Automotive
UK labour market report

Release 5

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 5 uses the December report which was released on the 15th December 2020.

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 significantly, for example, the period from August to October 2020 was at 68,000; the highest since 2009. Redundancy levels are currently almost 4 times higher compared to the same period last year and have increased by 18% in the past month, an increase 10,000. Unemployment levels in the sector have increased by 13% in the past month and by 29% compared to the same time last year. For the first time since 2007, the levels of women unemployed in the sector are higher than men.

The number of automotive jobs has been falling since December 2019 and fell by 4% in the last quarter.

The Office for Budget Responsibility highlighted that the UK labour market has adjusted to the collapse in economic output differently from past recessions, mainly with a reduction in average hours worked, instead of a more equal split between a fall in employment and average hours worked. 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' rate with an average increase of 44% compared to all industry 22%. However the average hours worked remain at their lowest since records began.

For September to November 2020, there were an estimated 7,000 vacancies in the Motor Trade sub sector; this is an increase of 17% since last month and more than 3 times more than the record low levels in April – June 2020. The motor trade vacancies ratio is 1.3 which is 0.5 or 38% lower that the all vacancy rate indicating that the sector is recruiting at a lower rate than other industries.
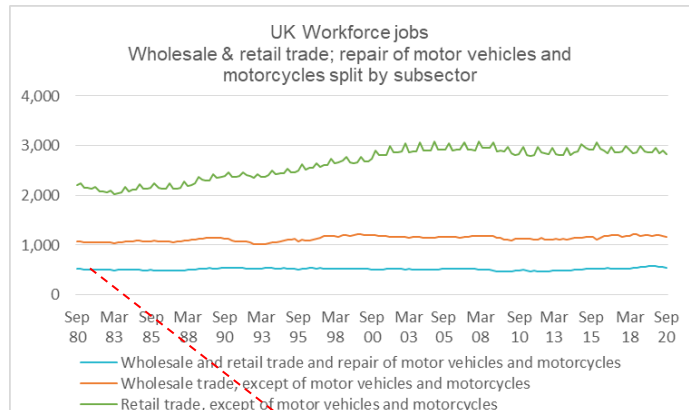
Employment

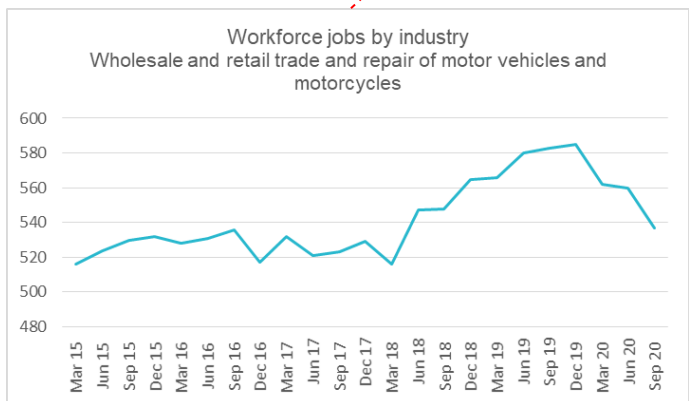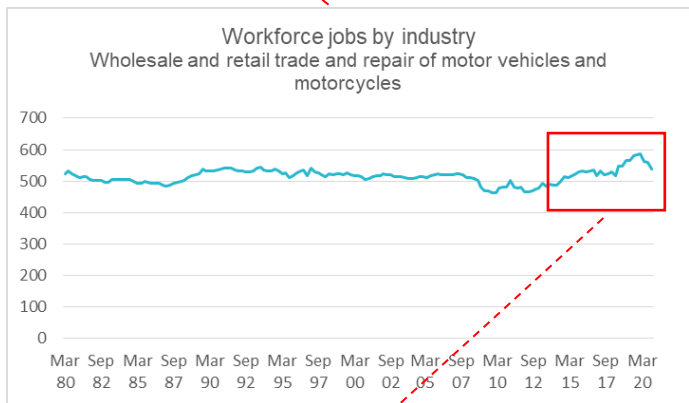| All Jobs |
|---|
| **30,170,000** |
| workforce jobs in September 2020 |

	% Change
Last quarter	-1%
Same quarter last year	-2%
Year average	-0.1%
Year average past 5 yr	3%

Automotive Jobs
537,000
workforce jobs in September 2020

	% Change
Last quarter	-4%
Same quarter last year	-2%
Year average	-2.2%
Year average past 5 yr	5.5%

