

Labour Market Intelligence Insights

Q1 2025



**WORLD
EMPLOYMENT
CONFEDERATION**
The Voice of Labour Market Enablers

Contents



Market Comment		03
Agency Work Activity	<ul style="list-style-type: none"> › Agency Work Activity in US, Europe, Japan, India & Chile › Turnover in Europe › Hours worked in Europe › Online job postings 	04
Economy	<ul style="list-style-type: none"> › GDP › Inflation › Manufacturing PMI › Unemployment 	08
Labour Market	<ul style="list-style-type: none"> › Job vacancy rate › Unfilled job vacancies › Labour shortages by economic sector › Share of self-employed › Top occupations online › Top hardest-to-fill occupations online › Top hardest-to-fill skills online › AI index of online job postings 	13

Market Comment

Q1 2025



Economic Environment

Growth has been relatively robust in many G20 countries including the United States, Brazil, India, Indonesia and the United Kingdom. In contrast, outcomes have remained soft in a few economies, including Germany, and output contracted in Argentina. Inflation is abating, while unemployment is hovering around historic lows.



Labour Market

Labour markets are demonstrating resilience, with job vacancy rates returning to pre-pandemic levels across most regions. Despite this normalisation, sectoral differences persist, reflecting ongoing shifts in economic activity and workforce demand.

Temporary agency work activity in Q4 2024 continued the downward trend of earlier quarters, with a notable exception in Chile and India, where demand remained robust. Online temporary agency job market showed a decline in all geographies over the same period, with the exception of North America.

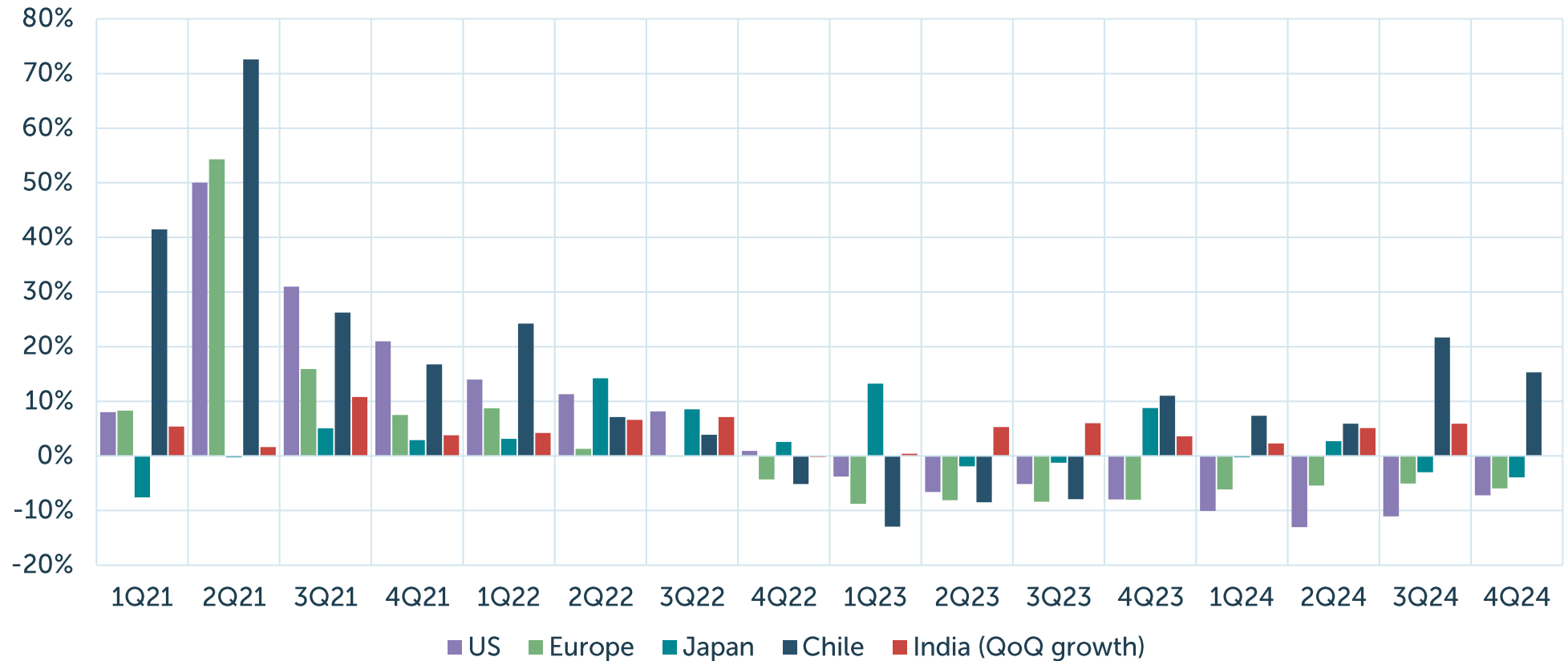
The online jobs market shows that the lack of registered nurses in North America has been turning ever more acute including in Q4 2024. At the same time, difficulty to find warehouse workers in Europe has been persistent as well.

In terms of skills, a multitude of professions related to health (scientists, practitioners) across the entire spectrum has been registered in Q4 2024 in the online jobs market.

This data underscores the need for targeted strategies to address skill shortages and workforce alignment in specific sectors and geographies.

Agency Work Activity in US, Europe, Japan, India & Chile

Hours worked by agency workers
Quarterly dynamics (YoY % change)

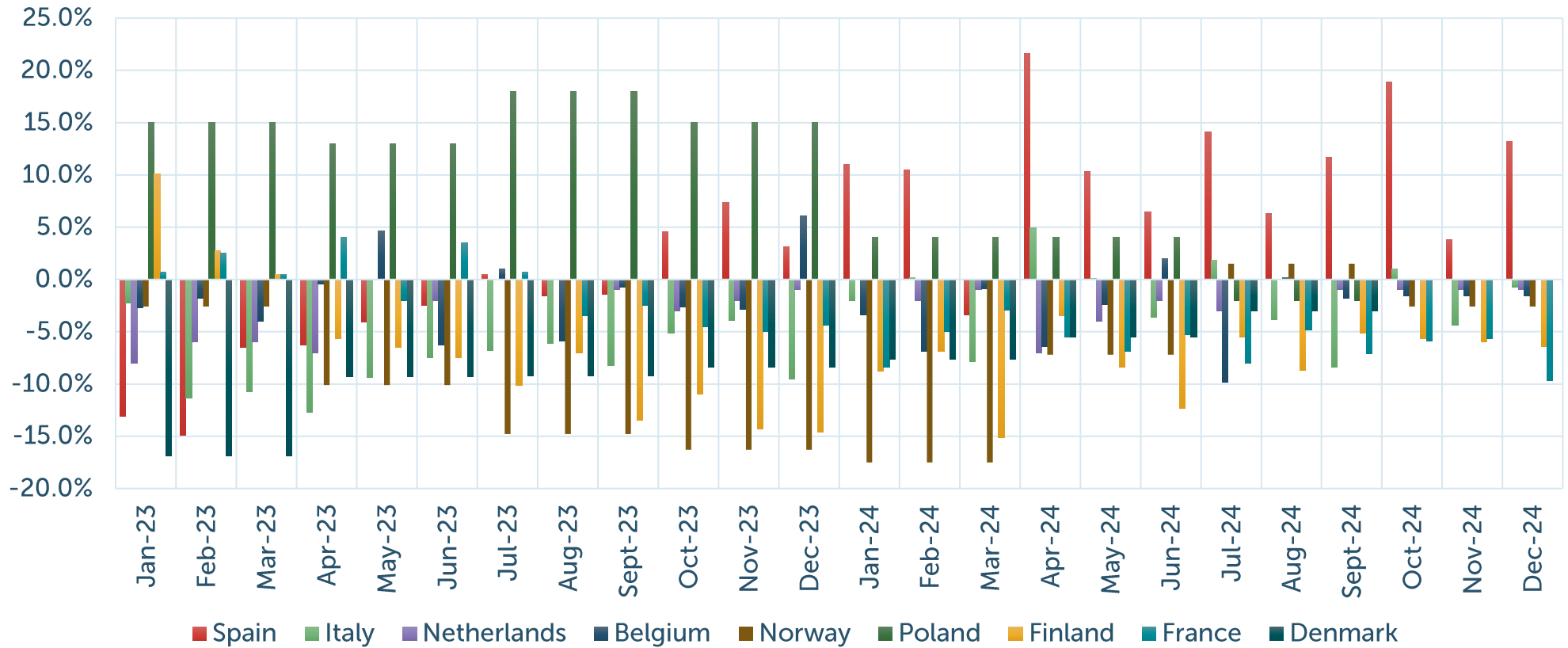


Source: WEC members

Agency Work Activity is based on the dynamics of hours worked by agency workers in a given period

