



INSTITUTE
OF THE MOTOR
INDUSTRY



Automotive UK labour market report

Release 7



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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 7 uses the January report which was released on the February 23rd 2021.

Summary of findings

Nationally, across all industry sectors since February 2020, the number of payroll employees has fallen by 726,000. However, the larger falls were seen at the start of the coronavirus (COVID-19) pandemic, with the latest two months recording small increases. Analysis by age band shows that the 18 to 24 years age group has seen the greatest decrease in pay rolled employees since February 2020.

The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 15.6%, which has fallen in the past month by 3.4%. It is also 3.3 percentage points higher than the 'All Industries' rate. It has the 6th highest rate of the 14 outlined industries.

Unemployment levels in the sector have increased by 0.7% in the past month and are 30% higher compared to the same period last year. Of those unemployed whose last job was in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle', 52.3% (110,000) are men and 47.7% (100,000) are women. In the past month, unemployment for men has increased but has decreased for women. However, these remain at similar levels.

Total hours continues to show signs of recovery, but increases have slowed. Between July to September 2020 and October to December 2020, total actual weekly hours worked in the UK saw an increase of 53.7 million, or 5.8%, to 978.7 million hours. Since the record low from April to June 2020, average hours worked have been increasing month on month. However, both 'All Sectors' and 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' fell this month by 4%.

Sector average earnings are £119 (18%) lower than the average for all jobs. Average earnings for all jobs increased by 0.1% in the last quarter. Sector average earnings increased by 1% in the last quarter and 11% compared to the same period the year before. The average earnings for a woman in the sector is £61 (12%) lower than men, a margin that has increased by 2% in the past quarter.

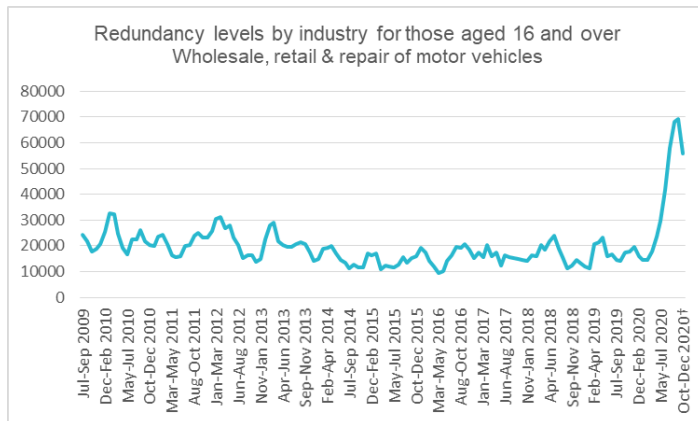
In real terms, total pay is now growing at a faster rate than inflation, at a positive 3.8%, and regular pay growth in real terms is also positive, at 3.3%. Between October to December 2019 and October to December 2020, average pay growth varied by industry sector, however, all sectors saw positive growth.

For November – January 2021, there were an estimated 10,000 vacancies in the Motor Trades sub sector; this is an increase of 11% since last month and more than 5 times more than the record low levels from April – June 2020. The motor trade vacancies ratio is 1.8 which is 0.2 or 10% 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



