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European Centre for the Development  
of Vocational Training

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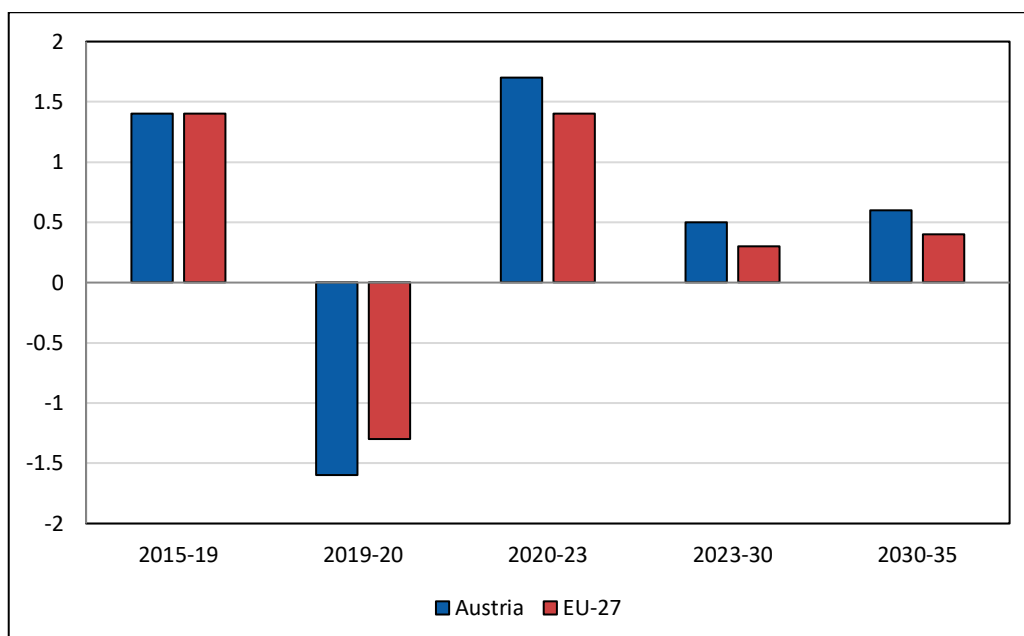
# 2025 skills forecast Austria



# 1. Employment outlook

Employment in Austria is forecast to grow slightly faster than the EU-27 average, albeit at a much slower rate than seen over 2015-19. Figure 1 shows that employment in Austria grew at the same rate as the EU-27 average over 2015-19 and fell slightly more sharply in 2020 as the Covid-19 pandemic hit. Employment in Austria is estimated to have bounced back slightly more strongly than the EU-27 over 2020-23. Across the forecast period, employment in Austria is forecast to grow by 0.5-0.6% pa, compared to growth of 0.3-0.4% pa forecast for the EU-27 as a whole.

Figure 1. Annual percentage employment growth in Austria and the EU-27, 2015-35



Source: Cedefop (2025 Skills Forecast).

## 2. Labour force overview

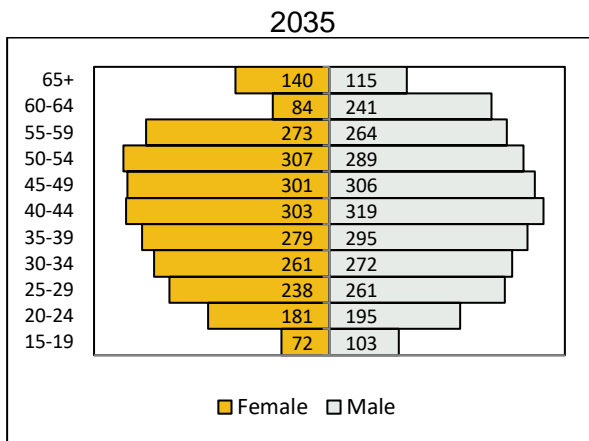
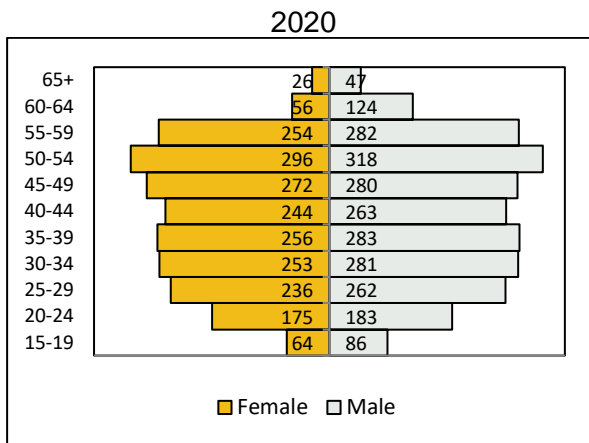
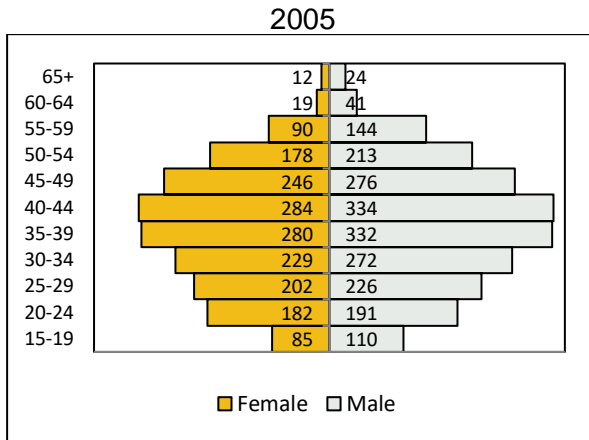
Figure 2 shows Austria's labour force by age group in 2005, 2020 and 2035. Changes in the labour force in Austria over the forecast period will continue to be driven by the ageing population and increasing participation rates. The total labour force in Austria is projected to increase by 12% over 2020-35, compared to growth of 14% over the previous 15 years. This compares with an expected increase in the labour force of just under 10% over 2020-35 for the EU-27 as a whole. The total participation rate in Austria is forecast to increase by 4 pp over 2020-35, similar to the increase forecast for the EU-27 over the same period. Total population is forecast to grow by 5.5% over 2020-35, compared with growth of 11% over 2005-20.

