



INSTITUTE OF THE
MOTOR INDUSTRY

IMI RESEARCH
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UK AUTOMOTIVE VACANCY OVERVIEW



Summary

The UK's Motor Trades sector faces a complex employment landscape, shaped by post-pandemic recovery patterns, technological advances, and changing consumer behaviours.

The vacancy rate in the sector stands at 4.3 for the last eight months, significantly higher than the industry average, highlighting ongoing challenges in attracting and retaining skilled workers. The notable shift towards electric vehicles (EVs) intensifies these challenges, needing new skills and expertise.

Job postings peak in June 2023, then decrease, yet the level of vacancies remains high—underlining the difficulties with skill shortages and the need for a workforce capable of handling advanced technology vehicles.

The analysis shows the sector at a crossroads, needing to adapt to future mobility trends while addressing the skill gap to maintain a successful and thriving workforce.

Key Points:

1. The Motor Trades sector's vacancy rate stays at 4.3, unchanged for eight months and 43% above the all-industry average of 3.0.
2. With about 23,000 vacancies, the sector ranks second in vacancy rates, just behind the Accommodation and Food Services sector.
3. Most job postings (52%) seek Vehicle Technicians, Mechanics, and Electricians, indicating a high demand for skilled labour.
4. A second surge in vacancies appeared early in 2023 but has levelled off, highlighting challenges in filling positions due to skill shortages and the shift towards EVs.
5. Job postings rose by 5% from December 2023 to January 2024, with Vehicle Valeters and Cleaners seeing notable growth, possibly due to seasonal trends or better customer service.
6. The sector's vacancy rates versus job postings show it facing technological changes and a need for skilled workers for the future of mobility.

