become fully operational. Additionally, their limited online presence makes it less likely that their funding rounds are publicly disclosed.

Despite the decline in private and public investment, net zero-related foreign direct investment (FDI) reached £20.1 billion in the 2023-24 financial year, according to the Department for Business and Trade (DBT) - a £6.4 billion (46.5%) increase from 2022-23. This brings the **total value of investment funding and FDI in 2024 to £23 billion**.

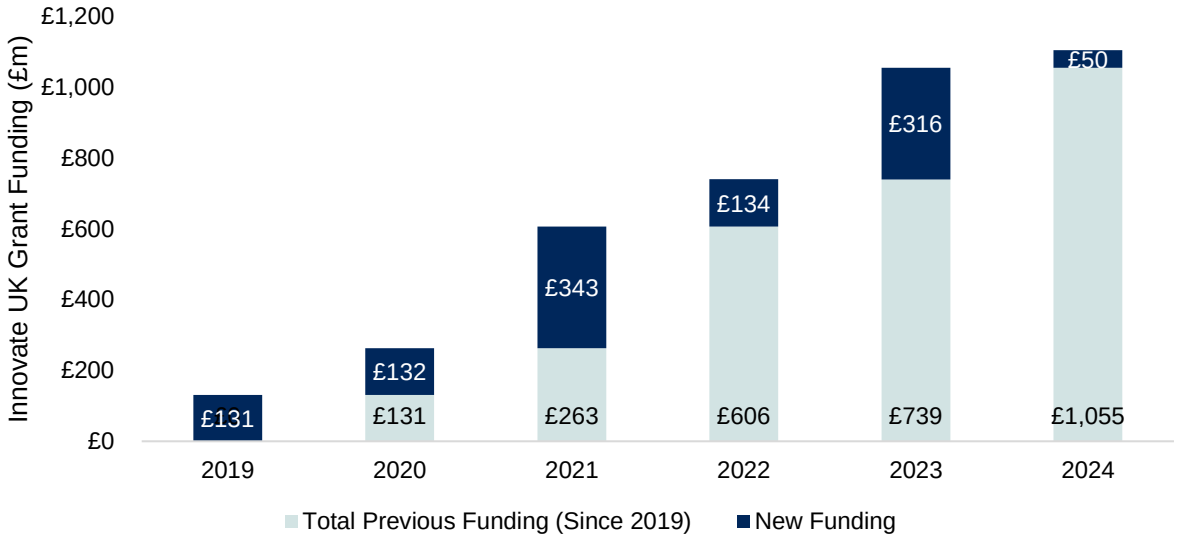
Figure 5: Cumulative third-party investment funding into net zero businesses per year since 2019



Source: The Data City using data from DealRoom (2024)

Since 2019, net zero businesses have been awarded **£1.1 billion in Innovate UK (IUK) grant funding**. The grant funding received by net zero businesses has been relatively volatile, with 2021 seeing the largest amount of IUK funding awarded to net zero businesses within a single year, at £343 million. Grant funding then fell 61% in 2022, with £134 million awarded to net zero businesses, before increasing again to £316 million in 2023 and falling to £50 million in 2024. It must be noted that these figures do not represent total IUK grant funding into net zero projects, only total IUK grant funding awarded to businesses that are part of the net zero economy. Figure 6 below shows the cumulative levels of Innovate UK net zero grant funding since 2019.

Figure 6: Innovate UK Grant Funding for net zero businesses since 2019



The regional contribution of the net zero economy

The diversity of businesses within the net zero economy complements a multitude of competitive advantages across the UK. As the UK transitions to net zero and more businesses become part of or invest in the net zero economy, this will further expand and broaden economic activity.

Using analysis from CBI Economics' in-house model of the net zero economy and additional external data to contextualise this analysis, we showcase the regional footprint of the net zero economy. Our analysis shows that the sector is particularly important to the economies of Scotland, Wales and the Northern Ireland, as a proportion of their respective GVA. At the same time, businesses located in the South East, and Scotland have been particularly successful in attracting investment funding.

Key Findings:

- Scotland is home to a thriving net zero economy. **Since 2022, Scotland's net zero economy has grown by 20.1%** and now makes up 4.9% of the Scottish economy, generating £9.1 billion in GVA for Scotland.
- Over the same period, total employment supported by the net zero economy in Scotland has grown 19.5%, or the equivalent to 16,500 full-time jobs, and now supports 100,700 FTE jobs.
- Employment within net zero business provides a significant boost to regional economies. Employment within net zero businesses in the Yorkshire and The Humber region estimated to be 77% more productive, measured in GVA per FTE job, than the region's average labour productivity. This is followed by Northern Ireland and Wales where there is a 64% productivity boost and then the South East with a 61% boost.
- Between 2022 and 2023 there has been £5.4 billion invested into net zero businesses with locations in London by private investors.
- Between 2022 and 2023, on average, a net zero business with operations in the South East saw roughly £1,160,000 in private investment funding. This was closely followed by London (£1,083,400) and Scotland (£1,033,200).

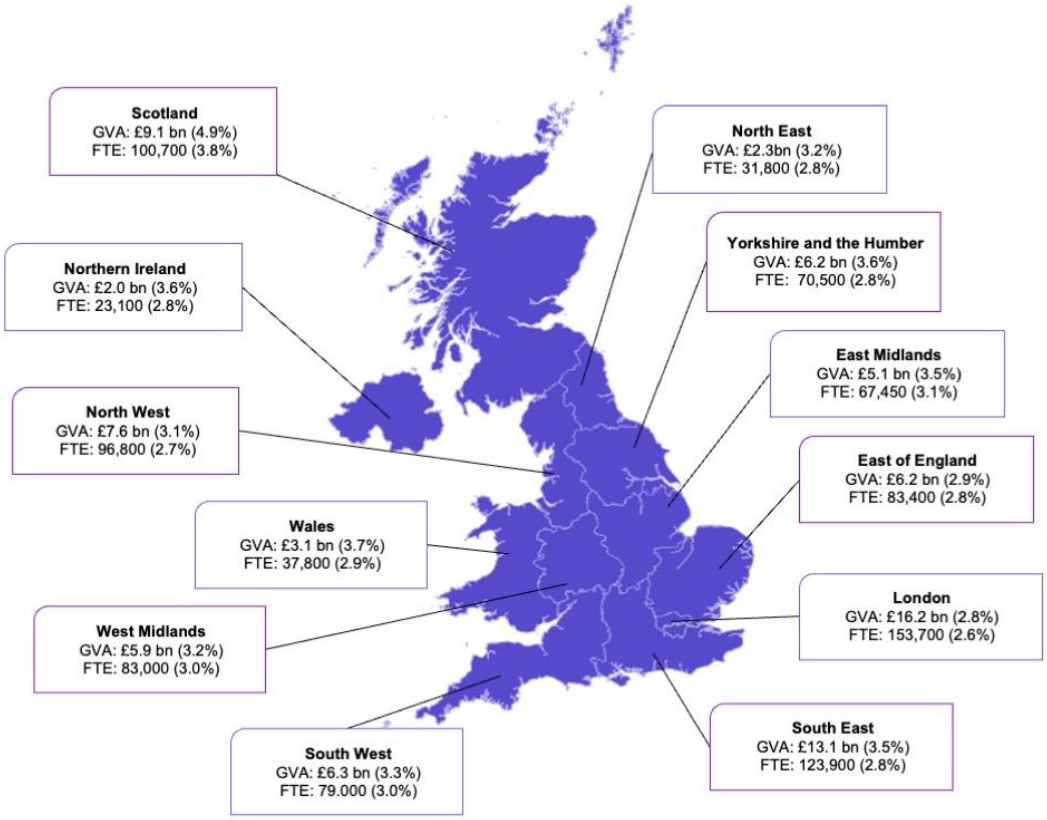
The net zero economy is thriving in all regions of the UK

London and the South East have the largest absolute amounts of net zero economic activity, £16.2 billion and £13.1 billion, respectively. This collectively makes up over a third (35%) of the UK net zero economy and is largely driven by the high concentration of professional, scientific, and technical services firms and head office activity that are part of the net zero economy and operate out of London and the South East. However, despite the larger scale of activity in London, the net zero sector only makes up 2.8% of regional GVA and 2.6% of regional employment and is far more concentrated in regions outside of London.

