



INSTITUTE  
OF THE MOTOR  
INDUSTRY



# COVID-19 Automotive Landscape Report

Release 21

 +44 (0) 1992 511521

 [info@theimi.org.uk](mailto:info@theimi.org.uk)

 [www.theimi.org.uk](http://www.theimi.org.uk)



# COVID-19 – Automotive Retail Landscape

## Introduction

The aim of this report is to outline the current landscape for businesses operating in automotive retail, highlighting the economic impact and operational challenges that the COVID-19 pandemic has created. Release 21 incorporates the most recent ONS BIC data issued on the 20<sup>th</sup> May 2021.

For this release, the baseline sector numbers have been updated to 2020 figures.

Please note that throughout this report, 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' is the nearest proxy to represent the automotive sector. However, the data used for this report does include other sectors which may not be strictly automotive, and it is likely that other 'retail sectors' may have effected some measures disproportionately.

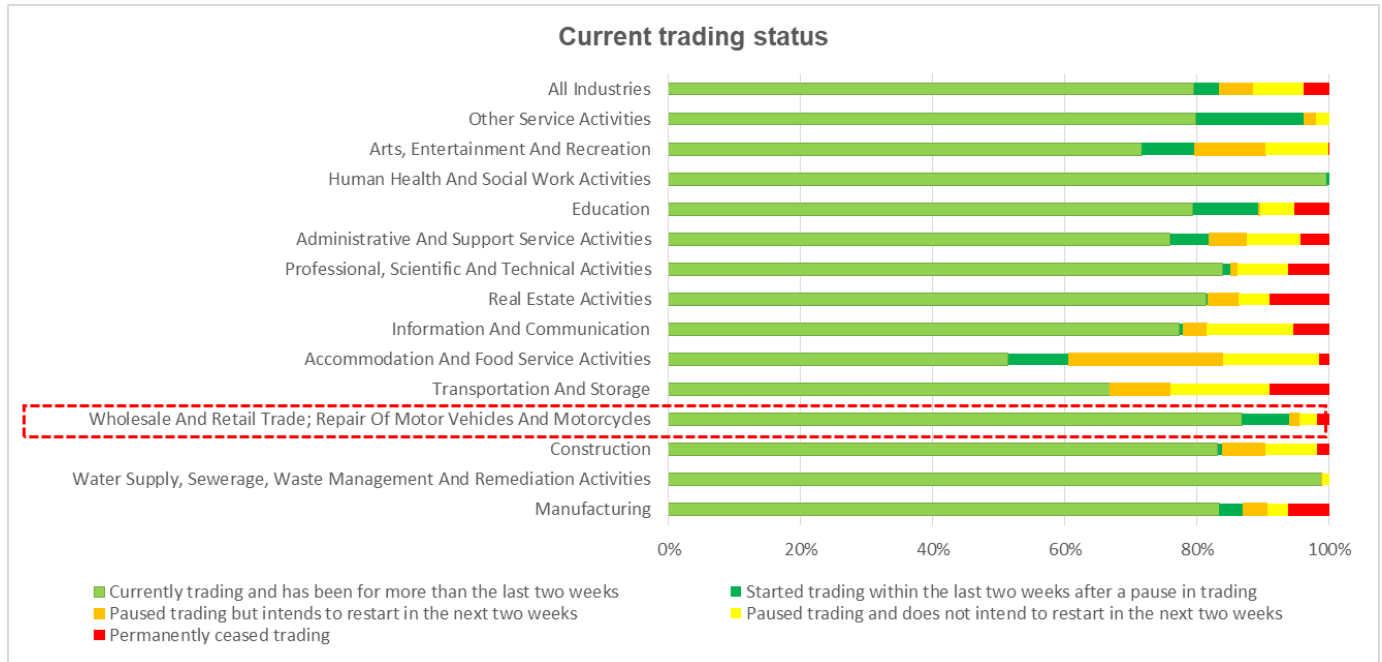
## Summary

### Key take away points

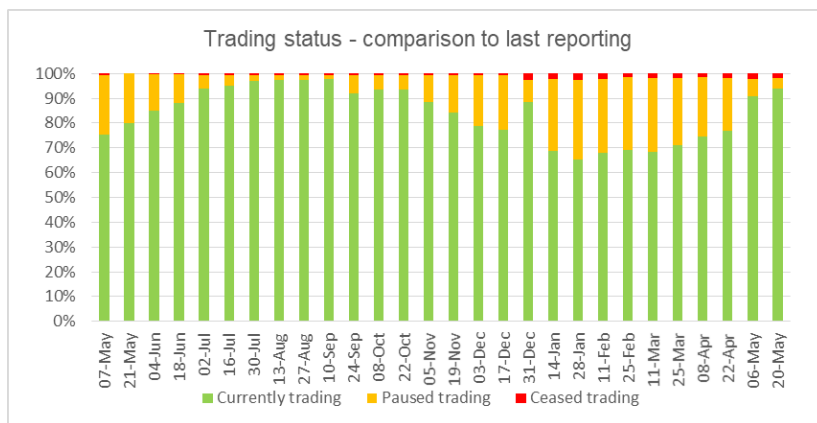
The second stage of the England roadmap to returning from lockdown 3.0, which saw the reopening on non-essential retail can now be seen in the data. The third stage (17<sup>th</sup> May) did not come into effect until the end of this wave's reporting period, however it is unlikely to significantly affect current business operations.

