



INSTITUTE
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INDUSTRY



Automotive UK labour market report

Release 4



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COVID-19 – Automotive Sector UK Labour Market

Introduction

The aim of this report is to extract sector relevant analysis from the ONS UK Labour Market data release. Release 4 uses the November report which was released on the 10th November 2020.

Summary of findings

Redundancy and unemployment

Please note that throughout this section, 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' is the nearest proxy to represent the automotive sector. However, the data used for this section does include other sectors which may not be strictly automotive, and it is likely that other 'retail sectors' are significantly affecting the redundancy and unemployment rates.

- There has been a significant increase in redundancy levels in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles' sector in the period of July to September 2020
- There were 58,000 reported redundancies in the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles' sector - the highest levels reported since 2009.
- Redundancy levels are currently three times higher compared to the same period last year and have increased by 39% in the past month.
- The redundancy rate in the sector is currently 5 percentage points higher than the 'All Industries' rate.
- There has been a disproportionate increase in the women unemployed in the sector: an increase of 11% compared to 2% for men.

Hours & Earnings

- Since the record low in April to June 2020, average hours worked have been increasing month on month. The 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector has increased at a faster rate than the 'All Industries' sector, with automotive sitting on a 16% increase and 'All Industries' sitting on a 9% increase. However, average hours worked remain at their lowest since records began.
- Average earnings for all jobs increased by 2% in the last quarter and 4% compared to the same period the year before. Sector average earnings increased by 6% in the last quarter and 8% compared to the same period the year before.
- The average earnings for women in the sector is £53 (10%) lower than men, a margin which has decreased by 5% in the past quarter. Women's average weekly earnings increased by a much faster rate than men: 11% in the last quarter and 13% compared to the same period the year before - going some way to address the gender pay gap.

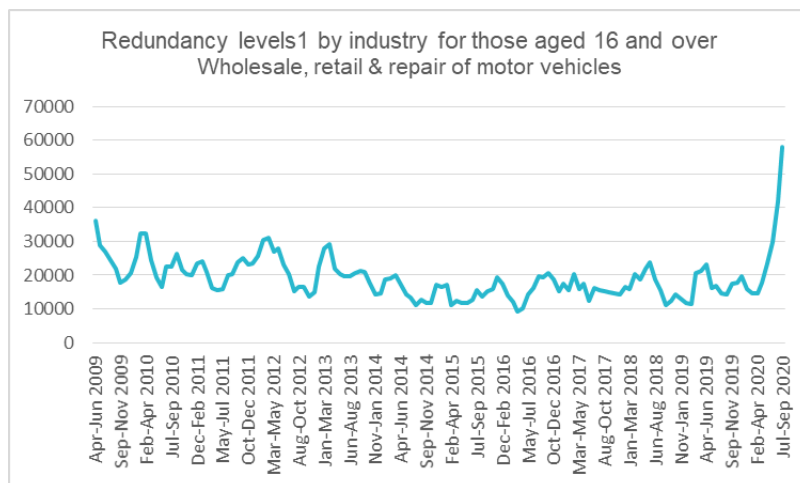
Vacancies

- For August to October 2020, there were an estimated 60,000 vacancies in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' - 10% of which were in motor trades. Vacancies rates across all subsectors have been increasing month on month since the record lows in April to June 2020.

Redundancies

The following uses dataset **redundancy levels by industry for those aged 16 and over** and **Redundancy rates by industry for those aged 16 and over** both taken from the Labour Force Survey. The data is a quarterly dataset that is updated on a monthly basis and has been recorded since 2009. The most recent data is from July to September 2020.

