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Automotive UK labour market report

Release 10

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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 10 uses the August report which was released on the August 17th 2021.

Summary of findings

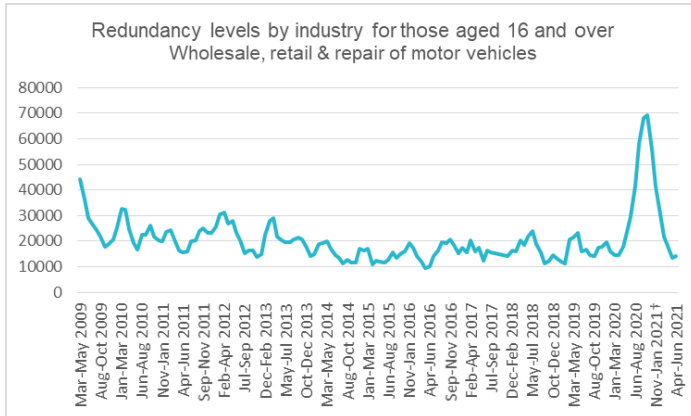
The most recent data show the labour market continuing to recover as all measures are at, or nearing pre-pandemic levels. Following a period of employment growth and low unemployment, since the start of the pandemic, the employment rate has generally decreased, and the unemployment rate increased. However, since the end of 2020, both have shown signs of recovery. With the relaxation of many Coronavirus restrictions, total hours worked increased in the quarter, however, it is still below pre-pandemic levels. The redundancy rate decreased in the quarter and has returned to pre-pandemic levels. There were an estimated 953,000 job vacancies in May to July 2021, a record high.

This is also true for the sector. Redundancy levels have slightly increased in the past month by 4% and at most recent reporting (April to June 2021) was at 14,113. Levels are now 40% lower than the same period in 2020 and are now post-pandemic levels. The redundancy rate in the 'Wholesale and Retail Trade; 'Repair of Vehicles and Motorcycles' sector is currently 4.1%, which is now at pre-pandemic levels and 14.6% lower than the record high in Aug-Oct 2020. It is also 0.5 percentage points higher than the 'All Industries' rate. It has the 6th highest rate of the 13 outlined industries. For May-July 2021, there were an estimated 15,000 vacancies in the Motor Trades sub sector; this has been increasing for the past 5 months. Levels are currently at 2019 levels. The motor trade vacancies ratio is 2.8 which is 0.4 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



14,113
Made redundant in the sector
Apr - Jun 2021

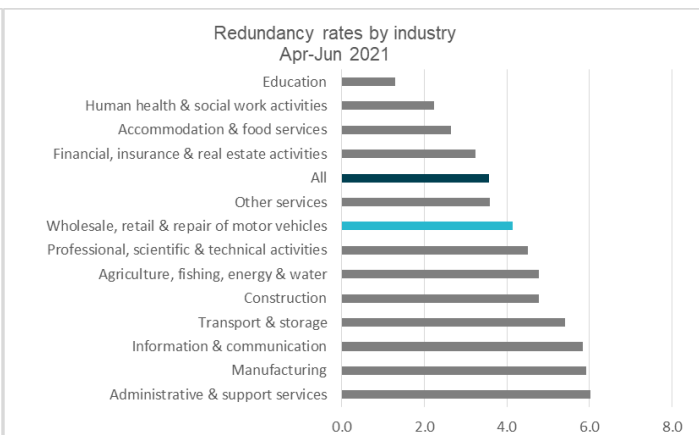
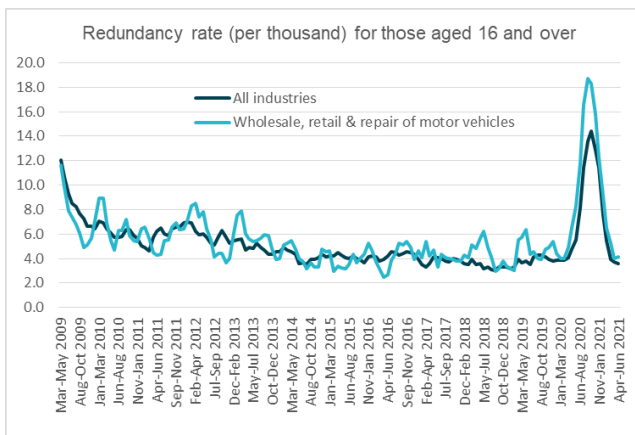
- 4% increase in the past month
- 40% decrease compared to the same period last year