- The proportion of businesses open and trading has increased from 77% to 94%.
- There has been a reduction in the proportion of automotive businesses trading who are reporting a decrease in turnover from 37% to 31%. Also, the proportion that reported their turnover had decreased by more than 50%, has also fallen from 8% to 5%.
- The proportion of those who said that their cash reserves would last more than 6 months has increased from 42% to 45%.
- 6% stated that they had low or no confidence that their business will survive the next 3 months; this is a decrease of 5% since last reporting, indicating more confidence in a bounce back. However, 2% of automotive businesses stated that they are at severe risk of insolvency; this has increased by 1% since last reporting.
- The proportion of those on furlough has significantly fallen from 20% to 7%. Currently 63% of the sectors work force is back in their usual place of work.
- There has been an 11% increase in demand for digital skills and soft skills.

## Economic Indicators



## Trading

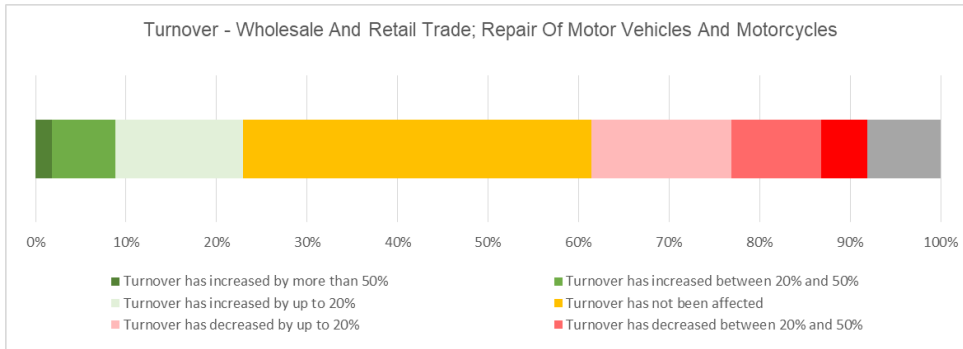


94% of automotive businesses are open and trading.