The net zero economy is especially important to the Scottish economy, making up around 4.9% of the country's GVA (£9.1 billion). Net zero economic activity also supports 100,700 FTE jobs, around 3.8% of the country's total. Energy generation was the key driver for this strong economic performance, with 41% of the value Scotland's net zero economy generates being attributed to this sector. This is unsurprising given Scotland benefits from natural advantages in renewable energy, such as onshore and offshore wind, and is also home to local net zero hotspots, such as Aberdeen, to support the development of new technologies (for example, carbon capture and storage). Scottish strength in net zero looks set to continue with the government's flagship Great British Energy being headquartered in Aberdeen.

The Welsh net zero economy is also particularly strong, with 3.7% of the country's GVA and 2.9% of its employment supported by the net zero economy. Over 30% of this GVA was attributed to the electricity, gas, steam, and air conditioning supply sector. The Welsh manufacturing sector is also a significant part of the Welsh net zero economy, with £426 million in GVA and 4,700 full-time manufacturing jobs being supported by net zero economic activity

Figure 7: Regional breakdown of the economic contributions of the net zero economy



Source: CBI Economics (2025)

Northern Ireland also has a strong net zero economy, supporting 3.6% of regional economic value (equivalent to £2.0 billion) and 2.8% of regional employment (equivalent to 23,100 full time jobs). Again, it is the energy production sector that is generating the largest amounts of net zero economic value, with 30%, or £635 million, attributed to the sector. For a full breakdown of the key sectors within each regional net zero economy please see **Appendix 2:** Supplementary Data Tables.

The net zero economy is a compelling growth opportunity for all UK regions

Using the data gathered to model the net zero economy from our previous studies we have been able to model how the net zero economy has developed, in terms of economic contributions, since 2022 at a regional level. For a complete breakdown of these results please refer to Tables 3, 4 and 5 in **Appendix 2**: Supplementary Data Tables.[3]

Since 2022, Scotland has seen the highest growth, 20.1%, in economic activity from net zero businesses (initial GVA contributions only), worth £625 million. This translated into a 19.7% increase in the total economic contributions of the Scottish net zero economy (initial, supply chain and wider contributions), worth £1.5bn to the Scottish economy. A similar story is seen when looking at employment, since 2022 Scotland has seen a 22.9% increase in employment from net zero businesses (initial FTE jobs only), an additional 6,700 direct FTE jobs, and a 19.5% increase in the total employment supported by the net zero economy, worth an additional 16,500 FTE jobs to the Scottish economy.

Between 2023 and 2024 it is the South East of England that is estimated to have seen the highest growth in activity from net zero businesses (initial GVA) with 11.7% growth, worth £506m to the regional economy. However, when looking at the growth of total GVA contributions there is no standout region, with the South East, London, East of England and the West Midlands all experiencing between 10.3%-10.5% growth in total economic contributions of the net zero economy between 2023 and 2024. Over the past year, the East of England and the South East have led in net zero employment growth, both seeing an 11.8% increase in initial FTE jobs. This trend is mirrored in total employment contributions, with both regions experiencing a 10.6% rise with the South West (10.5%) and London (10.4%) following closely behind.

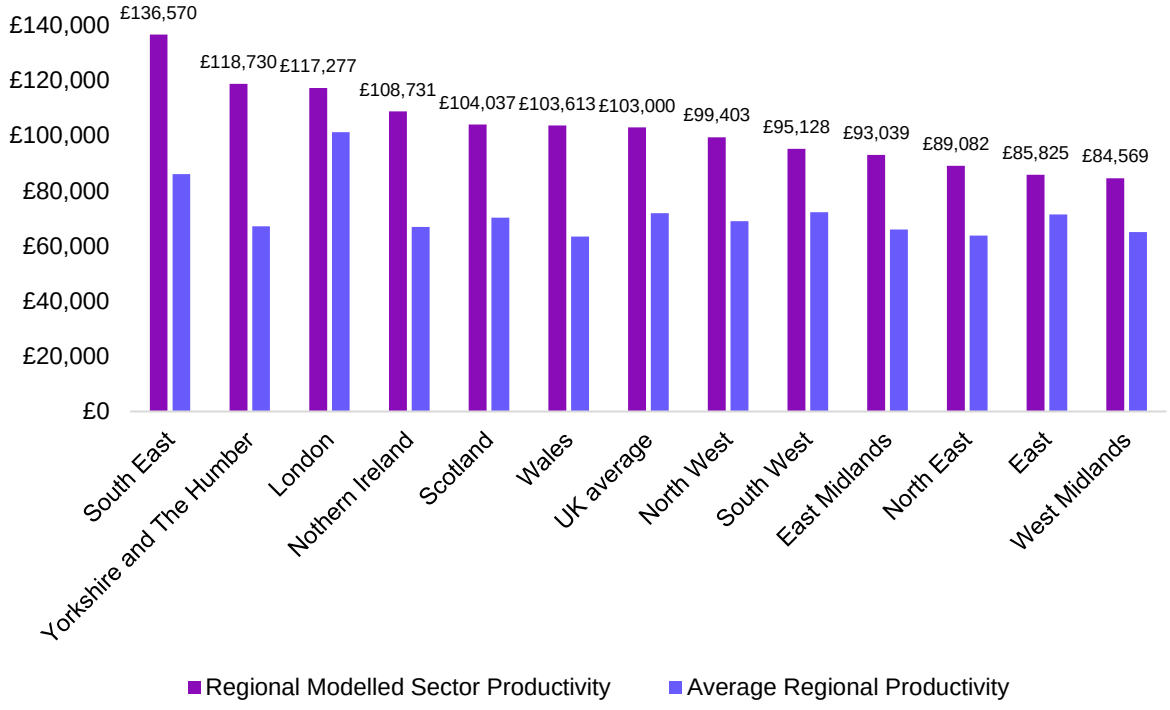
[3] Please note that there have been methodological changes in both The Data City's data collection processes and our own economic modelling that means results from previous reports have been revised. Please read Appendix 1: Methodology for a full outline of these changes and the impact.

Net zero can make significant contributions towards solving the UK's productivity puzzle

Our analysis has highlighted the high-productivity nature of the UK net zero economy, which is **1.4 times higher than the UK average**. This holds true across all UK regions, to a different extent, as shown by **Figure 8** below.

Jobs supported by net zero businesses provide the largest boost in productivity to the Yorkshire and The Humber region, where labour within net zero businesses is estimated to be 77% more productive than the regions average labour productivity. This is followed by Northern Ireland and Wales where there is a 63% productivity boost and then the South East with a 59% boost. One of the contributors to the high productivity in these regions is the strong presence of capital-intensive sectors, such as energy and manufacturing sectors, in these regional net zero economies. In absolute value, the South East has the highest level of sector productivity with £136,570 of GVA per FTE.

