



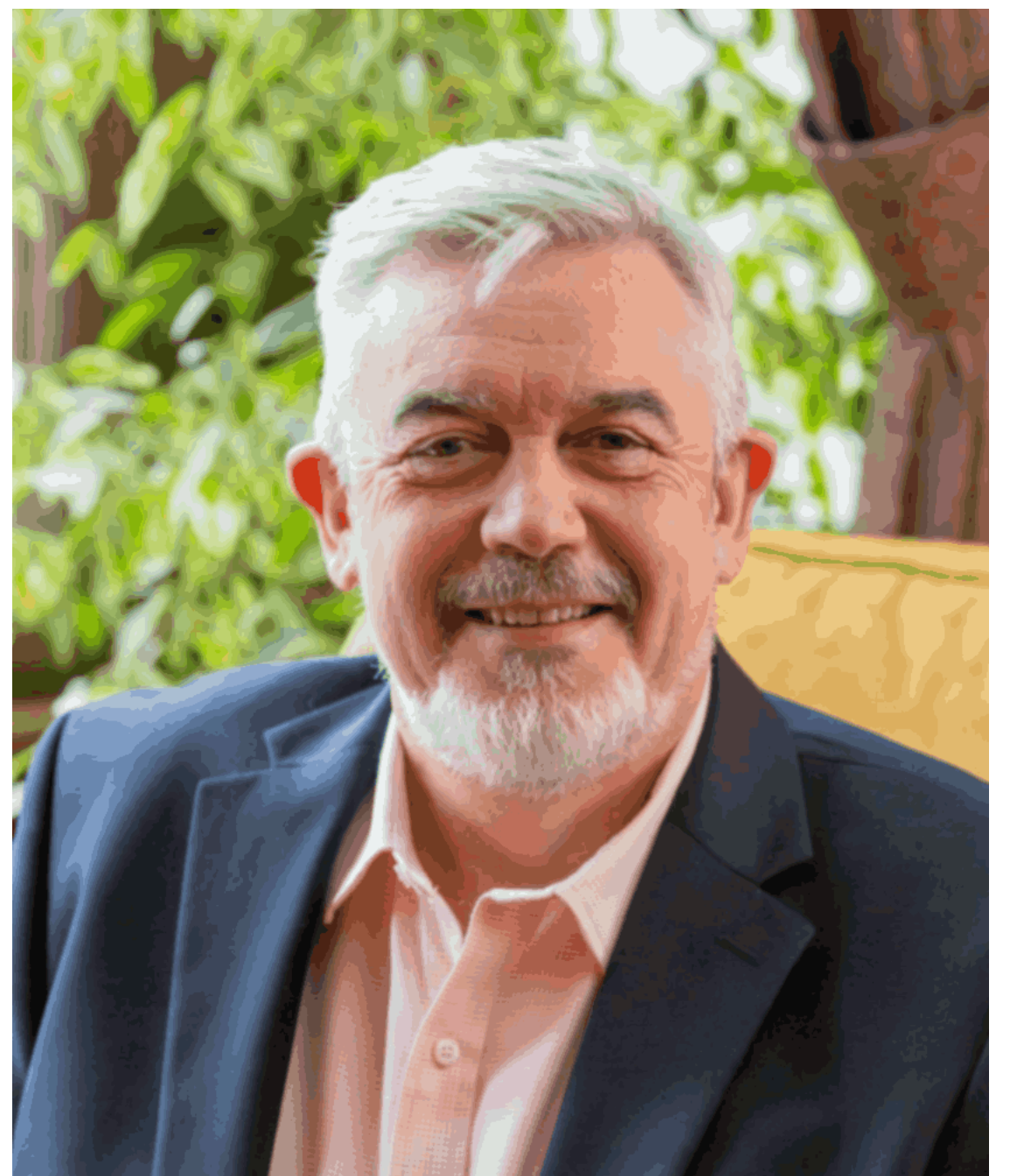
LANDSCAPE OF THE UK AUTOMOTIVE LABOUR MARKET

Summary Report



Foreword

Since 1920, the Institute of the Motor Industry (IMI) has been at the heart of education and training in the ever-evolving automotive sector. What began as a commitment to fostering the skills of individuals in a growing field has, over the years, become a cornerstone for innovation, employment, and economic vitality. Today, we are proud to support a thriving community of over 110,000 members who share a common drive for excellence in the automotive industry.