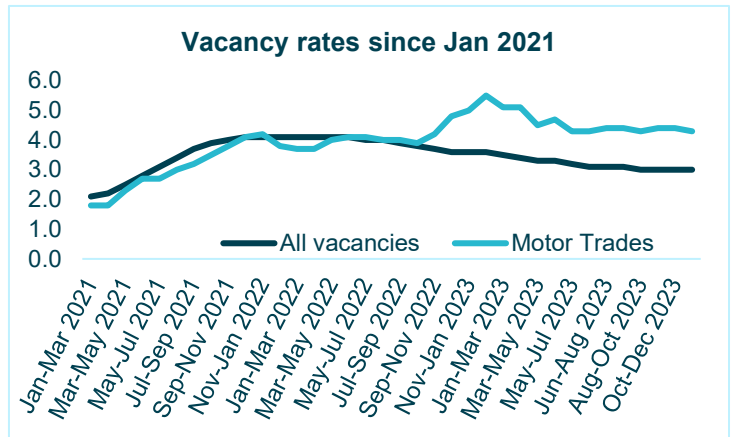


Vacancy rates

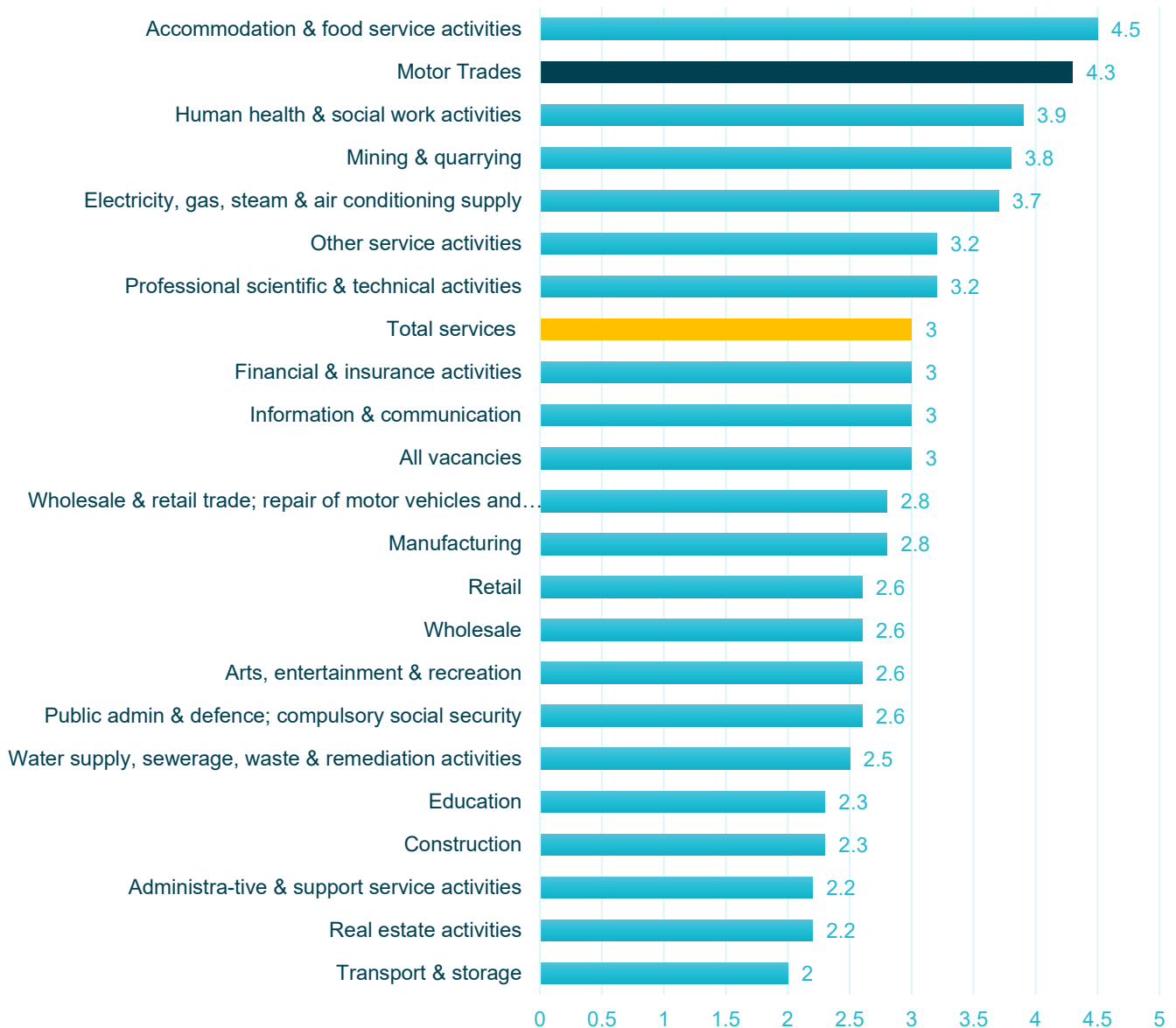
The Motor Trades sector's vacancy rate is 4.3; relatively static for the past eight months.