Agency Work Turnover in Europe

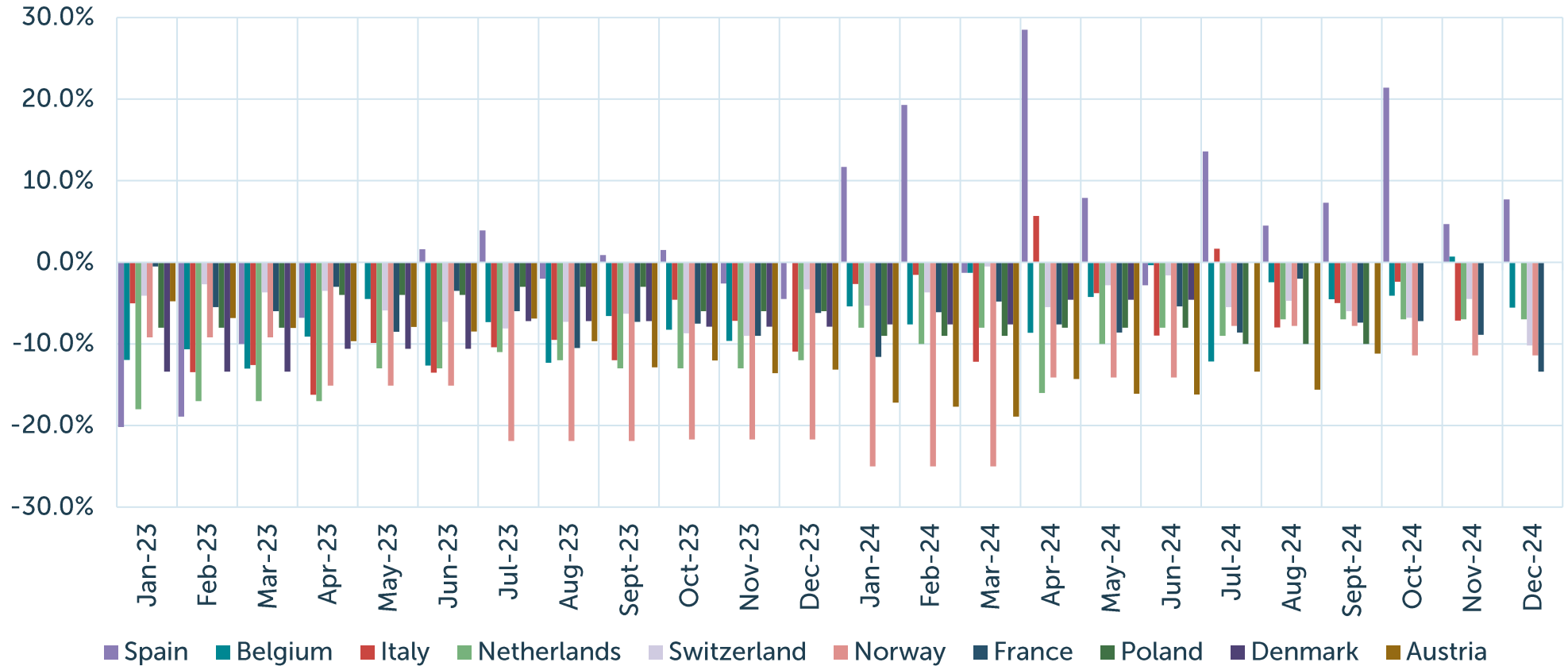
Turnover of private employment agencies
Monthly dynamics (YoY % change)



Source: WEC Members

Agency Work Hours Worked in Europe

Number of hours worked by agency workers
Monthly dynamics (YoY % change)

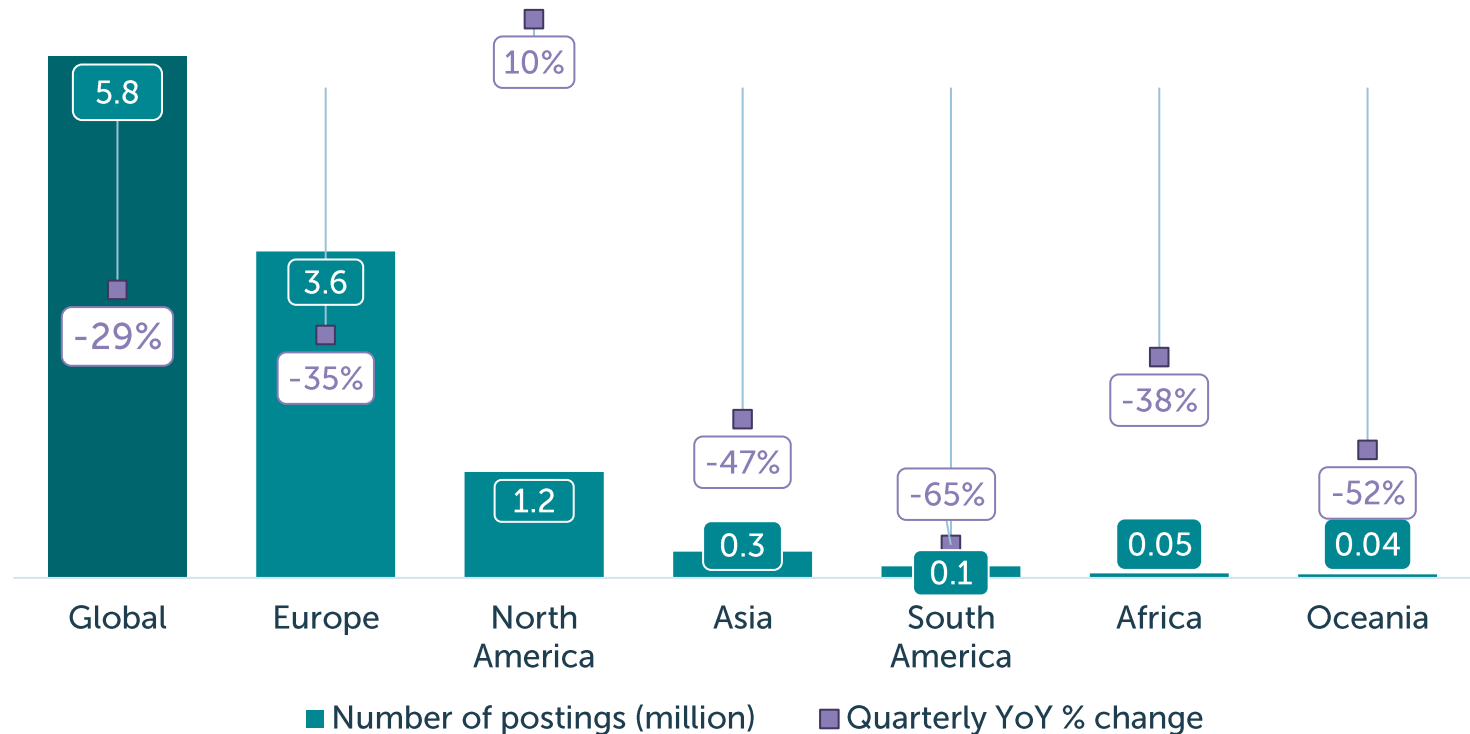


Source: WEC Members

Agency Work: Online Job Postings

Positive signs were registered in North America

Agency work online job postings by geographical region
Number of postings & quarterly dynamics – Q4 2024



Evolution of GDP

Global output growth has remained resilient, and inflation has continued to moderate.

Growth has been relatively robust in many G20 countries including the United States, Brazil, India, Indonesia and the United Kingdom. In contrast, outcomes have remained soft in a few economies, including Germany, and output contracted in Argentina.

(OECD)

REGION	Country	ANNUAL					QUARTERLY			
		2019	2020	2021	2022	2023	1Q24	2Q24	3Q24	4Q24
NORTH AMERICA	Canada	1.9	-5.0	6.0	4.2	1.5	0.8	1.1	1.5	1.7
	Mexico	-0.4	-8.4	6.0	3.7	3.3	1.7	1.2	1.6	0.9
	United States	2.6	-2.2	6.1	2.5	2.9	2.9	3.0	2.7	2.5
SOUTH AMERICA	Argentina	-2.0	-9.9	10.4	5.2	n/a	-5.1	-4.0	-2.0	n/a
	Brazil	1.2	-3.3	4.8	n/a	n/a	2.2	2.8	3.5	n/a
	Chile	0.6	-6.1	11.3	2.1	0.2	2.1	2.1	2.3	n/a
ASIA	Australia	-0.1	2.1	4.2	3.4	1.4	1.1	1.0	0.8	n/a
	China	6.1	2.1	8.4	3.0	5.2	5.3	4.7	4.6	5.4
	India	3.9	-5.8	9.7	7.0	n/a	8.0	6.6	5.8	n/a
	Japan	-0.4	-4.2	2.7	0.9	1.5	-0.9	-0.9	0.5	n/a
	New Zealand	2.4	0.2	4.6	3.9	1.3	1.3	-0.5	-1.5	n/a
	South Korea	2.3	-0.7	4.6	2.7	1.4	3.1	2.3	1.6	1.3
	Austria	1.8	-6.3	4.8	5.3	-1.0	-1.5	-1.4	-0.8	-0.2
	Belgium	2.4	-4.8	6.2	4.2	1.3	0.8	0.9	1.2	n/a
	Bulgaria	3.8	-3.2	7.8	4.0	1.9	2.0	2.2	2.4	n/a
	Czech Republic	3.6	-5.3	4.0	2.8	-0.1	0.5	0.5	1.4	1.6
EUROPE	Denmark	1.7	-1.8	7.4	1.5	2.5	2.3	3.7	3.1	n/a
	Estonia	3.7	-2.9	7.2	0.1	-3.0	-1.4	-1.1	-0.6	-0.1
	Finland	1.3	-2.5	2.7	0.8	-1.2	-1.5	-1.5	0.4	n/a
	France	2.0	-7.4	6.9	2.6	0.9	1.4	1.0	1.2	0.7
	Germany	1.0	-4.1	3.7	1.4	-0.3	-0.1	-0.2	-0.3	-0.2
	Greece	2.3	-9.2	8.7	5.7	2.3	2.2	2.3	2.4	n/a
	Ireland	5.0	7.2	16.3	8.6	-5.5	-4.2	-3.2	2.5	n/a
	Italy	0.4	-8.9	8.9	4.7	0.7	0.3	0.7	0.5	0.5
	Latvia	0.7	-3.5	6.9	1.8	1.7	0.2	0.0	-1.0	n/a
	Lithuania	4.7	0.0	6.4	2.5	0.3	2.7	1.5	2.4	3.6
	Luxembourg	2.9	-0.9	7.2	1.4	-1.1	-0.7	-0.1	1.2	n/a
	Netherlands	2.3	-3.9	6.3	5.0	0.1	-0.7	0.6	1.9	n/a
	Poland	4.6	-2.0	6.9	5.3	0.1	1.7	3.7	1.7	n/a
	Portugal	2.7	-8.2	5.6	7.0	2.5	1.4	1.6	2.0	n/a
	Romania	3.9	-3.7	5.5	4.0	2.4	2.0	0.8	-0.3	n/a
AFRICA	Spain	2.0	-10.9	6.7	6.2	2.7	2.7	3.3	3.5	3.5
	Sweden	2.5	-2.0	5.9	1.5	-0.2	0.0	0.5	0.7	1.2
	Norway	1.1	-1.3	3.9	3.0	0.5	1.3	4.2	3.1	n/a
	Switzerland	1.1	-2.1	5.6	3.0	0.7	0.6	1.4	1.7	n/a
	Turkey	0.8	1.9	11.4	5.5	5.1	6.7	2.4	1.9	n/a
	United Kingdom	1.6	-10.3	8.6	4.8	0.4	0.3	0.7	0.9	n/a
	Egypt	5.6	3.6	3.3	6.6	3.8	2.2	2.4	3.5	n/a
	South Africa	0.3	-6.0	4.7	1.9	0.6	0.7	0.3	0.4	n/a