Redundancy levels in the sector have slightly increased in the past month by 4% and at most recent reporting (April to June 2021) was at 14,113. Levels are now 40% lower than the same period in 2020 and are now post-pandemic levels.

Redundancy Rates

3.6%
Redundancy rate
Apr - Jun 2021

4.1%
Automotive sector
redundancy rate
Apr - Jun 2021



The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 4.1%, which is now at pre-pandemic levels and 14.6% lower than the record high in Aug-Oct 2020. It is also 0.5 percentage points higher than the 'All Industries' rate. It has the 6th highest rate of the 13 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

193k

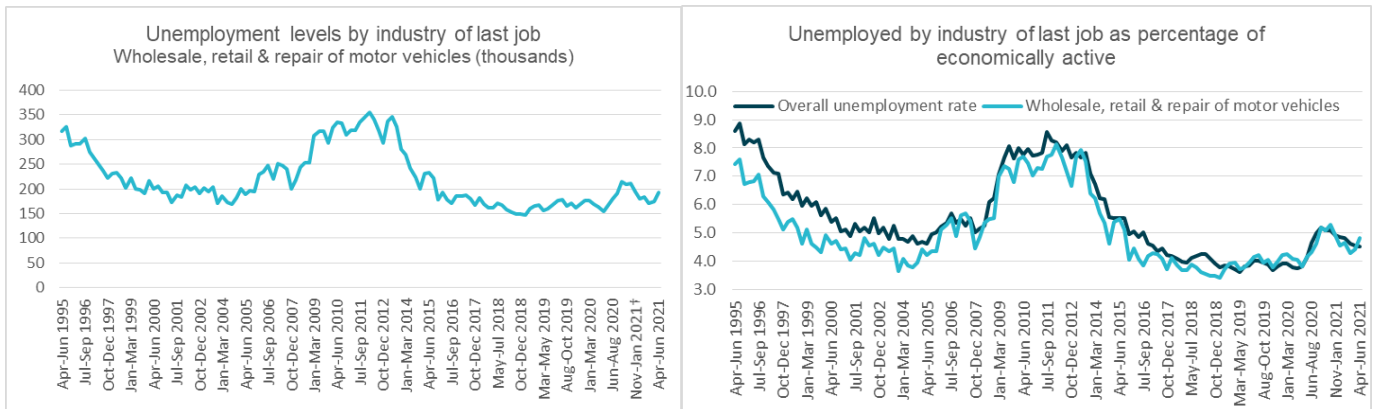
Unemployed with last job in automotive
Apr - Jun 2021