Figure 8: Regional productivity of net zero businesses vs. the regional average (GVA per FTE)



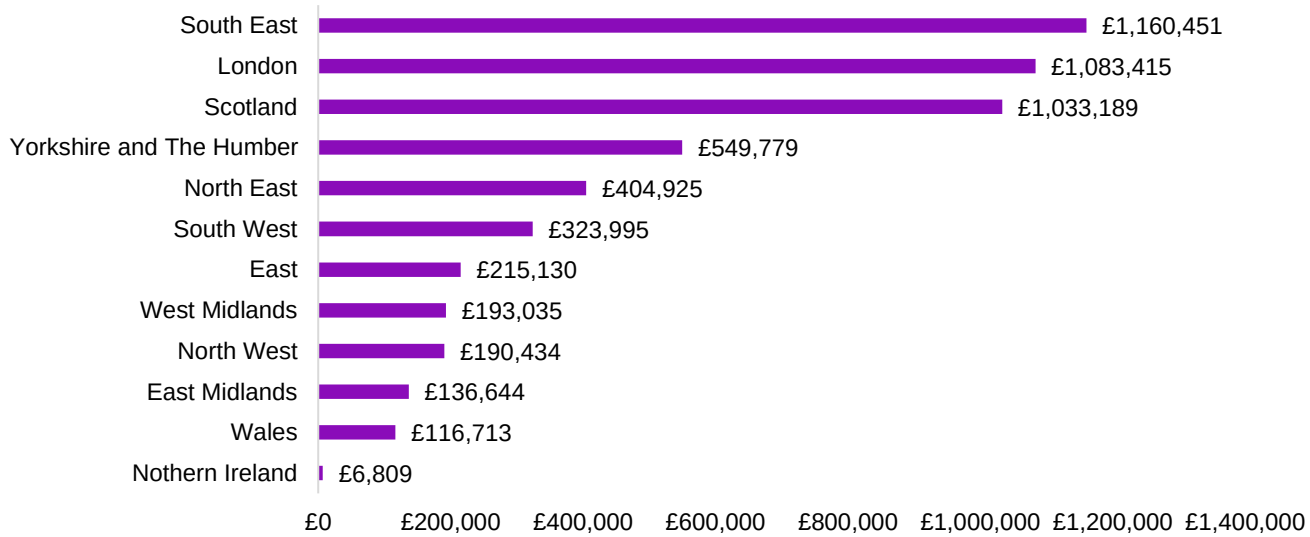
Source: CBI Economics (2025)

Net zero businesses with operations in London attracted the most inward private investment funding

Net zero businesses that had operations in London received the most inward private investment. Net zero businesses that had operations in London received £7.4 billion in funding during between the years 2022 to 2024 with companies such as Zeroavia and LEVC all receiving significant amounts of investment funding in recent years. London was followed by the South East (£5.6 billion) and Scotland (£3.7 billion), where it was companies such as Nexeon, Sunamp and Ceres Power that received large amounts of investment from third party sources in recent years.[4]

When dividing the total investment funding that was received between 2022 to 2024 by the number of net zero businesses with a registered address within a region, we get a sense of the average amount of private investment funding into a net zero business within a region. Between 2022 and 2024, on average, an average net zero business with operations in the South East saw just below £1.2 million in private investment funding (£1,160,451). This was closely followed by London (£1,083,415) and Scotland (£1,033,189). Other regions, such as Yorkshire and the Humber (£549,779), North East (£404,925) and the South West (£323,995) also secured significant investment funding per net zero business between 2022 and 2024, however these represent a significant decrease compared to the top three regions.

Figure 9: Average investment funding per net zero business received from 2022 to 2024



Source: The Data City, Dealroom and CBI Economics analysis (2024)[5]

Official statistics from the Department for Business and Trade (DBT) provide insight into which UK regions—excluding Yorkshire and the Humber, Northern Ireland, and Wales—attracted the most net zero-related foreign direct investment (FDI) in the 2023-24 financial

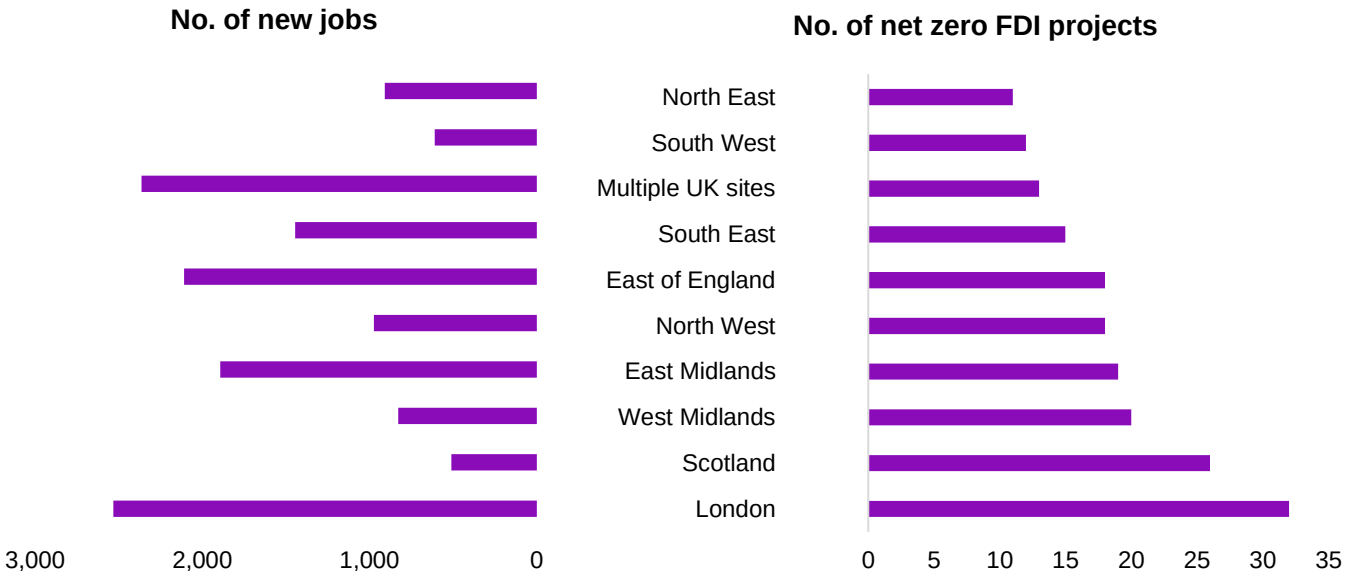
[4]As some net zero businesses operate in multiple regions, those that have received investment funding have this investment funding counted in each of the regions the business has a registered address in.
[5] Data for 2024 in Northern Ireland is unavailable; the provided value covers 2022 and 2023 only.

year. As outlined earlier in this report, total net zero-related FDI in 2023-24 reached £20.1 billion, spread across 184 projects. These investments played a crucial role in job creation, supporting 15,229 new roles across the country.

London emerged as the leading region for net zero-related FDI, hosting 32 projects—the highest of any region. The capital also saw the largest number of new jobs generated by these investments, with 2,533 positions created. Beyond London, 13 FDI projects spanned multiple regions, collectively creating 2,363 new jobs—the second highest job creation figure. While multi-region projects play a significant role in boosting employment, the vast majority of investments (93%) were concentrated within a single region. These single-region projects accounted for 83% of all new jobs supported by net zero-related FDI.

Regional trends varied significantly compared to the previous year. The East Midlands recorded the largest increase in FDI projects, rising by 46% to 11. In contrast, the West Midlands experienced the most significant decline, with FDI projects dropping by 41% to 20.

Figure 10: Number of net zero FDI projects and number of jobs created in 2024



Source: Department for Business and Trade (July 2024)

The local footprint of the net zero economy

In this chapter, we delve into the local dynamics of the net zero economy across various regions in the UK. Our analysis leverages heat maps to illustrate the footprint of the sector, highlighting areas with high concentrations of net zero activities.

We begin by analysing the distribution of net zero activities across the UK, identifying key hotspots and examining their contribution to the local and national economy. We then highlight the most notable businesses and projects within these hotspots that are driving the net-zero transition. This approach provides valuable insights into how the net-zero transition is impacting local economic growth and sustainability.

