



INSTITUTE
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Automotive UK labour market report

Release 6

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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 6 uses the December report which was released on the January 26th 2021.

Summary of findings

Unemployment and redundancy rates data use, 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' as the nearest proxy to represent the automotive sector. However, the data used for this section does include other retail and wholesale sectors which may not be automotive; this is likely to have effected some of the findings.

Redundancy levels in the sector continue to rise, although not as steeply as last month. For example, the period from September to November 2020 was at 69,000; the highest since 2009. Redundancy levels are currently almost 4 times higher compared to the same period last year and have increased by 2% in the past month. The redundancy rate in the sector is currently 19%, which has fallen slightly in the past month by 0.2%. It is also 4.8 percentage points higher than the 'All Industries' rate. It has the 6th highest rate of the 14 outlined industries.

Unemployment levels in the sector have decreased by 3% in the past month but are 22% higher compared to the same time period last year.

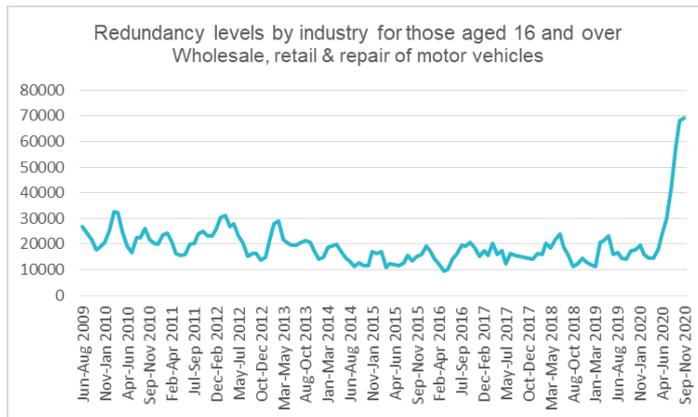
Total hours worked are still low but continuing to show signs of recovery, however they are still at the lowest levels since records began.

For October to December 2020, there were an estimated 9,000 vacancies in the Motor Trade sub sector; this is an increase of 29% since last month and more than 3 times more than the recorded low levels in April – June 2020. The motor trade vacancies ratio is 1.5 which is 0.4 or 27% lower than the all vacancy rate.

Redundancies

Please note that, 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' is the nearest proxy to represent the automotive sector. However, the data will include other sectors which are not strictly automotive.

Redundancy levels



69,000
made redundant in the
sector
Sept - Nov 2020

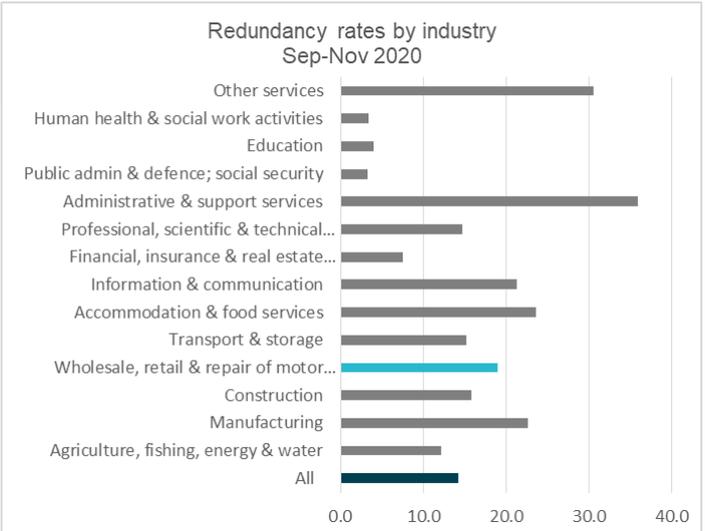
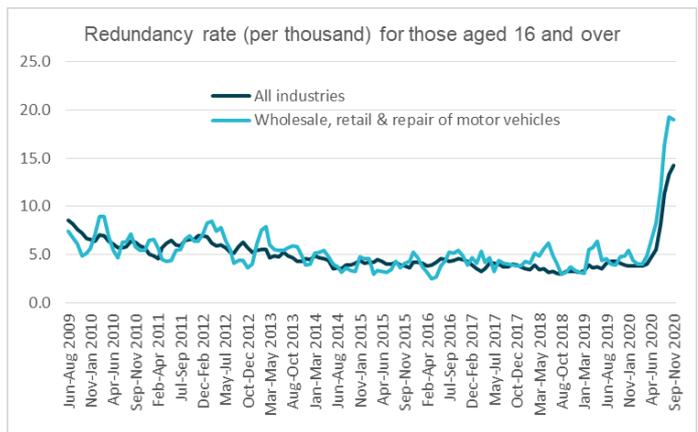
- 2% increase in the past month
- 378% increase compared to the same period last year

Redundancy levels in the sector continue to rise, and at most recent reporting (September to November 2020) was 69,000, and the highest since 2009. Redundancy levels are currently almost 4 times higher compared to the same period last year and have increased by 2% in the past month, an increase of 1,000.

