



INSTITUTE
OF THE MOTOR
INDUSTRY



Automotive UK labour market report

Release 2



+44 (0) 1992 511521



info@theimi.org.uk



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 2 uses the August report which was released on the 11th August.

Summary of findings

- In April to June 2020 approximately 154,000 who were unemployed stated that their last job was in automotive. This has fallen by 6% in the past month and by 3% on the same time period last year.
- The UK has seen the largest annual decrease in total actual weekly hours on record. This is also the case for the automotive sector. Average hours have continued to fall from March to May 2020 and from April to June 2020 for all jobs (-3%) and at an even faster rate for those in automotive (-4%).
- Between January to March 2020 to April to June 2020, average hours in the automotive sector hours fell by 7 hours - a fall of 24%. Automotive has seen one of the largest falls in all sectors with only accommodation & food services seeing larger % falls in the same period.
- Vacancies increased by 10% compared to last month. The first increase in vacancies since the start of the year in the automotive sector compared to last month but are down 68% compared to the same period last year. Automotive has one of the largest falls in vacancies of all the sectors with only accommodation & food services seeing larger % falls.
- Automotive average weekly earnings are £141 (21%) lower than the average for all jobs. Automotive average earnings increased by 1.6% in the last quarter and 2.0% compared to the same period the year before.

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. Since the pandemic, the significance and awareness of this report has significantly increased. The report uses over 80 data sets / sources and makes these available for use. 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 1 July 16th), that are available to be broken down by industry sector, have been analysed. These include:

- Unemployment [Unemployment by previous industrial sector]
- Hours worked [Average actual weekly hours of work by industry sector]
- Vacancies [Vacancies by industry (seasonally adjusted)]
- Earnings [Average weekly earnings]

This report is part of the IMI regular research reporting cycle.

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.

Unemployment

The following 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 June 2020. This data set is also split by gender.

154k

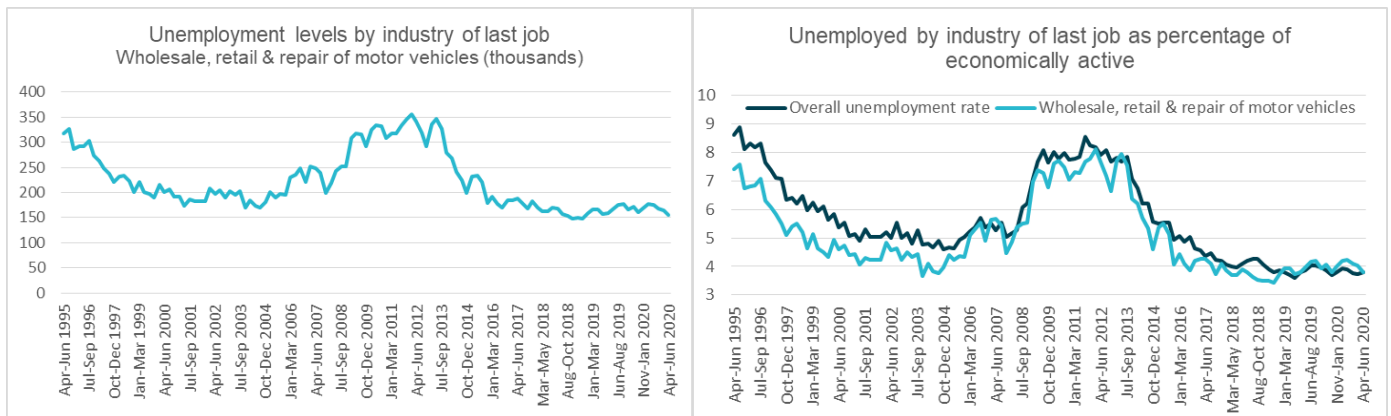
Unemployed last job
automotive
April-June 2020