In a world marked by rapid technological advancements and shifting demands, the need for professionals to stay ahead of the curve has never been more critical. At the IMI, our mission is clear: to create and enhance career pathways that ensure our members, and individuals in the wider automotive community, not only meet, but exceed the evolving standards of competence required to succeed in this dynamic sector.

Our latest report *Landscape of the UK Automotive Market: Navigating industry, occupation and opportunities in a dynamic automotive workforce* offers a comprehensive analysis of the UK automotive labour market. At a time when vacancies are at a two-decade high, it highlights the significant skills shortage facing the sector, compounded by the urgent need to adapt to new technologies and meet the net-zero challenge. To overcome these hurdles, we must foster a more diverse and inclusive workforce while investing in training that equips professionals with the skills necessary for the green transition.

The report also reinforces the automotive sector's vital contribution to the UK economy, with £37 billion generated in 2023 and 760,000 people employed within the industry. Moreover, beyond the core sectors of retail and manufacturing, an additional 106,000 individuals work in automotive roles supported by 101,600 establishments across the UK.

As we face the challenges and opportunities ahead, the IMI remains unwavering in its commitment to empowering the automotive workforce, ensuring our sector continues to thrive and drive the UK economy forward.

Kevin Finn
Executive Chair of the Institute of the Motor Industry (IMI)

Executive Summary

The UK automotive sector is at a pivotal juncture, with both significant challenges and vast opportunities on the horizon. This report, *Landscape of the UK Automotive Market: Navigating Industry, Occupation and Opportunities in a Dynamic Automotive Workforce**, offers a detailed examination of the sector's current landscape, its labour market trends, and the forces shaping its future.

As one of the UK's major economic contributors, generating £37 billion and employing 760,000 people in 2023, the automotive industry's influence extends beyond traditional manufacturing and retail. An additional 106,000 individuals work in automotive-related roles across various sectors, highlighting the industry's broad reach. However, despite its economic significance, the sector faces mounting pressures, particularly in the areas of talent acquisition, skills shortages, and the adoption of new technologies.

A notable challenge remains the recovery of apprenticeship numbers, which suffered a significant blow during the pandemic, with the loss of 18,000 positions. Although retention rates are improving, the sector is not expected to fully recover until 2040. Furthermore, job vacancy rates have hit a two-decade high, exacerbated by the difficulty in attracting and retaining skilled professionals, particularly in motor trades. This has led to wage inflation, with salaries for specific roles, such as vehicle and paint technicians, now significantly outpacing government median figures.

Geographically, the majority of automotive jobs are concentrated in England, where wages are higher compared to other UK regions, particularly Northern Ireland. The sector's workforce encompasses a wide range of roles, with vehicle technicians, mechanics, and electricians being the most prevalent. Recent years have also seen shifts within subsectors, with growth in car rental and maintenance roles, contrasted by a decline in parts manufacturing employment.

Looking forward, the industry is undergoing a technological revolution, driven by the transition to electric vehicles (EVs) and advancements in automation. With government policies supporting these shifts, the number of certified EV technicians has surged, and the adoption of autonomous driving technologies is expected to grow substantially. By 2032, nearly half of all UK vehicles are predicted to feature Level 2 autonomy.

The automotive industry's future is marked by the increasing demand for new skill sets, particularly in areas like data science and AI, and the need for more sustainable production practices. The green agenda is set to play a crucial role in shaping the industry, pushing manufacturers towards sustainability, remanufacturing, and recycling.

This report underscores the need for ongoing investment in training and development, the importance of fostering diversity within the workforce, and the imperative to keep pace with technological advancements. By addressing these challenges, the automotive sector can continue to thrive and remain a cornerstone of the UK economy for years to come.