4.5%

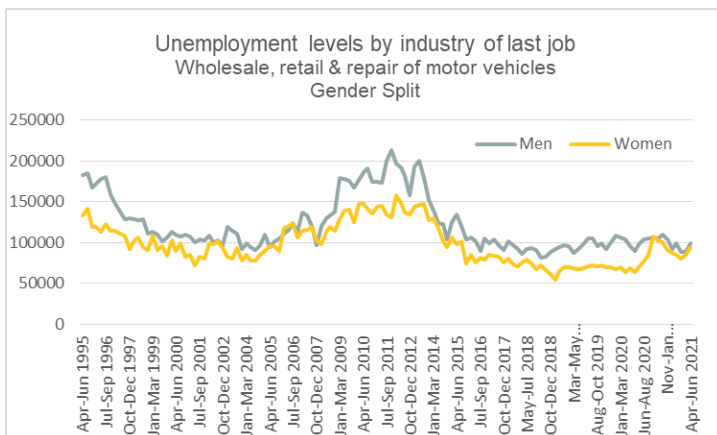
Unemployment rate
Apr - Jun 2021

4.8%

Automotive percentage of economically active
Apr - Jun 2021



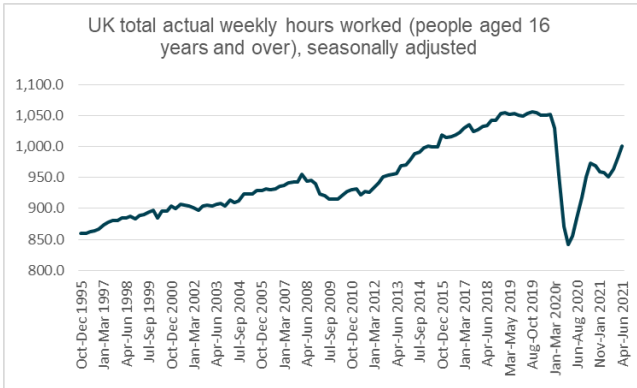
- In the period April to June 2021, approximately 193,000 people who are unemployed stated that their last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’.
- Unemployment levels in the sector have increased by 10.8% in the past month, and are 25% higher compared to the 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% higher.



Of those unemployed whose last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’, 51% (99,000) are men and 49% (94,000) are women.

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

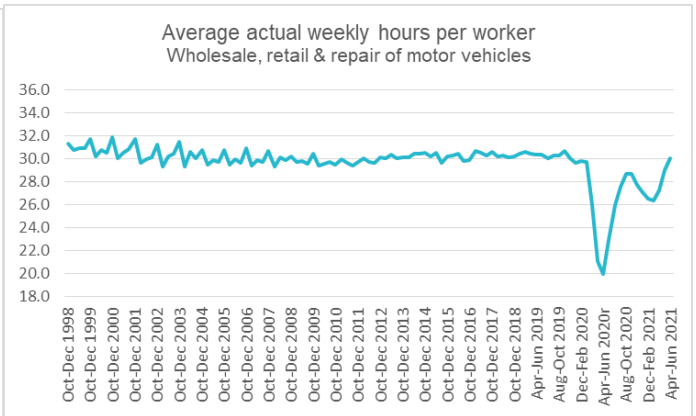
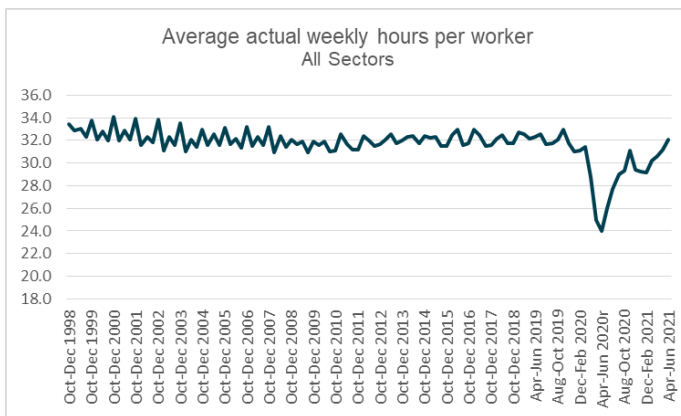
Hours worked



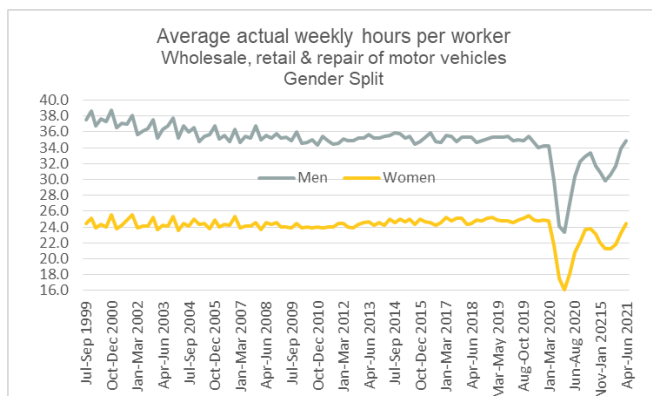
Total actual weekly hours worked increased on the quarter, reflecting the decreased Coronavirus restrictions but are still below pre-pandemic levels