3.81%

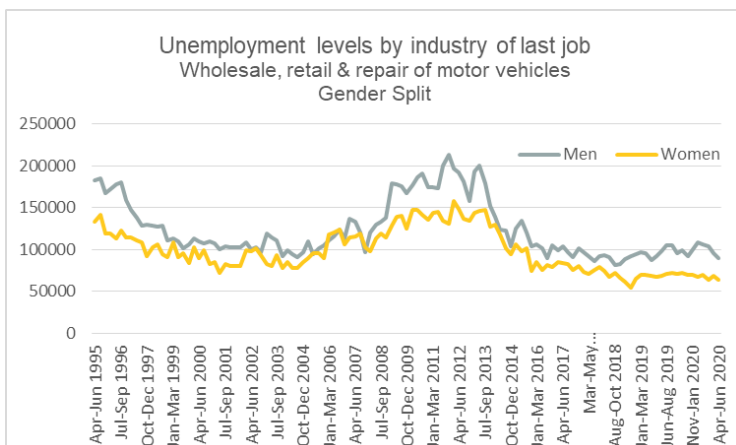
Unemployment rate
April-June 2020

3.81%

Automotive percentage
of economically active
April-June 2020



- In April to June 2020 approximately 154,000 who are unemployed stated that their last job was in automotive.
- Unemployment levels in automotive has fallen by 6% in the past month and by 3% on the same time period last year.
- Comparing the unemployment rate in automotive as a percentage of economically active to the overall unemployment rate, automotive is approximately at the same rate of 3.8%.



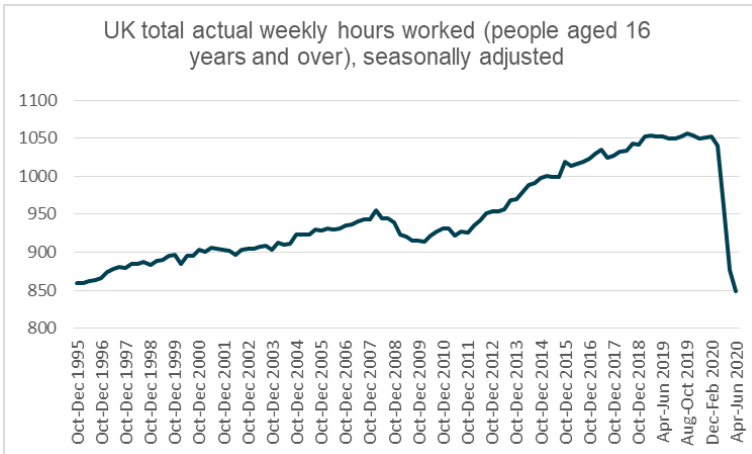
Of those unemployed whose last job was in automotive, 58% (90014) are men and 42% (64453) are women.

Unemployment for men and women from automotive has fallen by 6% in the past month.

Comparing the same period last year unemployment is down for both men and women but at a more significant rate for women (4%), compared to 2% for men.

Hours worked

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 June 2020. This data set is also split by gender.

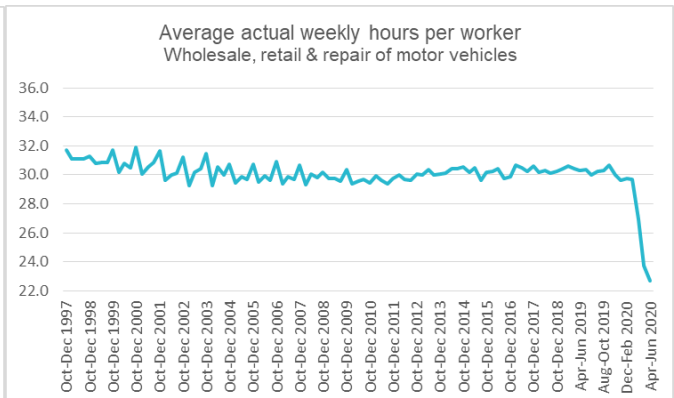
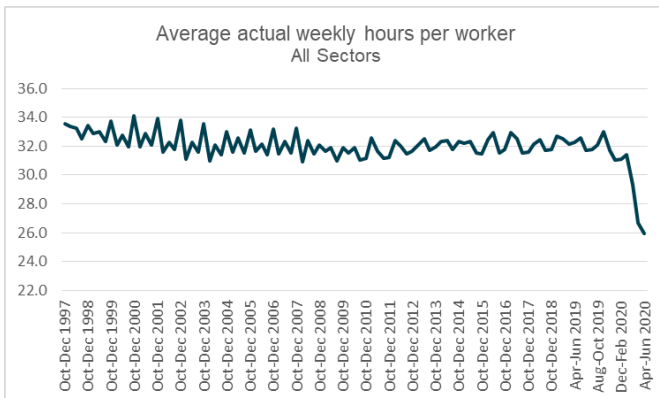


The UK has seen the largest annual decrease in total actual weekly hours on record.