****The full report is available exclusively to fee-paying IMI members. If you wish to read the full report, please contact the IMI's membership team to upgrade your membership.***

Defining the labour market

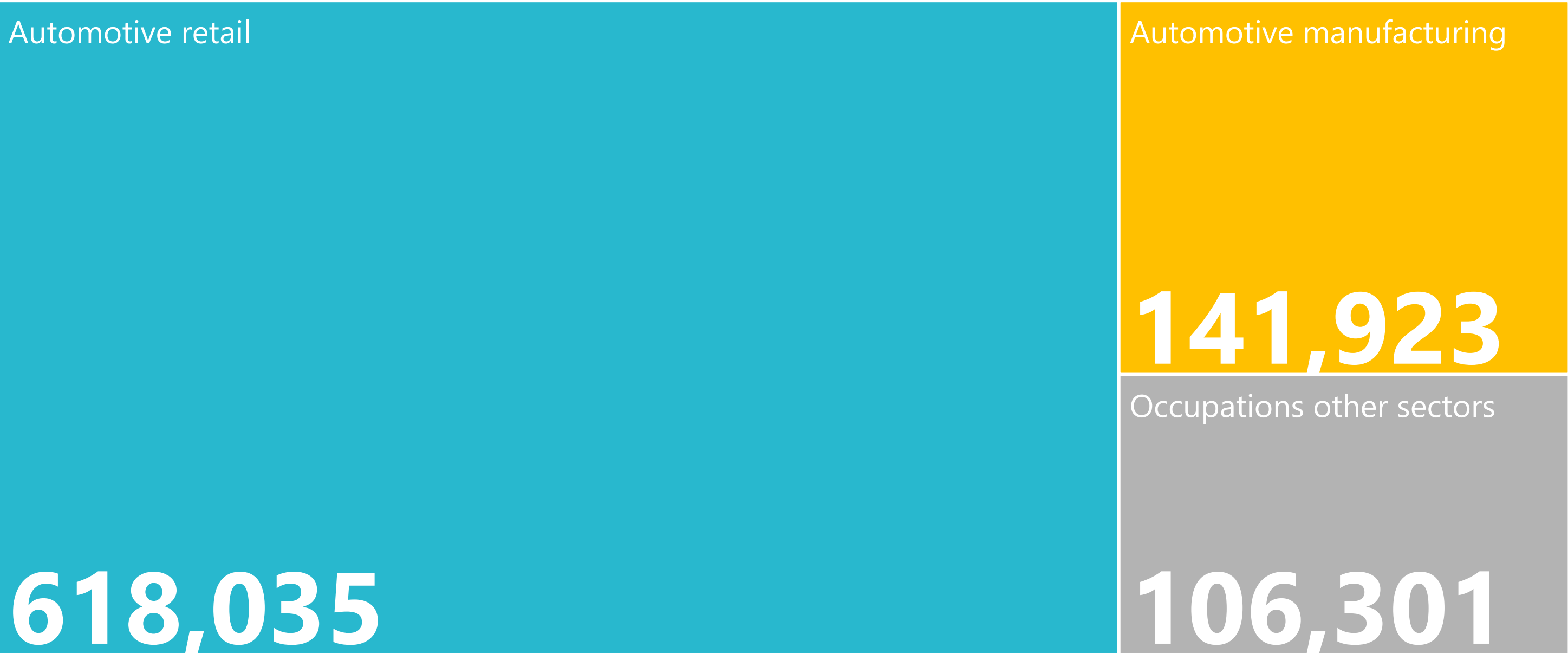
Automotive sector

Total number working in automotive sector

866,259

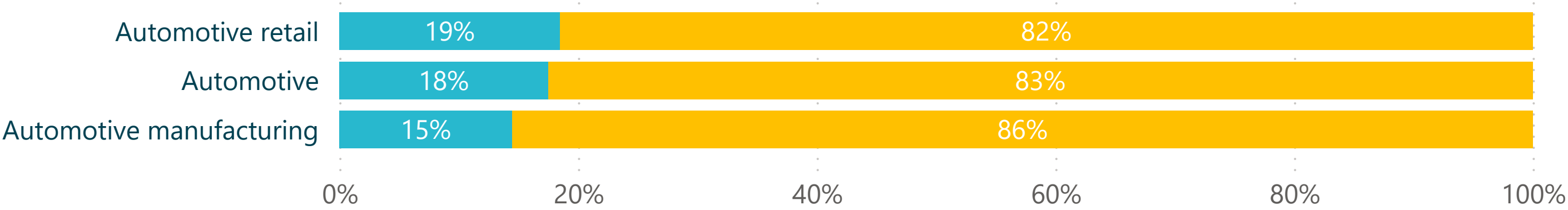
The IMI stands out from many professional organisations by promoting the entire automotive sector, not just one profession. This includes various subsectors and occupations, making it both challenging and important to understand the labour market.