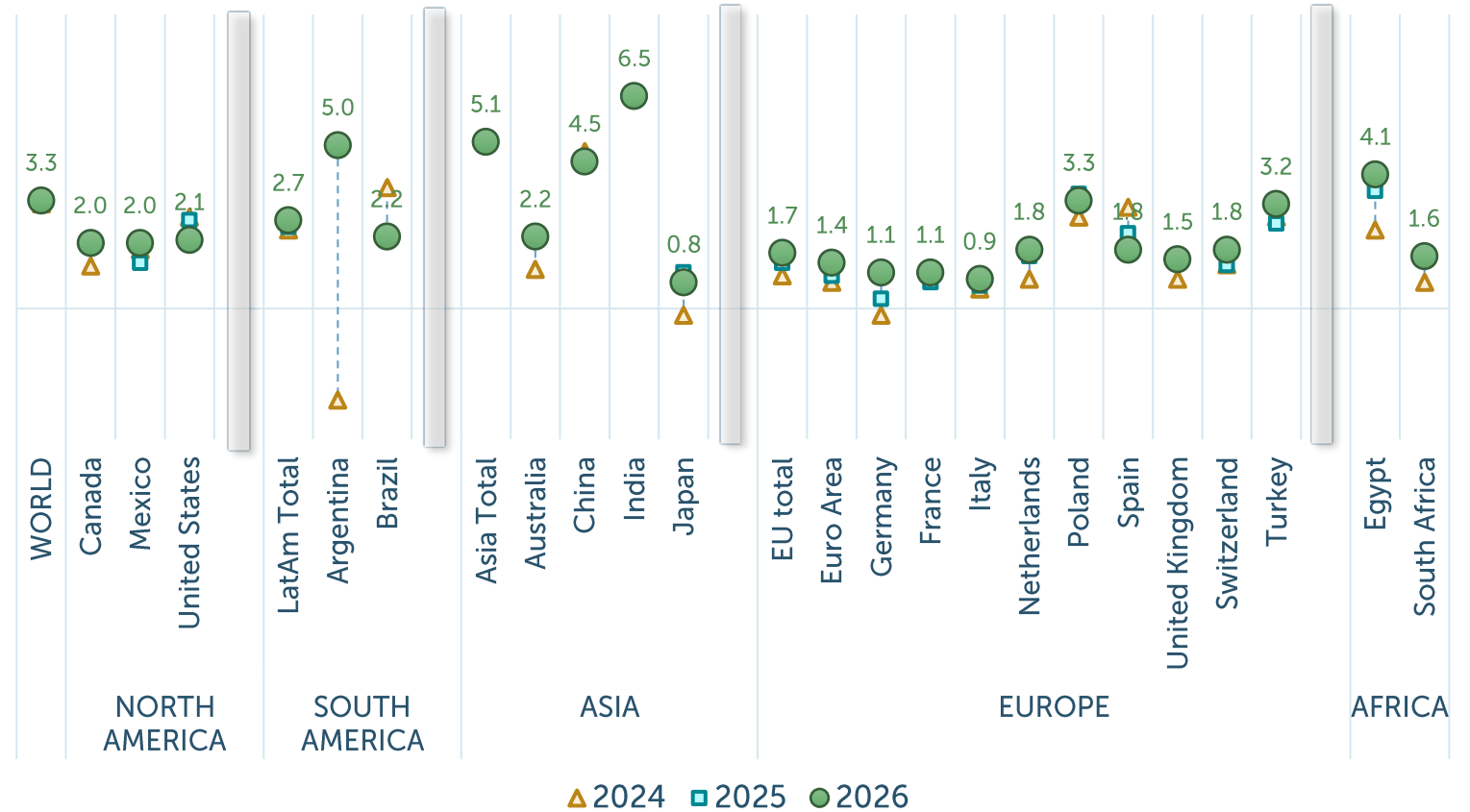
Source: OECD
via Macrobond

Global GDP growth is projected at 3.3% in both 2025 & 2026

Upside risks could lift already-robust growth in the United States in the short run, whereas risks in other countries are on the downside amid elevated policy uncertainty.

The ongoing disinflation process could interrupt the pivot to easing monetary policy, with implications for fiscal sustainability and financial stability. A keen policy focus on balancing trade-offs between inflation and real activity is required, rebuilding buffers, and lifting medium-term growth prospects through stepped-up structural reforms as well as stronger multilateral rules and cooperation.

GDP growth projections (YoY % change)



IMF

Source: IMF via Macrobond

Inflation Continues Decreasing

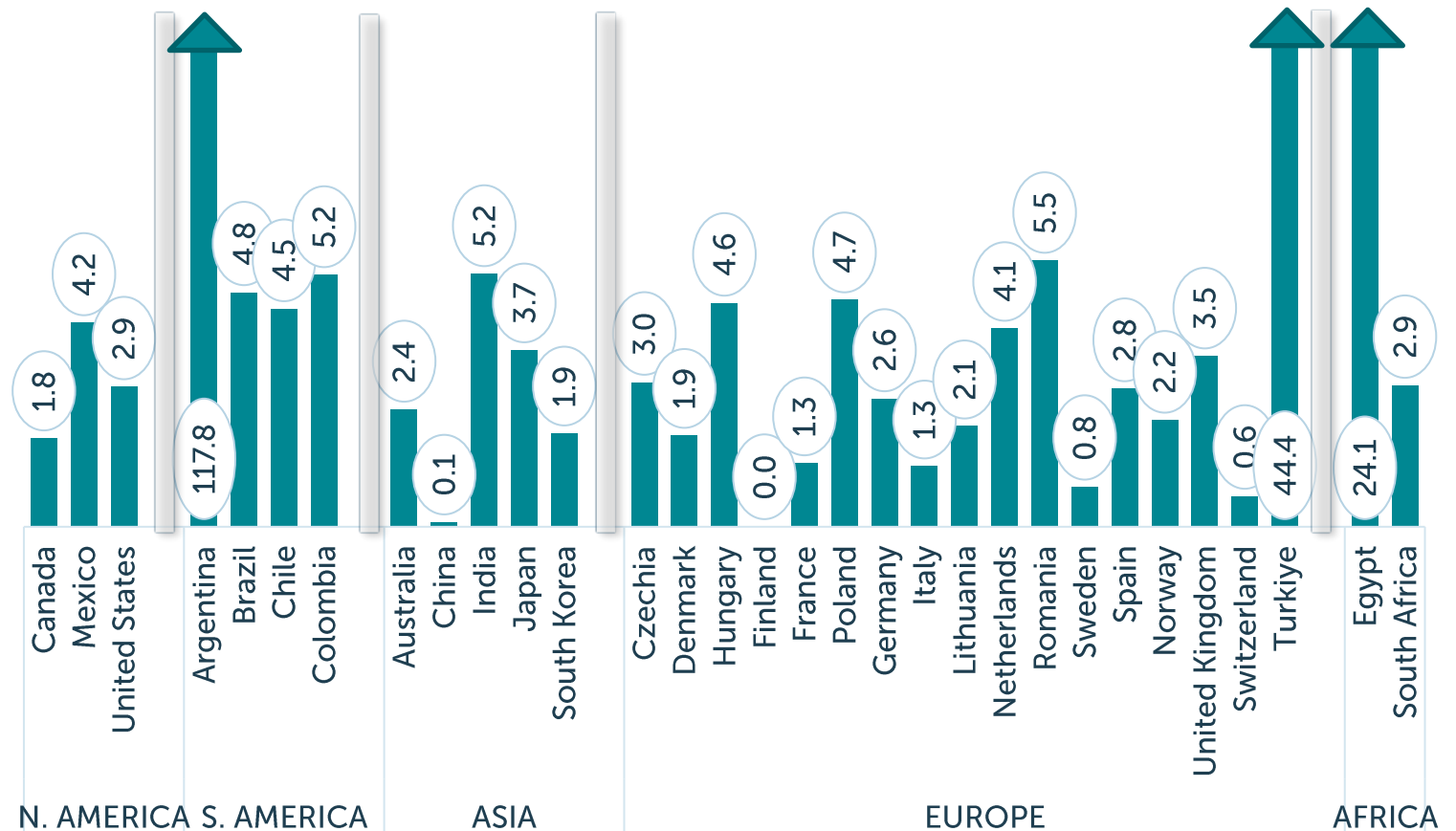
Food and energy inflation has outstripped household income growth in many countries.

