

COVID PUTS HALT TO PRIVATE EMPLOYMENT SERVICES' PRE-PANDEMIC GROWTH TRAJECTORY

The World Employment Confederation's latest Economic Report shows that the Covid-19 pandemic put a halt to the growth that the global private employment services industry was experiencing for the past couple of years. In 2019, the global industry was worth €495 billion - an increase of 5% compared to the prior year – while the first half of 2020 already showed a decrease of 18% compared to the same period of the previous year.

Brussels, 22 February 2021 – The Covid-19 pandemic and the economic crisis it triggered put a halt to the growth that the global private employment services industry was experiencing for the past couple of years. The World Employment Confederation's latest Economic Report shows that in 2019, the industry was worth €495 billion - an increase of 5% compared to the prior year.

"Pre-pandemic, tight labour market conditions surely played a role in driving strong performance and double-digit growth in the MSP and RPO segments of the industry," explains Even Hagelien, Chairman of WEC's Economic Affairs Committee. *"Direct recruitment and agency work had also grown in 2019, though at lower rates. But the Covid-19 crisis is a game changer. Looking at 2020, we estimate that the global agency work sector contracted by as much as 18% in the first half of the year compared to the same period in 2019."*

In 2019, the agency work sector remained by far the largest segment of the global private employment services industry, growing by 1% compared to 2018 and generating €391 billion of total revenues (79%). Direct recruitment activities produced €63 billion in turnover, up by 6% from 2018, while the market for Managed Services Providers (MSP) and Recruitment Process Outsourcing (RPO) expanded by 13% and 25%, to reach €135 billion and €5.7 billion, respectively, in 2019. The career management sector experienced a decline of 1% with an estimated value of €1.9 billion.

Regional analyses reveal that North America still generates the majority of revenues in several of the industry's segments, due to the size of the US market. While most of South America's agency work markets saw growth in 2019, the region is led into a decline in 2019 as Brazil – its largest market - experienced a significant contraction. With nine out of the 15 largest markets globally, Europe remains the largest region in terms of agency work revenues, generating 43% of the global sector's turnover in 2019. Market evolution however varied considerably between the countries in the region. Australia, China and Japan drive results in the APAC region, with strong performance on direct recruitment and agency work.

"While a path towards recovery can be observed across many markets, pre-crisis levels are not reached and the future remains uncertain," observes Denis Pennel, Managing Director of the World Employment Confederation. *"But our industry is ready to play its role in the recovery, placing people in the labour market and offering innovative solutions to alleviate challenges and risks for workers and businesses. Helping people and organisations to manage change is in our sector's DNA."*

In 2019, more than 60 million individuals were placed in the labour market by the private employment services industry worldwide. The sector employed over 3 million internal staff in 161,000 agencies located across 41 countries.

The 2021 Economic Report of the World Employment Confederation is available on [WEC's website](https://www.wecglobal.org).

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About the World Employment Confederation

The World Employment Confederation is the voice of the private employment services industry at a global level, representing national federations as well as large international workforce solutions companies from across the world. Members of the World Employment Confederation represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues.

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