55,911
made redundant in the
sector
Oct - Dec 2020

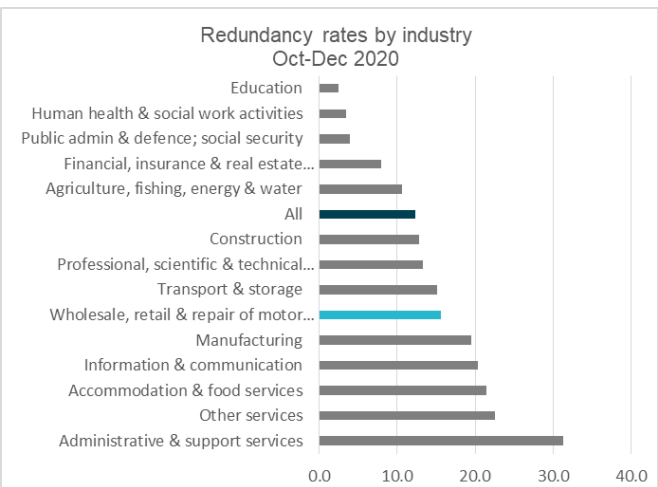
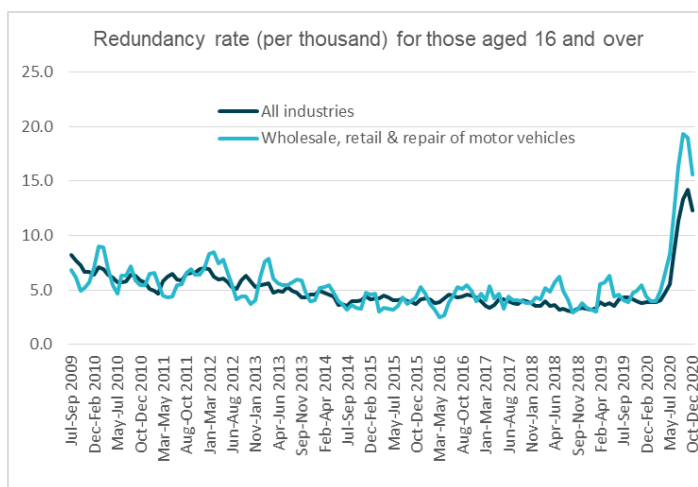
- 19% decrease in the past month
- 214% increase compared to the same period last year

Redundancy levels in the sector have fallen for the first time in 9 months, falling by 19% since last month, and at most recent reporting (October to December 2020) was 55,911. Levels remain the highest since 2009 and are currently more than twice as high as the same period the year before.

Redundancy Rates

12.3%
Redundancy Rate
Oct - Dec 2020

15.6%
Automotive Sector
Redundancy Rate
Oct - Dec 2020



The redundancy rate in the 'Wholesale and Retail Trade; Repair of Vehicles and Motorcycles' sector is currently 15.6%, which has fallen in the past month by 3.4%. It is also 3.3 percentage points higher than the 'All Industries' rate. It has the 6th 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

210k

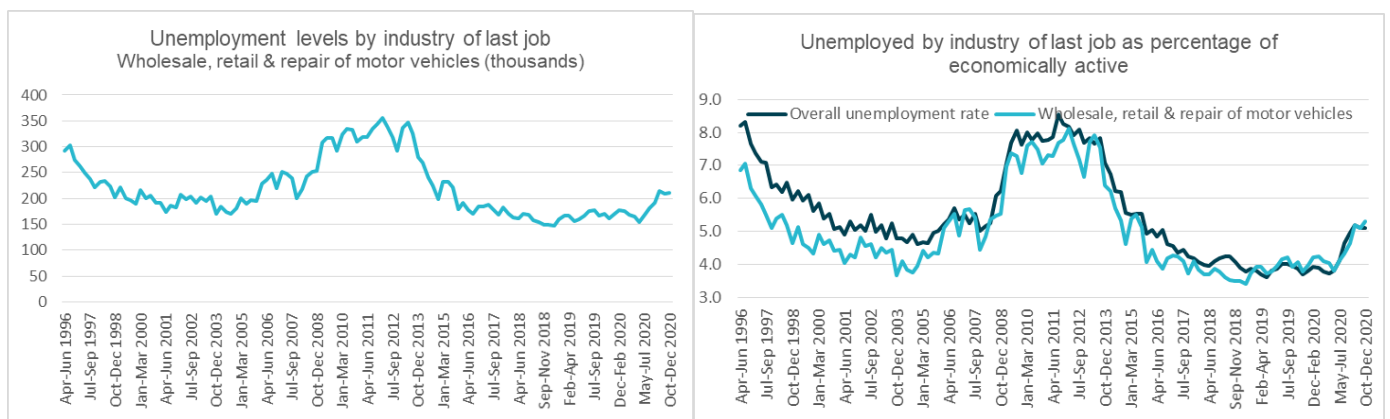
Unemployed with last job in automotive
Oct - Dec 2020