G20 inflation projected to reach 3.5% in 2025 and 2.9% in 2026.

OECD

Sample Averages (excl. AG, TR, EG):
December '24: 2.9%
December '23: 3.9%

Inflation rate - December 2024 or latest available
(YoY % change)



Source: IMF via Macrobond, Eurostat, Trading Economics
Sample average calculation: simple average across listed countries

Manufacturing PMI

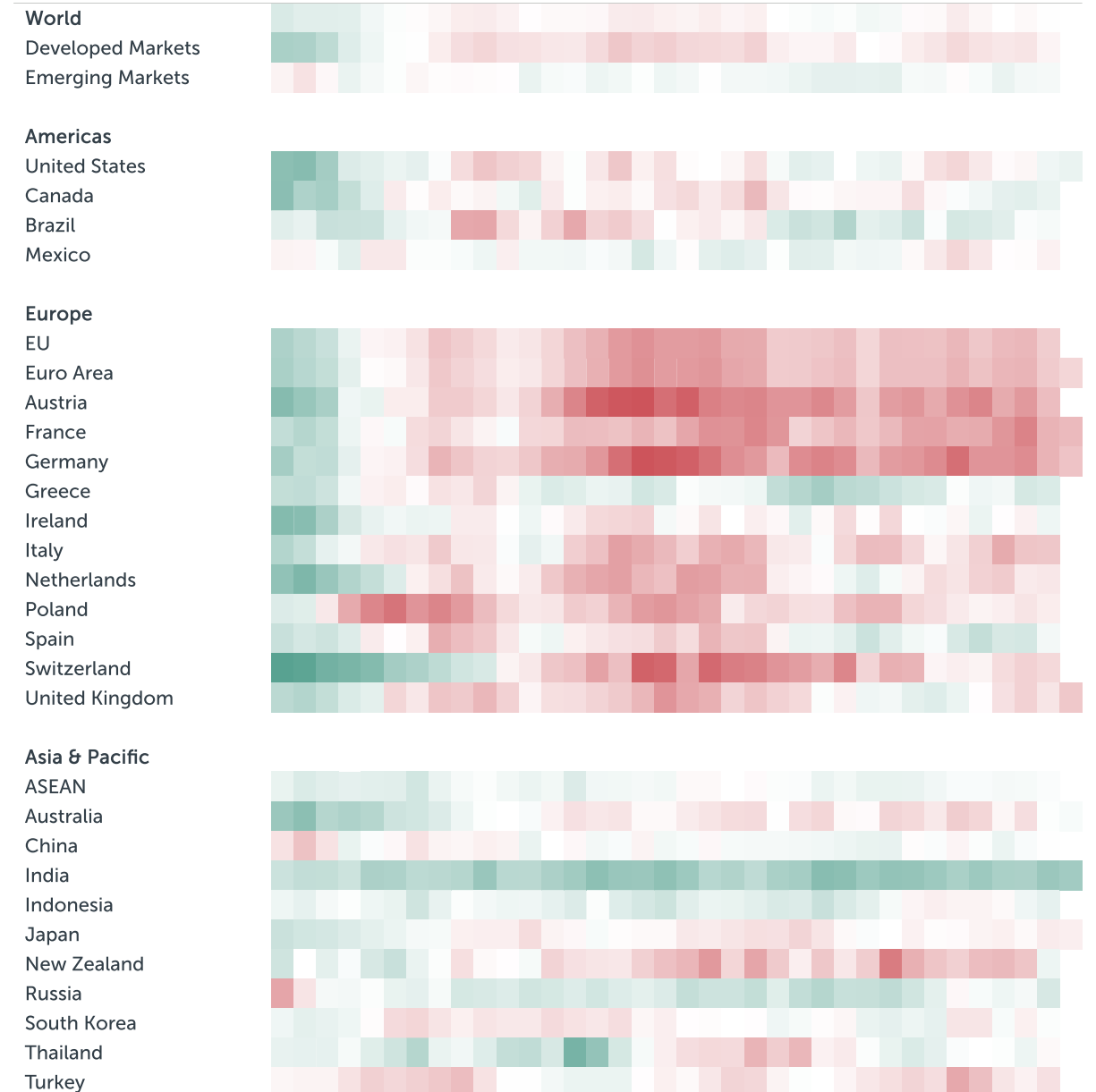
This chart presents the Purchasing Managers' Indices (PMIs) for the past three years, with green boxes indicating expansion and red boxes indicating contraction.

During the central banks' hiking cycle, it is crucial for policymakers and the market to consider the spill-over effects of efforts to combat inflation. The impact of these interest rate hikes extends beyond immediate financial adjustments, influencing various sectors of the economy.

PMI numbers indicate that these hikes have created significant challenges for both the economy and companies. Increased borrowing costs and tightened financial conditions have slowed down business activities, reduced consumer spending, and strained corporate profitability. This underscores the importance of balancing inflation control with potential negative consequences on economic growth and stability.

World Manufacturing PMI Heatmap

Recent 3 years: from Mar-22 to Feb-25 (left to right); green: PMI > 50, red: PMI < 50



Source: S&P Global, as of 21-Feb-25

Unemployment rates are near historical lows

The OECD average unemployment rate is forecast at 4.9% in 2025 and 4.8% in 2026.

Despite some easing in labour markets, labour and skill shortages remain at very high levels.

Over the past decade, job vacancy rates have nearly doubled, with particularly sharp increases in sectors like healthcare and ICT. Population ageing is exacerbating these shortages and is expected to accelerate in the coming decades.

(OECD)

Unemployment rate projections (YoY % change)

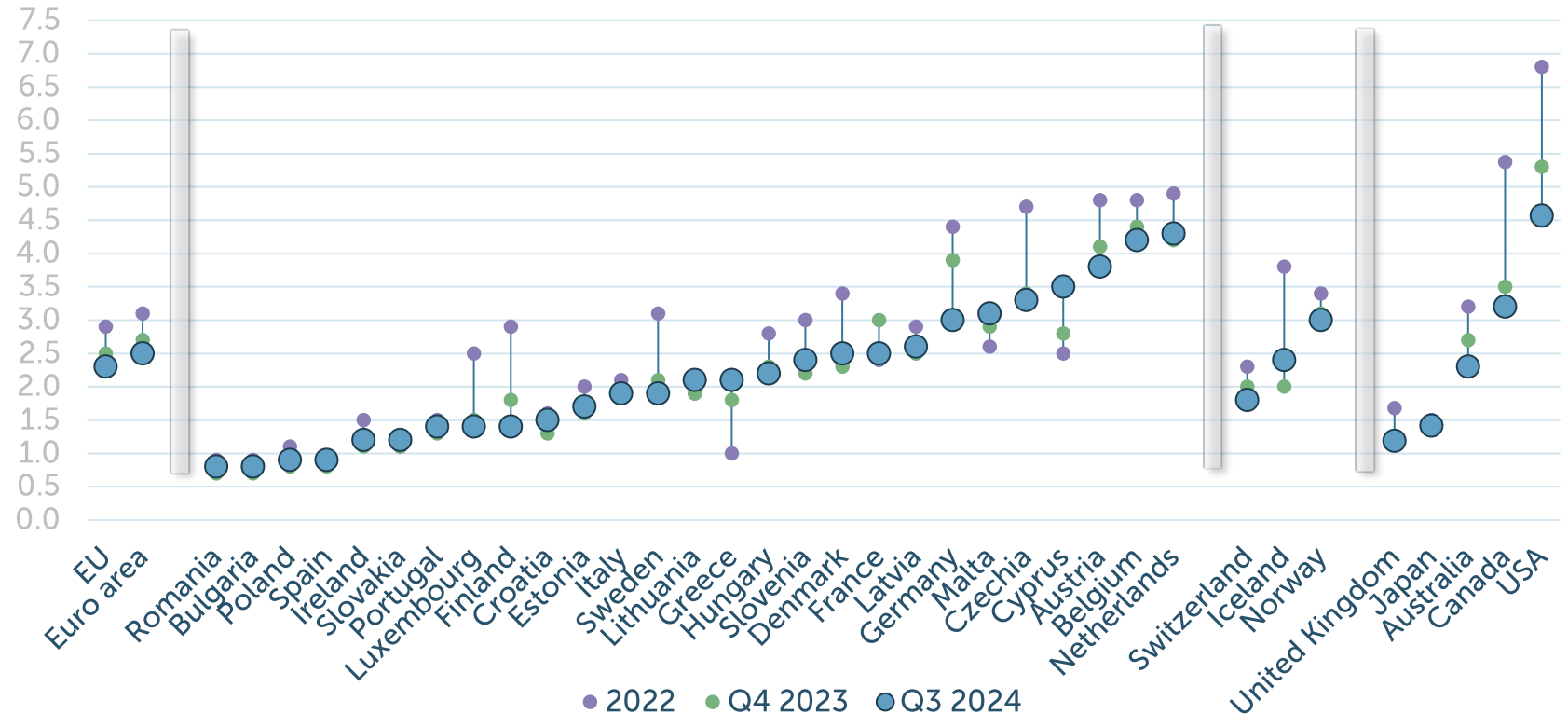


Source: IMF WEO via Macrobond
For India: Central Intelligence Agency

Job Vacancy Rate

Job vacancy rates continued easing across the globe in the third quarter of 2024

Job vacancy rates (%)