In this report, the "automotive sector" comprises automotive retail (including service and maintenance, and vehicle sales), automotive manufacturing (covering vehicle production, and the creation of parts and accessories), and automotive roles in other industries (like vehicle technicians working for the police).



Industry	GVA	Establishments
Automotive retail	£26,602,628,778	97,322
Automotive manufacturing	£10,450,687,654	3,319
Automotive	£37,053,316,432	100,641

% split by sex



% Over 55



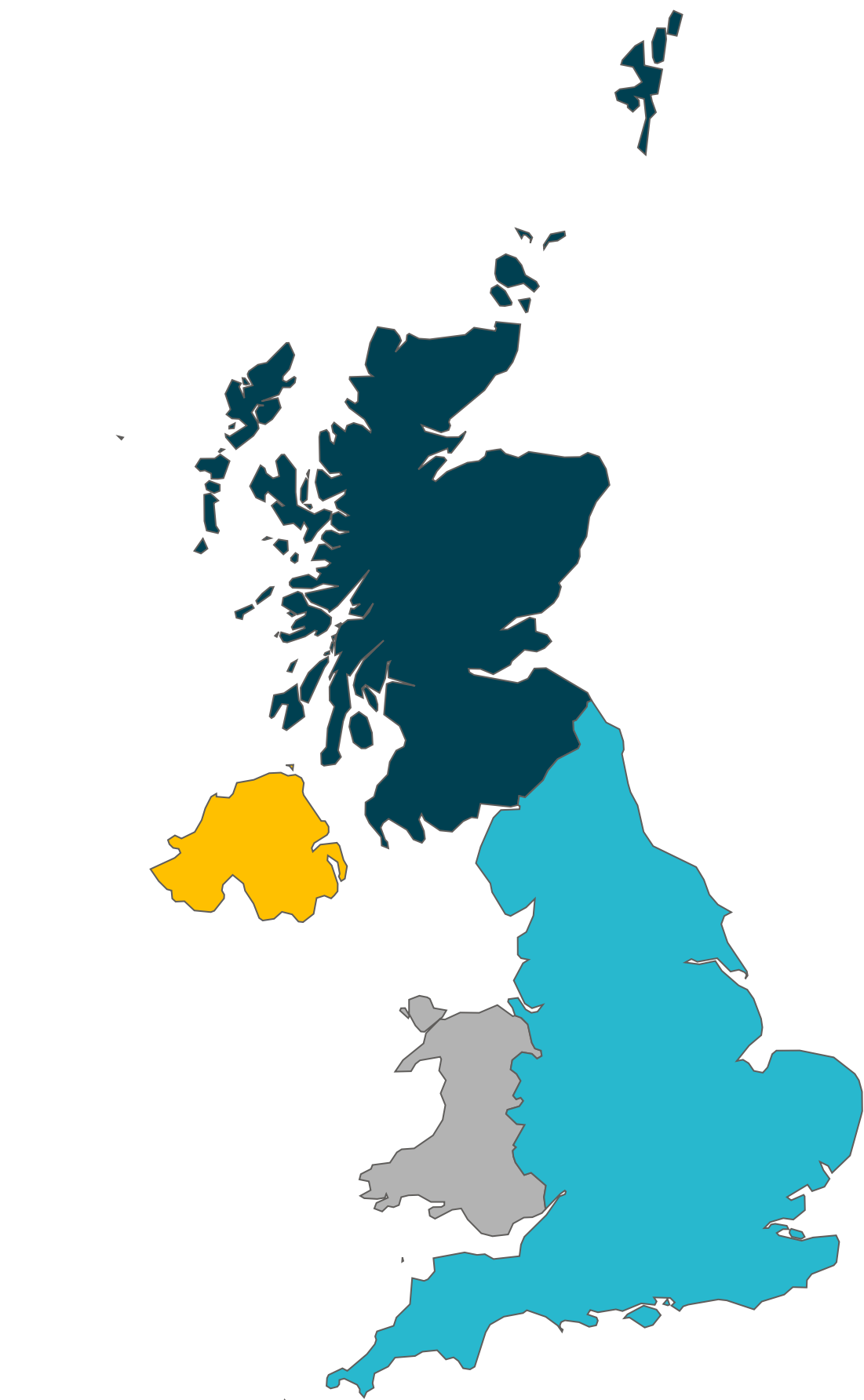
Defining the labour market

Sectors

SIC	Sector	2023 Jobs	2023 Establishments
4520	Maintenance & Repair of Motor Vehicles	269,416	52,144
4511	Sale of Cars & Light Motor Vehicles	175,808	22,872
2910	Manufacture of Motor Vehicles	72,889	1,010
4531	Wholesale Trade of Motor Vehicle Parts & Accessories	69,143	6,054
2932	Manufacture of Other Parts & Accessories for Motor Vehicles	44,222	1,322
4532	Retail Trade of Motor Vehicle Parts & Accessories	37,623	6,582
7711	Renting & Leasing of Cars & Light Motor Vehicles	36,960	4,677
2920	Manufacture of Bodies for Motor Vehicles	20,270	844
4519	Sale of Other Motor Vehicles	12,373	1,757
4540	Sale, Maintenance & Repair of Motorcycles &Related Parts and Accessories	9,712	2,185