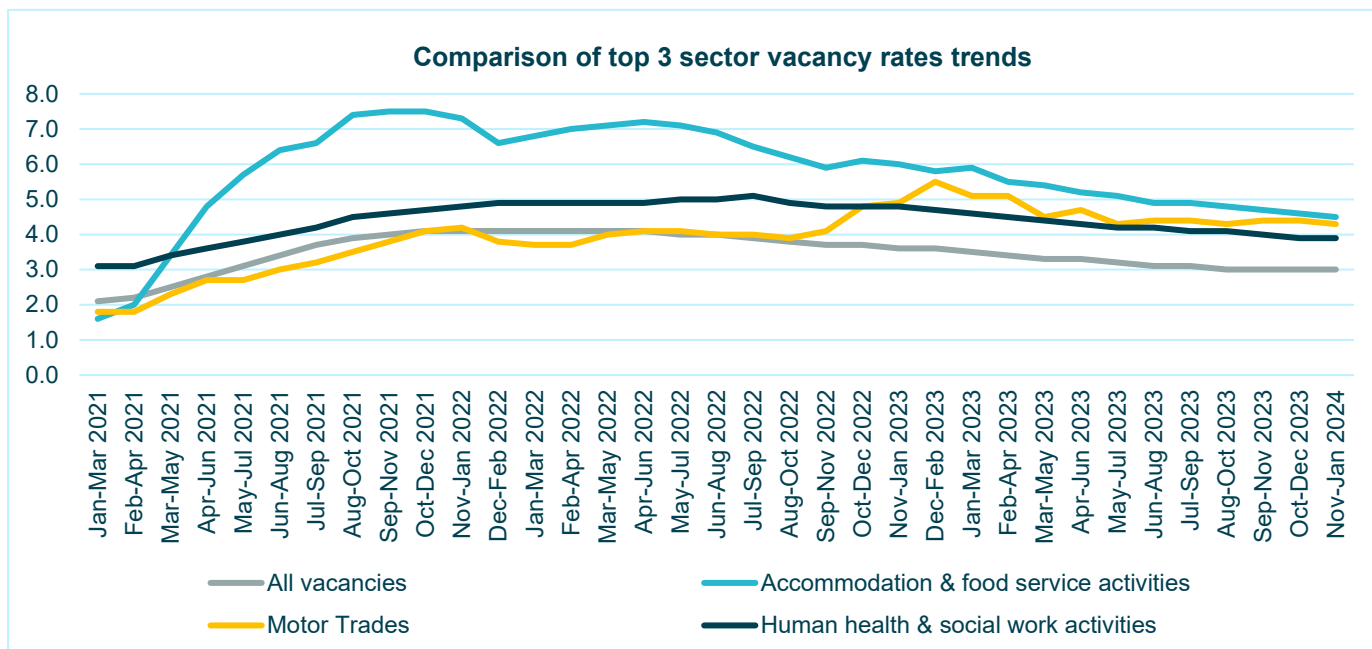
The rate is still considerably higher — by 43% — compared to the all-industry average of 3.0.

With about 23,000 job openings, the sector records the second-highest vacancy rate, just below Accommodation and Food Services.



Comparison of vacancy rates by sector Dec-Feb 2023





When looking at vacancy rate trends in the UK, especially in the Motor Trades sector, we find some interesting patterns, especially among sectors with the highest vacancy rates. After the Covid Pandemic, all sectors experienced a spike in vacancies. However, the speed of recovery has varied a lot between these sectors.

The Accommodation and Food Service Activities sector saw a big jump in vacancies right after the pandemic, and it took more than a year for these rates to start dropping. The Motor Trades sector initially followed the overall market trends with a surge in vacancies like other industries. But, in the early months of 2023, Motor Trades had a significant second surge in vacancy rates. This pushed it past the Human Health and Social Work Activities sector, known for high vacancy rates, making it almost match the vacancy levels of Accommodation and Food Service Activities.