Redundancy levels



58,000
made redundant in the
sector
July - Sept 2020

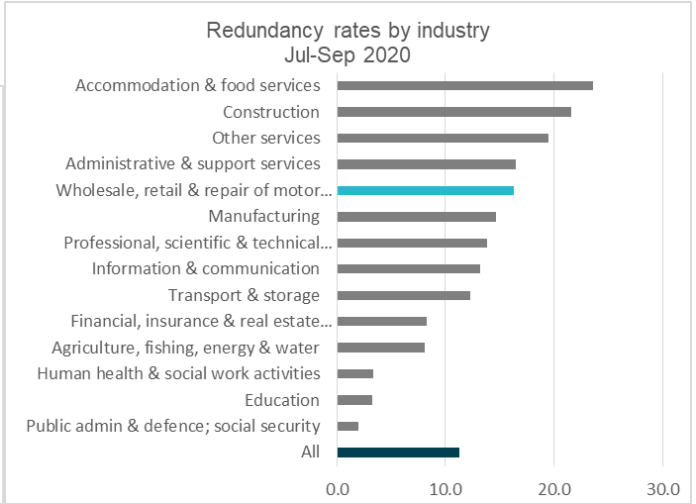
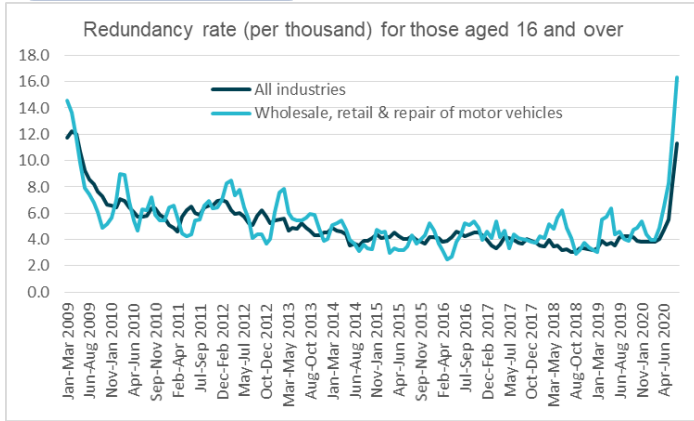
- 39% increase in the past month
- 296% increase compared to same period last year

There has been a significant increase in redundancy levels in the sector, which in the period of July to September 2020 was at 58,000, and the highest since 2009. Redundancy levels are currently almost three times higher compared to the same period last year and have increased by 39% in the past month.

Redundancy Rates

11.3%
Redundancy Rate
July-Sept 2020

16.3%
Automotive Sector
Redundancy Rate
July - Sept 2020



The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 5 percentage points higher than the 'All Industries' rate. As previously stated, the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' is the nearest proxy to represent the automotive sector. However, the data used for this section does include other sectors which may not be strictly automotive, and it is likely that other 'retail sectors' are significantly affecting the redundancy and unemployment rates.

Unemployment

The following uses dataset **all and long-term unemployment levels by industry of last job (not seasonally adjusted)** taken from Employer surveys, Labour Force Survey and administrative sources. The data is a monthly dataset and has been recorded since 1995, the most recent data is from September 2020. This data set is also split by gender.

191k

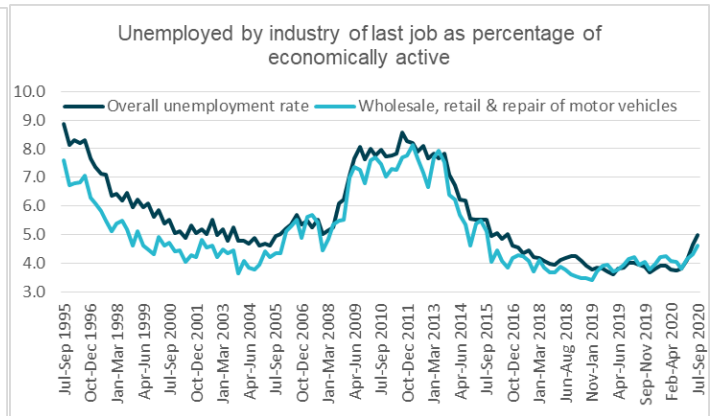
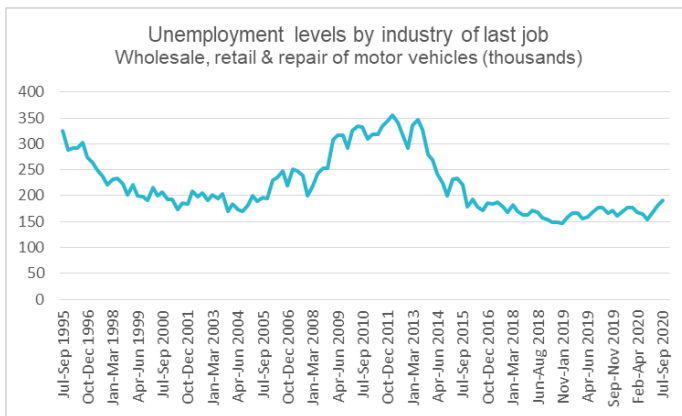
Unemployed last job
automotive
July-Sept 2020