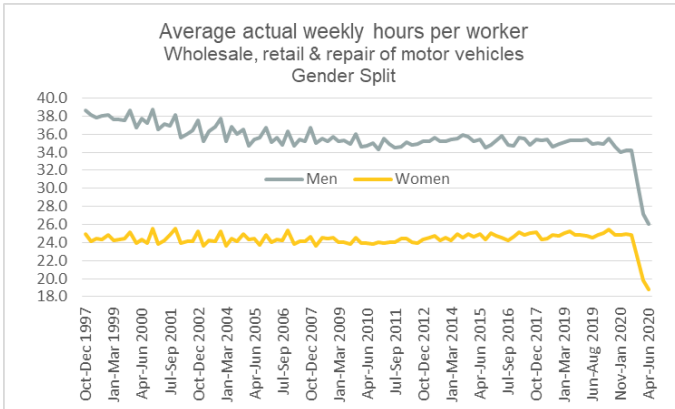
Between April to June 2019 and April to June 2020, total actual weekly hours worked in the UK decreased by 203 million, or 19%, to 849 million hours. This was the largest annual decrease since estimates began in 1971, with total hours dropping to its lowest level since May to July 1997.

All Jobs
26.0
Ave worker hours per week
April-June 2020

Automotive Jobs
22.7
Ave worker hours per week
April-June 2020



- In April to June 2020 the average worker worked 26.0 hours in comparison to those in the automotive sector who on average worked 22.7 hours.
- Hours have continued to fall from March to May 2020 to April to June 2020 for all jobs by -3% and for those in automotive by -4%.
- Between January to March 2020 and April to June 2020 average hours fell by 5.5 hours - a fall of 17%. In the same time period, those in the automotive sector hours fell by 7 hours - a fall of 24%.
- Automotive has seen one of the largest falls in all sectors with only accommodation & food services seeing larger % falls in the same period.



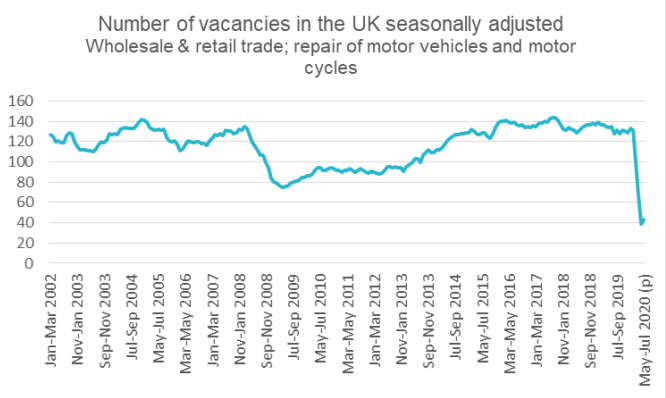
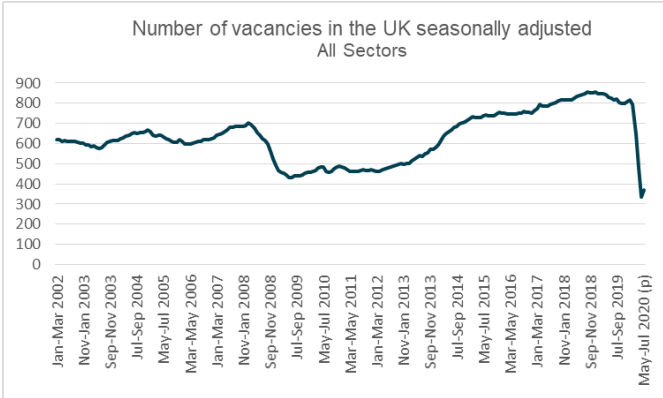
**Men
Automotive Jobs
26.1**
Ave worker hours per week
April-June 2020

**Women
Automotive Jobs
18.8**
Ave worker hours per week
April-June 2020

Between January to March 2020 and April to June 2020, average hours for Men working hours in Automotive fell by 8.2 hours - a fall of 23.8%. In the same time period, Women’s automotive sector hours fell by 6 hours - a fall of 24.3%.