Key Findings:

- The West Midlands, Yorkshire & the Humberside, and South West England are the largest contributors to the UK's net zero economy, each accounting for 5.5%, 5.4%, and 5.4% of the national total, respectively.
- Nuclear power stations, including Hinkley Point C in the South West, Sizewell C in East Anglia, and the proposed Moorside project in Cumbria, are expected to drive net zero initiatives across the UK.
- North East Scotland is a key net zero hotspot, contributing 5.1% to the UK's net zero economy. This figure is set to grow with the planned Energy Transition Zone—a 30–40-hectare innovation hub dedicated to renewables, particularly floating offshore wind and green hydrogen.
- The Yorkshire and Humberside hotspot, hosting 2,161 net zero businesses, attracted £700 million in private investment in 2024 and includes significant companies like Siemens Gamesa, which installed over 2 GW of offshore wind capacity.

The UK boasts significant hotspots of net zero activity across all regions, including six 'billion-pound' hotspots.

The transition to a net zero economy presents a transformative opportunity for local regions across the UK. By leveraging their unique natural resources and industrial strengths, many areas are poised to become hubs of sustainable economic activity. For instance, regions with strong industrial bases, such as the Midlands and the North West, are capitalising on their manufacturing expertise to develop and deploy green technologies. Likewise, coastal areas, particularly along the North Sea coast, are ideal for offshore wind farms. These local strengths create hotspots of net zero activity that not only support environmental goals but also drive regional economic growth, attracting investment and creating jobs. We have identified key hotspots of net zero activity by clustering adjacent local authority districts (LADs) that serve as major hubs for net zero initiatives and significantly contribute to the national net zero economy. For a detailed list of the specific LADs within each hotspot, please refer to **appendix 2.**

The West Midlands hotspot makes the largest contribution to the UK's net zero economy, accounting for 5.5% of the national total. This is closely followed by the Yorkshire and the Humber hotspot (5.4%) and the South West of England (5.4%).

At a more local level, North East Scotland leads the way, with 3.6% of the local economy's Gross Value Added (GVA) contributed from the net zero sector. When it comes to productivity, the South West of England tops the rankings with an average GVA per full-time equivalent (FTE) of £126,685, closely followed by the Central Belt at £121,012.

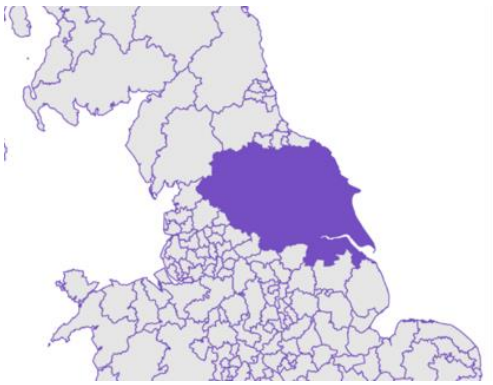
Figure 11: GVA per hotspot (£m)

Source: CBI Economics (2025)

Yorkshire and the Humberside

The Yorkshire and Humberside hotspot hosts 2,161 net zero businesses, directly supporting around 16,400 full-time equivalent (FTE) jobs. In 2024 alone, the area attracted £700 million in private investment funding, establishing itself as a hub for net zero activities. Located here is FCC Environment, a leading waste management company in the UK, which plays a crucial role in the net zero economy by recycling 1.5 million tonnes of waste annually and generating 167 MW of energy from waste facilities each year. Siemens Gamesa, also based here, has also significantly contributed to the UK's net zero economy by installing over 2 GW of offshore wind capacity, powering approximately 1.5 million homes annually. Other notable companies in the region include Sweco UK and JBA, both leading consultancies in environmental services.

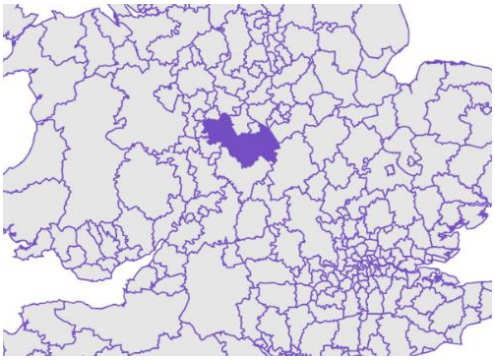
% Of UK Net Zero Economy supported by the hotspot **5.4%**	% Of local economy supported by Net Zero Activity **1.4%**
Number of direct jobs supported by Net Zero **13,880**	Average productivity in hotspot **£113,769**



West Midlands

The West Midlands Cluster is a significant hub for net zero activities. The West Midlands hotspot contributes 5.5% of the UKs net zero economy and hosts 821 net zero businesses. One of these businesses is European Metal Recycling Limited, which processes 10 million tonnes of material annually, reintegrating it into the supply chain. Bryt Energy, another key player, supplies 100% renewable electricity from solar, wind, and hydro power to British businesses. The hotspot is also home to Veolia who began a 25-year integrated waste management contract with Birmingham City Council to maximise recycling and produce energy from waste; their energy recovery facility in Tyseley converts 350,000 tonnes of Birmingham's rubbish each year into enough electricity to power 55,000 local homes.

% Of UK Net Zero Economy supported by the hotspot **5.5%**	% Of local economy supported by Net Zero Activity **3.0%**
Number of direct jobs supported by Net Zero **12,517**	Average productivity in hotspot **£126,685**

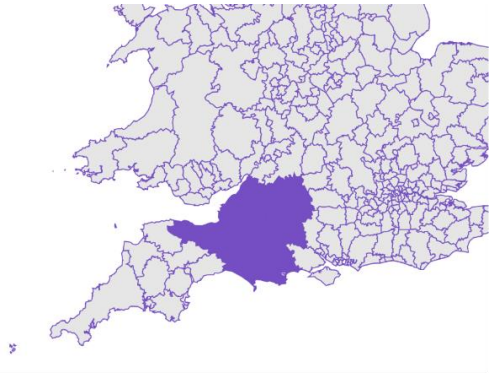


South West England

The South West of England is a key contributor to the UK's net zero economy, accounting for approximately 5.4% of its total, equivalent to £1.5bn GVA. Notable developments include solar farms in Wiltshire and Dorset, which provide clean energy to thousands of homes. Onshore wind also plays a part, with the community-led Lawrence Weston wind turbine near Bristol standing as the tallest in England. Additionally, the region is actively investing in sustainable transport, with Bath being the first UK city outside London to introduce a Clean Air Zone.

Notably, Somerset is home to Hinkley Point C, which, once operational, will provide low-carbon electricity for around six million homes. The region also boasts companies like Kensa, a leading manufacturer of ground source heat pumps, and Good Energy, a certified B Corp that supplies 100% renewable electricity and supports solar, heat pump, and EV charger adoption.

% Of UK Net Zero Economy supported by the hotspot **5.4%**	% Of local economy supported by Net Zero Activity **1.4%**
Number of direct jobs supported by Net Zero **14,719**	Average productivity in hotspot **£104,105**



North East Scotland

The North East Scotland hotspot contributes 5.1% to the UK's net zero economy and is home to The James Hutton Institute, a leading scientific research organisation specialising in sustainable land, crop, and natural resource management. The institute conducts interdisciplinary research to tackle global challenges such as food security, biodiversity loss, and climate change.

Aberdeen is also developing the Energy Transition Zone, a 30–40-hectare innovation hub focused on renewables, particularly floating offshore wind and green hydrogen. The project is expected to create 2,500 direct jobs and drive further investment in the region's renewable energy sector. Additionally, North East Scotland continues to attract major renewable energy investments from companies like SSE, with notable projects including Clyde Wind Farm—one of Europe's largest operational wind farms with 206 turbines—alongside Stronelairg, Griffin, Dunmaglass, and Strathy wind farms.

% Of UK Net Zero Economy supported by the hotspot **5.1%**	% Of local economy supported by Net Zero Activity **3.6%**
Number of direct jobs supported by Net Zero **16,406**	Average productivity in hotspot **£105,354**

Tyne and Teesside

The Tyne and Teesside hotspot contributes 3.6% to the UK's net zero economy. Located near, in Wearside, is Nissans EV36Zero hub which has had ripple effects and has contributed to the hotspot. Nissan's EV36Zero is a £1 billion hub that integrates electric vehicle production, renewable energy, and battery manufacturing. This hub will produce three new electric vehicle models and be powered entirely by renewable electricity from wind and solar farms. The initiative is expected to create around 6,200 jobs and includes a £450 million investment in the UK's first gigafactory for next-generation EV batteries.

