



SOUTH EAST

The South East of England is the most populous region of the UK. It is a region with strength in a number of advanced manufacturing and engineering (AME) sectors and with great strategic importance to the UK in areas such as marine and automotive.

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Introduction

As may be expected, the UK's largest region also contains the UK's largest number of AME sector employers – the South East has almost 7,000 more than the next on the list – and the second largest AME sector workforce.

The South East is bordered with parts of England (London, the East and the South West) which have large measures of regional devolution of powers to direct local skills interventions.

The South East has no such powers, so the region's ability to ensure its AME sector is properly supported to develop a strong skills pipeline is weakened.

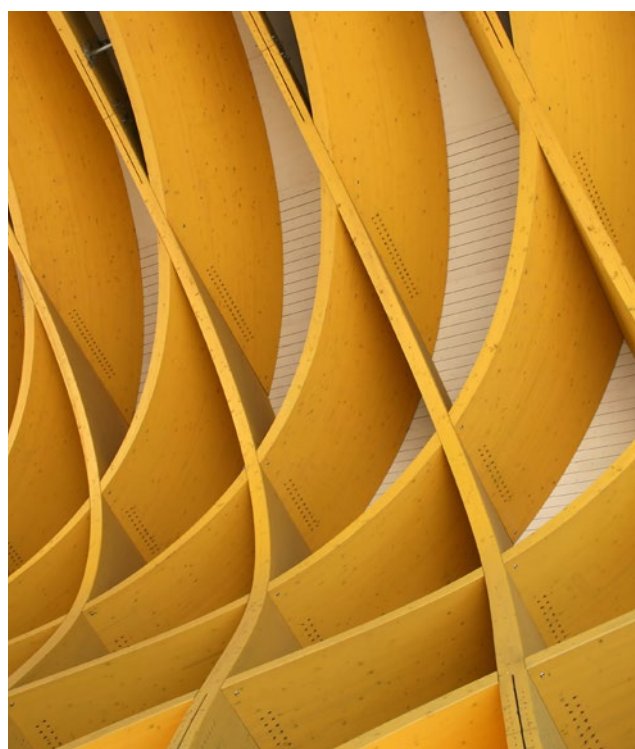
Regional Profile

The South East of England has by far the highest number of employers of any UK region and this is largely due to the number of micro-sized businesses in the sector – although the region also has the largest numbers of large employers and small employers too.

The South East has a smaller AME sector by employment than the West Midlands but is larger than any other UK region.

Employer size	Micro (0-9 employees)	Small (10-49 employees)	Medium (50-249 employees)	Large (250+ employees)	Total	As percentage of total
East Midlands	9,920	1,315	325	50	11,610	7.4
East of England	13,905	1,610	400	75	15,990	10.2
London	14,705	995	225	50	15,975	10.2
North East	6,180	535	165	35	6,915	4.4
North West	15,120	1,625	375	75	17,195	10.9
Northern Ireland	2,660	370	85	15	3,130	2
Scotland	14,080	1,085	250	65	15,480	9.9
South East	21,125	2,125	470	125	23,845	15.2
South West	11,575	1,265	270	65	13,175	8.4
Wales	5,120	545	160	35	5,860	3.7
West Midlands	13,620	2,110	525	110	16,365	10.4
Yorkshire and the Humber	9,655	1,435	375	65	11,530	7.3
Total	137,665	15,015	3,625	765	157,070	100
As % of Total	87.6	9.6	2.3	0.5	100	

	2018 Employment in AME
East Midlands	112,377
East of England	139,623
London	102,730
North East	56,051
North West	161,874
Northern Ireland	38,878
Scotland	107,941
South East	189,627
South West	144,903
Wales	79,798
West Midlands	192,956
Yorkshire and Humber	120,346
Grand Total	1,447,103



Demand for Skills

The most in demand engineering skill in the South East is mechanical engineering, while teamwork and project management skills are the most prized specialist skills overall, according to Labour Insight analysis of 2017 job postings.