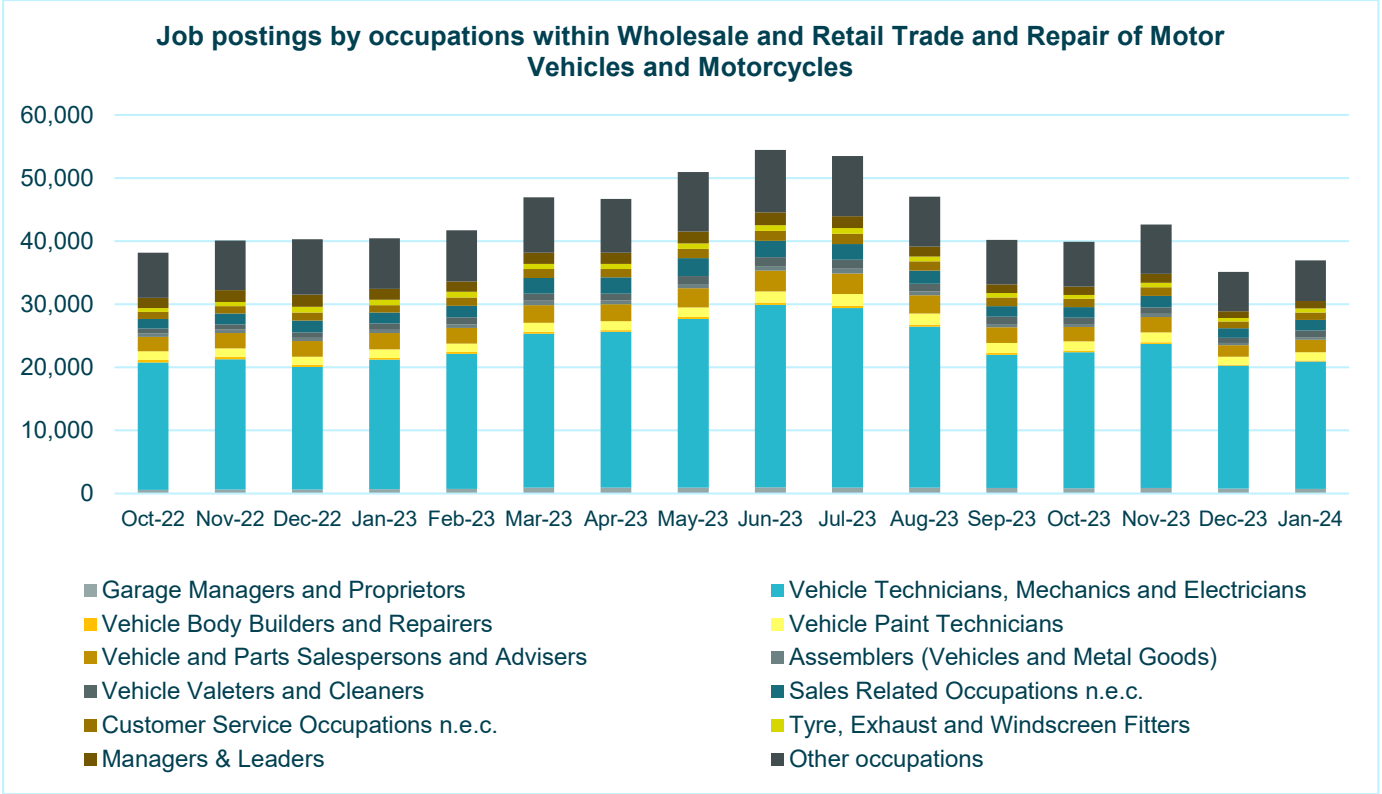
After hitting its peak in 2023, the vacancy rates in Motor Trades began to fall, but more slowly than in other sectors. From the summer of 2023, while other sectors continued to find drops in vacancy rates, the Motor Trades rates have stayed the same. The latest data shows the Motor Trades with the second-highest vacancy rate, just 0.2% below the Accommodation and Food Service Activities sector.

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There could be several reasons for these trends. The sector's second surge in early 2023 might show specific problems like skill shortages and changing consumer attitudes towards owning and using vehicles. The automotive industry is also facing big changes with the move to electric vehicles (EVs), needing new skills and expertise that are in short supply.

The slower decrease in vacancy rates since mid-2023 might point to bigger issues in attracting and keeping talent, maybe because of competition from other sectors or not enough incentives within the Motor Trades. This levelling off vacancy rates indicates a recovery that's being held back by these challenges.

Job postings



In the UK's automotive sector, including Wholesale, Retail Trade, Repair of Motor vehicles, Motorcycles, and directly related jobs, we've noticed a significant trend over the last 16 months. Job postings peaked in June 2023 with 54,500 listings. By January 2024, this number fell to 37,000, a significant drop of nearly a third from the June figures.

A closer look shows that more than half (52%) of all job adverts is for roles like Vehicle Technicians, Mechanics, and Electricians. This is slightly higher than their actual share in the sector, which is 48%. Besides the general category of 'All Other Occupations,' jobs in sales are the next biggest group

Between December 2023 and January 2024, there was a 5% increase in job postings, with Vehicle Valeters and Cleaners with the most significant percentage rise.

The larger number of ads for Vehicle Technicians, Mechanics, and Electricians than their real number in the sector signals a growing need for skilled workers. This likely stems from cars becoming more complex, particularly as we move towards electric vehicles (EVs). This change demands a workforce equipped with new skills, pointing to a possible skill gap in the job market.

The rise in job ads from December 2023 to January 2024, especially for Vehicle Valeters and Cleaners, may suggest seasonal changes in the automotive industry, where some roles are more in demand at certain times of the year. It might also show a wider trend of improving customer service and experience in the sector, with more emphasis on vehicle presentation and upkeep.

