

UK Automotive Industry Workforce Is World-class, Finds New Study

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The UK automotive sector's workforce is one of the world's most productive – but action is needed to address a shortage of skilled engineers and operators, according to new research by the Automotive Council.

The report¹, which ranks the UK's strengths and attractiveness for automotive investment against other European and global countries, places the UK's automotive productivity in top position in Europe. The UK's strong performance reflects a culture of constant improvement in the industry and a trend towards more efficient processes adopted since the global financial crisis – as well as the shift towards high-value manufacture of premium vehicles.

The UK also ranks highly for collaboration between industry and academic bodies – essential in spearheading excellence in research and innovation. Labour flexibility is identified as another area where the UK excels – providing flexibility with working patterns and managing labour demands, vital in a precision, just-in-time industry such as automotive.

But while the UK receives strong marks in these fields, the report concludes that it fares less well in other areas such as availability of engineers. It also scores below competitor countries for skills, hourly labour rate, and R&D tax relief for larger companies.

Tony Walker, Chair of the Automotive Council's Business Environment and Skills Group, and Deputy Managing Director, Toyota Motor Manufacturing UK, said, "It is great to see further evidence of Britain's strengths in its world-class automotive manufacturing workforce – and while there are clear areas for improvement, this report provides the basis for these to be addressed in the coming months and years.

"A competitive business environment to attract inward investment is vital to the success of any industry. This report demonstrates the importance of the Automotive Council as a joint means for government and industry to identify where work is needed to boost the UK automotive sector's international competitiveness and to target investment accordingly."

Formed in 2009, the Automotive Council is a forum for government-industry dialogue, set up to consolidate the UK automotive industry's position as a leader on the world stage. It developed the report over 18 months, and will continue to update the data to help guide the sector in the long term. The report is intended to illustrate where the UK has a competitive advantage over other countries, and to identify where additional attention from government and industry is needed. Based on a survey of UK automotive companies, the Automotive Council identified eight Key Performance Indicators (KPIs) particularly influential to investment decisions, including labour cost; productivity and flexibility; availability of skills and engineers; university-industry collaboration; government investment in R&D; and R&D tax relief.

Government engagement with industry has played a vital role in the recent success of the UK automotive sector. The report also states that a continued strong dialogue and consistent policies are both essential to ensure this success continues and that potential investors can be confident in the UK's future position.

Notes for editors

1 About the report

The UK Automotive International Competitiveness Report is a data-led report devised by agreeing a list of eight relevant, priority Key Performance Indicators (KPIs) and applying them to a specified list of European and global countries.

The KPIs used are:

- KPI 1: Labour cost
- KPI 2: Labour productivity
- KPI 3: Labour flexibility
- KPI 4: Availability of engineers
- KPI 5: Availability of skills

- KPI 6: University-industry collaboration
- KPI 7: Government investment in R&D
- KPI 8: R&D tax relief

The full report can be downloaded at www.automotivecouncil.co.uk

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