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INSTITUTE  
OF THE MOTOR  
INDUSTRY



# Automotive UK labour market report

Release 8



+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 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 8 uses the January report which was released on the April 20<sup>th</sup> 2021.

## Summary of findings

The latest figures suggest that the jobs market has been broadly stable in recent months. After a few months of growth, there was a small monthly decrease in the number of pay rolled employees in March 2021. The largest monthly falls were seen at the start of the coronavirus (COVID-19) pandemic. Over the year, the largest falls in pay rolled employment have been in the hospitality sector, among those aged under 25, and among those living in London.

The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 8.7%, which has fallen by 10.6% since the record high throughout Aug-Oct 2020. Rates are currently at similar levels to 2012. It is also 1.4 percentage points higher than the 'All Industries' rate. It has the 8th 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.

Unemployment levels in the sector have decreased by 7.8% in the past month but remain 1.3% higher compared to the same period last year.

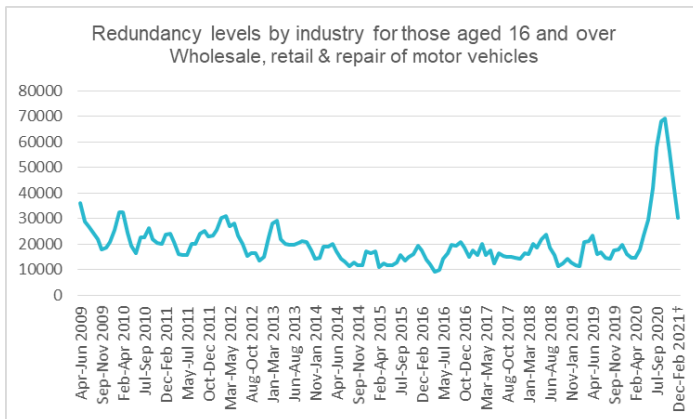
Total actual weekly hours worked in the UK was 959.9 million hours in December 2020 to February 2021. This was a decrease of 20.1 million, or 2.1%, from the previous quarter, coinciding with the introduction of further coronavirus (COVID-19) lockdown measures, which has stalled the recent recovery in total hours. In the period December to February 2021, the average worker carried out 29.2 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 26.5 hours. Since lockdown 3.0 was introduced the hours worked have been decreasing month on month, however levels are significantly higher than comparison to the record low from April to June 2020 (lockdown 1.0). Average hours worked remain at their lowest since records began.

For January 2021-March 2021, there were an estimated 9,000 vacancies in the motor trade sub sector; this has remained at the same level for the past 3 months. Levels are currently at the 2014 mark but are more than 4 times higher than the record low levels in April – June 2020. The motor trade vacancies ratio is 1.7 which is 0.3 or 15% 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



**30,388**  
made redundant in the  
sector  
Dec – Feb 2021

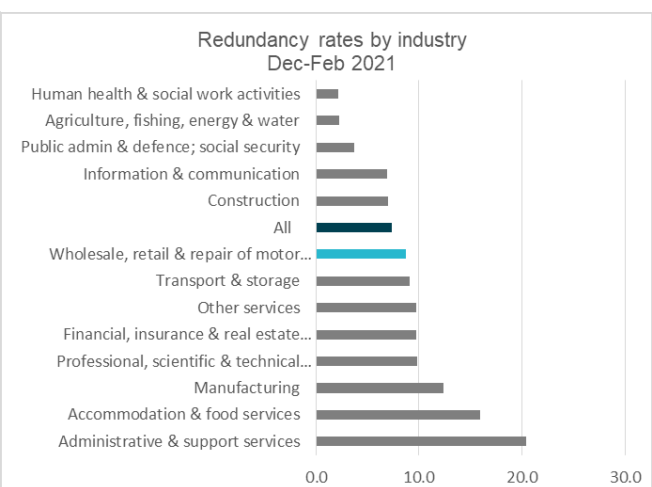
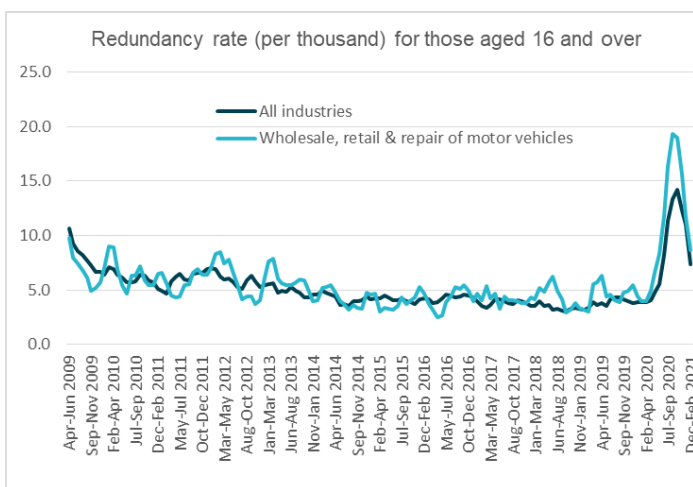
- -27% decrease in the past month
- 91% increase compared to the same period last year