7712	Renting & Leasing of Trucks	7,000	1,050
2931	Manufacture of Electrical Equipment for Motor Vehicles	2,639	85
3091	Manufacture of Motorcycles	1,902	57

The UK automotive retail sector is crucial to the industry, linking manufacturers and consumers. It includes car dealerships, vehicle leasing companies, and online car retailers. This sector sells new and used vehicles and offers services like financing, insurance, and maintenance. Technology and consumer preferences drive recent significant transformation. The agency model, focusing on direct sales, fixed pricing, and consistent customer experience, represents a shift from traditional sales method towards those in customer experience and product demonstrations.

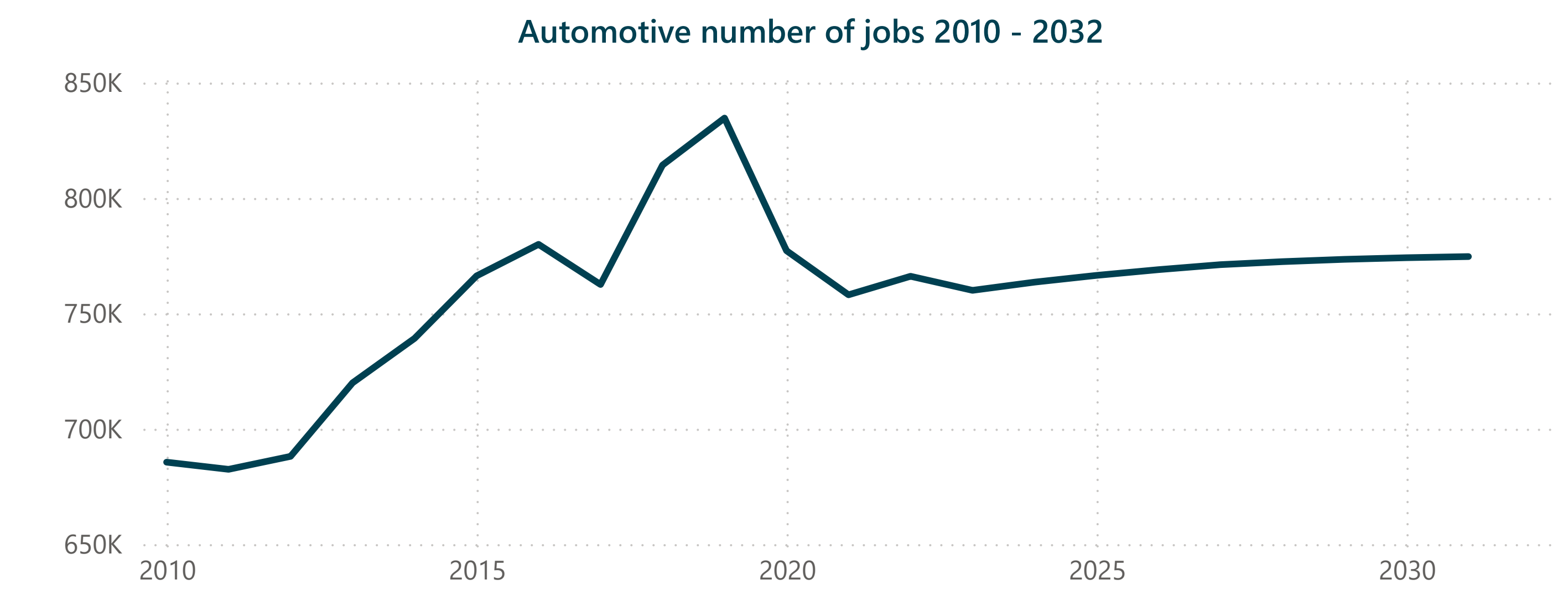
The UK automotive manufacturing sector is vital to the economy, it employs over 140,000 people and significantly contributes to exports. The sector is transforming, focusing on electric vehicles (EVs), automation, and sustainability. The UK Government supports this shift with policies and investments to reduce carbon emissions and promote green technology. Advances in autonomous driving and connected car technologies are also expected to shape the industry's future, positioning the UK as a leader in innovative solutions.