UK Workforce jobs
All Industries

UK Workforce jobs
Wholesale & retail trade; repair of motor vehicles and motorcycles split by subsector

- Wholesale and retail trade and repair of motor vehicles and motorcycles
- Wholesale trade, except of motor vehicles and motorcycles
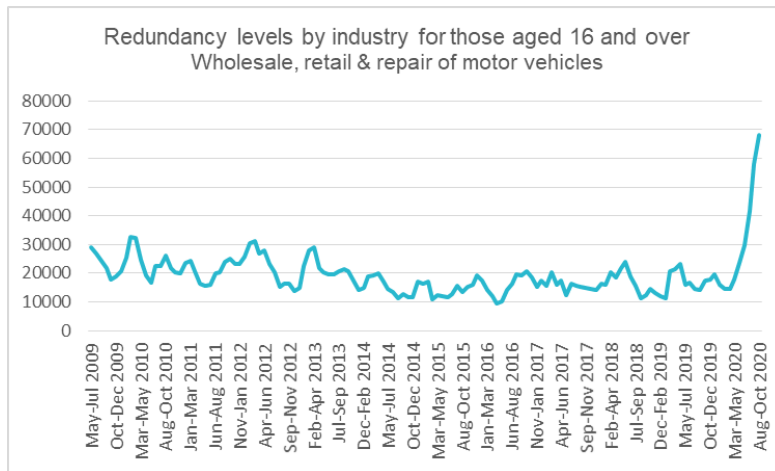- Retail trade, except of motor vehicles and motorcycles

- The number of jobs in the sector has decreased by 4% in the last quarter compared to all industries which fell by 1%.
- Comparing the same time period, the number of jobs in the automotive sector has fallen by 2% in the past year, the same as all industries
- The number of automotive jobs has been falling since December 2019

Workforce jobs by industry
Wholesale and retail trade and repair of motor vehicles and motorcycles

Workforce jobs by industry
Wholesale and retail trade and repair of motor vehicles and motorcycles

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

Redundancy levels by industry for those aged 16 and over
Wholesale, retail & repair of motor vehicles

68,000
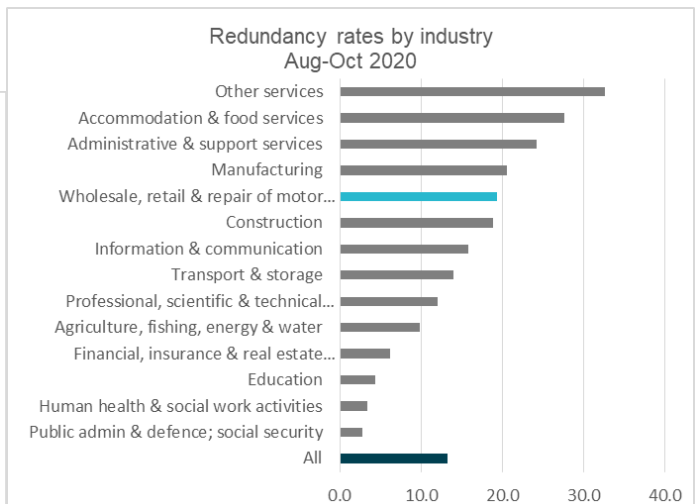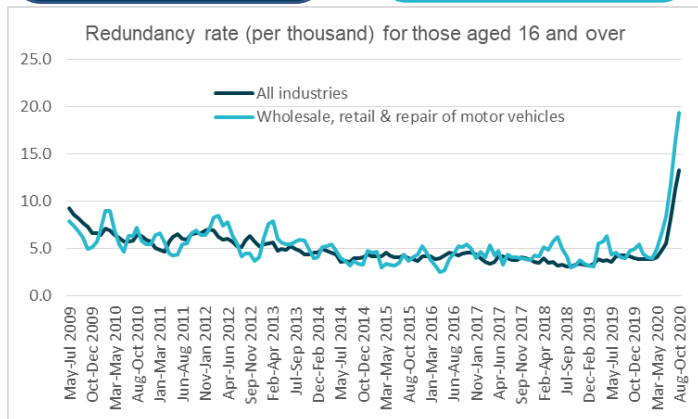made redundant in the sector
Aug - Oct 2020

- 18% increase in the past month
- 378% increase compared to same period last year

Redundancy levels in the sector continue to rise significantly, which in the period of August to October 2020 was at 68,000, and the highest since 2009. Redundancy levels are currently almost 4 times higher compared to the same period last year and have increased by 18% in the past month, an increase of 10,000.