5.0%

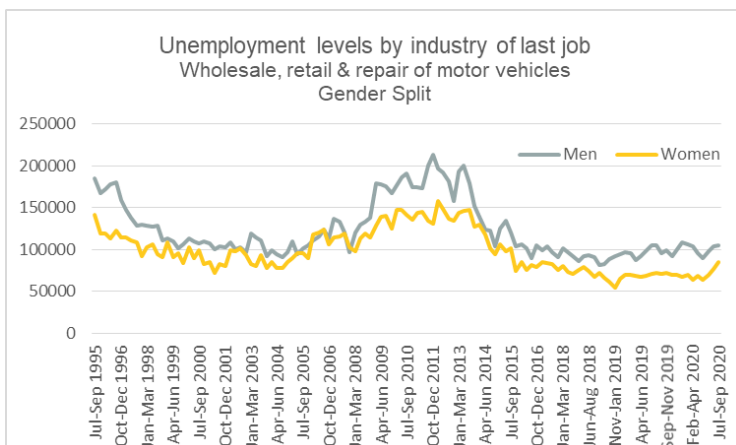
Unemployment rate
July – Sept 2020

4.6%

Automotive percentage
of economically active
July - Sept 2020



- In July to September 2020, approximately 191,000 people who are unemployed stated that their last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle'.
- Unemployment levels in the sector have increased by 6% in the past month and by 8% compared to the same time period last year.
- Comparing the unemployment rate in the sector as a percentage of economically active to the overall unemployment rate, the sector is slightly lower than the unemployment rate at 4.6%.

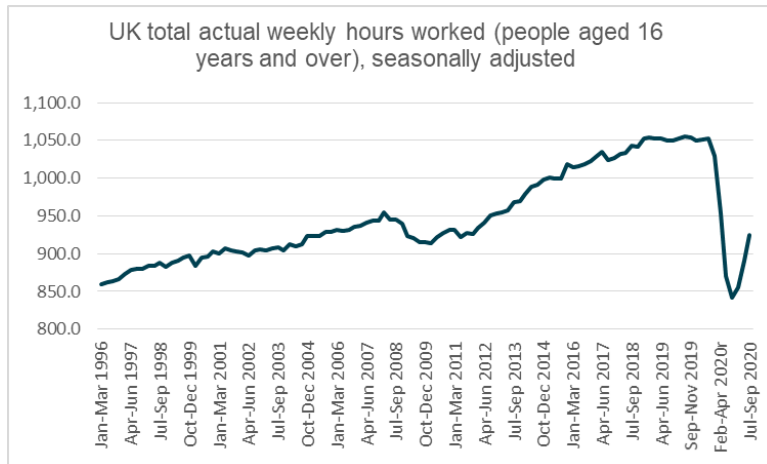


Of those unemployed whose last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', 55% (105,521) are men and 45% (85,457) are women.

In the past month unemployment for both men and women from has increased but at a significantly higher rate for women: 2% for men and 11% for women.