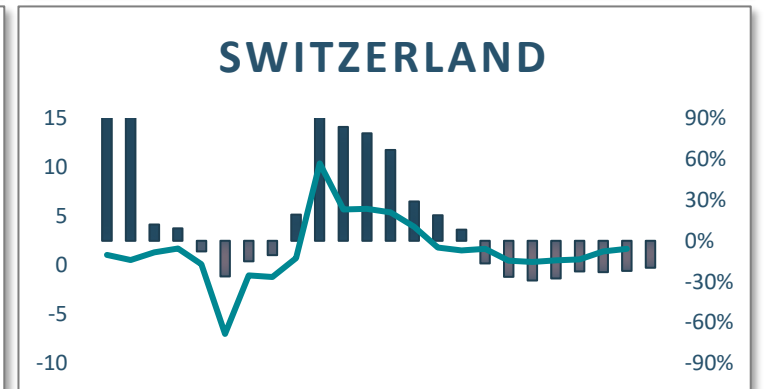
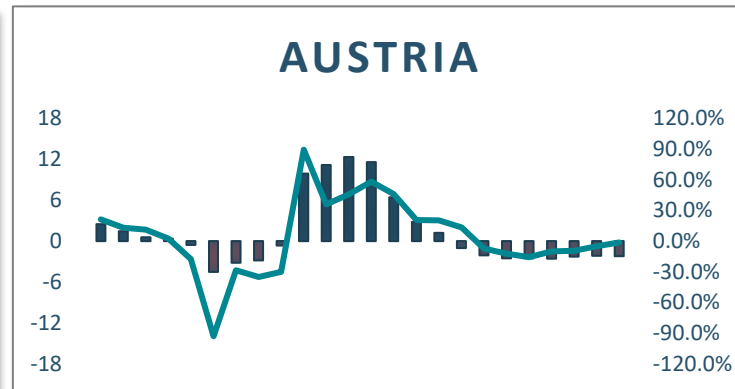
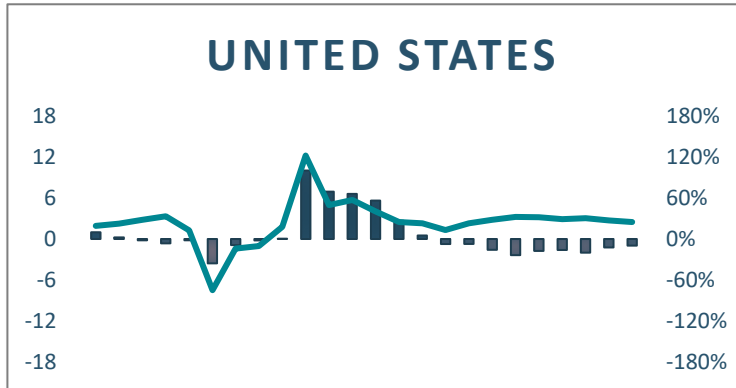
Source: Eurostat; BLS; ONS; ABS; own calculations

Note: Job vacancy rates for the EU include "Industry, construction and services"

Note: vacancy rate = number of vacancies / (number of vacancies + number of occupied posts) * 100

Quarterly dynamics of GDP and Unfilled job vacancies
(YoY % change and % respectively) – Q1 2019 to Q4 2024

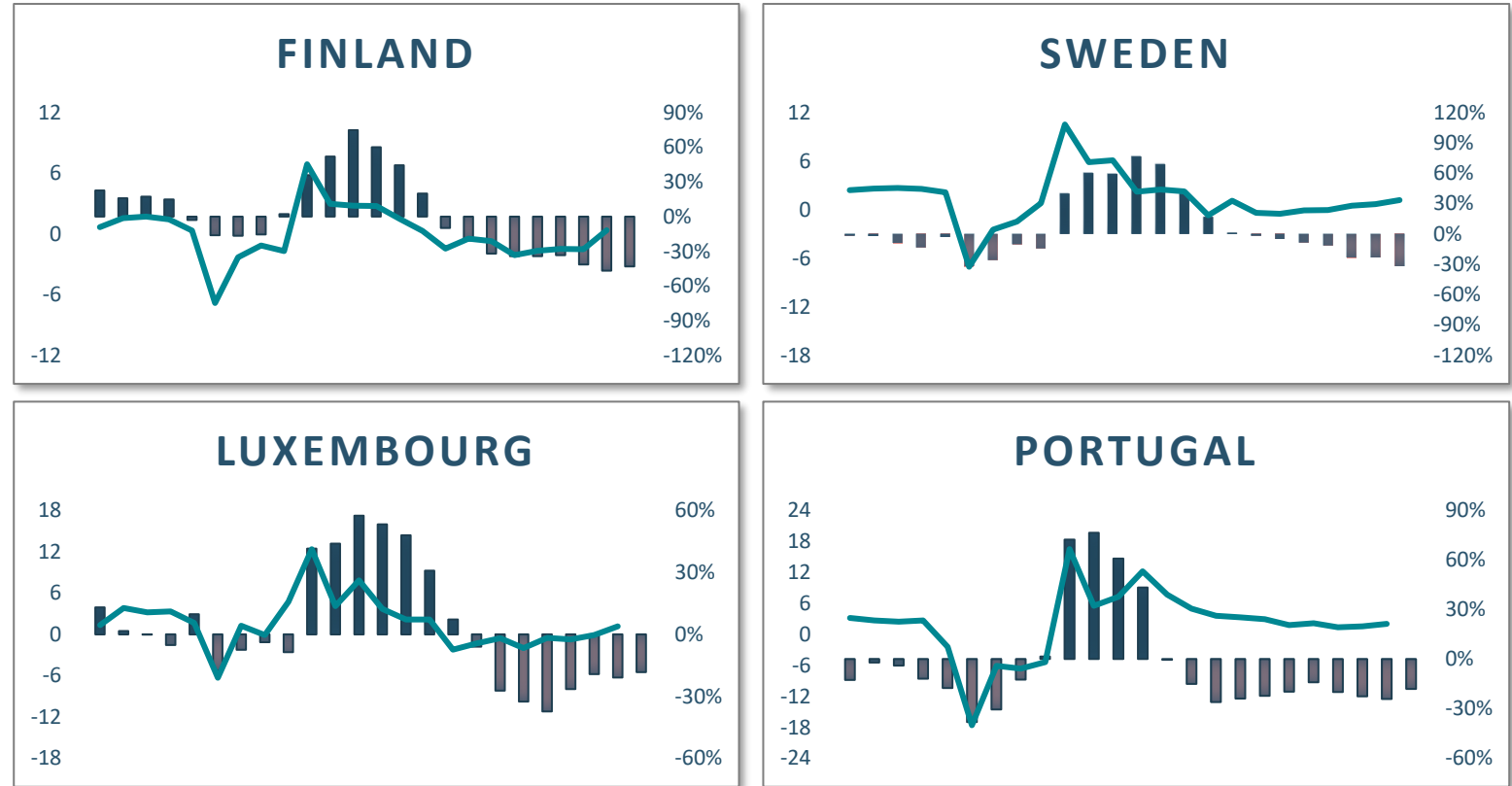
■ Change in total unfilled job vacancies (% , rhs)
— Quarterly GDP dynamics



Source: Eurostat; BLS; ONS; ABS; own calculations
 Note: Job vacancy rates for the EU include "Industry, construction and services"
 Note: vacancy rate = number of vacancies / (number of vacancies + number of occupied posts) * 100

Quarterly dynamics of GDP and Unfilled job vacancies (YoY % change and % respectively) – Q1 2019 to Q4 2024