The population aged 20-39 and 50-59 in Austria is forecast to decline during 2020-35, while the population aged 65 and over, in particular, as well as aged 15-19, 40-44 and 60-64, is forecast to grow quite strongly, reflecting trends in the relevant younger cohorts in preceding periods.

The participation rates of all age groups in Austria are forecast to increase over 2020-35, with the strongest increases projected for those aged 60-64 (22 pp), 55-59 (17 pp), and 25-29 (11 pp).

As elsewhere, female participation rates in Austria are generally lower than male rates. Like the EU-27 average, female participation rates in Austria are generally forecast to increase more than male rates. Overall, the total participation rate for females is projected to increase by 5 pp and that for males to increase by 3 pp, over 2020-35.

Figure 2. Distribution of the labour force (thousands), 2005-35

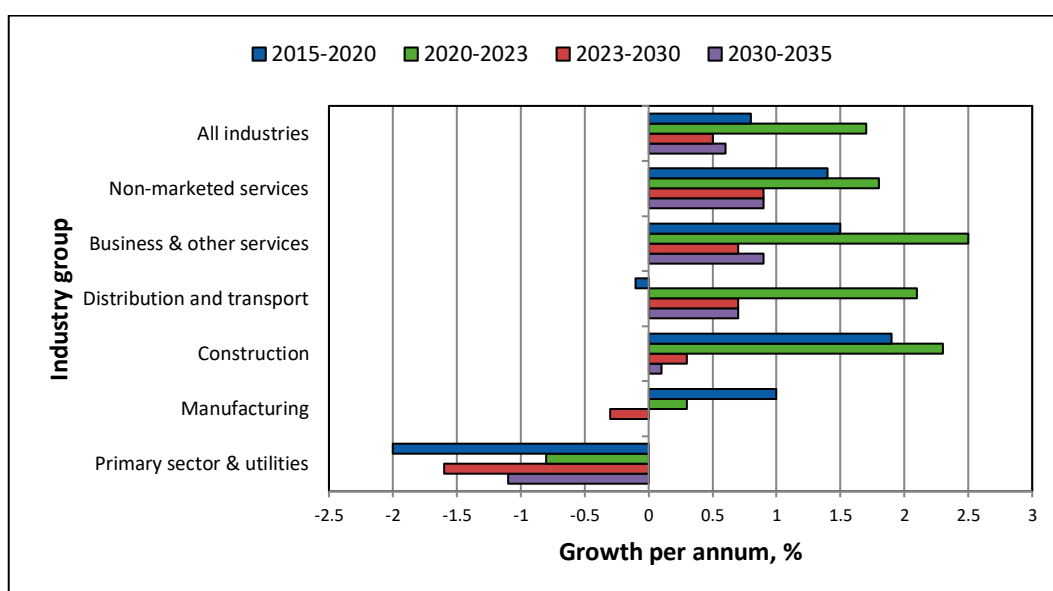


Source: Cedefop (2025 Skills Forecast).