5.1%

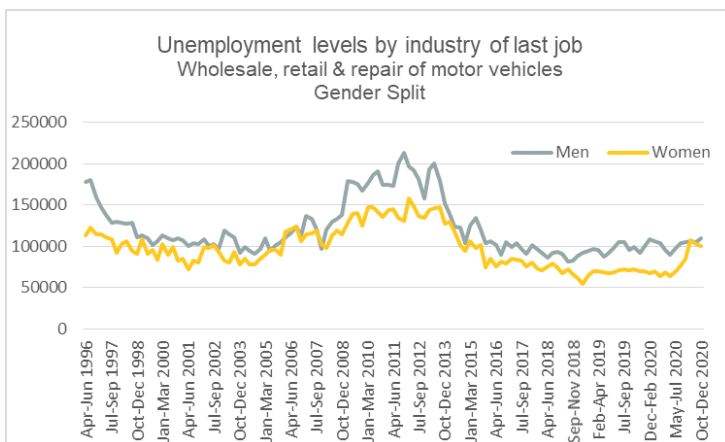
Unemployment rate
Oct - Dec 2020

5.3%

Automotive percentage of economically active
Oct - Dec 2020



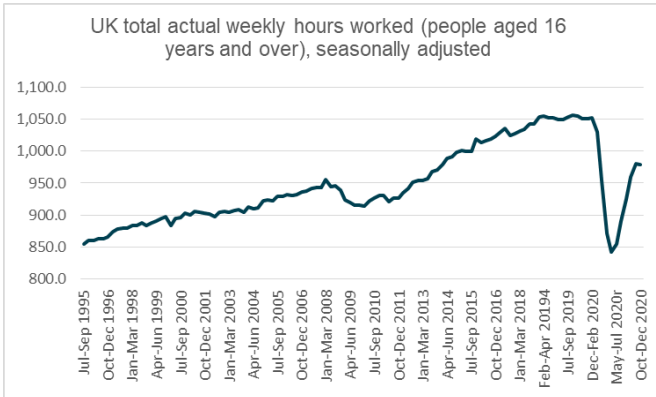
- In the period October to December 2020, approximately 210,000 people who are unemployed stated that their last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’.
- Unemployment levels in the sector have increased by 0.7% in the past month and are 30% higher compared to 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 0.2% higher.



Of those unemployed whose last job was in ‘Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle’, 52.3% (110,000) are men and 47.7% (100,000) are women.

In the past month, unemployment for men has increased but has decreased for women. However, these remain at similar levels.

Hours worked

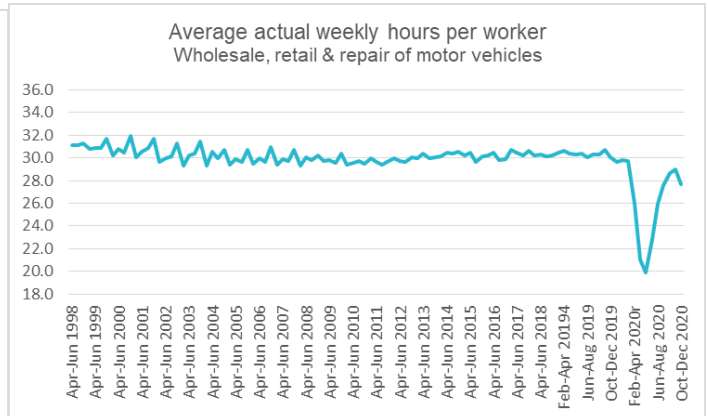
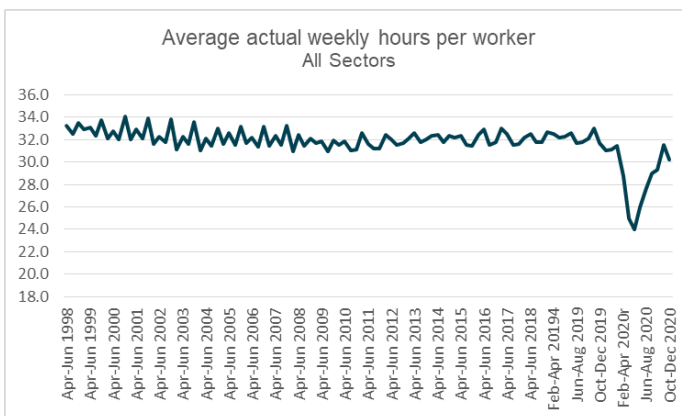


Total hours continues to show signs of recovery, but increases have slowed. Between July to September 2020 and October to December 2020, total actual weekly hours worked in the UK saw an increase of 53.7 million, or 5.8%, to 978.7 million hours.