Redundancy Rates

13.3%
Redundancy Rate
Aug-Oct 2020

19.3%
Automotive Sector
Redundancy Rate
Aug - Oct 2020

Redundancy rate (per thousand) for those aged 16 and over

- All industries
- Wholesale, retail & repair of motor vehicles

Redundancy rates by industry
Aug-Oct 2020

Other services
Accommodation & food services
Administrative & support services
Manufacturing
Wholesale, retail & repair of motor...
Construction
Information & communication
Transport & storage
Professional, scientific & technical...
Agriculture, fishing, energy & water
Financial, insurance & real estate...
Education
Human health & social work activities
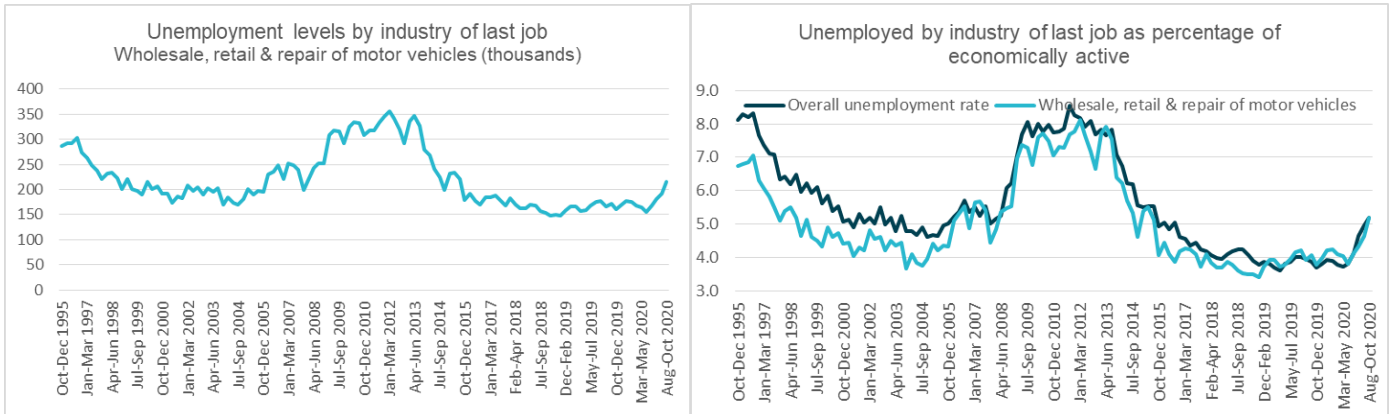Public admin & defence; social security
All

The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 6 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.
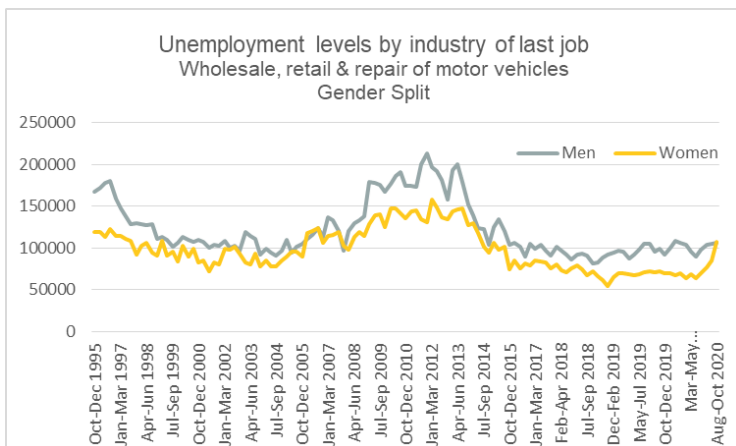
Unemployment

215k
unemployed last job automotive
Aug-Oct 2020

5.2%
unemployment rate
Aug – Oct 2020

5.2%
automotive percentage of economically active
Aug - Oct 2020

Unemployment levels by industry of last job
Wholesale, retail & repair of motor vehicles (thousands)

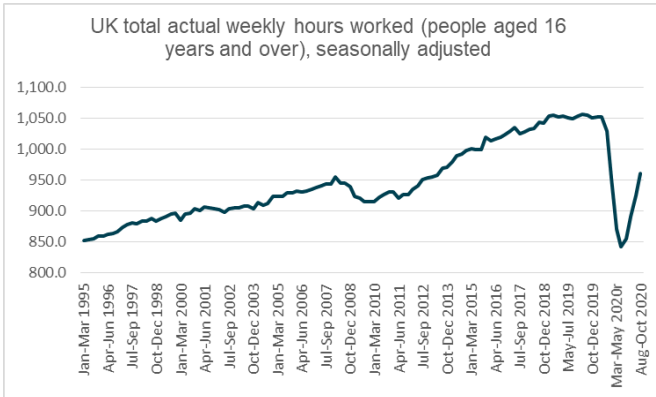Unemployed by industry of last job as percentage of economically active

- In August to October 2020, approximately 215,000 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 13% in the past month and by 29% 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, both are currently at the same rate.

