Automotive
UK labour market report

Release 3

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 3 uses the September report which was released on the 15th September 2020.

Summary of findings

- The number of jobs in the sector has increased by 1% in the last quarter compared to all jobs which fell by 1%.
- Redundancies across all industry sectors have seen the largest annual and quarterly increases since 2009. While this is the highest level since September to November 2012, the level remains well below that seen during the 2008 downturn.
- 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 4.1%.
- Hours have seen the first increase since Jan-Mar 2020, all jobs increasing by 3% and automotive by 5%. However average hours worked remain the lowest since records began.
- Between April to June 2020, and May to July 2020, average hours for Men and Women in Automotive has increased. Men's hours have increased by 1.8 hours - an increase of 7.1%. Women's hours have increased at a much slower rate - an increase of 0.3 which is 1.7%.
- Vacancies have increased in automotive for the second month in a row and have increased by 19% in the past month. However, they are 60% lower than the same period last year.

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 2 August 11th), that are available to be broken down by industry sector, have been analysed. These include:

- Employment   [Workforce jobs by industry (seasonally adjusted)]
- Unemployment   [Unemployment by previous industrial sector]
- Hours worked   [Average actual weekly hours of work by industry sector]
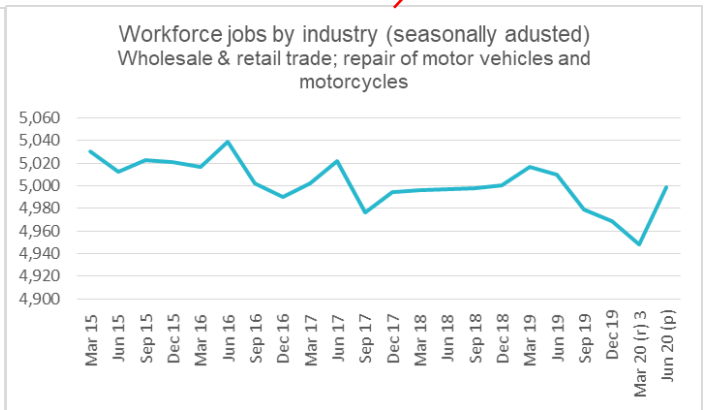- Vacancies   [Vacancies by industry (seasonally adjusted)]
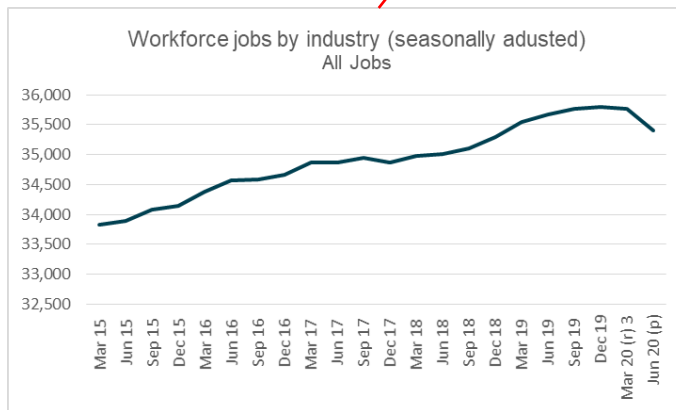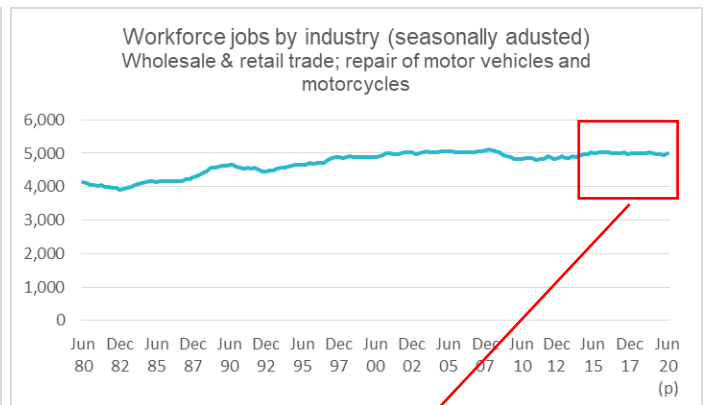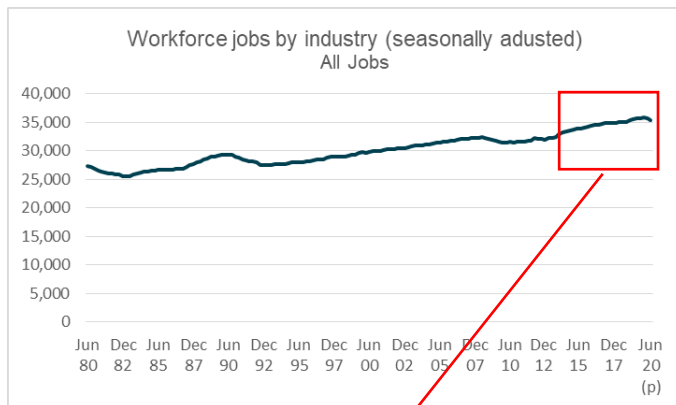
The analysis uses the ONS industry SIC code G - Wholesale & retail trade; repair of motor vehicles and motorcycles. This is the nearest proxy to represent the automotive sector but does not include manufacturing. It does include other sectors that may not strictly be automotive.