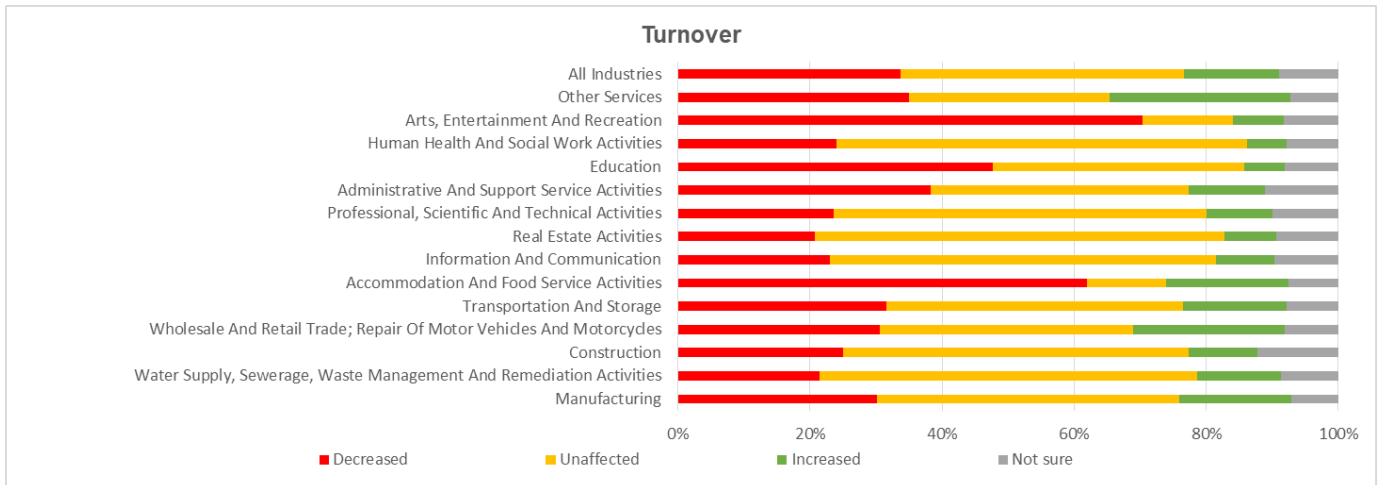
Unfortunately, it is being reported that 2% of businesses have permanently ceased trading - approximately 1,700 establishments. 4% of automotive businesses have temporarily closed or paused trading.

## Turnover

**In the last two weeks, how has the coronavirus (COVID-19) pandemic affected your business's turnover, compared to what is normally expected for this time of year?**

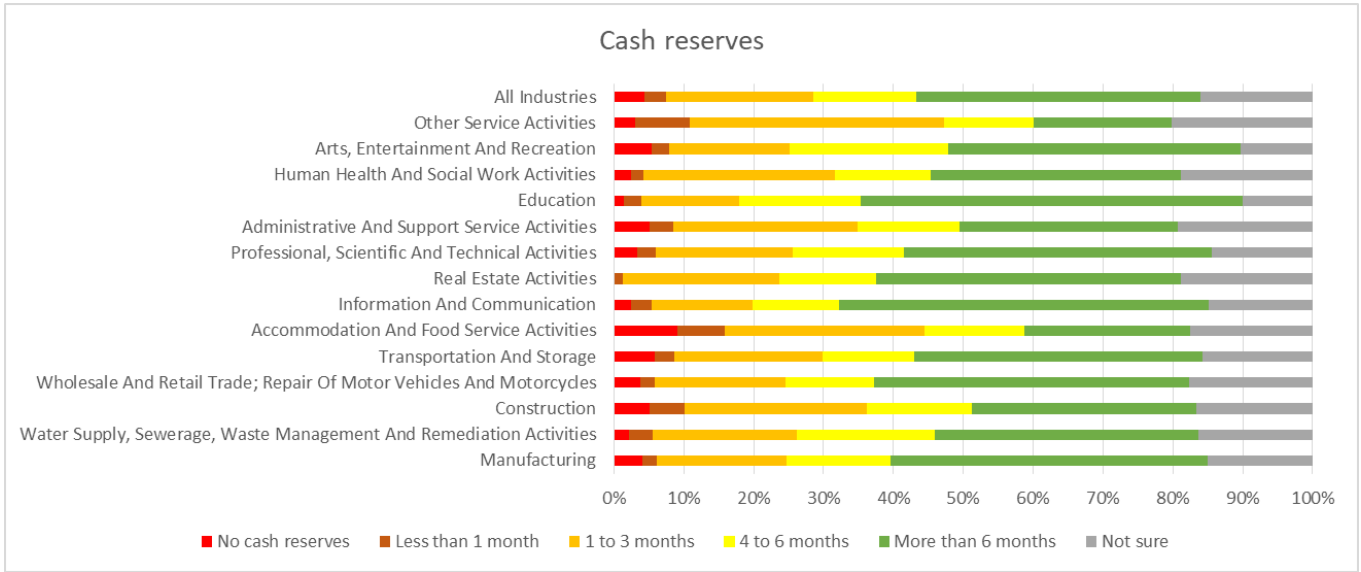


31% of automotive businesses trading are reporting a decrease in turnover. 5% of which are reporting turnover decreases of more than 50%.