Hours worked

The following uses dataset **average actual weekly hours of work by industry sector (HOUR03)** taken from Employer surveys, Labour Force Survey and administrative sources. The data is a monthly dataset and has been recorded since 1997, the most recent data is from September 2020. This data set is also split by gender.

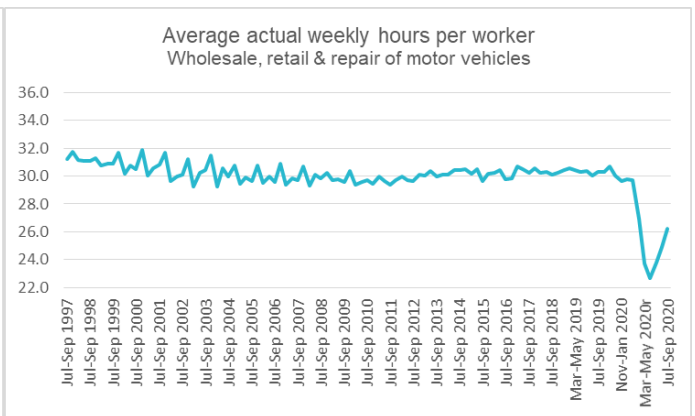
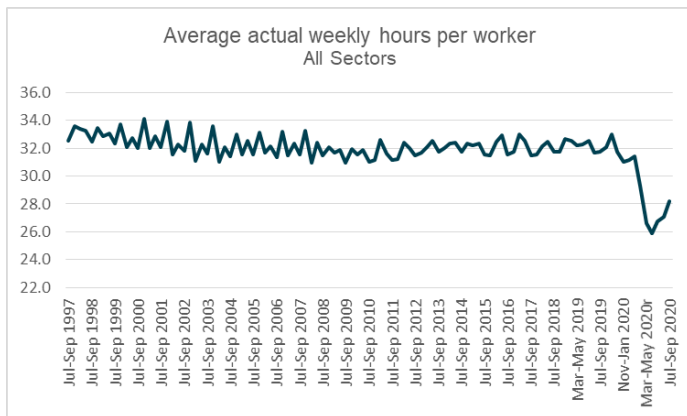


Total hours worked still low but showing signs of recovery

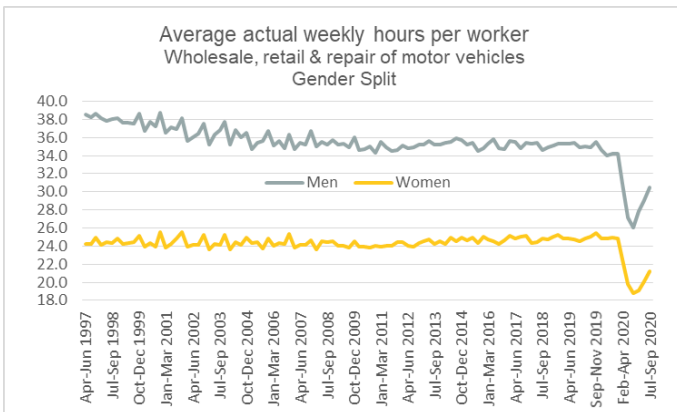
Between April to June 2020, and July to September 2020, total actual weekly hours worked in the UK saw a record increase of 83.1 million, or 9.9%, to 925.0 million hours.

All Jobs
28.2
Ave worker hours per week
July – Sept 2020

Automotive Jobs
26.2
Ave worker hours per week
July – Sept 2020



- In July to September 2020, the average worker carried out 28.6 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 26.2 hours.
- Since the record low in April to June 2020, average hours worked have been increasing month on month. The sector has accelerated at a faster rate than the 'All Industry with an average increase of 16% compared to all industry 9%.
- Average hours worked remain at their lowest since records began.