Redundancy Rates

14.2%
Redundancy Rate
Sept - Nov 2020

19.0%
Automotive Sector
Redundancy Rate
Sept - Nov 2020



The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 19%, which has fallen slightly in the past month by 0.2%. It is also 4.8 percentage points higher than the 'All Industries' rate. It has the 6th highest rate of the 14 outlined industries. 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

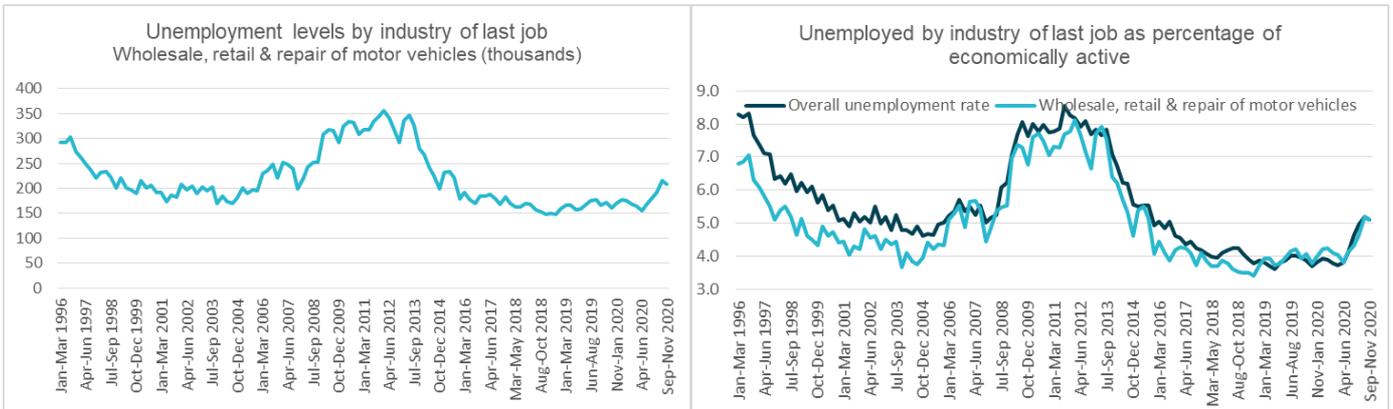
section does include other sectors which may not be strictly automotive, and it is likely that other 'retail sectors' are significantly affecting the redundancy and unemployment rates.

Unemployment

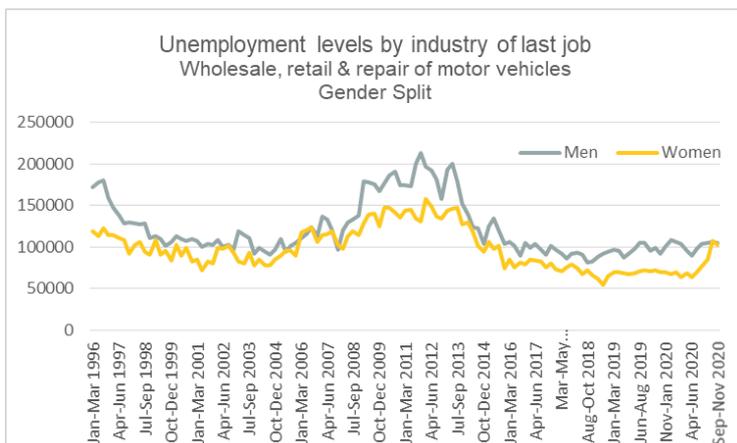
209k
unemployed last job
automotive
Sept - Nov 2020

