



Slovakia: Forecast highlights up to 2025

Between now and 2025:

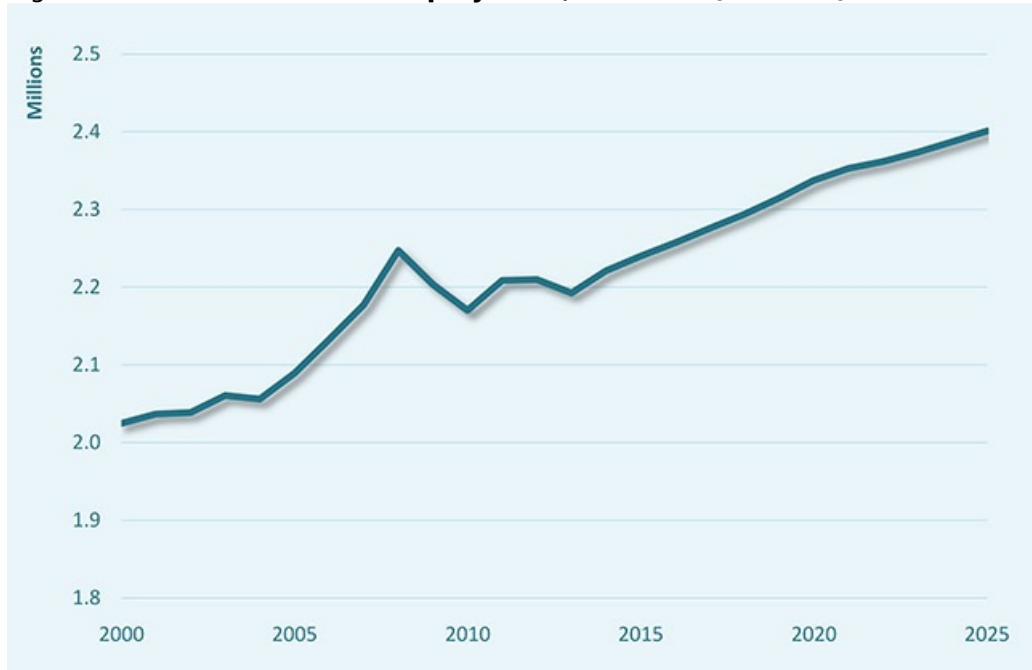
- Employment is forecast to rise, passing its pre-crisis 2008 level by 2017 and continue to increase.
- Most employment growth will be in business and other services, and the distribution and transport sectors.
- Most job opportunities, around 20%, will be for service and sales workers.
- Around 37% of the labour force will have high-level qualifications compared to 25% in 2013.

Following the economic crisis in 2008, Slovakia’s GDP started to recover in 2011, but stagnated in 2012 and 2013. In 2013, Slovakia’s unemployment rate was 14.2% above the European Union (EU) average of 11%. The European Commission forecasts GDP growth for Slovakia of 2.5% in 2015 and 3.3% in 2016.

Employment outlook

According to Cedefop’s skills supply and demand forecasts ([see scenario assumptions](#)) economic growth is expected to have positive effects on job growth and employment in Slovakia is expected to reach its 2008 pre-crisis level by 2017. This is faster than employment growth forecast for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

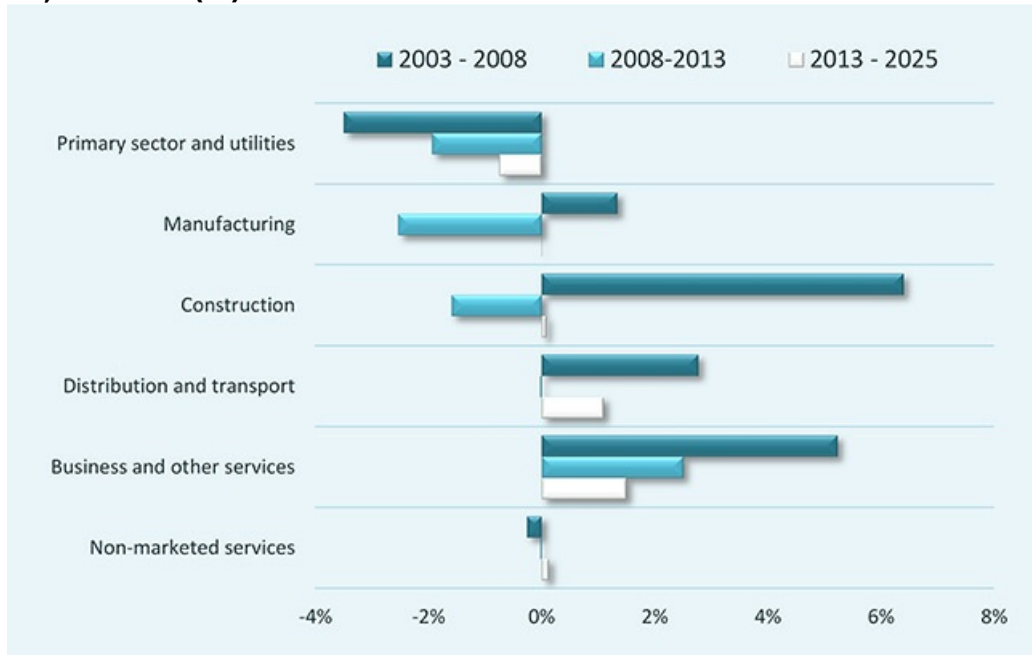
Figure 1 **Past and forecast employment, Slovakia (millions)**