This hotspot is further strengthened by the presence of Net Zero Teesside Power, an innovative project aiming to create the world's first commercial scale gas-fired power station with carbon capture and storage technology. This project will capture up to 2 million tonnes of CO2 annually, generating up to 742 megawatts of low-carbon electricity—enough to power over 1 million homes. It is also expected to create over 3,000 construction jobs and 1,000 operational jobs, contributing £3.5 billion to the UK economy by 2050.

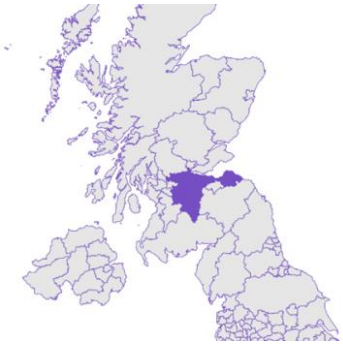
% Of UK Net Zero Economy supported by the hotspot **3.6%**	% Of local economy supported by Net Zero Activity **1.6%**
Number of direct jobs supported by Net Zero **9,264**	Average productivity in hotspot **£109,513**

The Central Belt

The Central Belt hotspot contains 1,806 net zero businesses and contributes 3.2% to the UK's net zero economy. Based here is Sunamp, a company that designs and manufactures space-saving thermal energy storage solutions. These solutions make homes, buildings, and vehicles more energy-efficient and sustainable while reducing carbon emissions. Similarly, CCL Components, an independent distributor based in the region, provides products like solar panels and battery systems, helping businesses and households generate and store clean energy.

In addition to private sector innovation, North Lanarkshire Council is installing a zero direct emissions communal heating system in Motherwell. This system, consisting of a shared ground array and heat pumps, will supply low-carbon heat to 48 social rented flats. By reducing emissions and lowering energy bills for tenants, the project will help tackle fuel poverty while supporting Scotland's net zero targets.

% Of UK Net Zero Economy supported by the hotspot **3.2%**	% Of local economy supported by Net Zero Activity **1.7%**
Number of direct jobs supported by Net Zero **7,282**	Average productivity in hotspot **£121,012**

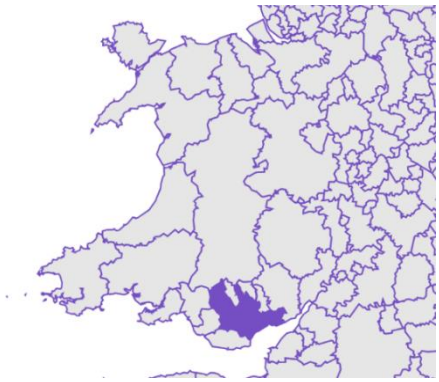


South East Wales

The South East Wales Net Zero hotspot contributes 1.8% to the UK's net zero economy and is home to Neal Soil Suppliers, which contributes to emissions reduction. By recycling and recovering over 95% of soil and stone from construction projects, Neal Soil Suppliers minimises landfill waste and cuts transportation emissions. Their advanced screening and compost-enrichment processes reduce the need for virgin materials, lowering carbon output and supporting the circular economy.

The hotspot also hosts numerous recycling companies, including Atlantic Recycling, GRJ Recycling, Cynon Valley Waste Disposal, and Forward Waste Management. Additionally, Cardiff is driving net zero initiatives through One Planet Cardiff, a strategic program featuring ambitious projects such as the Lamby Way Solar Farm and a low-carbon heat network. This network repurposes excess heat from a waste incinerator to provide sustainable heating for buildings in Cardiff Bay.

% Of UK Net Zero Economy supported by the hotspot **1.8%**	% Of local economy supported by Net Zero Activity **1.5%**
Number of direct jobs supported by Net Zero **4,395**	Average productivity in hotspot **£111,278**

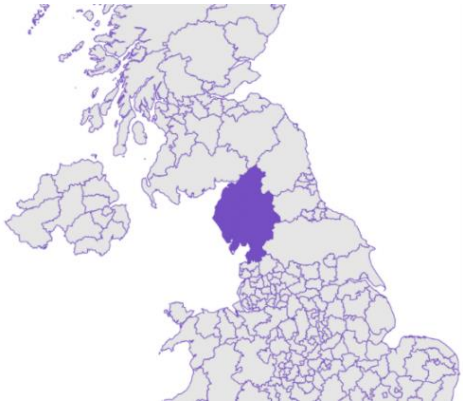


Cumbria

Cumbria is home to the Zero Carbon Cumbria Partnership, a collaborative initiative involving over 80 organisations from various sectors. This partnership aims to make Cumbria a net zero county by 2037. It has developed comprehensive plans for key sectors, such as promoting electric vehicle infrastructure in transport and improving energy efficiency in homes.

In addition to this, Cumbria is the base for Gilkes, the UK's leading independent developer of hydro and pumped storage hydro projects. Notable developments by Gilkes include the Pattack Hydro Project, a 5 MW hydro scheme, and the Fearna Storage Project, a pumped storage hydro scheme designed to significantly boost energy storage capacity. Furthermore, the region is also planning the Moorside nuclear power station near Sellafield, which aims to deliver 3.4 GW of new nuclear capacity through three reactors.

% Of UK Net Zero Economy supported by the hotspot **1.2%**	% Of local economy supported by Net Zero Activity **2.0%**
Number of direct jobs supported by Net Zero **3,059**	Average productivity in hotspot **£114,318**



East Anglia

East Anglia is a key hotspot for the UK's net zero ambitions, home to Sizewell B, the country's only Pressurised Water Reactor (PWR) and its most advanced nuclear power station. This strength will be further enhanced by the proposed development of Sizewell C, which will feature two European Pressurised Reactors (EPRs). Once completed, Sizewell C will generate enough low-carbon electricity to power six million homes.

Beyond its nuclear capabilities, East Anglia is a hub for various net zero companies. For example, Sunlite offers off-grid solar lighting solutions, as well as solar panel, battery, and EV charger installations, along with solar carports.

Global Wind Service (GWS) is also based in the region, providing comprehensive project solutions for both onshore and offshore wind turbine installations. GWS manages everything from initial installation to ongoing maintenance and servicing, employing over 1,700 people worldwide across multiple continents.

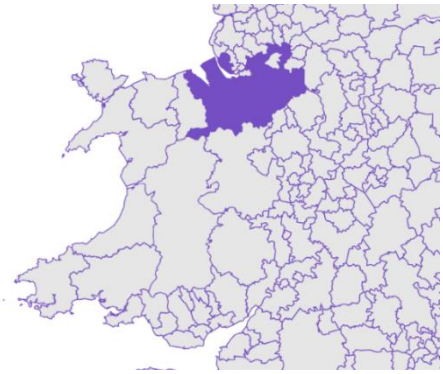
% Of UK Net Zero Economy supported by the hotspot **0.5%**	% Of local economy supported by Net Zero Activity **1.5%**
Number of direct jobs supported by Net Zero **1,322**	Average productivity in hotspot **£107,450**

Mersey

The net zero hotspot in the North West of England and North East Wales is home to 1,761 net zero businesses, contributing 4.8% to the UK's net zero economy. In 2024, the hotspot attracted a total investment of £142 million. The region's strength in this sector is further reinforced by the upcoming development of HyNet North West, a comprehensive project that will create the infrastructure needed to produce, transport, and store low-carbon hydrogen across the North West and North Wales.

Among the companies based in this hotspot is RSK Group, a leading environmental, engineering, and technical services consultancy dedicated to sustainability. The company has committed to reducing its UK greenhouse gas emissions by 30% by 2030 and has integrated sustainability into its operations by using 100% renewable electricity.

