



SPOTLIGHT ON JOBS AND SKILLS CYPRUS

2026

Introduction

Drawing on its rich country-level skills intelligence, Cedefop develops its Spotlights on jobs and skills for EU-27 Member States, Iceland and Norway. The Spotlights provide insights into the current labour market landscape, future trends, and skills anticipation in each country. The analysis is based on Cedefop's skills intelligence online tool, its skills forecast, the European Skills Index (ESI), online job advertisements, sectoral and occupational skills intelligence, and country-specific skills anticipation reports.

Recent employment developments

In 2023, the unemployment rate in Cyprus was almost equal to the EU average of 6%. The country recovered rapidly from the COVID-19 period, with employment bouncing back slightly more strongly than the EU average between 2020 and 2023. Services dominate the economy, with wholesale and retail trade (¹), professional services, and construction being the most important sectors (Figure 1). This is reflected in the 2023 top two occupations in terms of employment shares: office associate professionals (9% compared with 7% in the EU-27) and sales workers (8% compared with 7%).

In 2023, over half of workers were highly skilled (52% compared with 38% in the EU-27) and over one third held medium-level qualifications (36% compared with 46% in the EU-27). One in three highly skilled young workers (25-34) was overqualified, nearly evenly split between genders, which signals a mismatch or underused potential. However, the rate has decreased steadily since 2015; in 2020 and 2023, the rate fell further, by 2 and 4 percentage points, respectively, compared to the previous years.

Between 2005 and 2020, female labour market participation increased slightly from 53% to 55%, and remains above the EU average. Male labour market participation decreased from 71% to 66%. The employed population is relatively young, with just 30% aged 50 years or above, which is 5

percentage points below the EU average of 35% in 2023. However, the impact of ageing is evident if we look at the distribution of employment by age group over the past decade. Although the 25-49 age group remains the largest with 64% in 2023, this represents a decline of 4 percentage points compared to 2014. In contrast, the share of those aged 50-64 expanded by 3 percentage points in the same period, reaching 26% in 2023.

The relatively low share of 15- to 24-year-olds in the employed population (6% compared with 8% in the EU-27) relates to educational expansion, with more young people pursuing and graduating from tertiary education. This does not always match labour market demand: the rate of underemployed in the country was 32% in 2023, while the EU average stood at 23%.

In 2023, 12% of the 15-24 age group were not in employment, education or training (NEET), above the EU average of 9%. Activating NEETs should remain a critical priority in national skills strategies.

Recent skills and learning developments

Cedefop analysis of online job advertisements (OJAs) underlines the importance of medium- and highly skilled jobs in the country. In 2024, most OJAs were for jobs in administrative services, professional services, and wholesale and retail trade. Employers showed highest demand for professionals (31%), associate professionals (20%) and managers (12%). Most OJAs for professionals sought profiles such as office professionals, ICT professionals, researchers, and engineers. The high number of OJAs for information and communication occupations signals technological advancement.

Cyprus is one of the countries with below EU-average skills system performance over the past decade, according to Cedefop's European Skills Index (ESI). In 2024, the country's ranking increased by only one place since 2017, moving from 28th to 27th. Cyprus scored relatively high on the skills activation pillar, especially for the 20-24 and 25-54 age groups (13th for each), and also performed well on the indicators of labour market

¹ To learn more about the classification of sectors, occupations, and qualification levels discussed in this report, see [Annex 2 of Cedefop Skills forecast methodological framework \(April 2023\)](#).

participation and transition to work (Figure 2).

The employment share is 30%, slightly below the EU-27 average of 33%. Cyprus lags behind the EU average in digital skills: 25% of the population have above-basic digital skills, compared to 27% in the EU-27. Among people aged 25-34, only 35% (compared with 39% in EU-27) have more than basic digital skills. This may relate to the low participation in lifelong learning, which stands at 12%, slightly below the EU average of 14%. More specifically, 13% of people aged 25-49 and 9% of those aged 50-64 reported a learning experience in the four weeks before the 2023 survey; both figures fall below the EU averages of 16% and 11%.

Future employment trends

Between 2022 and 2035, employment is expected to grow by 16%, which is 11 percentage points higher than the EU-27 average. Wholesale and retail trade is expected to remain the largest employer, with projected growth of 12% compared with 4% in the EU-27. In terms of new jobs, the sector will likely see the second-largest increase, following the accommodation and food services sector, forecast to grow by 21% (11% in the EU-27).

The fastest-growing sectors are expected to be information and communication technologies (ICT), projected to grow by 40% (20% in the EU-27), and health, with expected growth of 33% (11% in the EU-27). Reflecting green and energy policy priorities, significant employment expansion is also projected in the water supply and energy sectors (32% and 30% respectively, compared with 2% and 20% for the EU-27).

