



*“With engineering contributing over a quarter of the UK’s GDP, needless to say it’s an essential industry the UK needs to grow. However, to continue to grow we all have a responsibility to attract more engineers to plug the skill shortages if we’re going to be at the forefront of the industry.”*

Alex Downard, Operations Director

Engineering overview & outlook

Spring 2017



# Engineering overview

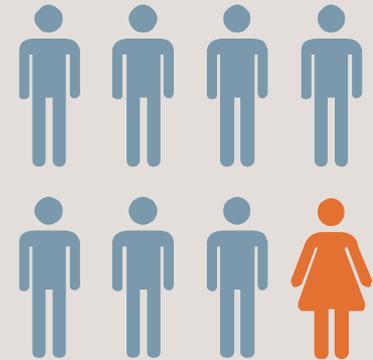


- There are **5.7 million** people employed by engineering enterprises in the UK, and with every extra person employed in engineering it supports another **1.74** jobs.
- Engineering contributes **26%** of the UK's GDP which is more than the retail, wholesale, financial and insurance sectors combined.
- Manufacturing is one of the UK's largest economic sectors, despite automation having reduced its employment footprint. **2.7 million** people are directly employed in the

UK's manufacturing industries, and it is responsible for around **50%** of the UK's exports. Over **66%** of UK business investment in research and development is in manufacturing.

- Over the past year, London saw a **3.6%** growth in employment numbers. London also had the strongest growth across the last seven years (over **17%**). The South East, Scotland and the East Midlands also saw growth of over **3%**. Overall, all English regions and UK nations except Northern Ireland saw growth.

- Less than **1 in 8** of the engineering workforce is female; according to the Engineering UK report, boys are **3.5** times more likely to study A-level Physics than girls; and **5** times more likely to gain an engineering and technology degree.



Engineering contributed **£486 billion** to UK GDP in 2015.



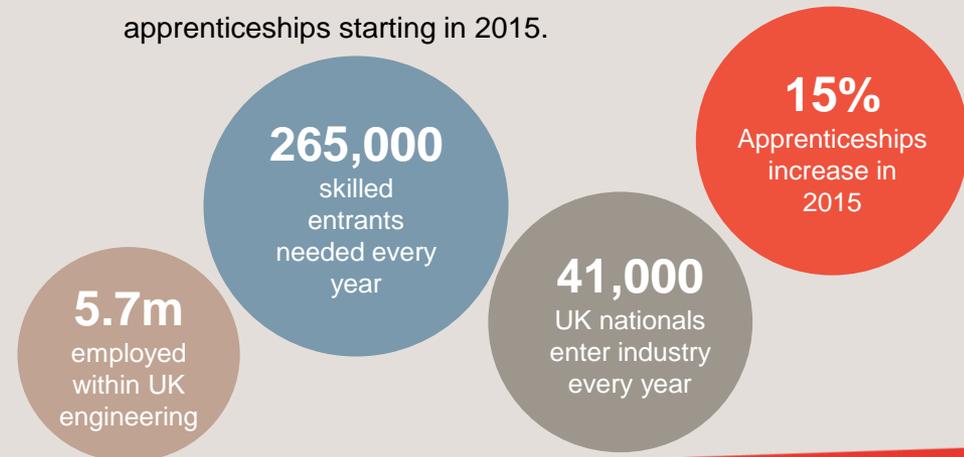
# Engineering outlook



- According to the Engineering UK 2017 report, the industry is going to require **265,000** skilled entrants – including **186,000** engineers – every year through to 2024 to meet demand. However, the proportion of young workers (aged under 25) is continuing to decrease causing fears that the industry will not be able to meet this demand.
- It's projected that there will be around **41,000** UK nationals entering the industry annually. Graduates from other countries could potentially add a further **40,000** to the engineering supply. This would give a total supply of workers with high level skills of just over **81,000**. Even with these assumptions, the projected supply will fall short of demand by around **20,000** per year.
- To help boost numbers it's highly relied upon that international people with key skills are able to move to the

UK to study or work to protect the engineering sector's contribution to the UK economy. Once the UK leaves the EU this will (likely) prove to be more challenging, therefore making engineering a more attractive prospect to skilled people is essential. Retaining talent is also imperative as well as upskilling people.

- Engineering apprenticeships surged by **15%** to **108,000** apprenticeships starting in 2015.





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