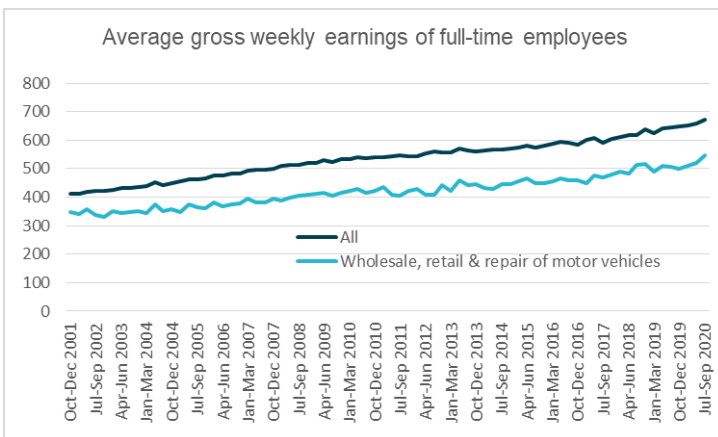
**Men
Automotive Jobs**
30.5
Ave worker hours per week
July-Sept 2020

**Women
Automotive Jobs**
21.2
Ave worker hours per week
July-Sept 2020

Between April to June 2020, and July to September 2020, average hours for men and women has increased. Men's hours have increased by 4.4 hours – an increase of 17%. Women's hours have increased at a much slower rate of 2.4 hours, which is a 12.7% increase.

Earnings

The following uses dataset **average gross weekly earnings of full-time employees by industry (not seasonally adjusted) (EARN07)**. The data is a quarterly dataset and has been recorded since 1995, the most recent data is from Jul-Sept 2020.



All Jobs
£671
Ave weekly earnings
Jul-Sept 2020

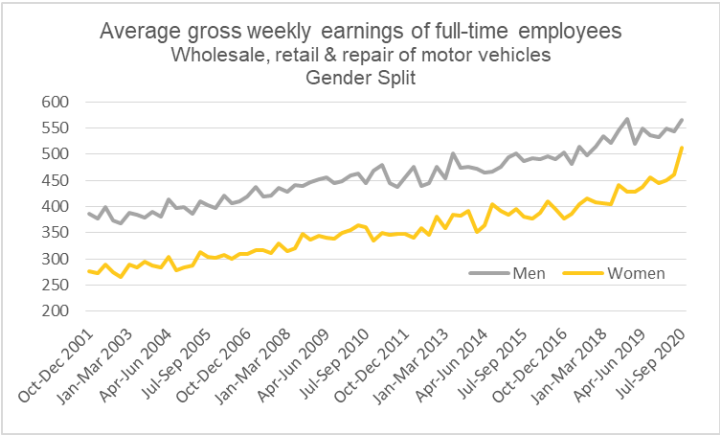
Sector Jobs
£548
Ave weekly earnings
Jul-Sept 2020

Sector average earnings are £124 (22%) lower than the average for all jobs. Average earnings for all jobs increased by 2% in the last quarter and 4% compared to the same period the year before. Sector average earnings increased by 6% in the last quarter and 8% compared to the same period the year before.

**Men
Automotive Jobs**
£566
Ave weekly earnings
July-Sept 2020

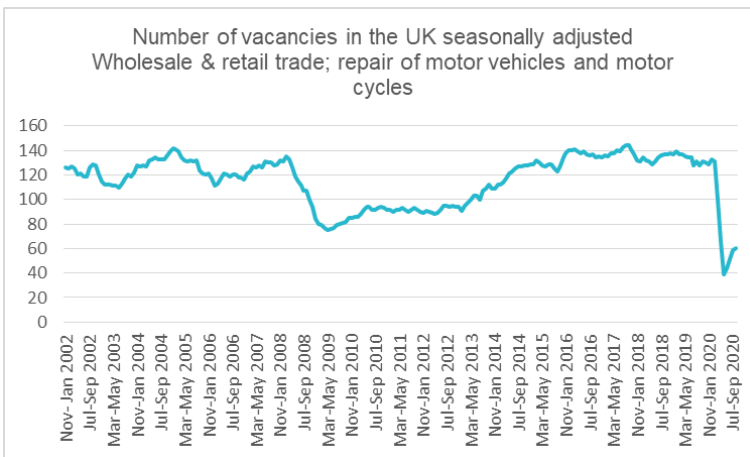
**Women
Automotive Jobs**
£513
Ave weekly earnings
July-Sept 2020

The average earnings for a woman in the sector is £53 (10%) lower than men, a margin that has decreased by 5% in the past quarter. Average earnings for men in the sector increased by 4% in the last quarter and 5% compared to the same period the year before. Women's average weekly earnings increased by a much faster rate of 11% in the last quarter and 13% compared to the same period the year before going some way to address the gender pay gap.