Sector developments

The economic crisis reduced employment mainly in the primary, manufacturing and construction sectors between 2008 and 2013 (Figure 2). In contrast, employment in business and other services increased over the same period. Future employment growth in Slovakia, up to 2025 will be concentrated in business and other services and the distribution and transport sectors. The employment share of the manufacturing and construction sectors is expected to be stable; however, in the primary sector employment will continue to fall.

Figure 2 **Employment trends by sector, average annual growth rate 2003-25, Slovakia (%)**



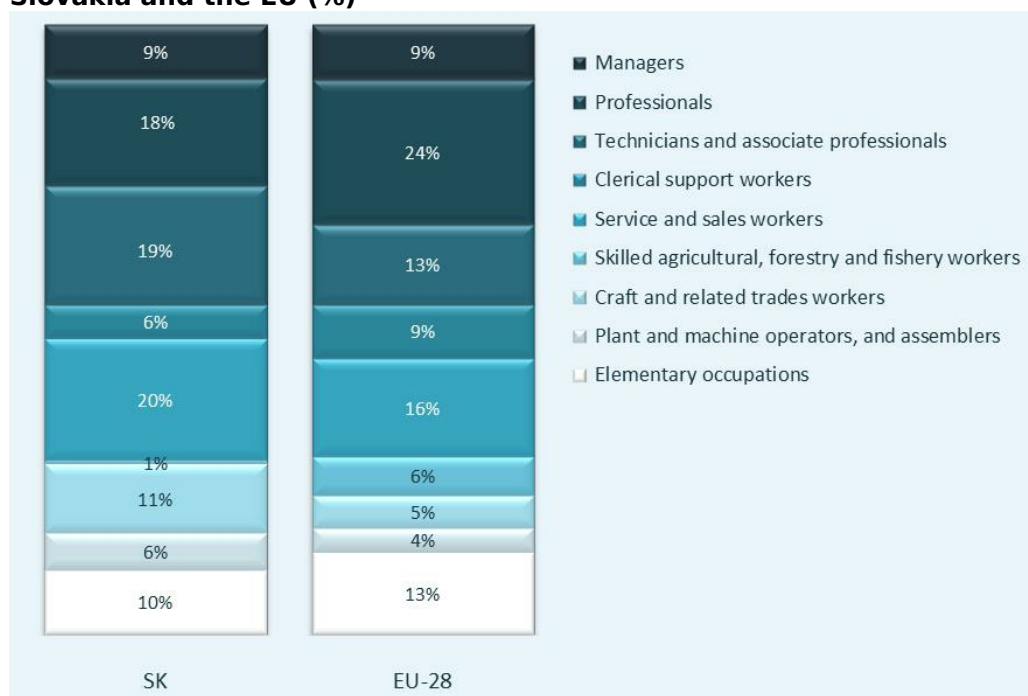
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop’s forecasts give insights on job opportunities between now and 2025. Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Between now and 2025, replacement demand in Slovakia is forecast to provide about four times more job opportunities than expansion demand.

In Slovakia, most job opportunities, around 20%, will be for service and sales workers, followed by technician and associate professionals (occupations applying scientific or artistic concepts, operational methods and regulations in engineering, healthcare, business and the public sector), with around 19% (Figure 3). The proportion of job opportunities for service and sales in Slovakia, at 20%, is significantly higher than the 16% forecast for the EU as a whole.