% Of UK Net Zero Economy supported by the hotspot **4.8%**	% Of local economy supported by Net Zero Activity **1.3%**
Number of direct jobs supported by Net Zero **12,456**	Average productivity in hotspot **£111,035**



Conclusion

The net zero economy has firmly established itself as a cornerstone of the UK's sustainable growth and innovation. Over the past year, this sector has not only expanded by 10.1%, contributing an additional £7.7 billion to the UK economy, but it has also become a significant driver of job creation and productivity. With a total Gross Value Added (GVA) of £83.1 billion, the net zero economy's impact is profound, generating £28.8 billion directly from net zero businesses and £54.3 billion from supply chain activities and broader economic contributions. This multiplier effect, where every £1 of value generated by the net zero economy creates an additional £1.89 in the wider economy, highlights its substantial influence.

Employment within the sector has seen remarkable growth, supporting the equivalent of 951,000 full-time jobs, including 273,000 directly tied to net zero businesses and 678,000 through supply chain and related activities. These jobs are notable for their high productivity, with each full-time role generating £105,500 in economic value, which is 38% above the UK average. This enhanced productivity translates into higher wages, with employees in net zero businesses earning an average of £43,076 per year. Since 2022, the sector has added 125,700 full-time equivalent jobs, reflecting a 15.2% increase in total employment contributions.

Private investment has been a critical factor in propelling this growth, with net zero businesses attracting nearly £23 billion in private funding and £1.1 billion in Innovate UK grants since 2019. Regional success stories, such as Scotland’s 20.1% growth in the net zero economy, contributing £9.1 billion in GVA and supporting 100,700 full-time jobs, underscore the sector's nationwide impact. Regions like Yorkshire and The Humber, Northern Ireland, Wales, and the South East have also demonstrated remarkable productivity and investment growth, significantly outperforming regional averages.

The net zero economy is fostering transformative opportunities across the UK, with local hotspots driving both regional and national progress toward sustainable economic growth. By leveraging natural resources and industrial strengths, regions such as coastal areas for offshore wind farms and resource-rich zones for renewable energy production are creating thriving hubs of innovation. The West Midlands, Yorkshire & the Humber and the South East of England each host significant hotspots of net zero activity which together contribute 16.3% or £4.7bn to the UK’s net zero economy.

The impact of this growth is evident: the net zero economy is advancing environmental goals while also generating significant economic and social benefits throughout the UK. With its impressive productivity, substantial investments, and continuous innovation, the sector plays a crucial role in the UK's journey towards a sustainable future, fostering ongoing prosperity and resilience across all regions.

Appendix 1: Methodology

Defining the net zero economy

Identifying net zero activity

The UK's traditional industry classifications do not adequately capture the emergence or growth of business activity in green or low-carbon sectors. This study employs Real-Time Industrial Classifications (RTICs) to define the net zero supply chain, enabling a highly representative analysis of industry sectors and sub-sectors.

In collaboration with our data provider, The Data City, we developed a taxonomy to create a training set for each industry sub-sector. This taxonomy guides the inclusion and exclusion of businesses within an RTIC, resulting in a comprehensive list of businesses.

The net zero RTIC comprises 16 sub-sectors, detailed in the table below. These sub-sectors are defined to ensure the identification of all relevant businesses in the net zero economy by capturing all pertinent keywords from company websites. While businesses may operate in multiple sub-sectors, we have taken steps to eliminate any double-counting for the purposes of this analysis.

Table 1: Net zero economy taxonomy

Sub-sector	Definition
AgriTech	Companies developing technologies and services transforming traditional agricultural practices.
Building Technologies	Companies providing technology and services for increased energy efficiency in buildings.
Carbon Capture	Companies dedicated to carbon capture, storage, and utilisation.
Low Emission Vehicles	Companies focusing on the development of technology and infrastructure for electric vehicles.
Energy Cooperatives	Energy producers where citizens have ownership over the energy source.
Energy Storage	Companies providing services and technology to capture energy for use at a later time.
Grid	Organisations dedicated to energy management and energy infrastructure development.
Heating	Companies supporting low-carbon heating.
Diversion of Biodegradable Waste from Landfill	Companies focusing on landfill management.
Low-Carbon	Companies providing energy from low-carbon sources.
Pollution Control & Mitigation	Companies providing services and technology for the mitigation of pollution.
Renewables	Companies providing energy from renewable sources.
Waste Management & Recycling	Companies dedicated to solid waste removal, management and processing.
Low-Carbon Consultancy, Advisory & Offsetting Services	Companies providing environmental consultancy for the low-carbon economy.
Green Finance	Structured financial activity aimed to create a better environmental outcome.
Renewable Energy Planning Database (REPD)	A list of companies generated based on the REPD – a database of renewable energy projects over 150KW to capture additional renewable energy businesses.

Source: The Data City (2024)

The data provided by The Data City

The specific data we use to model the net zero economy, that is sourced from The Data City, is a business count matrix with the number of businesses that are within the net zero economy split by standard industrial classification (SIC) code. When a business has more than one SIC code it is distributed between its respective SIC codes.

We applied this SIC code distribution to the latest ONS official data (2024) around business population by SIC code. By combining this matrix with the business distribution by employment size from the same ONS source, we estimated the employment contribution of net zero businesses to the UK. This estimation is in a format that can be inputted into our Input-Output (IO) model. See the next section for more details on this.

Modelling the economic contributions of the sector

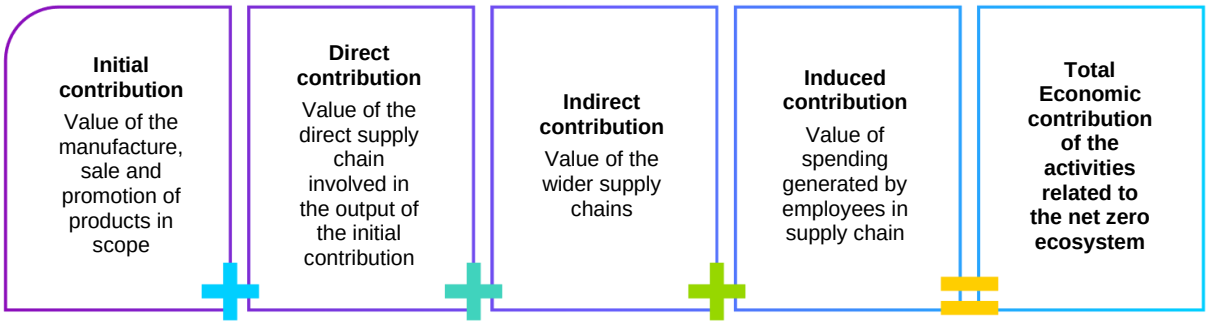
Overview of our approach

The core basis of this modelling uses the Input-Output (IO) Analytical Tables from the Office for National Statistics (ONS). An input-output table does the following:

- Traces out the relationships between different industries.
- Outlines the sets of inputs required to produce one unit of output.
- Quantify the interactions between the sector and its supply chain and households.

The IO framework allows for Type I and Type II output multipliers to be calculated. Type I multipliers include the direct and indirect effects. Type II multipliers are used in this analysis which include direct, indirect, and induced effects. This captures the wider extent of the economic contribution throughout the economy which is summarised in the figure below.