Vacancies

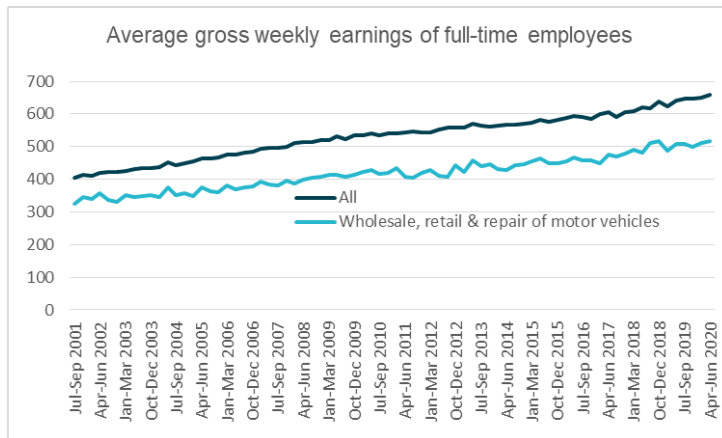
The following uses dataset **Vacancies by industry (seasonally adjusted)** taken from ONS vacancy survey. The data is a monthly dataset and has been recorded since 2005. The most recent data is from July 2020.



- In the time period May to July 2020, there were an estimated 370,000 vacancies in the UK. Vacancies increased by 10% compared to last month. The first increase in vacancies since the start of the year.
- There was also a 10% increase in the automotive sector compared to last month but a decline of 68% compared to the same period last year.
- Vacancies have fallen from levels in the same time period last year in all sectors, however automotive has one of the largest falls with only accommodation & food services seeing a larger % fall.

Earnings

The following uses dataset **average gross weekly earnings of full-time employees by industry (not seasonally adjusted) (EARN07)**. The data is a quarterly dataset and has been recorded since 1995, the most recent data is from April-June 2020.



All Jobs

£659

Ave weekly earnings
April-June 2020

Automotive Jobs

£518

Ave weekly earnings
April-June 2020

Automotive average earnings are £141 (21%) lower than the average for all jobs. Average earnings for all jobs increased by 1% in the last quarter and 3% compared to the same period the year before. Automotive average earnings increased by 2% in the last quarter and 2% compared to the same period the year before.

Men

Automotive Jobs

£543

Ave weekly earnings
April-June 2020

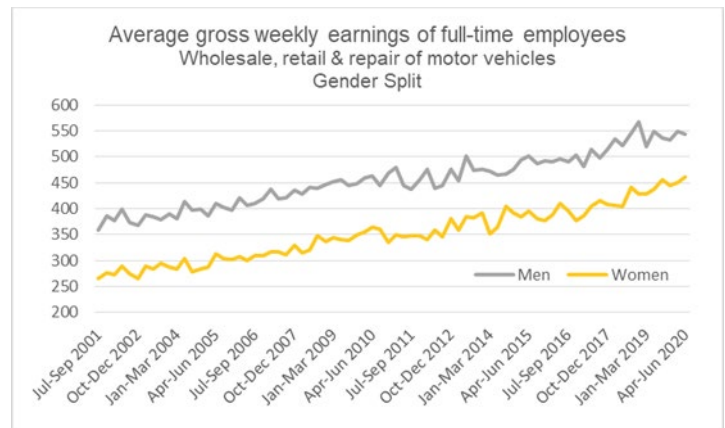
Women

Automotive Jobs

£461

Ave weekly earnings
April-June 2020

The average earnings for a women in the automotive sector are £81 (15%) lower than men. Average earnings for men in the sector decreased by 1.2% in the last quarter and 1.0% compared to the same period the year before. Women's average weekly earnings increased by 2.5% in the last quarter and 5.1% compared to the same period the year before.



Data Sources

ONS data sets:

- A01 Labour market statistics summary data tables – Release August 11th 2020.
- HOUR03: Average actual weekly hours of work by industry sector - Release August 11th 2020.
- UNEM03: All and long-term unemployment levels by industry of last job - Release August 11th 2020.
- EARN07: Average gross weekly earnings of full-time employees by industry - Release August 11th 2020.