Country Name	2023 Jobs	2023 Establishments
England	659488	86108
Scotland	49196	6336
Wales	33627	4722
Northern Ireland	17648	3474

Defining the labour market

Industry trends and forecasts



Increase of jobs in past 10 years

40K

Overall there has been an increase of 40,000 jobs across automotive in the past 10 years, an increase of 5.6%. This increase has all been in automotive retail as automotive manufacturing has fallen by 1000 jobs in the past decade.

Number of jobs needed by 2032

858K

Job growth by 2032

2.8%

Job growth by 2032

23K

General drivers and trends

Vehicle demand: The UK's car market is projected to expand by 1.2 million vehicles between 2024 and 2030. This growth is expected despite potential shifts in consumer attitudes toward car ownership, indicating consistent demand for vehicles.

Diversification of vehicles: Including, Electric vehicles, Hydrogen, Micro-mobility solutions and last-mile delivery vehicles

Demand for Data: Increase demand for data scientists and analysts.

Technology Transformation: Growth in AI and move to cloud-based technology.

New Business Models: As-a-Service offerings and implementation of agency model.

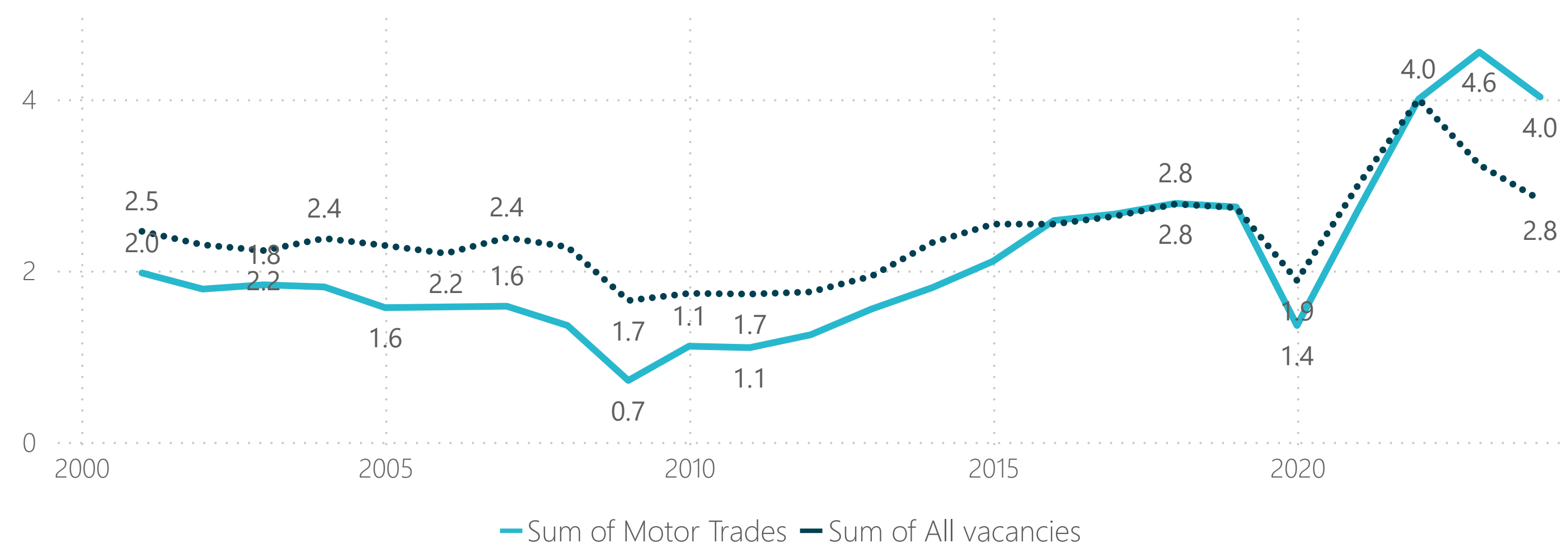
Green and sustainability agenda: The green agenda is driving significant changes in vehicle production processes, technology adoption, vehicle remanufacturing, and recycling.