Over half of job openings – net growth together with replacement demand – are estimated to be created by companies looking to hire professionals (21% compared with 29% in the EU-27), service workers (21% compared with 15%), and technicians and associate professionals (13% compared with 15%). Health, teaching, and science and engineering professionals will be most sought-after, accounting for over half the demand for professionals. Three out of four job openings for service workers will be for sales and personal service workers, while business and administration associate professionals are projected to account

for well over half the demand for associate professionals.

While the population is forecast to increase by 10%, the labour force is expected to grow by nearly 21% between 2020 and 2035. The 35-39 and 45-49 age groups will increase most in absolute numbers, while the 65+ age group will more than double in relative terms (+112%). The female participation rate is projected to rise by 8 percentage points.

Future skills and learning trends

More highly skilled occupations and skilled non-manual occupations are expected to drive labour market dynamics. From 2022 to 2035, while the low-skilled labour force will decline annually by 5% (-3% in the EU-27), highly qualified employees will increase by 2% annually. This is due to increasing digitalisation and a shift towards a service-oriented economy, which intensifies the demand for higher-level occupations at the expense of medium- and low-level roles – except for cleaners, and refuse, street and related service occupations.

Of the total job openings expected by 2035, 61% will require high-level qualifications, while 39% will need medium-level ones. Almost no job openings are expected to require low-level qualifications.

The share of the labour force with high-level qualifications will remain well above the EU-27 average (56% compared with 45% in 2035), while the opposite is true for the share of low-skilled workers (5% compared with 10%). Less than half of the population will hold medium-level qualifications in 2035 (39% compared with 45% in the EU).

The tasks of an occupation, rather than only the skill level, often give a better indication of linked technological advancements and innovation. Notably, during 2022-2035, [employment growth in high-tech occupations](#) is expected to reach 29%, significantly above the EU-27 average of 11%. The anticipated sectoral and occupational trends during the same period confirm the Cypriot economy's increased focus on knowledge-intensive services (31% growth, compared with only 18% in the EU-27).

Expected skill shortages

According to the [Cedefop Labour and Skills Shortage Index](#), the highest level of labour shortage, which translates into hiring difficulties, is expected for skilled manual occupations and elementary occupations; this highlights the importance of vocational education and training. The shortages will be most pressing for occupations such as plant and machine operators and assemblers. For these roles, shortages stem mainly from existing skill shortages (supply and demand imbalances), combined with replacement demand and employment growth. Employers recruiting skilled agricultural and fishery workers, who make up a small proportion of total employment, will also likely face considerable shortages.

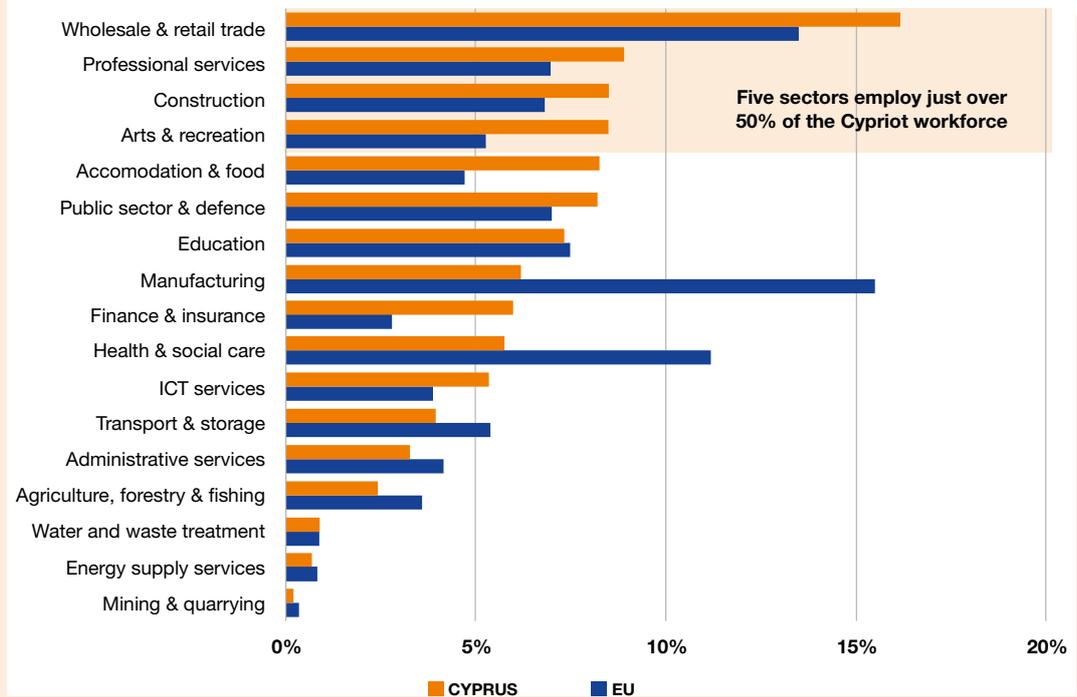
Significant shortages are also expected for elementary occupations, craft and related trades workers, service workers and shop and market sales workers, professionals, technicians and associate professionals, legislators, senior officials and managers, and clerks (Figure 3).