5.1%
unemployment rate
Sept - Nov 2020

5.1%
automotive percentage
of economically active
Sept - Nov 2020



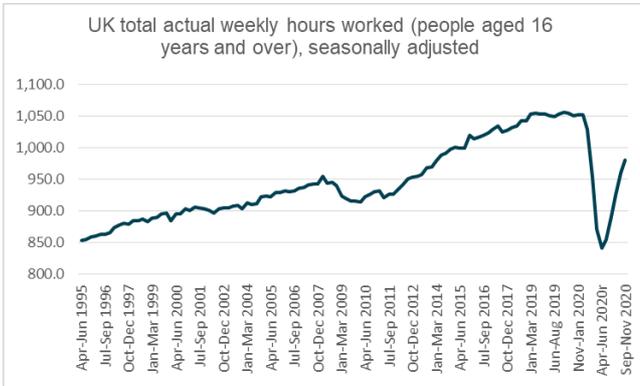
- In the period September to November 2020, approximately 209,000 people who are unemployed stated that their last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle'.
- Unemployment levels in the sector have decreased by 3% in the past month but are 22% higher compared to the same period last year.
- Comparing the unemployment rate in the sector as a percentage of economically active to the overall unemployment rate, both are currently at the same rate.



Of those unemployed whose last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', 50.5% (105,000) are men and 49.5% (103,000) are women.

In the past month, unemployment for both men and women has decreased but at a faster rate for women: 1% for men and 4% for women.

Hours worked



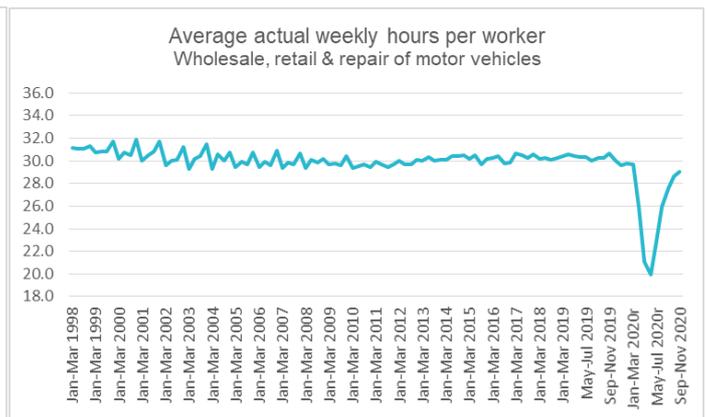
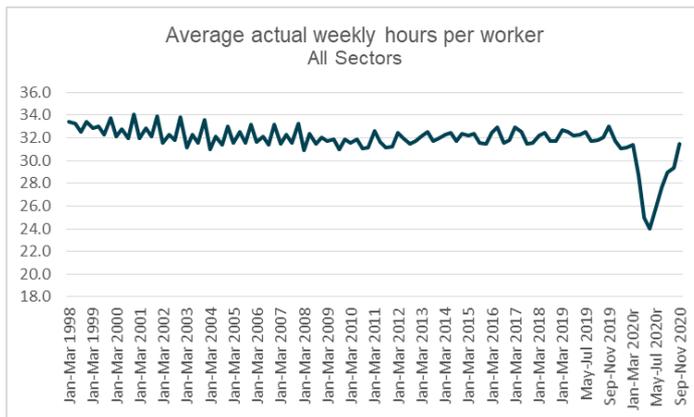
Total hours worked still low but continuing to show signs of recovery.

Between June to August 2020 and September to November 2020, total actual weekly hours worked in the UK saw an increase of 89.0 million, or 10.0%, to 979.9 million hours.

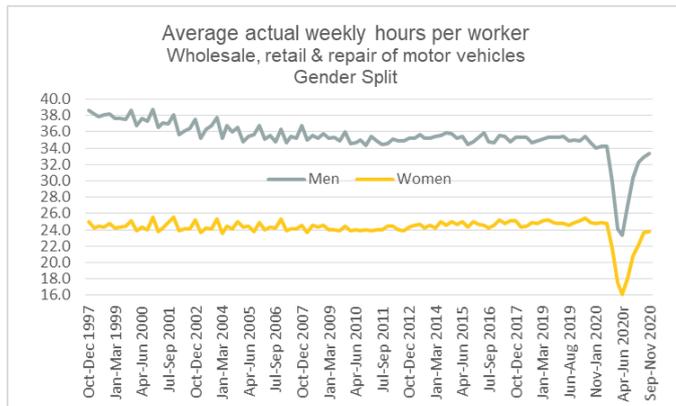
Average actual weekly hours worked saw an increase of 2.8 hours on the quarter to 30.1 hours.