New manufacturing processes: Including; additive manufacturing (3D printing), advanced robotics and automation, closed-loop manufacturing, and customisation at scale

Defining the labour market

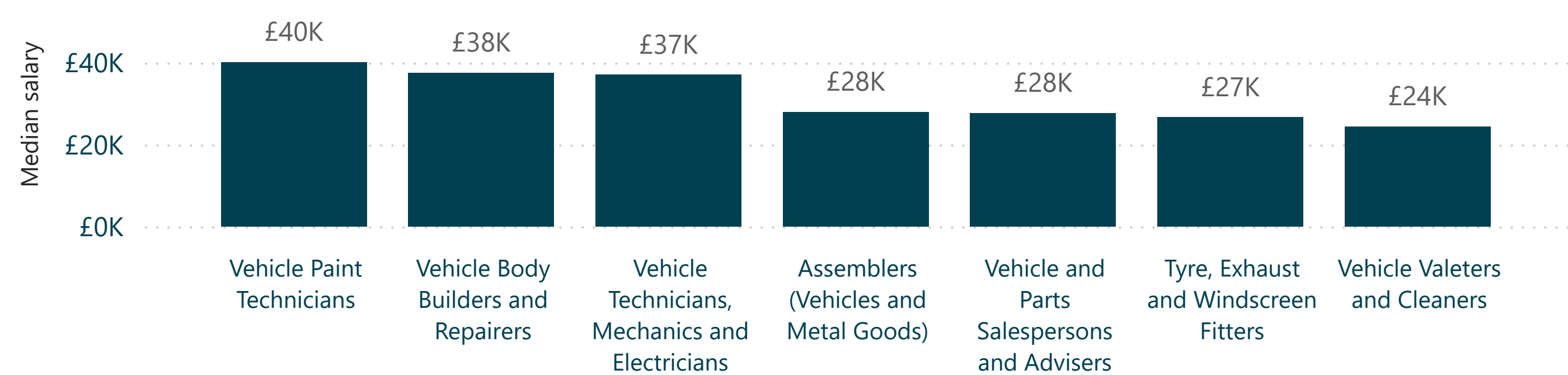
Labour Trends

Average yearly vacancy rates 2001 - 2024



After the Covid pandemic, job vacancies rose across all sectors, but recovery rates varied. Hospitality saw a sharp increase in vacancies, which declined after a year. Motor Trades initially followed market trends but had a significant second surge in early 2023, surpassing Human Health and Social Work Activities and nearing Hospitality levels. In 2023, Motor Trades vacancy rates declined more slowly than other sectors. From summer 2023, while others saw reductions, Motor Trades rates stayed stable, indicating challenges in attracting and retaining talent due to competition or negative perceptions. By 2024, Motor Trades had the second highest average vacancy rate, tying with Hospitality for the top spot for three months.

Median advertised salary by occupation



Advertised wage trend