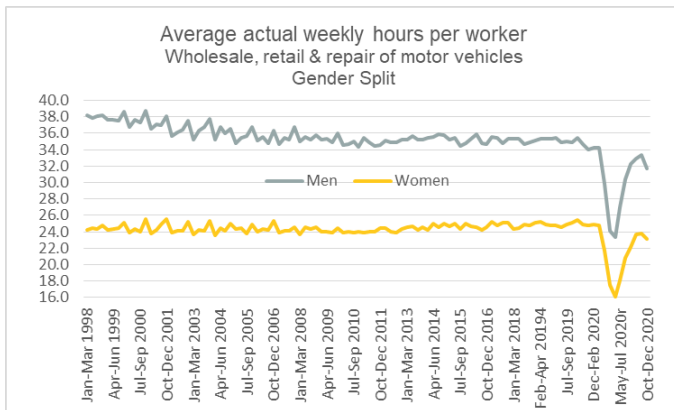
The average actual weekly hours worked saw an increase of 1.8 hours to 30.2 hours.

All Jobs
30.2 hrs
Avg worker hours per week Oct - Dec 2020

Automotive Jobs
27.7
Avg worker hours per week Oct - Dec 2020



- In the period October to December 2020, the average worker carried out 30.2 hours of work in comparison to those in the 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' who on average worked 27.7 hours.
- Since the record low from April to June 2020, average hours worked have been increasing month on month. However both 'All Sectors' and 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' fell this month by 4%.
- Average hours worked remain at their lowest since records began.

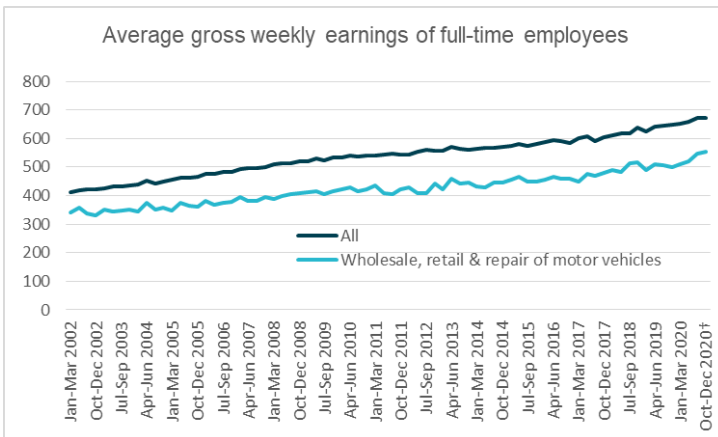


**Men
Automotive Jobs**
31.7
Avg worker hours per week
Oct - Dec 2020

**Women
Automotive Jobs**
23.1
Avg worker hours per week
Oct - Dec 2020

In the period October to December 2020, the average man working in 'Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycle' worked 31.7 hours compared to women at 23.1 hours. Both saw falls in the number of hours worked men -5% and women -3% compared to the previous month.

Earnings



All Jobs
£672
Avg weekly earnings
Oct - Dec 2020

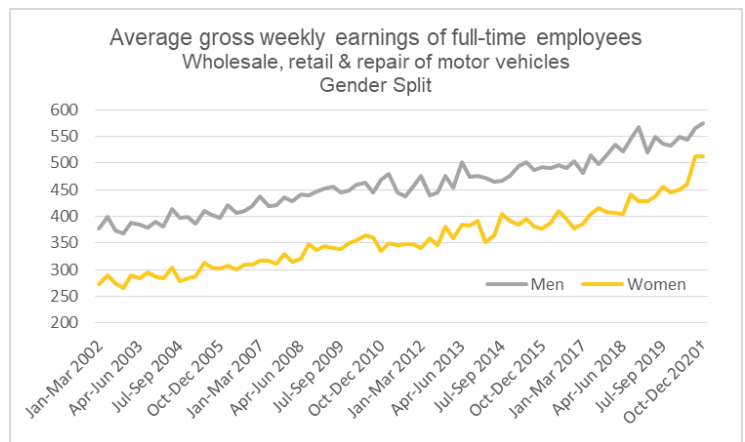
Sector Jobs
£553
Avg weekly earnings
Oct - Dec 2020

Sector average earnings are £119 (18%) lower than the average for all jobs. Average earnings for all jobs increased by 0.1% in the last quarter. Sector average earnings increased by 1% in the last quarter and 11% compared to the same period the year before.