Change in total unfilled job vacancies (% , rhs)
 Quarterly GDP dynamics



Source: Eurostat; BLS; ONS; ABS; own calculations

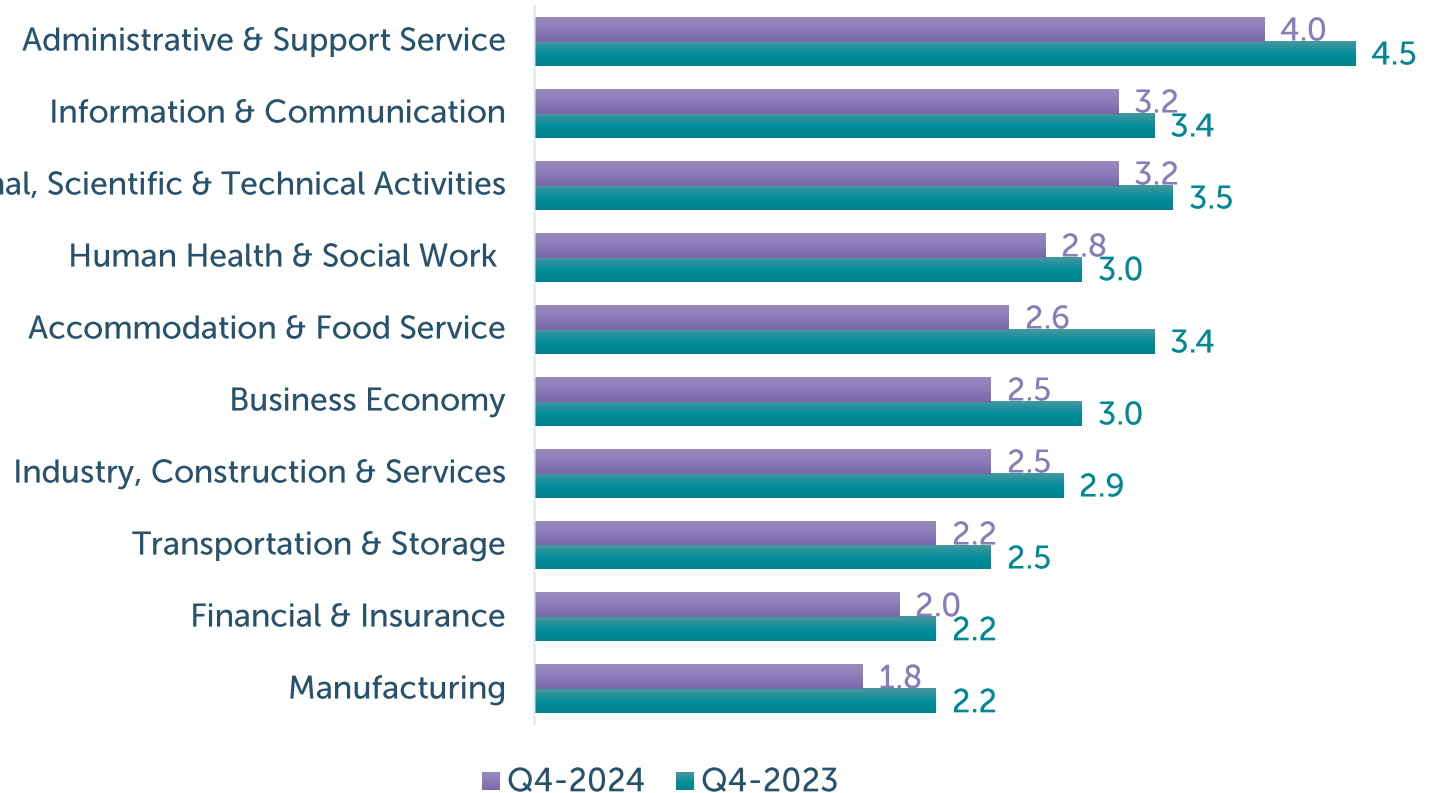
Note: Job vacancy rates for the EU include "Industry, construction and services"

Note: vacancy rate = number of vacancies / (number of vacancies + number of occupied posts) * 100

Labour Shortages by Economic Sector

EU-20 job vacancy rates were lower in Q4 2024 compared with Q4 2023, but compared with the previous quarter, a number of industries showed an increase, including financial services, Health & Social work, ICT, and Professional, Scientific & Technical activities

Job vacancy rates in the EU (%)



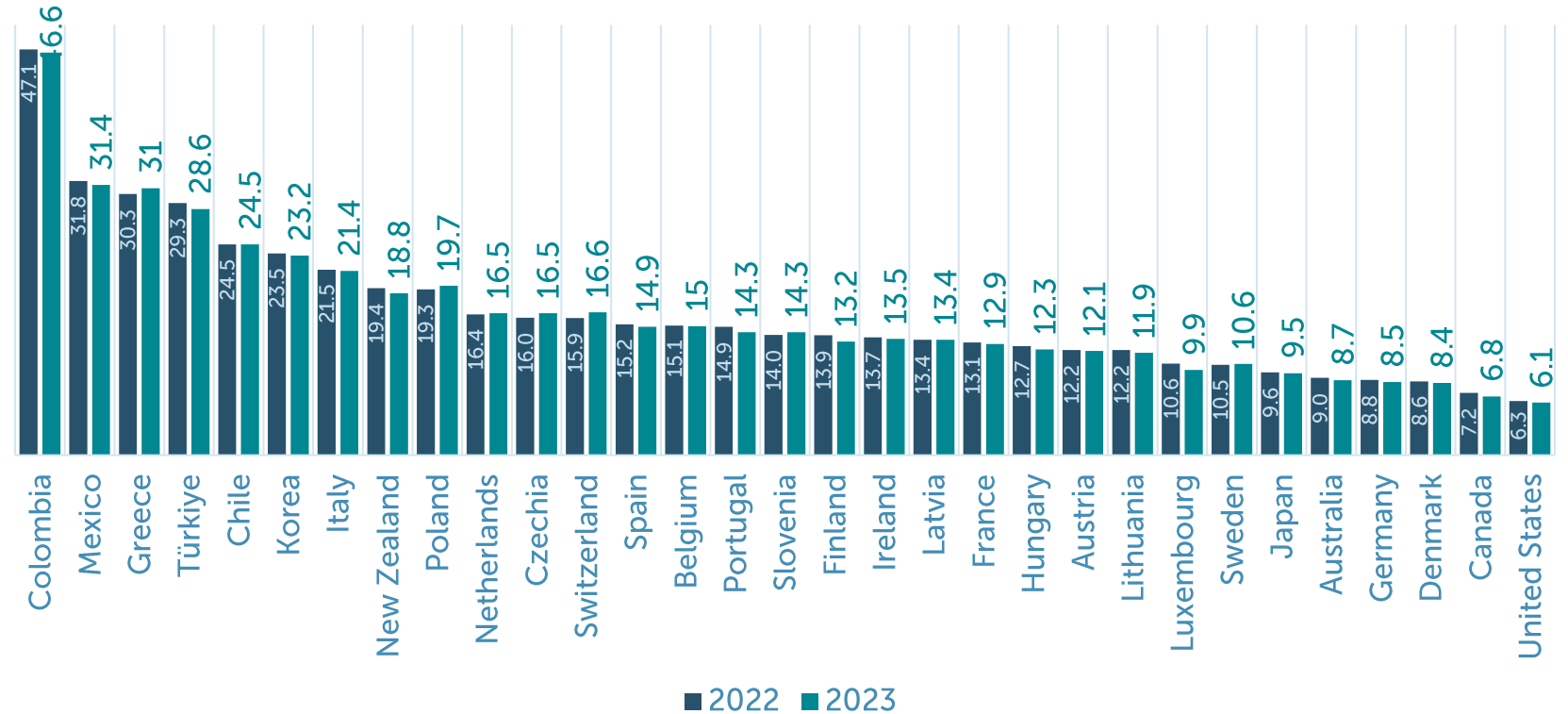
Sources: Eurostat

Note: vacancy rate = number of vacancies / (number of vacancies + number of occupied posts) * 100

Self-Employment

On average, one in six-seven working people is self-employed

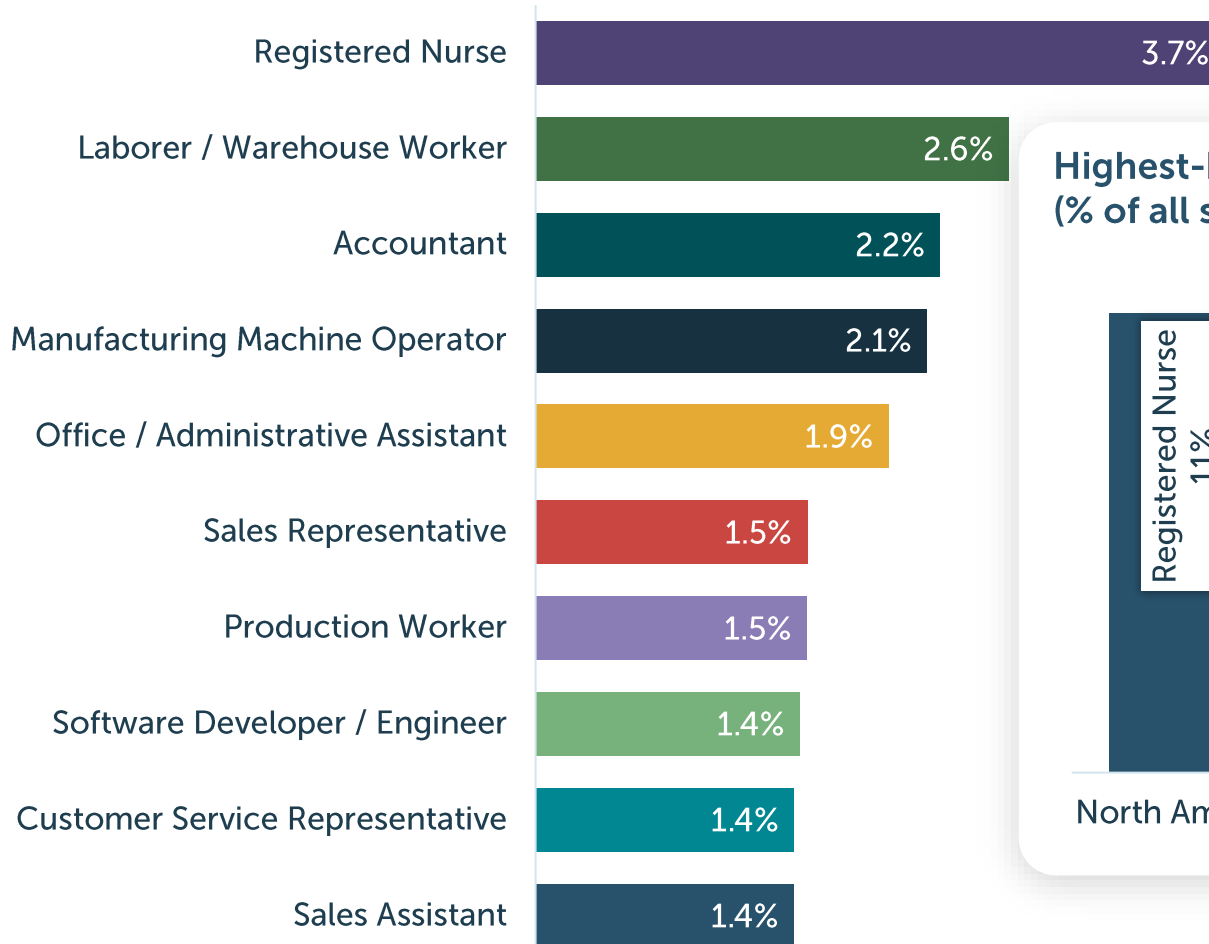
Share of self-employed (% of total employment) – 2022-2023