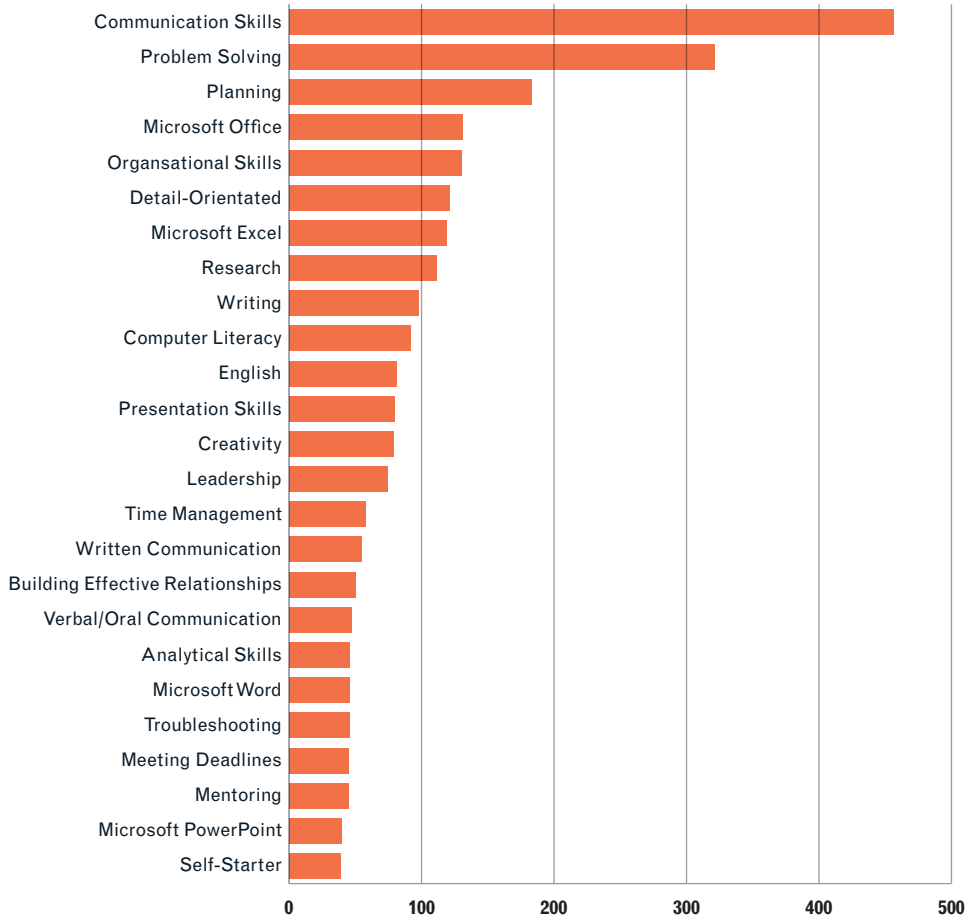
Communication, problem solving and planning skills are the most in-demand non-specialist skills, with general IT skills such as Microsoft Office and computer literacy also desired.

Organisational skills are also wanted by employers. Interestingly, leadership skills – in the top three generalist skills demanded by AME employers in other UK regions – are not as highly sought after in the South East.

The South East has the largest computer, electronic and optical products employment in the UK, and also employs the largest numbers of people in each repair sector. The South East has the largest numbers of workers employed in engineering research, as well as in metals.

These strengths, combined with sizeable engineering design, fabricated metal products and mechanical equipment sectors, explain why the South East is such an engineering powerhouse.

In the medium term, in common with every other UK region, the South East is expected to see a decline in AME employment. There is expected to be a shrinkage across the majority of sectors, with research and development an important outlier.