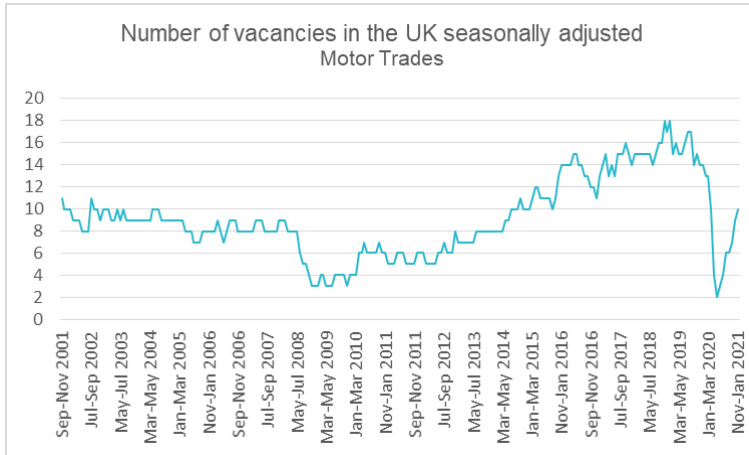
**Men
Automotive Jobs**
£574
Avg weekly earnings

**Women
Automotive Jobs**
£513
Avg weekly earnings

The average earnings for a woman in the sector is £61 (12%) lower than men, a margin that has increased by 2% in the past quarter. Average earnings for men in the sector increased by 1% in the last quarter. Women's average weekly earnings remained the same in the last quarter but are 15% higher compared to the same period the year.



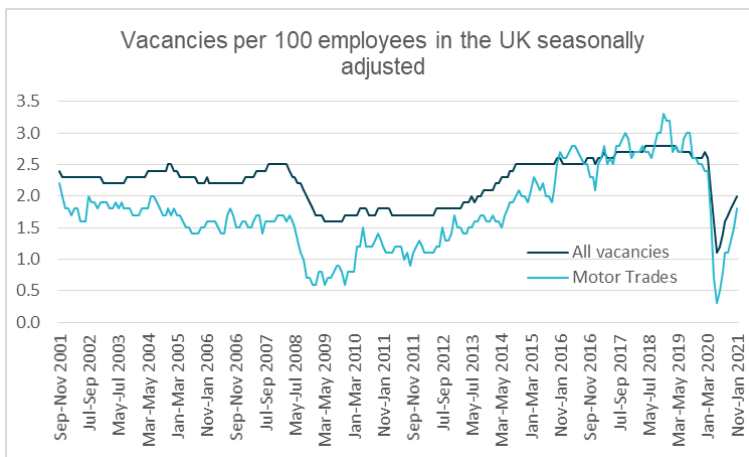
Vacancies



Sector
10,000
Vacancies in November – January 2021

For November – January 2021, there were an estimated 10,000 vacancies in the Motor Trades sub sector; this is an increase of 11% since last month and more than 5 times more than the record low levels from April – June 2020.

The motor trade vacancies ratio is 1.8 which is 0.2 or 10% 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.

Earnings [Average gross weekly earnings of full-time employees by industry]

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.

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 February 23rd 2021
- RED02: Redundancy levels and rates by industry for those aged 16 and over - Release February 23rd 2021
- UNEM03: All and long-term unemployment levels by industry of last job - Release February 23rd 2021
- HOUR03: Average actual weekly hours of work by industry sector – Release February 23rd 2021
- EARN07: Average gross weekly earnings of full-time employees by industry - Release February 23rd 2021
- VACS02: Vacancies by industry - Release February 23rd 2021