All Jobs
31.5 hrs
ave worker hours per week Sept - Nov 2020

Automotive Jobs
29.0
ave worker hours per week Sept - Nov 2020



- In the period September to November 2020, the average worker carried out 31.5 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 29.0 hours.
- Since the record low from 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 46% compared to all industry 31%.
- Average hours worked remain at their lowest since records began.

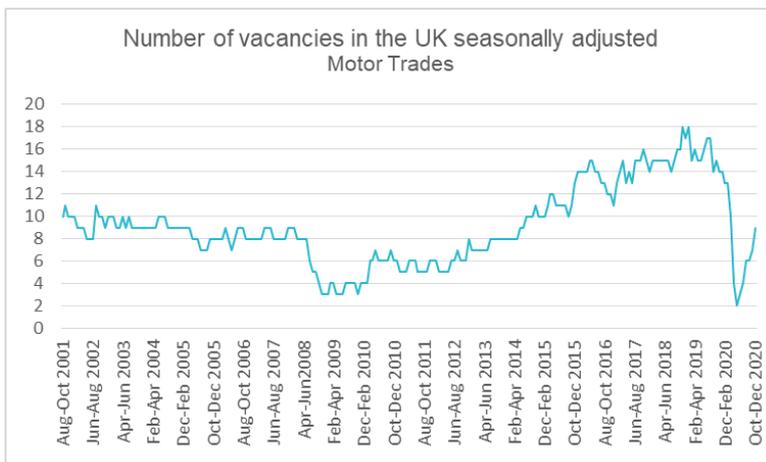


**Men
Automotive Jobs**
33.4
Ave worker hours per week
Sept - Nov 2020

**Women
Automotive Jobs**
23.8
Ave worker hours per week
Sept - Nov 2020

Between April to June 2020, and September - November 2020, average hours for men and women has increased. Men's hours have increased by 10.1 hours – an increase of 43%. Women's hours have increased by 7.7 hours, which is a 48% increase.

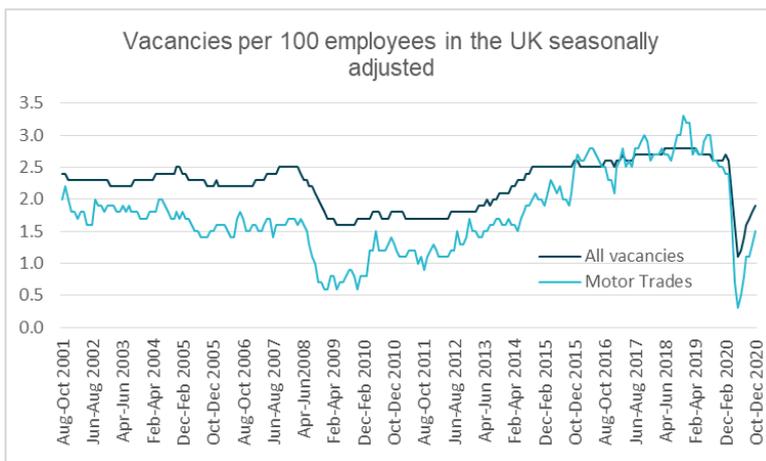
Vacancies



**Sector
9,000**
vacancies in October-December 2020

For October to December 2020, there were an estimated 9,000 vacancies in the Motor Trades sub sector; this is an increase of 29% since last month and more than 3 times more than the record low levels from April – June 2020.

The motor trade vacancies ratio is 1.5 which is 0.4 or 27% lower than the all vacancy rate.



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

Redundancies [Redundancy levels and rates by industry for those aged 16 and over]

This section 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 covers August to October 2020.

Unemployment [Unemployment by previous industrial sector]

This section 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 dataset is also split by gender.

Hours worked [Average actual weekly hours of work by industry sector]

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 October 2020; this dataset is also split by gender.

Vacancies [Vacancies by industry (seasonally adjusted)]

The following uses dataset **vacancies by industry (seasonally adjusted)** taken from the 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 is split by subsector and 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.

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

- A01 Labour market statistics summary data tables – Release January 26th 2021.
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release January 26th 2021
- UNEM03: All and long-term unemployment levels by industry of last job - Release January 26th 2021
- HOUR03: Average actual weekly hours of work by industry sector – Release January 26th 2021
- VACS02: Vacancies by industry - Release January 26th 2021