South East employment by sector (SIC groups)

Sector	South East 2018	South East 2023	2018-23 South East change	2018-23 UK change
Fabricated Metal Products	35,302	32,942	-6.70%	-6.10%
Research and experimental development on natural sciences and engineer	28,727	30,601	6.50%	7.20%
Engineering design activities for industrial process and production	27,119	26,662	-1.70%	-1.30%
Mechanical Equipment	14,724	11,876	-19.30%	-18.80%
Manufacture of computer, electronic and optical products	13,044	9,444	-27.60%	-21.50%
Repair of machinery Installation of industrial machinery and equipment	9,995	9,125	-8.70%	0.20%
Electrical Equipment	9,817	8,800	-10.40%	-7.40%
Technical testing and analysis	9,747	9,600	-1.50%	-1.10%
Automotive	9,327	7,776	-16.60%	-10.60%
Aerospace	8,074	7,343	-9.10%	-3.50%
Wholesale of metals and metal ores	5,388	5,391	0.10%	0.40%
Marine	3,382	3,082	-8.90%	-3.50%
Repair and maintenance of aircraft and spacecraft	3,266	2,959	-9.40%	-0.10%
Basic Metals	2,883	2,595	-10.00%	-10.10%
Repair and maintenance of other transport equipment	1,954	1,765	-9.70%	-0.30%
Repair of electrical equipment	1,664	1,526	-8.30%	0.40%
Repair of fabricated metal products, machinery and equipment	1,392	1,260	-9.50%	-0.20%
Repair and maintenance of ships and boats	1,283	1,164	-9.30%	0.00%
Other Transport Equipment	1,084	990	-8.70%	-3.30%
Repair of electronic and optical equipment	921	845	-8.30%	0.30%
Rubber Tyres	534	498	-6.70%	-12.80%
Grand Total	189,627	176,246	-7.10%	-5.50%



Occupations, qualifications and the skills shift

In common with other UK regions where research and engineering design are strong, as might be expected the South East has a plurality of its AME workforce employed in professional occupations and a relatively low proportion of operatives.

In the medium term, there is expected to be a decline in the numbers employed in each family of workers, with the largest decline amongst skilled tradespeople.

South East employment by occupational area

Occupational area	South East 2018	South East 2023	2018-23 South East change	2018-23 UK change
Professional occupations	57,888	56,700	-2.10%	0.20%
Associate professional and technical	34,052	32,454	-4.70%	-1.90%
Skilled trades occupations	30,438	25,841	-15.10%	-11.70%
Managers, directors and senior officials	29,732	28,711	-3.40%	-0.70%
Administrative and secretarial	14,508	12,512	-13.80%	-8.50%
Process, plant and machine operatives	10,581	8,703	-17.70%	-12.90%
Elementary occupations	5446	4,737	-13.00%	-9.60%
Sales and customer service	4334	3,993	-7.90%	-4.20%
Caring, leisure and other service	2647	2,596	-1.90%	2.30%
Grand Total	189,627	176,246	-7.10%	-5.50%

There is expected to be a sharp decline in the numbers of workers employed with sub-higher education level qualifications in the medium term, of 22%.

Correspondingly, in common with other parts of the UK and to be expected given the region's growing strength in research and development there is projected to be an increase in the numbers employed with higher education qualifications – especially at university graduate level.

South East employment by qualification level

Qualification level	South East 2018	South East 2023	2018-23 South East change	2018-23 UK change
No qualification	2,769	1,371	-50.5%	-45.8%
QCF1 GCSE (below grade C) & equivalent	15,569	10,800	-30.6%	-21.8%
QCF2 GCSE (A-C) & equivalent	28,563	23,654	-17.2%	-10.3%
QCF3 A Level & equivalent	35,445	28,118	-20.7%	-14.9%
QCF4 HE below Degree Level	22,154	22,245	0.4%	3.2%
QCF5 Foundation Degree	7,509	7,782	3.6%	6.4%
QCF6 First Degree	54,312	58,845	8.3%	10.2%
QCF7 Other Higher Degree	19,057	19,236	0.9%	4.0%
QCF8 Doctorate	4,249	4,194	-1.3%	2.2%
Grand Total	189,627	176,246	-7.1%	-5.5%



Gender

The South East has a relatively non-diverse AME sector, with only 21% of the workforce being female (compared with 24% on average).

The number of male workers is expected to drop much more significantly in the medium term – most likely due to older male workers retiring.

Gender	South East 2018	South East 2023	2018-23 South East change	2018-23 UK change
Females	39,677	38,533	-2.9%	-0.6%
Males	149,950	137,712	-8.2%	-6.7%
Grand Total	189,627	176,246	-7.1%	-5.5%

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All data correct as of December 2018