Vacancy"rates and job postings

When we look at the vacancy rates in the UK's Motor Trades sector alongside job posting trends in the UK automotive sector, we get a clearer picture of the automotive employment market today. These analyses reveal a sector going through big changes in demand for specific roles and skills, influenced by broader economic and technological shifts.

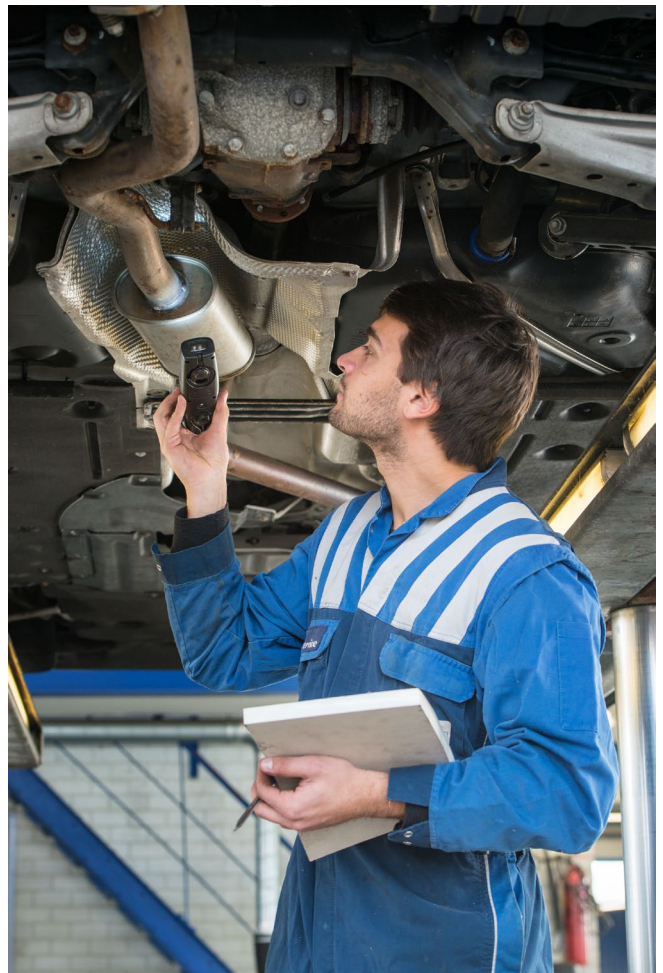
A noticeable second rise in vacancy rates in the Motor Trades sector at the beginning of 2023, which then levels off, coincides with a spike in job postings in June 2023. This spike signals a strong demand for workers, likely as businesses try to tackle skill shortages and adapt to changing consumer habits and technological advancements, especially the shift towards electric vehicles (EVs). The drop in job postings to 37,000 by January 2024, while vacancy rates start to decrease but remain high, suggests that although some roles are being filled, attracting, and keeping the necessary talent continues to be a challenge.

The fact that over half of the job ads target Vehicle Technicians, Mechanics, and Electricians—crucial for transitioning to EVs—highlights specific skill shortages in the industry. The slightly higher percentage of ads for these roles, compared to their actual proportion in the sector, highlights the increasing demand for skilled workers who can service and repair modern, technologically advanced vehicles. This aligns with insights indicating that the sector's efforts to recover and fill vacancies are hindered by deeper challenges, including the need for new skills and expertise.

Additionally, the rise in job ads for Vehicle Valeters and Cleaners from December 2023 to January 2024, though small, might reflect broader trends in consumer expectations and the automotive industry's focus on customer service and vehicle presentation.

This could also signal seasonal shifts in the automotive sector's employment needs or a response to the slow decrease in overall vacancy rates, as businesses perhaps aim to expand services and improve customer satisfaction in a competitive market.

Overall, the interaction between trends in vacancy rates and job postings in the UK automotive sector illustrates a complex scenario. It's defined by technological evolution, shifting consumer preferences, and the ongoing challenge of bridging the skills gap. These dynamics point to a sector in transition, facing the dual tasks of adapting to the future of mobility and as a skilled workforce to prosper in this new landscape.



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