Sources: OECD

Top Occupations Sought By Staffing Firms Online

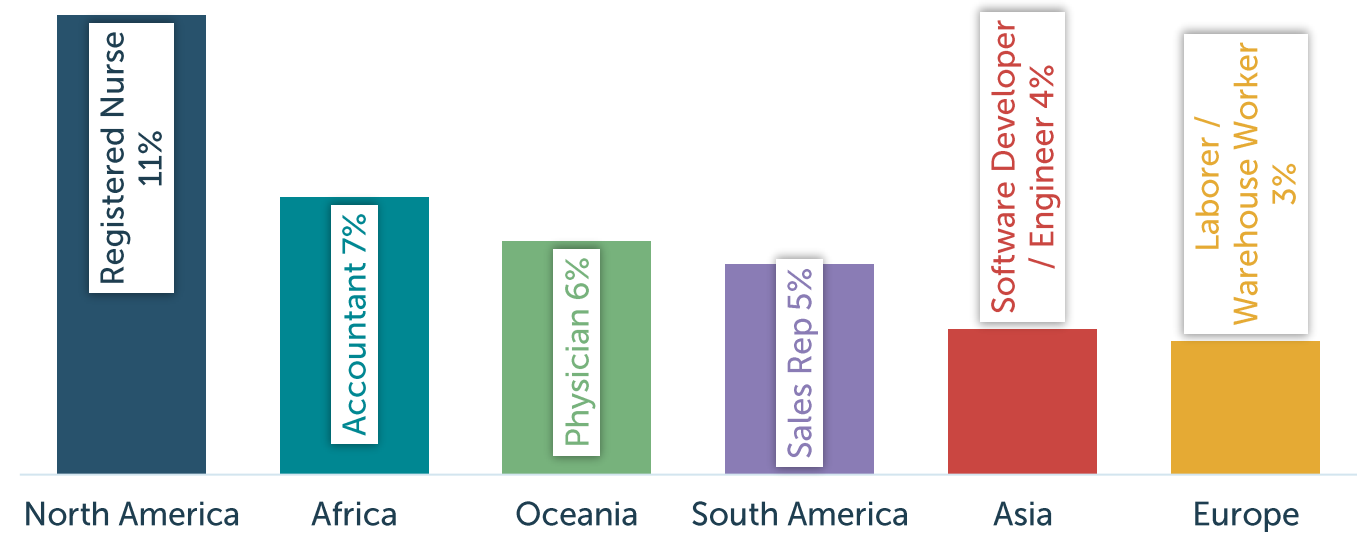
Top 10 Occupations Sought By Staffing Firms Globally
 (% of all staffing firms' online job postings) – Q4 2024



Source: Lightcast

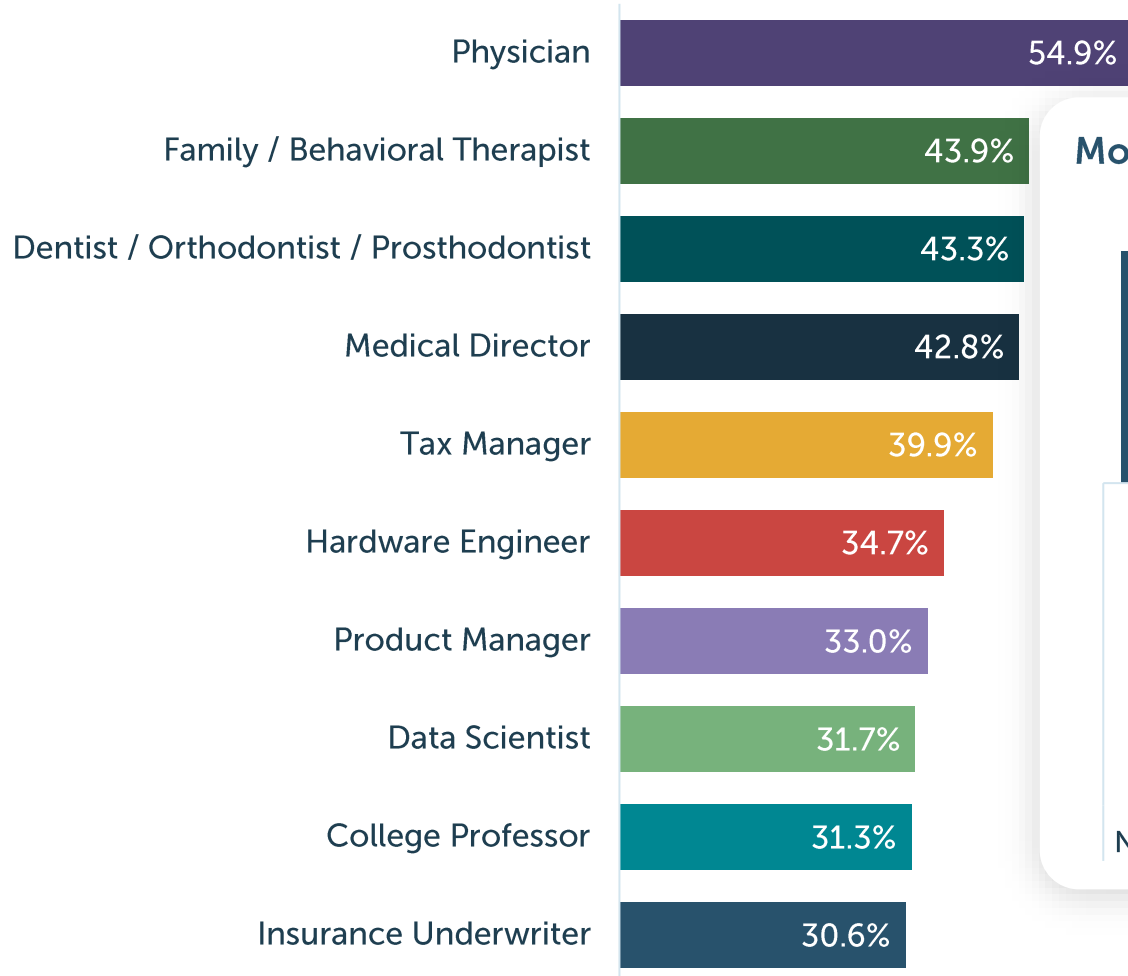
Number of job online postings represents the number of individual (i.e., deduplicated) job postings made in the public online domain.

Highest-In-Demand Occupations by Geographical Region
 (% of all staffing firms' online job postings) – Q4 2024



Top 10 Hardest-to-Fill Occupations

Top 10 Occupations By Difficulty-To-Fill* Via Online Job Posts Globally – Q4 2024

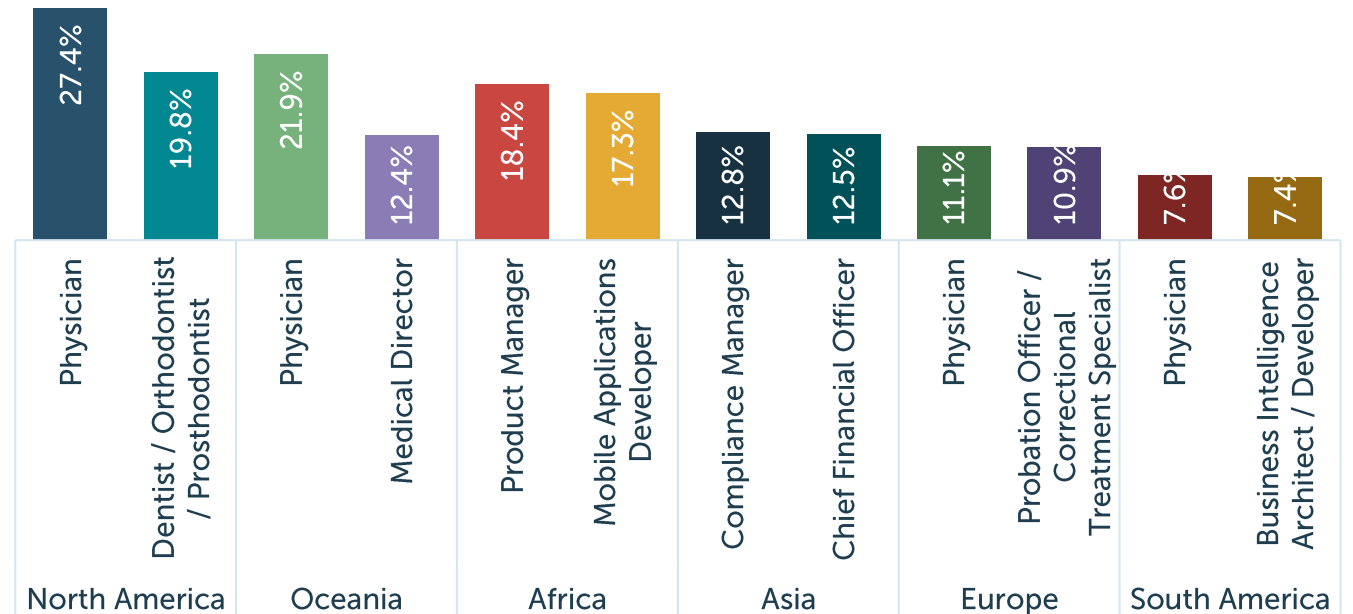


Source: Lightcast

Number of job online postings represents the number of individual (i.e., deduplicated) job postings made in the public online domain.