Redundancy levels in the sector have been falling for the past 4 months, falling by 27% since last month, and at most recent reporting (December to February 2021) was 30,388. Levels remain the highest since 2012 and are currently 91% higher than the same period the year before.

### Redundancy Rates

**7.3%**  
Redundancy Rate  
Dec – Feb 2021

**8.7%**  
Automotive Sector  
Redundancy Rate  
Dec – Feb 2021



The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 8.7%, which has fallen by 10.6% since the record high in Aug-Oct 2020. Rates are currently at similar levels to 2012. It is also 1.4 percentage points higher than the 'All Industries' rate. It has the 8<sup>th</sup> 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

**179k**

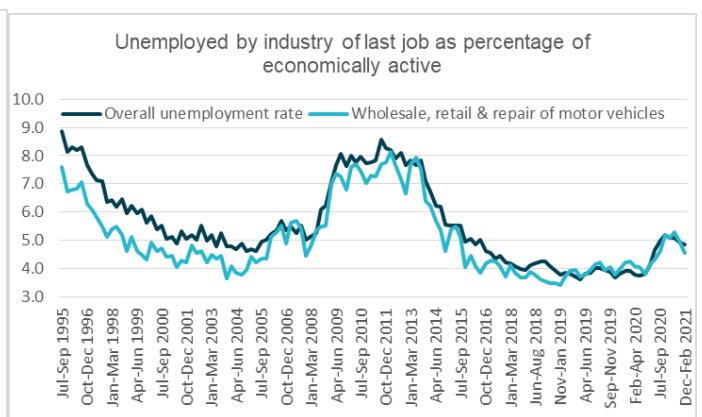
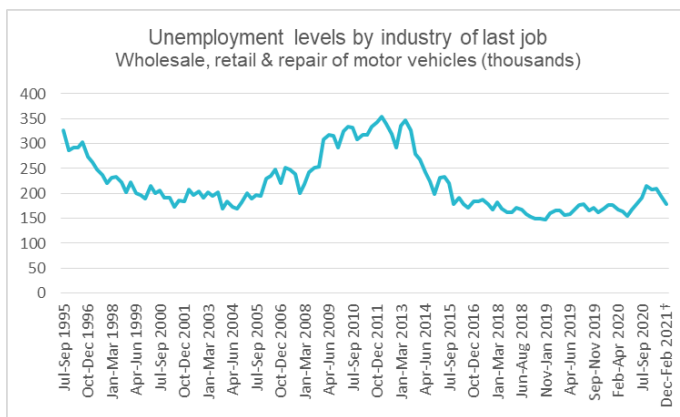
Unemployed with last job in automotive  
Dec-Feb 2021