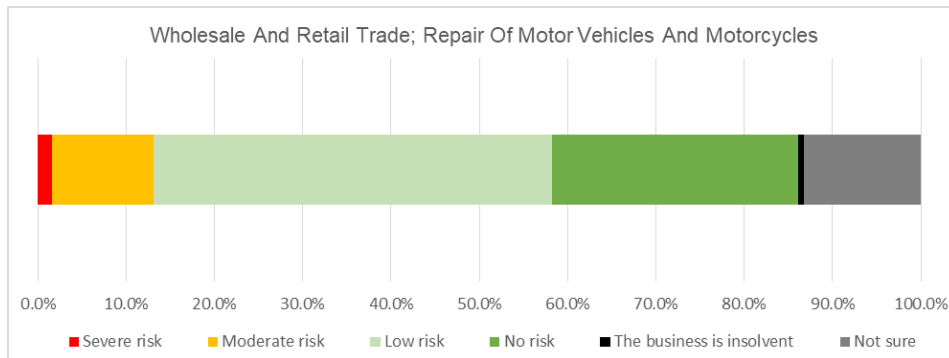
In terms of turnover, the automotive sector is performing well compared to other sectors, having the second highest % of businesses reporting an increase in turnover in the last 2 weeks (23%). However, this increase is likely due to the other 'retail sectors' included in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector such as supermarkets and online retailers such as Amazon.

## Cash reserves



45% of automotive businesses said that their cash reserves would last more than 6 months. 6% of automotive businesses said that they either had no cash reserves or less than a months' worth.

### Risk of insolvency

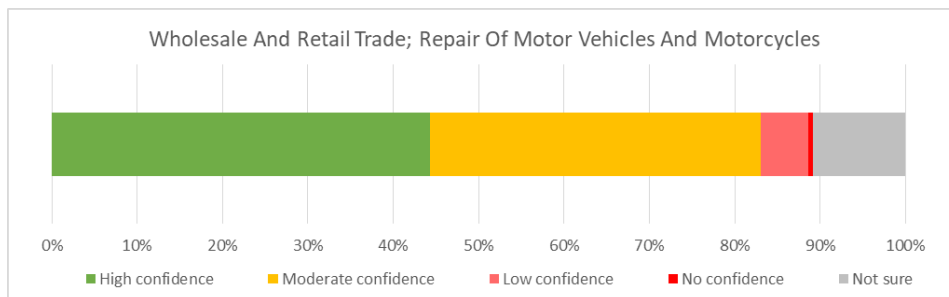


2% of automotive businesses stated that they are at severe risk of insolvency; this has increased by 1% since last reporting. 1% stated that they were already insolvent.

58% stated there was some risk of insolvency.

### Business confidence

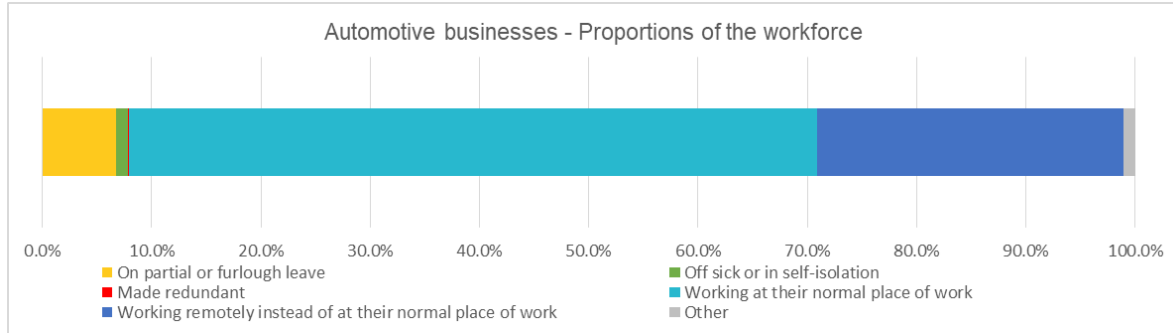
**How much confidence does your business have that it will survive the next three months?**



6% stated that they had low or no confidence that their business will survive the next 3 months. This is a decrease of 5% since last reporting, indicating more confidence in a bounce back.