Unemployment levels by industry of last job
Wholesale, retail & repair of motor vehicles
Gender Split

Of those unemployed whose last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', 49.7% (107,000) are men and 50.3% (108,000) are women. This is the first time unemployment levels of women have overtaken that of men since 2007.

In the past month, unemployment for both men and women has increased but at a significantly higher rate for women: 1% for men and 26% for women.

Hours worked

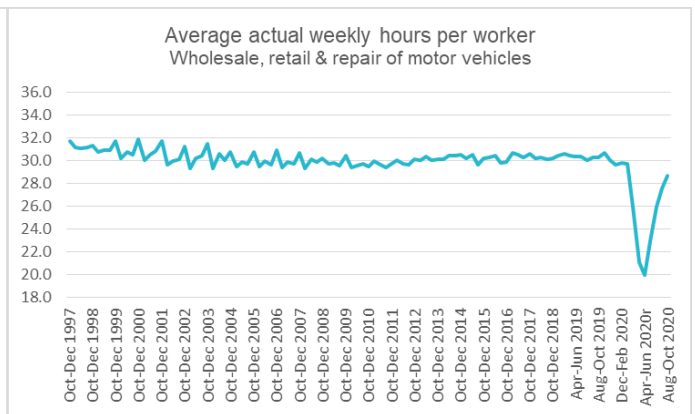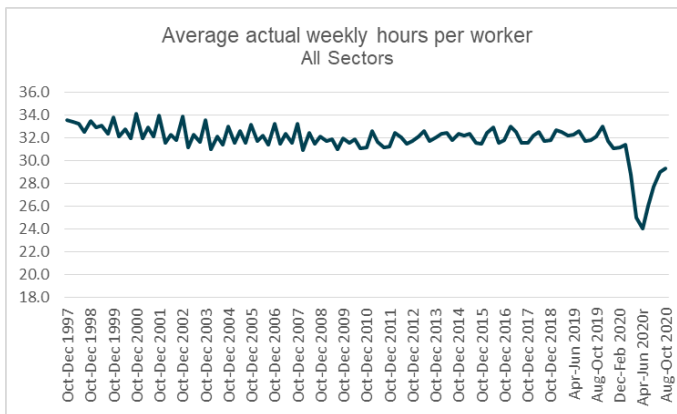UK total actual weekly hours worked (people aged 16 years and over), seasonally adjusted

Between May to July 2020 and August to October 2020, total actual weekly hours worked in the UK saw a record increase of 104.9 million, or 12.3%, to 960.0 million hours.
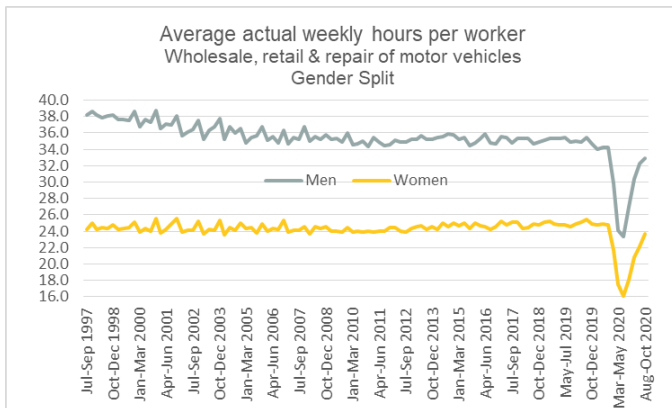
The Office for Budget Responsibility highlighted that the UK labour market has adjusted to the collapse in economic output differently from past recessions, mainly with a reduction in average hours worked, instead of a more equal split between fall in employment and average hours worked.