Employment

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 June 2020.

All Jobs
35.41m
workforce jobs
June 2020

Automotive Jobs
4.99m
workforce jobs
June 2020

Workforce jobs by industry (seasonally adusted)
All Jobs

Workforce jobs by industry (seasonally adusted)
Wholesale & retail trade; repair of motor vehicles and motorcycles

Workforce jobs by industry (seasonally adusted)
All Jobs

Workforce jobs by industry (seasonally adusted)
Wholesale & retail trade; repair of motor vehicles and motorcycles

	% Change
Last quarter	-1.0%
Same quarter last year	-0.7%
Year average	1.5%
Year average past 5 yr	4.8%

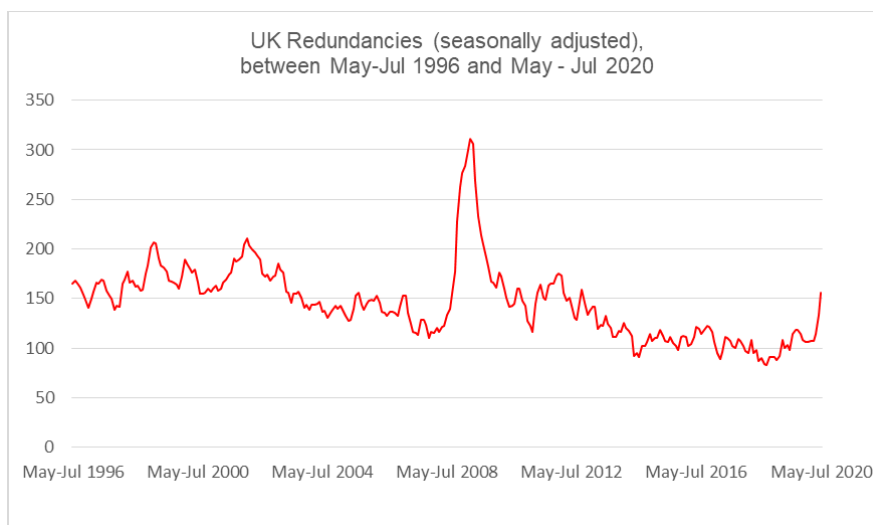|	% Change
Last quarter	1.0%
Same quarter last year	-0.2%
Year average	-0.6%
Year average past 5 yr	-0.7%

- The number of jobs in the sector has increased by 1% in the last quarter compared to all jobs which fell by 1%.
- Comparing the same time period, the number of jobs in the automotive sector has fallen by 0.2% in the past year, compared to all jobs which has decreased by 0.8%.
- The number of automotive jobs in the past 5 years has been falling.

Unemployment – Key Indicators

The following are not available on sector / industry level but have been included as gives a picture of the economic landscape.