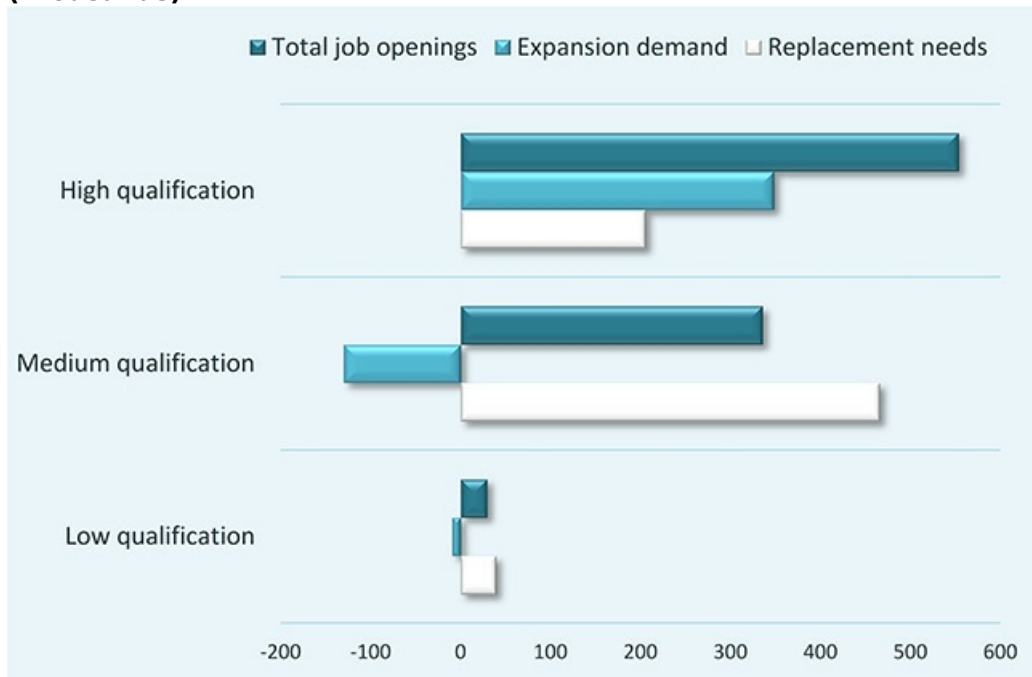
Figure 3 **Distribution of total job opportunities by occupation 2013-25, Slovakia and the EU (%)**



Source: Cedefop skills forecasts (2015)

Most job opportunities in Slovakia will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, because of high replacement demand, there will be significant proportions of job opportunities requiring medium-level (ISCED 97 levels 3 and 4) qualifications.

Figure 4 **Total job opportunities by qualification, 2013-25, Slovakia (thousands)**



Source: Cedefop skills forecasts (2015)

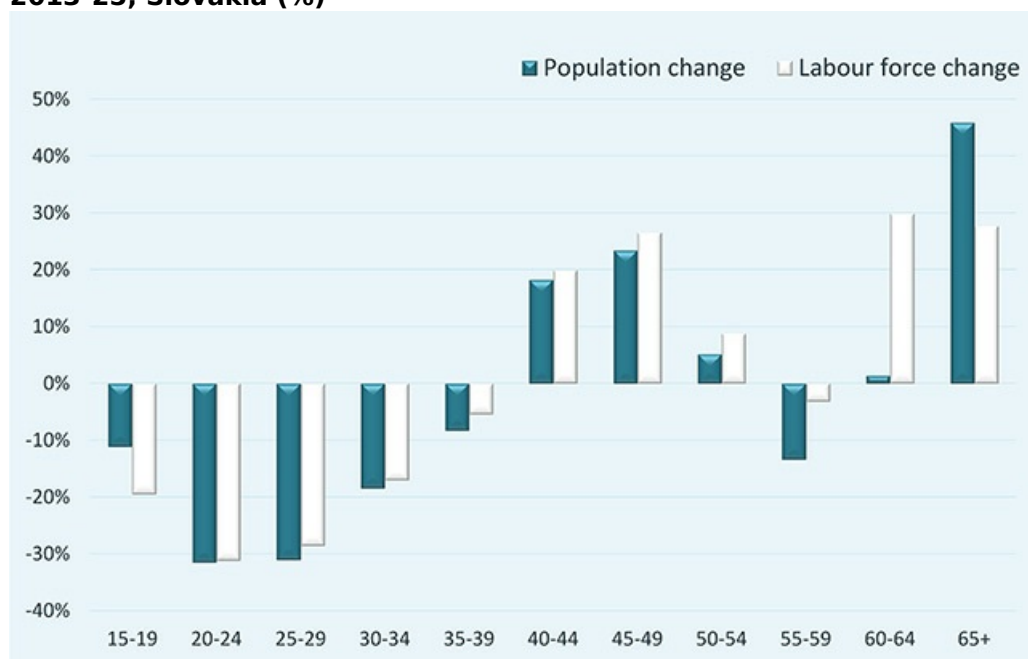
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people aged 15 and older), participation in the labour force (people in the working-age population either in or actively seeking works) and how quickly people acquire formal qualifications.