CYPRUS

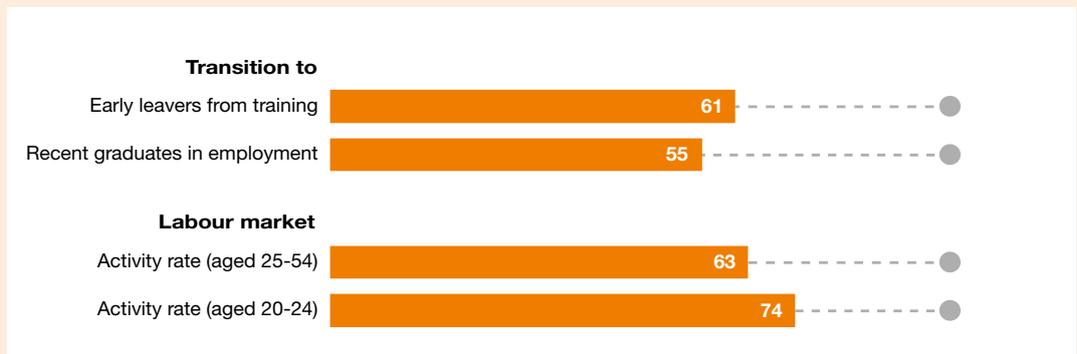
Jobs and skills in figures

Distribution of employment across sectors in Cyprus and the EU, 2023, (%)



Source: [Cedefop Skills intelligence tool](#).

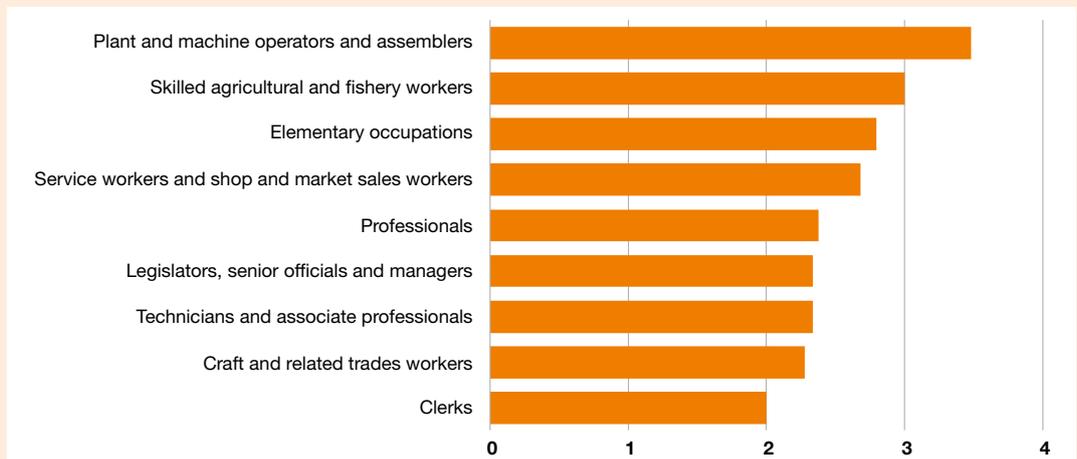
ESI skills activation pillar in Cyprus, 2024



NB: The ESI measures countries' 'distance to the ideal' performance, i.e. the highest achieved by any country over a period of seven years. The ideal performance is scaled to 100, with national scores computed and compared to that. Example: a score of 65 suggests that the country has reached 65% of the ideal performance, with 35% (100-65) room for improvement.

Source: [Cedefop ESI](#).

Cedefop Labour and Skills Shortage Index, 2022-35, Cyprus



NB: The Labour and Skills Shortage Index is the simple average of the quartiles in each of the three pillars: (1) employment growth; (2) replacement demand; (3) supply/demand imbalance (FIOD). A score of 4 indicates a higher level of shortage, and 1 no shortage. The outcome of the pillars is based on the relative evaluation in quartiles of the occupation (here for all EU-27).

Source: [Cedefop Labour and Skills Shortage Index](#).



Further information

- Cedefop. (2023). [Skills forecast methodological framework](#).
- Cedefop. (2023). [Skills anticipation in Cyprus](#). Data insights series.
- Cedefop. (2024). [Evolution of European skills systems: performance 2015 to 2022](#). Publications Office of the European Union.
- Cedefop. (2025). [Skills forecast report: Cyprus](#).

[Cedefop Skills intelligence tool](#)

[Cedefop Skills forecast](#)

[Cedefop Skills OVATE](#)

[Cedefop European Skills Index](#)

[Cedefop Labour and Skills Shortage Index](#)

This Spotlight was drafted by Cedefop's Skills intelligence and foresight team.

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CEDEFOP

European Centre for the Development
of Vocational Training

Europe 123, 570 01 Thessaloniki (Pylaia), Greece
Postal: Cedefop service post, 570 01 Thermi, Greece
Tel. +30 2310490111, Fax +30 2310490020, Email: info@cedefop.europa.eu



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