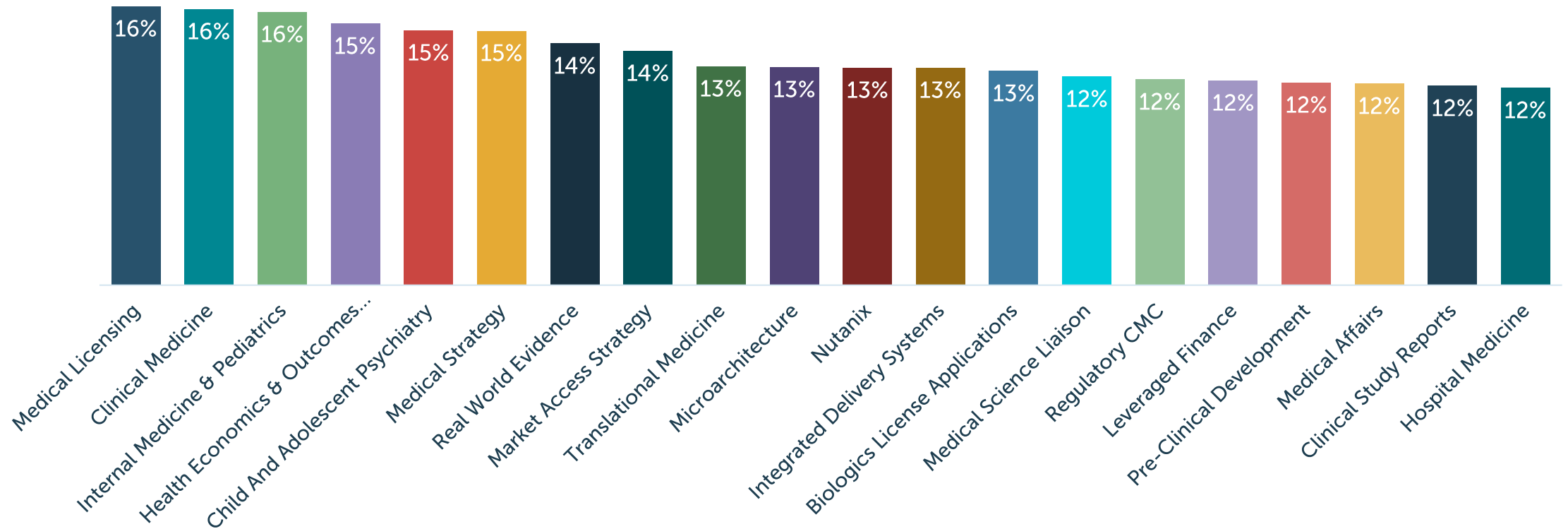
* The Difficulty-To-Fill index (on a scale from 0 to 100%) is the average number of days it takes to fill a job vacancy that requires a given skill, weighted by the difference between the average salary for that job and the offered salary (a skill-enhanced "salary premium").

Most Difficult Professions To Fill* By Geographical Region – Q4 2024



Top Hardest-to-Find Skills

Top 20 Hardest-To-Find Skills Globally Via Online Job Postings – Q4 2024



Source: Lightcast

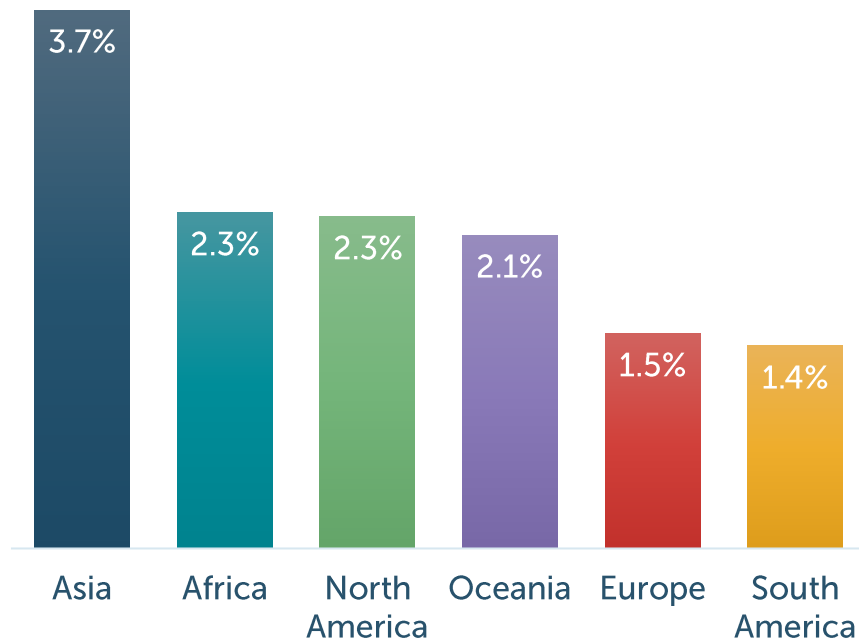
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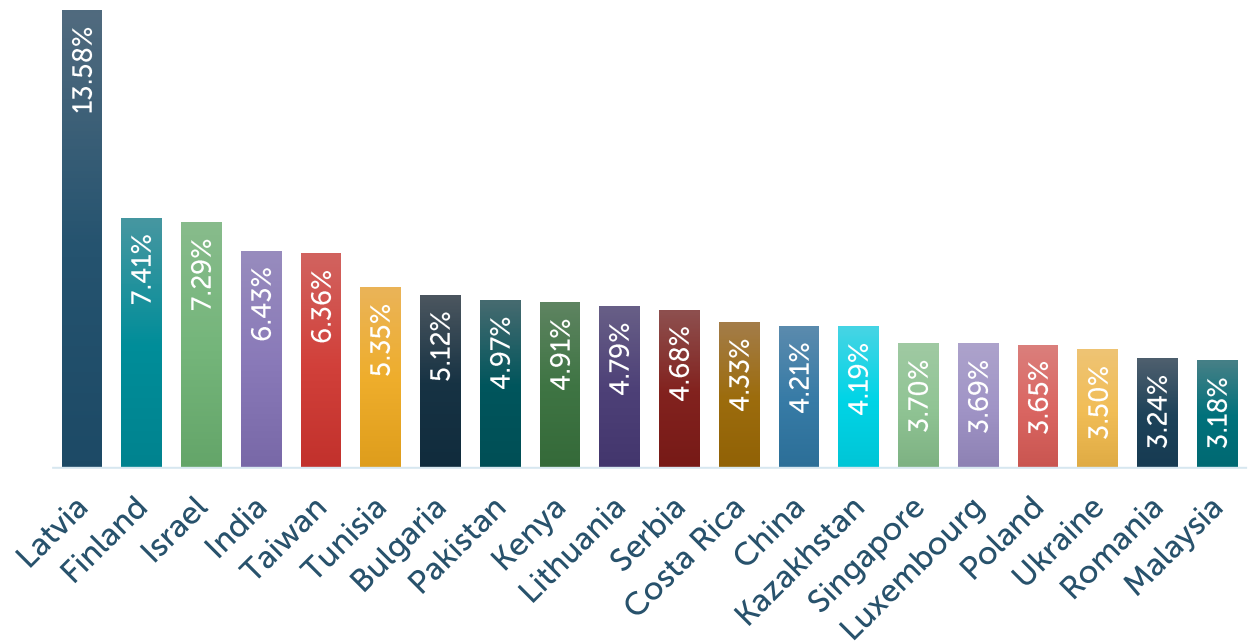
AI-Index of Online Job Postings

AI-Index of Online Job Postings – Q4 2024

AI Index by Geographical Region Q4-2024



Top 20 Countries with the highest demand for AI related skills, Q4-2024



Source: Lightcast

Number of job online postings represents the number of individual (i.e., deduplicated) job postings made in the public online domain.

The AI Index is the ratio of the number of job postings with at least one AI-related skill to the total number of unique job postings in a specific area for a specific period. An AI Index close to 1 (or 100%) indicates a high prevalence of AI-related skills in job postings, suggesting strong demand for AI expertise in that area or period. The reverse is true for an AI Index close to 0. Usually the number is around 2-5%.

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