Redundancies

The redundancies estimates measure the number of people who were made redundant or who took voluntary redundancy in the three months before the Labour Force Survey (LFS) interviews; it does not take into consideration planned redundancies.
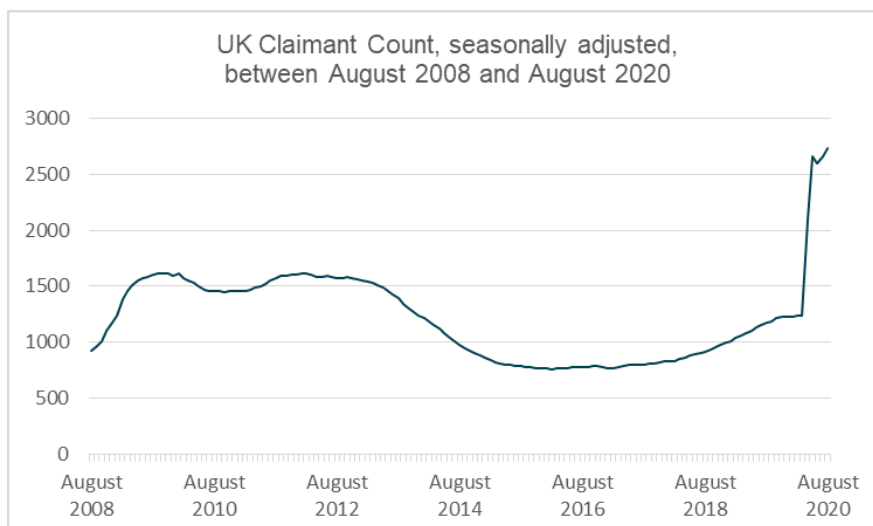

	% Change
Last Month	16%
Last Quarter	36%

Redundancies have seen the largest annual and quarterly increases since 2009. While this is the highest level since September to November 2012, the level remains well below that seen during the 2008 downturn.

UK Claimant Count

Claimant Count Experimental Statistics relate to 13th August 2020 and from the Department of work and pensions. Enhancements to Universal Credit as part of the UK government's response to the coronavirus (COVID-19) mean that an increasing number of people became eligible for unemployment-related benefit support despite still being in work. Consequently, changes in the Claimant Count will not be wholly because of changes in the number of people who are not in work.

	% Change
Last Month	2.8%
Last Quarter	120.8%

Between July 2020 and August 2020, the Claimant Count increased by 73,700 (2.8%) to 2.7 million. Since March 2020, the Claimant Count has increased by 120.8% or 1.5 million.

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 July 2020. This data set is also split by gender.
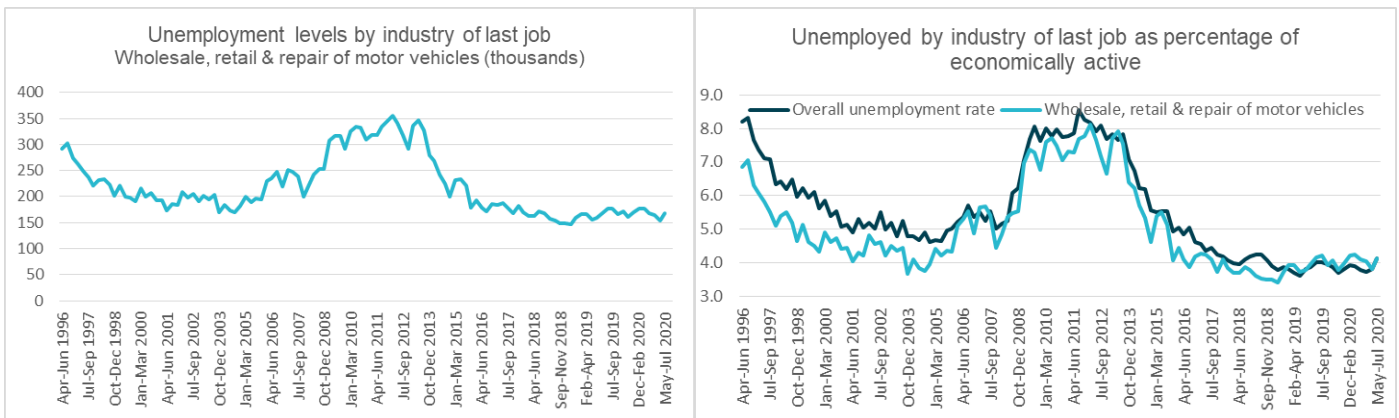
168k
Unemployed last job automotive
May-July 2020

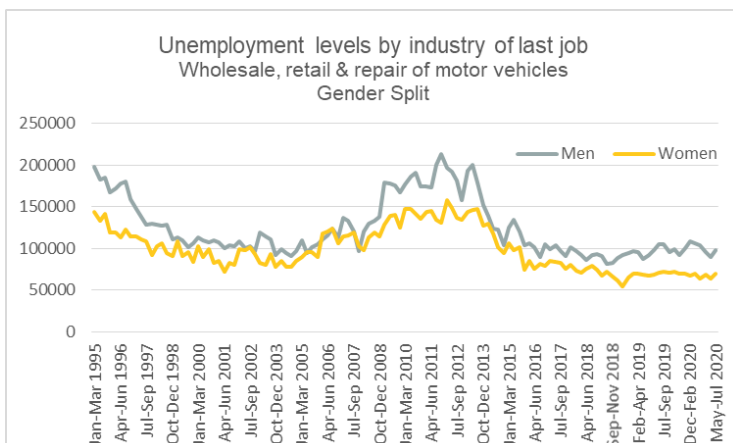**4.12%**
Unemployment rate
May-July 2020

4.15%
Automotive percentage of economically active
May-July 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 May to July 2020 approximately 168,000 who are unemployed stated that their last job was in automotive.
- Unemployment levels in automotive has increased by 9% in the past month and by 0.4% 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 4.1%.