All Jobs	Automotive Jobs
29.3 hrs	**28.7**
ave worker hours per week Aug – Oct 2020	ave worker hours per week Aug – Oct 2020

Average actual weekly hours per worker
All Sectors

Average actual weekly hours per worker
Wholesale, retail & repair of motor vehicles

- In August to October 2020, the average worker carried out 29.3 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 28.7 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 44% compared to all industry 22%.
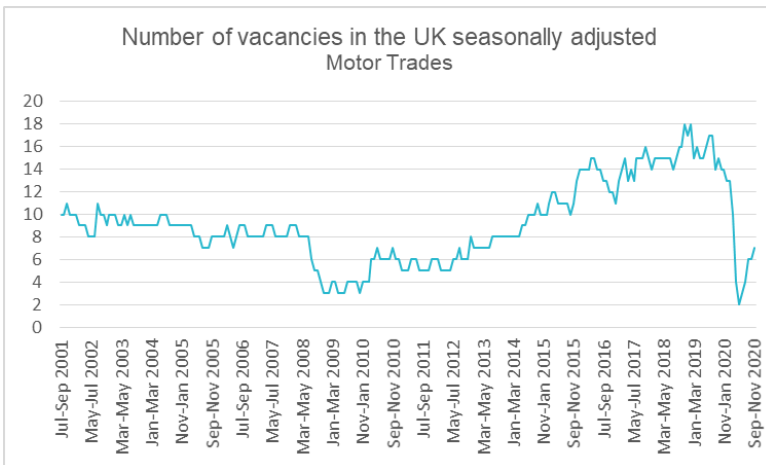- Average hours worked remain at their lowest since records began.

Average actual weekly hours per worker
Wholesale, retail & repair of motor vehicles
Gender Split

| Men
Automotive Jobs
32.9
Ave worker hours per week
Aug - Oct 2020 | Women
Automotive Jobs
23.7
Ave worker hours per week
Aug – Oct 2020 |

Between April to June 2020, and August to October 2020, average hours for men and women has increased. Men's hours have increased by 9.6 hours – an increase of 41%. Women's hours have increased by 7.6 hours, which is a 48% increase.
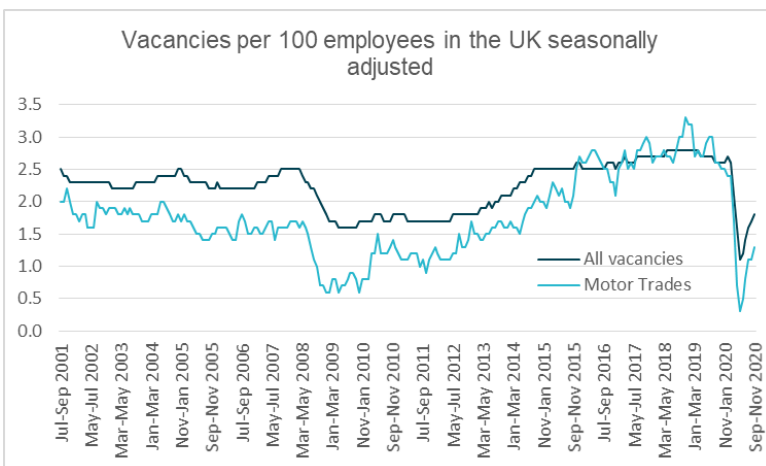
Vacancies

Number of vacancies in the UK seasonally adjusted
Motor Trades

Sector
7,000
vacancies in September-November 2020

For September to November 2020, there were an estimated 7,000 vacancies in the Motor Trades sub sector; this is an increase of 17% since last month and more than 3 times more than the record low levels in April – June 2020.

The motor trade vacancies ratio is 1.3 which is 0.5 or 38% lower that the all vacancy rate.

Vacancies per 100 employees in the UK seasonally adjusted

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 4), that are available to be broken down by industry sector, have been analysed. These include:

Employment   **[Workforce jobs by industry (seasonally adjusted)]**

The following uses dataset **workforce jobs by industry (seasonally adjusted)** taken from Employer surveys and the Labour Force Survey. The data is a quarterly dataset and has been recorded since 1978, the most recent data is from September 2020

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 is from 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 data set 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 data set 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 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.

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 December 17th 2020.
- JOBS02: Workforce jobs by industry (not seasonally adjusted) - Release December 17th 2020.
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release December 17th 2020.
- UNEM03: All and long-term unemployment levels by industry of last job - Release December 17th 2020.
- HOUR03: Average actual weekly hours of work by industry sector - Release December 17th 2020.
- VACS02: Vacancies by industry - Release December 17th 2020.