Figure 12: Total economic contribution methodology

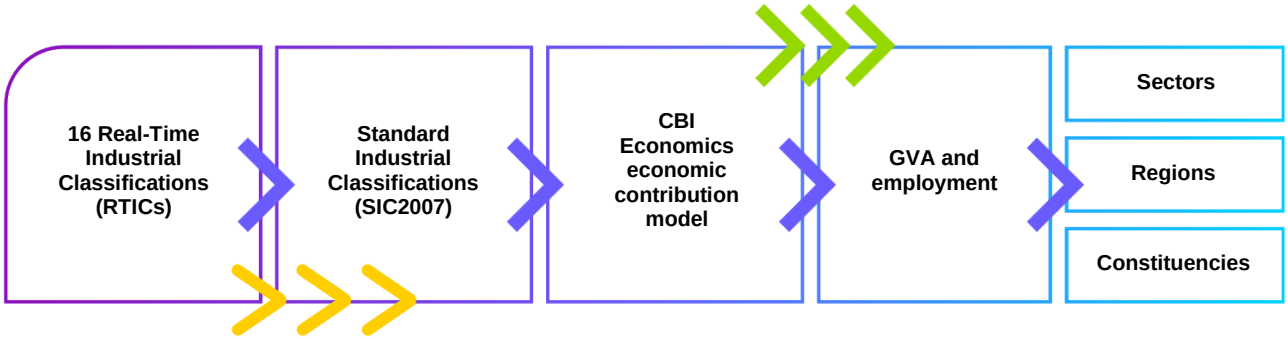


Source: CBI Economics, 2025

Our data inputs and how we processed them

The economic activities of the net zero economy are based on data provided by The Data City as well as official statistics. The Data City platform and its machine learning algorithm gathers real-time data on emerging industries that do not conform to the traditional industry classifications, such as the net zero economy. Our starting point is taking the distribution of businesses in the Net Zero RTIC - as defined by The Data City - across SIC codes and combining it with the latest official statistics from the ONS to estimate the size of the sector in terms of its business population and employment. These are estimated at the sector level and are inputted into the CBI Economics model. As a result of this bespoke approach, findings from this report may not completely align with existing studies.

Figure 13: From defining the net zero economy to quantifying its contributions



Source: CBI Economics (2025)

Note that a measure of employment typically referred to is Full-Time Equivalent (FTE) jobs, which accounts for differences in part-time/ full-time employment rates by industry. The assumption behind this measure is that 1 FTE employee works an average of 37 hours per week.

It is important to note that the linkages between sectors are based on the 2019 input-output table, but the model is based on the latest official data on employment and GVA. The use of the 2019 input-output table was chosen as the shocks of COVID-19 would have a multitude of impacts beyond the scope of the model.

Finally, the induced contribution is quantified, which captures the effect of additional household consumption associated with the jobs supported through the initial, direct, and indirect activity. Type II multipliers are calculated for this step.

The direct, indirect and induced contribution are combined with the initial contribution derived to provide an estimate of the total economic contribution of the initial economic activity, both in terms of the GVA the activity generates, and the employment required.

Modelling the local contributions and identifying hotspots

Having derived estimates for the total economic contribution of the net zero economy in the UK, additional analysis provides a regional perspective for these estimates.

In the absence of sub-national IO tables, the UK-level impacts were apportioned to ITL1 (regions) and parliamentary constituency geographies according to their share of the UK corresponding sector.

Additional data was drawn upon to apportion the UK-level contributions to sub-national levels. In particular, the use of regional GVA data and regional employment data provided by the ONS and applied for each industry.

Evolution of the methodology

The net zero economy comprises of relatively new types of activity and will continue to evolve as new technologies become available. This means that our definition of the net zero economy needs to evolve with it. At the same time, the techniques for identifying these businesses and the data sources which provide us with an understanding of their activity are also developing.

Since the release of our first report, CBI Economics and The Data City have continued to enhance and refine the methodology used to identify net zero activity and estimate its economic contributions. This improvement has led to an increase in the estimated overall contributions of the net zero economy compared to our original estimates.

The number of businesses in the net zero economy decreased from 23,750 last year to 22,800. There are multiple reasons why The Data City is detecting less companies than in 2023:

- Dissolved companies: Companies that existed in the past and were classified into Net Zero are no longer active.
- Improved domain-company matches: If a company was wrongly mismatched to a net zero related domain and now it is fixed, the company will no longer appear in the list.
- Updated website text: A company may have changed its activity and updated its website text. If the new text does not align with the net zero taxonomy, this company will not be on the list.
- Expert review: Clients and experts using the RTIC may find false positives, which are removed.

In addition to this, to maximise accuracy, we have updated our methodology to reflect a shift from using The Data City's business count data to using official statistics around business population. We now use The Data City's distribution (in percentage terms) of businesses in the Net Zero RTIC across SIC codes and apply these SIC-level percentages to the 2024 ONS business population statistics. This approach ensures that our results are based on the most up-to-date and accurate data available.

The table below highlights the impact of these changes on the results we published last year and how they have been revised this year.

Table 2: Revisions to the results published last year

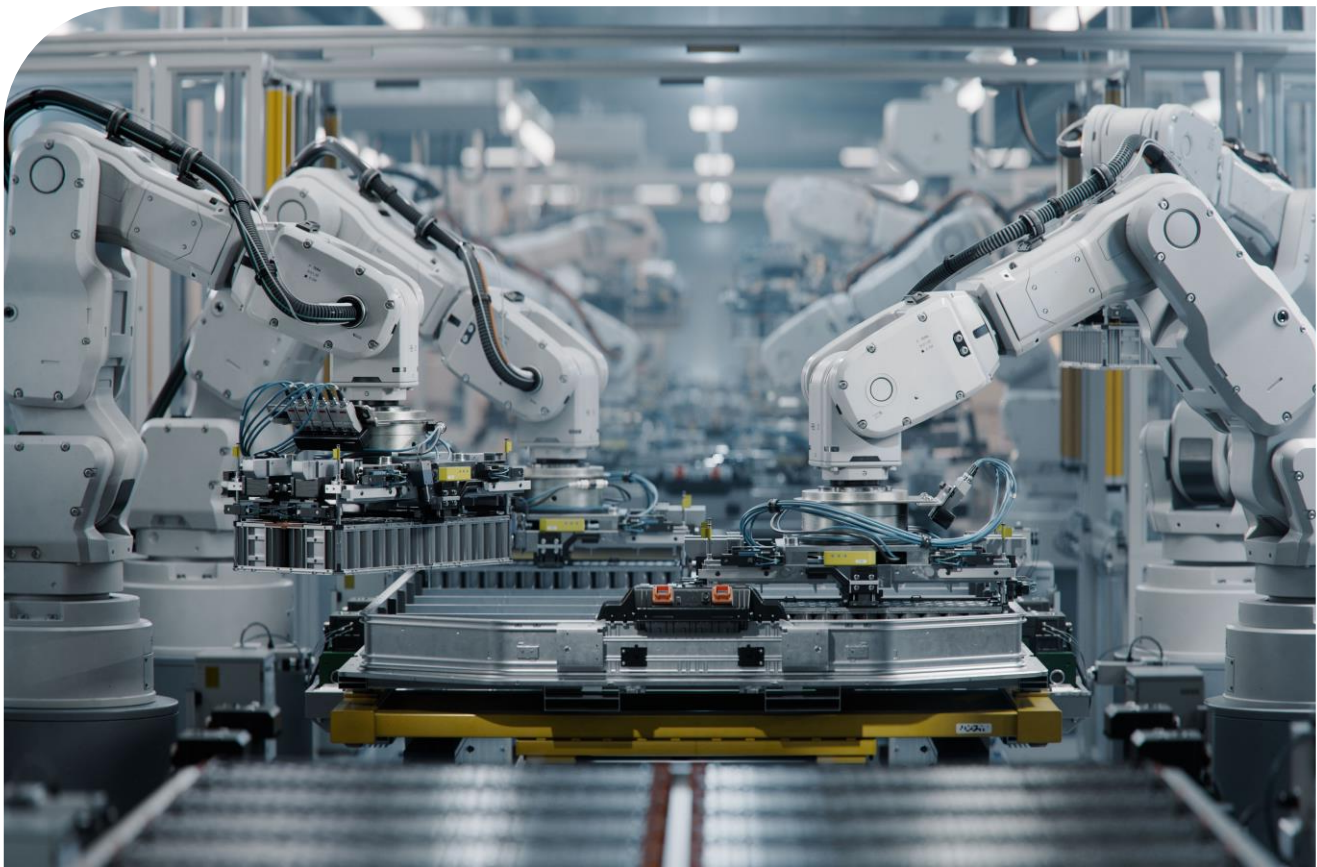
	Last year's 2022 Results	Revised 2022 Results	Last year's 2023 Results	Revised 2023 Results
Initial GVA (£m)	22,697	25,196	24,966	25.982
Direct GVA (£m)	14,092	13,792	15,300	14,634
Indirect GVA (£m)	17,981	15,569	19,389	17,255
Induced GVA (£m)	13,073	17,008	14,275	17,605
Total GVA contribution (£m)	67,843	71,565	73,931	75,476
Initial FTE jobs	197,624	241,077	218,457	246,619
Direct FTE jobs	154,019	153,829	162,239	160,087
Indirect FTE jobs	218,768	182,370	227,022	199,648
Induced FTE jobs	148,978	248,450	158,030	257,261
Total FTE employment contribution	719,389	825,725	765,747	863,615
Business Count	19,654	22,595	23,745	22,595