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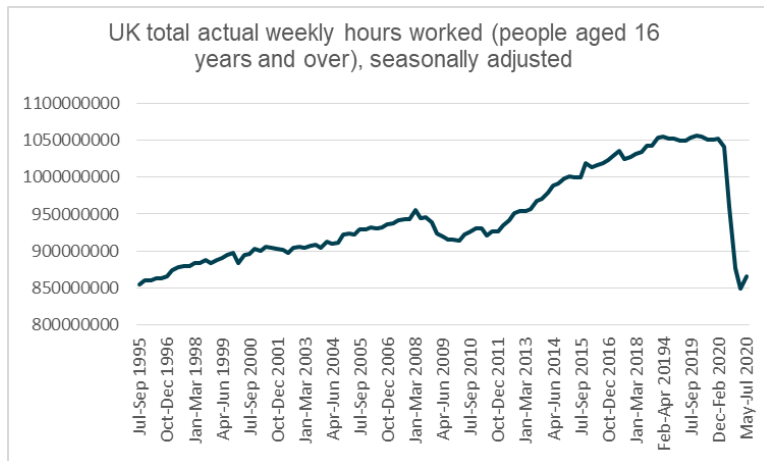Wholesale, retail & repair of motor vehicles
Gender Split

Of those unemployed whose last job was in automotive, 58% (98,069) are men and 42% (69,903) are women.

In the past month unemployment for both men and women from automotive has increased by 8.9% and 8.5%.

Comparing the same period last year unemployment is down for men (-0.3%) but up for women (1.3%).

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

UK total actual weekly hours worked (people aged 16 years and over), seasonally adjusted
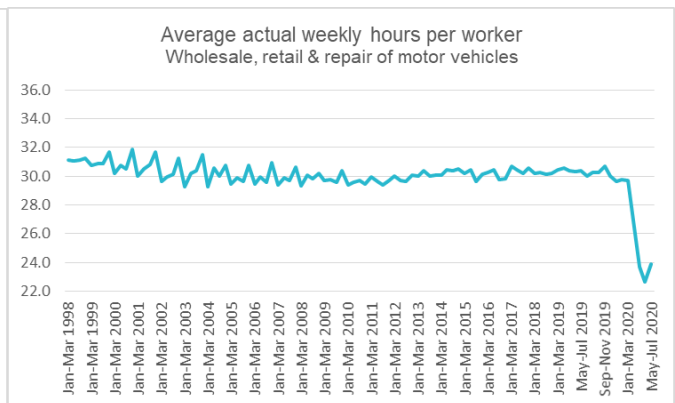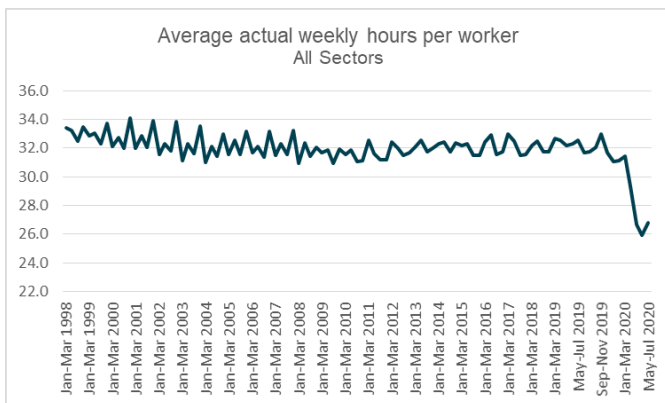
Between February to April 2020 and May to July 2020, total actual weekly hours worked in the UK decreased by 93.9 million to 866.0 million hours.
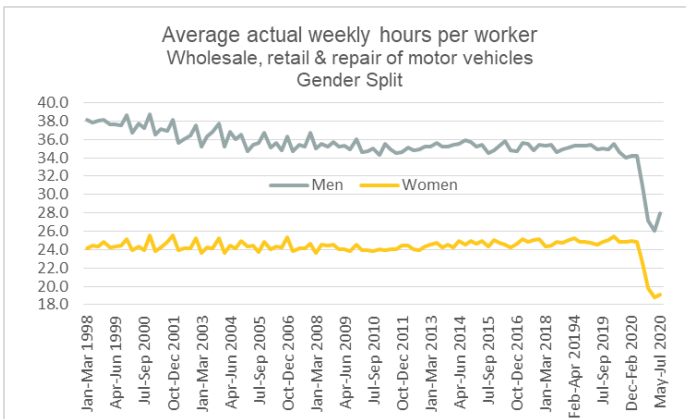
Over the year, total actual weekly hours worked in the UK decreased by 183.8 million to 866.0 million hours in the three months to July 2020.