Eurostat’s latest projection (Europop 2013) for Slovakia reflects the current trends in fertility rates and net migration flows. Slovakia’s working-age age population is projected to grow slightly by 0.8% between now and 2025. Labour market participation is forecast to fall from 59.3% to around 57.7%, still above the EU forecast average of 55.5%.

Following the EU demographic trend, Slovakia’s population is getting older (Figure 5). Between now and 2025, there will be a significant decline of numbers of people in Slovakia’s labour force between aged between 15 and 39. The number of people in the working-age population aged between 40 and 54 years and over 60 years old is forecast to rise noticeably.

Figure 5 Changes in working-age population and labour force by age, 2013-25, Slovakia (%)

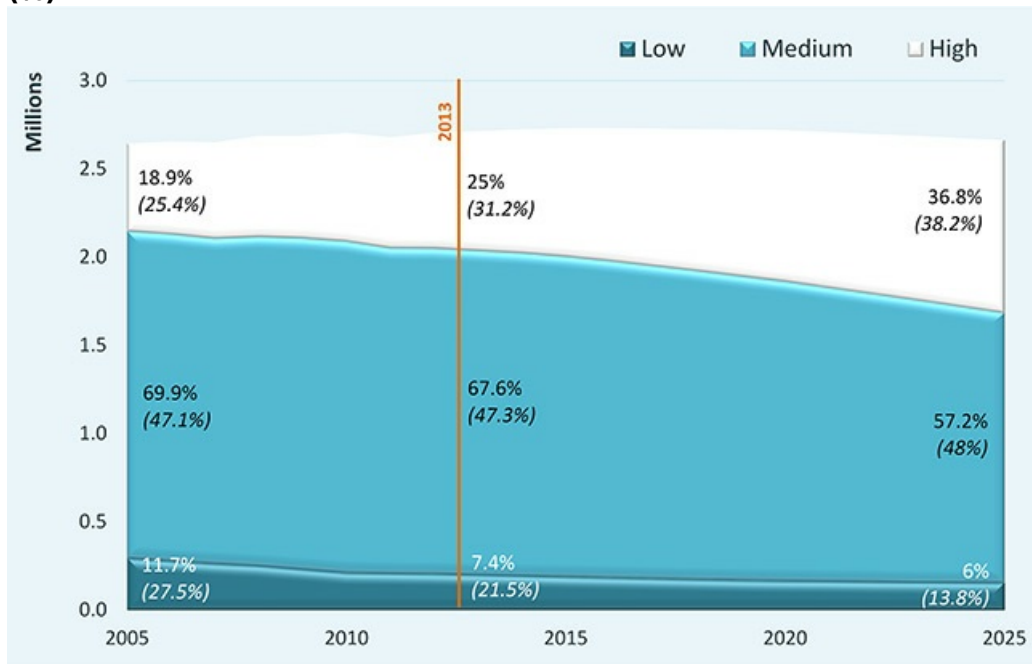


Source: Cedefop skills forecasts (2015)

Although older, Slovakia’s labour force is becoming more highly qualified (Figure 6). This is explained by older less-qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Slovakia’s labour force with high-level qualifications should rise to 36.8% compared to 25% in 2013 and 18.9% in 2005. People with medium-level qualifications in 2025 will account for 57.2% of the labour force, compared to 67.6% in 2013. The share with low-level or no qualifications is forecast to fall from 7.4% to 6% by 2025.

According to Cedefop’s forecasts, by 2020 in Slovakia, around 42.7% of 30 to 34 year-olds will have high level qualifications, above the EU’s educational attainment benchmark of 40% by 2020. On current trends, around 50.8% of 30 to 34 year-olds in Slovakia will have high-level qualifications by 2025.

Figure 6 Labour force trends by qualifications, 2005-25, Slovakia (and EU) (%)



Source: Cedefop skills forecasts (2015)

In 2013, in Slovakia, 6.4% of young people left the education and training system with low-level qualifications, close to the national target of reducing this to less than 6% by 2020. In the EU, the average, in 2013, was 11.9%, still higher than its benchmark of less than 10% of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Marek Radvansky and Miroslav Stefanik from the Institute of Economics at the Slovak Academy of Sciences**, consider the forecasts' underlying assumptions and results plausible.*

However, they add that the European population projection (Europop 2013) is slightly lower than national estimates, which predict more people in the labour force in 2025. This is, however, unlikely to make a significant difference to the participation rate.

The underlying macroeconomic forecast is considered to be broadly in line with Slovakia's national forecasts. However the national forecasts are more optimistic, expecting lower unemployment compared to the projected by the European Commission.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

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For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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