Source: CBI Economics (2025)

Appendix 2: Supplementary Data Tables

Table 3: Top sectors within each regional net zero economy

North East	GVA (£m)	% Regional economy	% Regional NZ Economy	North West	GVA (£m)	% Regional economy	% Regional NZ Economy
Electricity, gas, steam and air conditioning supply	£ 621	0.9%	28%	Electricity, gas, steam and air conditioning supply	£ 1,643	0.7%	23%
Manufacturing	£ 324	0.5%	15%	Manufacturing	£ 1,088	0.4%	15%
Water supply	£ 203	0.3%	9%	Wholesale and retail trade	£ 766	0.3%	11%
West Midlands	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**	**East**	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**
Electricity, gas, steam and air conditioning supply	£ 1,381	0.8%	25%	Electricity, gas, steam and air conditioning supply	£ 1,017	0.5%	17%
Manufacturing	£ 828	0.5%	15%	Manufacturing	£ 786	0.4%	13%
Water supply	£ 626	0.3%	11%	Wholesale and retail trade	£ 695	0.3%	12%
South West	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**	**Wales**	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**
Electricity, gas, steam and air conditioning supply	£ 1,431	0.8%	25%	Electricity, gas, steam and air conditioning supply	£ 1008	1.2%	34%
Manufacturing	£ 1078	0.6%	18%	Manufacturing	£ 425	0.5%	15%
Water supply	£ 657	0.3%	11%	Water supply	£ 343	0.4%	12%



Yorkshire and The Humber	GVA (£m)	% Regional economy	% Regional NZ Economy	East Midlands	GVA (£m)	% Regional economy	% Regional NZ Economy
Electricity, gas, steam and air conditioning supply	£ 1,816	1.1%	31%	Electricity, gas, steam and air conditioning supply	£ 1,303	0.7%	27%
Manufacturing	£ 960	0.6%	17%	Manufacturing	£ 719	0.4%	15%
Water supply	£ 646	0.4%	11%	Wholesale and retail trade	£ 452	0.2%	9%
London	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**	**South East**	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**
Financial and insurance activities	£ 3,032	0.5%	21%	Electricity, gas, steam and air conditioning supply	£ 3,523	0.9%	29%
Electricity, gas, steam and air conditioning supply	£ 2,833	0.5%	19%	Professional, scientific and technical activities	£ 1,435	0.4%	12%
Professional, scientific and technical activities	£ 2,393	0.4%	16%	Water Supply	£ 1,191	0.3%	10%
Scotland	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**	**Northern Ireland**	**GVA (£m)**	**% Regional economy**	**% Regional NZ Economy**
Electricity, gas, steam and air conditioning supply	£ 3,840	2.1%	45%	Electricity, gas, steam and air conditioning supply	£ 635	1.1%	34%
Mining and quarrying	£ 908	0.5%	11%	Manufacturing	£ 215	0.4%	11%
Water supply	£ 670	0.4%	8%	Wholesale and retail trade	£ 209	0.4%	11%

Source: CBI Economics (2025)

Table

	Initial GVA		Total GVA	
Region	**2023-2024**	**2022-2024**	**2023-2024**	**2022-2024**
Scotland	9.1%	20.1%	9.2%	19.7%
Wales	10.7%	13.5%	10.0%	15.9%
South West	10.6%	14.3%	10.1%	16.0%
Northern Ireland	10.1%	15.0%	9.8%	16.7%
East Midlands	10.0%	14.3%	9.8%	16.1%
North East	10.5%	13.6%	10.1%	15.8%
West Midlands	11.2%	11.1%	10.3%	14.7%
East	11.3%	10.9%	10.4%	14.5%
South East	11.7%	12.6%	10.5%	15.5%
North West	10.9%	10.6%	10.2%	14.4%
Yorkshire and The Humber	10.7%	9.7%	10.1%	14.3%
London	11.6%	19.3%	10.4%	17.6%

Source: CBI Economics (2025)

Table 5: Regional Growth of net zero employment contributions between 2022-2024

Growth in Initial Net Zero Employment Contributions

Region	2022-2024	2023-2024	Region	2022-2024	2023-2024
Scotland	22.9%	7.3%	**West Midlands**	10.4%	10.9%
Wales	13.6%	10.9%	**East**	9.3%	11.8%
South West	11.1%	11.6%	**South East**	9.5%	11.8%
Northern Ireland	12.2%	10.2%	**North West**	11.4%	11.2%
East Midlands	13.8%	9.3%	**Yorkshire and the Humber**	10.1%	10.5%
North East	12.2%	10.7%	**London**	16.6%	11.6%

Source: CBI Economics (2025)

Growth in Total Net Zero Employment Contributions

Region	2022-2024	2023-2024	Region	2022-2024	2023-2024
Scotland	19.5%	8.7%	**West Midlands**	14.3%	10.2%
Wales	15.4%	10.2%	**East**	13.7%	10.6%
South West	14.4%	10.5%	**South East**	13.9%	10.6%
Northern Ireland	14.6%	10.1%	**North West**	14.5%	10.4%
East Midlands	15.6%	9.7%	**Yorkshire and the Humber**	14.0%	10.2%
North East	14.8%	10.2%	**London**	16.3%	10.4%

Source: CBI Economics (2025)

Table 6: Local Authority Districts (LAD) within each hotspot

Central Belt	Cumbria	East Anglia	North East Scotland	Mersey
-East Lothian -Falkirk -South Lanarkshire -City of Edinburgh -West Lothian -East Dunbartonshire -North Lanarkshire	-Cumberland -Westmorland and Furness -Lancaster	-Great Yarmouth -East Suffolk	-Highland -Aberdeen City -Aberdeenshire -Fife -Perth and Kinross	-Warrington -Cheshire East -Cheshire West and Chester -Manchester -Salford -Liverpool -Wirral -Flintshire -Wrexham
South ast Wales	**South West England**	**Tyne and Tees**	**West Midlands**	**Yorkshire & Humberside**
-Cardiff -Rhondda Cynon Taf -Caerphilly -Newport	-Bath and North East Somerset -Bristol, City of -North Somerset -South Gloucestershire -Swindon -Wiltshire -Bournemouth, Christchurch and Poole -Dorset -Somerset	-Hartlepool -Middlesbrough Redcar and Cleveland -Stockton-on-Tees -County Durham -Northumberland -Newcastle upon Tyne -North Tyneside -South Tyneside -Sunderland -Gateshead	-Rugby -Warwick -Birmingham -Coventry -Sandwell -Solihull	-Kingston upon Hull, City of -East Riding of Yorkshire -North East Lincolnshire -North Lincolnshire -York -North Yorkshire -Bradford -Leeds -Wakefield

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