**4.9%**

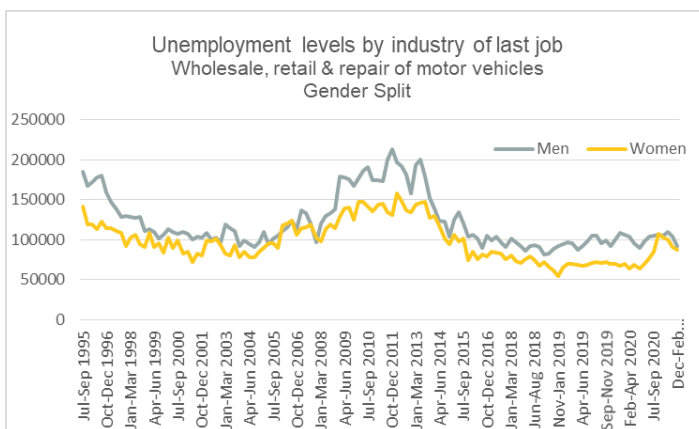
Unemployment rate  
Dec-Feb 2021

**4.6%**

Automotive percentage of economically active  
Dec-Feb 2021



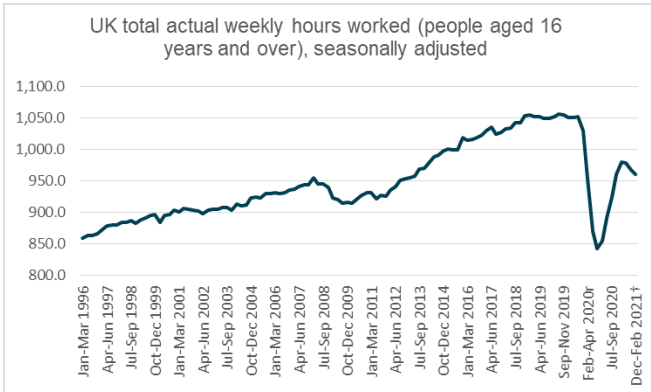
- In the period December to February 2021, approximately 179,000 people who are unemployed stated that their last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’.
- Unemployment levels in the sector have decreased by 7.8% in the past month but remain 1.3% higher compared to the same period last year.
- Comparing the unemployment rate in the sector as a percentage of economically active to the overall unemployment rate, automotive is 0.3% lower.



Of those unemployed whose last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’, 51% (92,000) are men and 49% (87,000) are women.

In the past month, unemployment for both men and women has been decreasing and currently these remain at similar levels.

## Hours worked



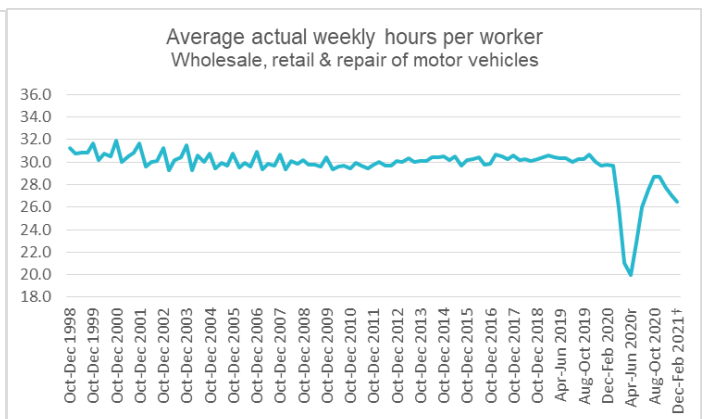
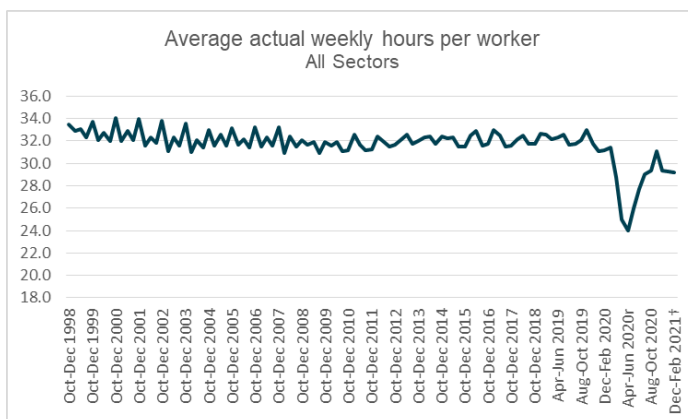
Total actual weekly hours worked in the UK was 959.9 million hours in December 2020 to February 2021. This was a decrease of 20.1 million, or 2.1%, from the previous quarter, coinciding with the introduction of further coronavirus (COVID-19) lockdown measures, which has stalled the recent recovery in total hours.