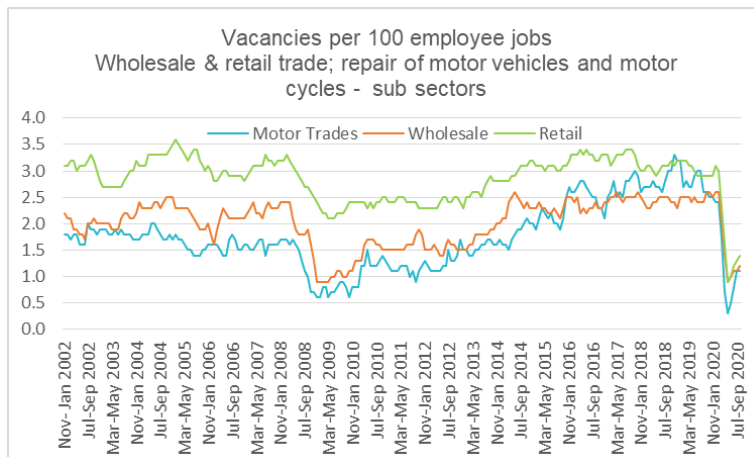
Vacancies

The following uses dataset **vacancies by industry (seasonally adjusted)** taken from ONS vacancy survey. The data is a monthly dataset and has been recorded since 2005. The most recent data is from October 2020. This data splits by subsector and so enables individual analysis of motor trades, retail and wholesale. Automotive will feature to some degree in each but this does give an additional layer of detail.



Sector
60,000
Vacancies
Aug-Oct 2020

	Vacancies
Motor Trades	6
Wholesale	15
Retail	39



For August to October 2020, there were an estimated 60,000 vacancies in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', 10% of which were in motor trades.

Vacancies rates across all subsectors have been increasing month on month since the record lows in April to June 2020. Motor Trades had fallen the most at this point but has since almost tripled and is now at a ratio similar to retail and wholesale.

Appendix

Economic Indicators

The ONS UK labour market overview provides estimates of employment, unemployment, economic inactivity and other employment related statistics for the UK. This overview is produced monthly. For this analysis, all data sets not already used elsewhere (e.g.: BIC wave used in current landscape reports) and that have been updated since the last release (Release 3 September), that are available to be broken down by industry sector, have been analysed. These include:

- | | |
|----------------|--|
| - Redundancies | [Redundancy levels and rates by industry for those aged 16 and over] |
| - Unemployment | [Unemployment by previous industrial sector] |
| - Hours worked | [Average actual weekly hours of work by industry sector] |
| - Earnings | [Average weekly earnings] |
| - Vacancies | [Vacancies by industry (seasonally adjusted)] |

The analysis uses the ONS industry SIC code G - Wholesale & retail trade; repair of motor vehicles and motorcycles. This is the nearest proxy to represent the automotive sector but does not include manufacturing. It does include other sectors that may not strictly be automotive.

Data Sources

ONS data sets:

- A01 Labour market statistics summary data tables – Release November 10th 2020.
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release November 10th 2020.
- UNEM03: All and long-term unemployment levels by industry of last job - Release November 10th 2020.
- HOUR03: Average actual weekly hours of work by industry sector - Release November 10th 2020.
- EARN07: Average gross weekly earnings of full-time employees by industry - Release November 10th 2020.
- VACS02: Vacancies by industry - Release November 10th 2020.