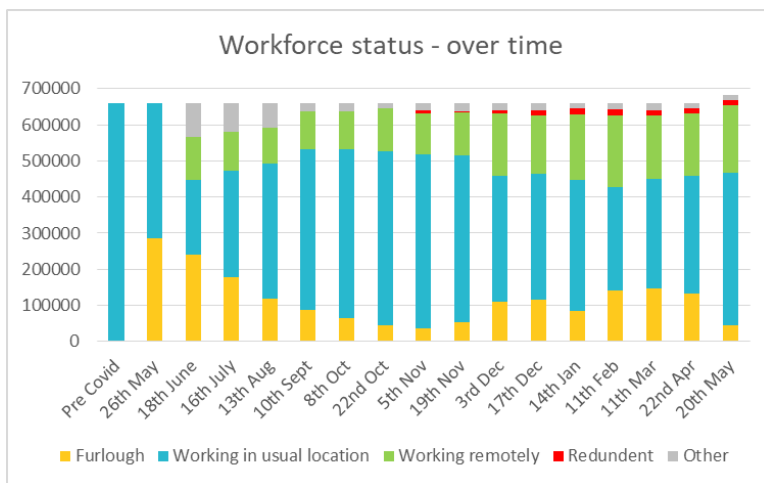
## Workforce

### Proportions



For automotive businesses still trading, 7% of the workforce are on partial leave or furlough. This proportion has decreased by 14% since last reporting. 28% of the workforce are working remotely instead of at their normal place of work. 1% are on sick leave or in isolation.

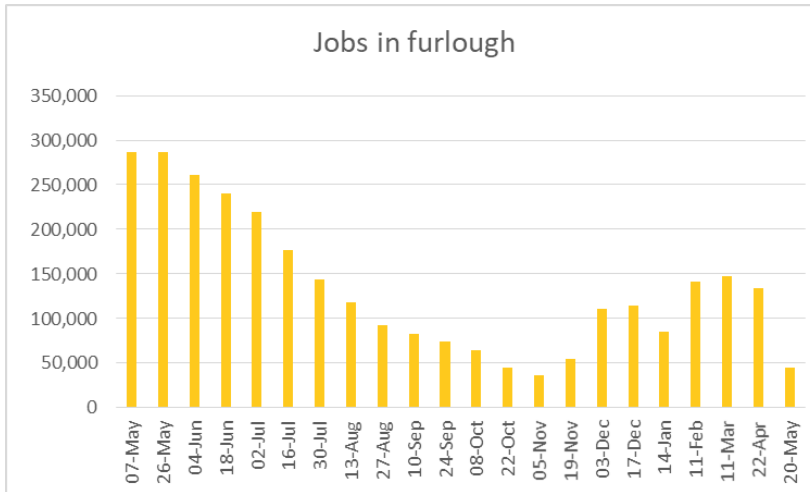
### Workforce over time



In the sector there are currently:

- 44,919 jobs on furlough.
- 187,723 jobs working remotely.
- 422,376 jobs working in the usual location.
- 14,750 redundancies.

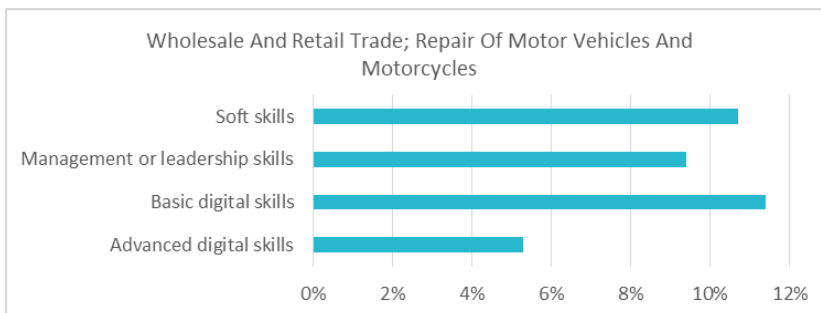
## Furlough



The proportion of those furloughed has been falling since mid-March and significantly fallen since last reporting.

## Demand for skills

Which, if any, of the following skills have you experienced an increase in demand for in the last 12 months?



There has been an 11% increase in demand for digital skills and soft skills.

## Data

- ONS - Business impacts of COVID-19 data released 20<sup>th</sup> May 2021 [Data relates to the period 3 to 16 May 2021].
- EMSI 2021.1 data [All data sourced from EMSI UK Analyst and Career information taken from EMSI occupation data].