**All Jobs**  
**29.2 hrs**

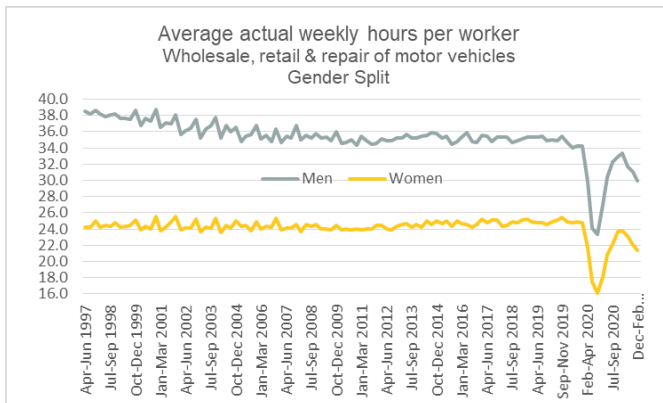
Avg worker hours per week Dec-Feb 2021

**Automotive Jobs**  
**26.5**

Avg worker hours per week Dec-Feb 2021



- In the period December to February 2021, the average worker carried out 29.2 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 26.5 hours.
- Since lockdown 3.0 was introduced the hours worked have been decreasing month on month, however levels are significantly higher in comparison to the record low from April to June 2020 (lockdown 1.0).
- Average hours worked remain at their lowest since records began.

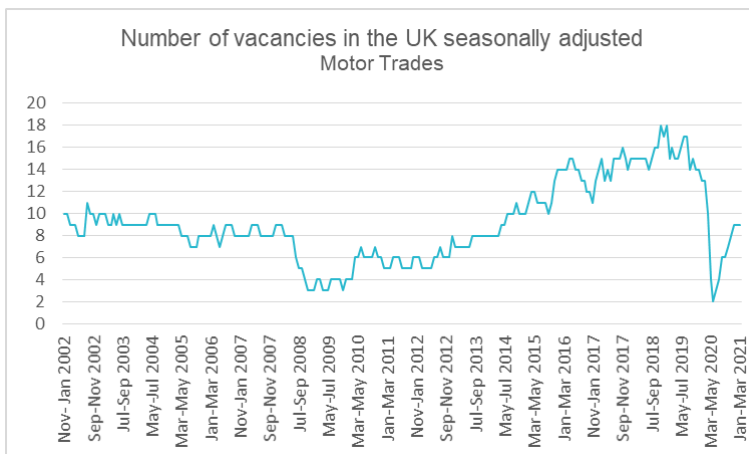


**Men**  
Automotive Jobs  
**30.0**  
Avg worker hours per week  
Dec-Feb 2021

**Women**  
Automotive Jobs  
**21.4**  
Avg worker hours per week  
Dec-Feb 2021

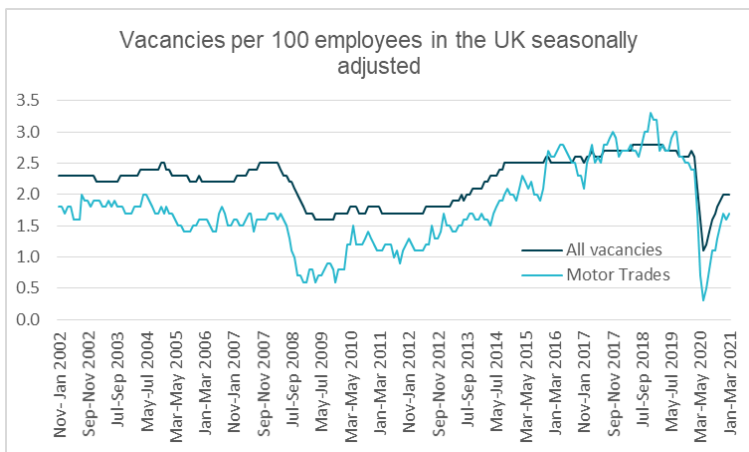
In the period December to February 2021, the average man working in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' worked 30 hours compared to women at 21.4 hours. Both saw falls in the number of hours worked -3 compared to the previous month.

## Vacancies



**Sector**  
**9,000**  
Vacancies in January - March 2021

For January-March 2021, there were an estimated 9,000 vacancies in the Motor Trades sub sector; this has remained at the same level for the past 3 months. Levels are currently at the 2014 mark but are more than 4 times higher than the record low levels in April – June 2020.



The motor trade vacancies ratio is 1.7 which is 0.3 or 15% lower than the all vacancy rate.



## Appendix

### Economic Indicators

#### 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.

#### 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. This dataset is also split by gender.

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

The section 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; 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 22<sup>nd</sup> April 2021
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release 22<sup>nd</sup> April 2021
- UNEM03: All and long-term unemployment levels by industry of last job - Release 22<sup>nd</sup> April 2021
- HOUR03: Average actual weekly hours of work by industry sector – Release 22<sup>nd</sup> April 2021
- VACS02: Vacancies by industry - Release 22<sup>nd</sup> April 2021