All Jobs
26.8
Ave worker hours per week
May-July 2020

Automotive Jobs
23.9
Ave worker hours per week
May-July 2020

Average actual weekly hours per worker
All Sectors

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

- In May to July 2020 the average worker worked 26.8 hours in comparison to those in the automotive sector who on average worked 23.9 hours.
- Hours have seen the first increase since Jan-Mar 2020, all jobs increasing by 3% and automotive by 5%.
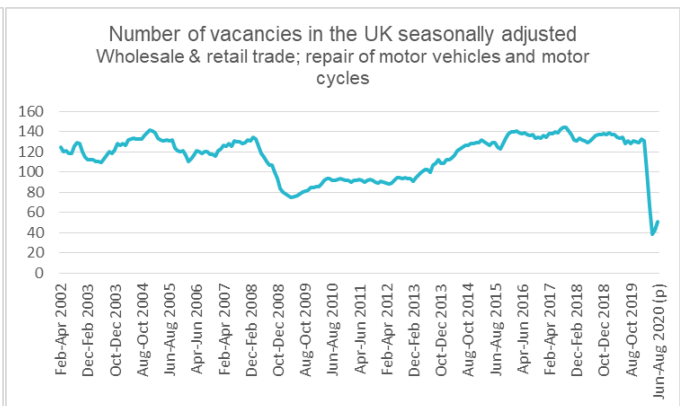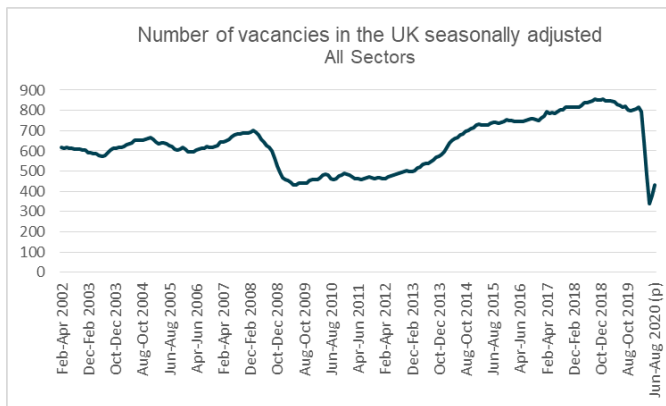- Average hours worked remain the lowest since records began.

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

Men Automotive Jobs **27.9** Ave worker hours per week May-July 2020	Women Automotive Jobs **19.1** Ave worker hours per week May-July 2020

Between April to June 2020, and May to July 2020, average hours for Men and Women has increased. Men's hours have increased by 1.8 hours – an increase of 7.1%. Women's hours have increased at a much slower rate - an increase of 0.3, which is 1.7%.

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 August 2020.

Number of vacancies in the UK seasonally adjusted
All Sectors

Number of vacancies in the UK seasonally adjusted
Wholesale & retail trade; repair of motor vehicles and motor cycles

- For June to August 2020 there were an estimated 434,000 vacancies in the UK, which is almost 30% higher than the record low in April to June 2020. The increase was driven by small businesses (those with 49 or fewer employees).
- Vacancies have increased in automotive for the second month in a row and have in increased by 19% in the past month, however are 60% lower than the same period last year.

Data Sources

ONS data sets:

- A01 Labour market statistics summary data tables – Release September 15th 2020.
- JOBS02: Workforce jobs by industry (not seasonally adjusted) - Release September 15th 2020.
- HOUR03: Average actual weekly hours of work by industry sector - Release September 15th 2020.
- UNEM03: All and long-term unemployment levels by industry of last job - Release September 15th 2020.