All Jobs
32.1 hrs
Avg worker hours per week Apr - Jun 2021

Automotive Jobs
30.0
Avg worker hours per week Apr - Jun 2021



- In the period April to June 2021, the average worker carried out 32.1 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', who on average worked 30.0 hours.
- Average hours worked have increased in the past month and are now back to pre-pandemic levels

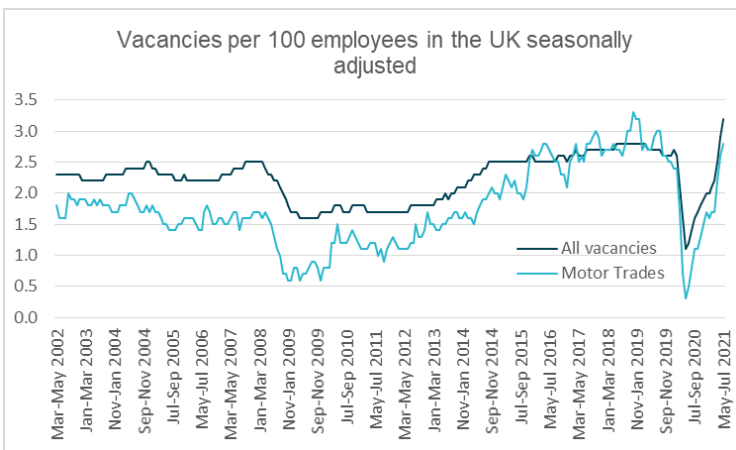
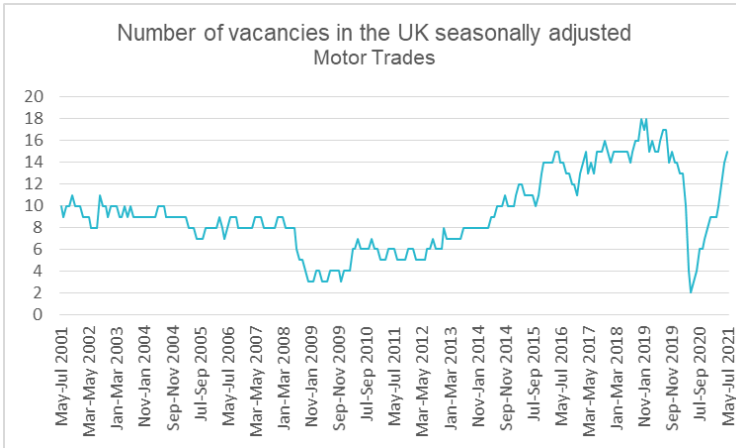


Men
Automotive Jobs
34.8
Avg worker hours per week
Apr - Jun 2021

Women
Automotive Jobs
24.4
Avg worker hours per week
Apr - Jun 2021

In the period April to June 2021, the average male working in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' worked 34.8 hours, compared to females at 24.4 hours. Both saw small increases of 3% (men) and 5% (women).

Vacancies



Sector
15,000
Vacancies in May-July 2021

For May-July 2021, there were an estimated 15,000 vacancies in the Motor Trades sub sector; this has been increasing for the past 5 months. Levels are currently at 2019 levels.

The motor trade vacancies ratio is 2.8 which is 0.4 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 15th August 2021
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release 15th August 2021
- UNEM03: All and long-term unemployment levels by industry of last job - Release 15th August 2021
- HOUR03: Average actual weekly hours of work by industry sector – Release 15th August 2021
- VACS02: Vacancies by industry - Release 15th August 2021