### 3. Sectoral employment trends

Figure 3 shows annual average employment growth by broad sector in Austria between 2015 and 2035. The three broad service sectors of *Distribution & transport*, *Business & other services* and *Non-marketed services* are all forecast to see positive employment growth of around 0.7-0.9% pa over 2023-30 and beyond. The remaining three broad sectors are all forecast to see very slow growth or falling employment, with the smallest broad sector of *Primary sector & utilities* forecast to see the greatest decline, of around 1.6% pa over 2023-30.

Figure 3. **Employment growth by broad sector of economic activity, 2015-35**



Source: Cedefop (2025 Skills Forecast).

In terms of sub-sectors (i.e. below the level of the six broad sectors discussed above), growth in *Business & other services* is forecast to be driven by *research & development*, *market research & other professional services*, *architectural & engineering services*, *computer programming & information services* and *telecommunications*, which are all forecast to see employment growth of 2.3% pa or more over 2023-30. On the other hand, employment growth in some of the larger sub-sectors, such as *administrative & support services* (5.6% of employment in Austria) and *legal, accounting & consultancy services* (3.4% of employment), is forecast to be weak over this period. Within *Distribution & transport*, the large sub-sectors of *accommodation & catering services* (6% of employment) and *wholesale & retail trade* (15% of employment) are forecast to see relatively strong growth in employment (1.9% pa and 0.7% pa, respectively) over 2023-30. Within *Non-*

*marketed services*, the *health* (11% of employment) and *education* (7% of employment) sub-sectors are forecast to see relatively strong growth in employment over the whole forecast period, with the former reflecting increased demand due to the ageing population. On the other hand, employment growth in the *public administration & health* sub-sector is forecast to be very slow over the same period. In *Manufacturing*, where the sub-sectors tend to be relatively small, the larger sub-sectors of *basic metals & metal products*, *rubber & non-metallic mineral products*, *wood, paper, printing & publishing*, *food, drink & tobacco* and *other manufacturing* (each accounting for around 1.3-2.6% of employment) are forecast to see a decline in employment over 2023-30. In *Primary sector & utilities*, the fall in employment is forecast to be driven by a strong fall in employment in the *agriculture* (3.4% of total employment) sub-sector.

## 4. Job openings by occupational group

Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created or lost due to the expansion or contraction of employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

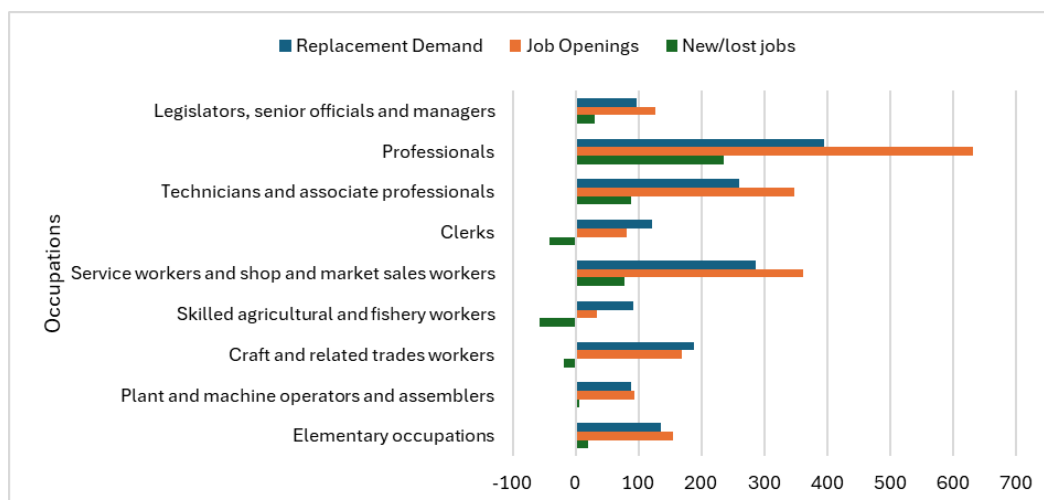
Figure 4 shows total job openings by broad occupational group over 2022-35. The number of job openings indicates the number of jobs required to be filled due to lost/newly created jobs and those that need replacement workers.

More than half of the job openings in Austria are expected among the three higher-level occupation groups: *Legislators, senior officials and managers, Professionals, Technicians, and Associate Professionals*. A significant employment expansion and additional job openings through replacement demand drives all these occupations. Another group of occupations, *Service workers and shop and market sales workers*, representing about 18% of the job openings, also combine increasing employment in these occupations with replacement demand. *Clerks, Skilled agricultural and fishery workers, and Craft and related trades workers* are declining occupation groups. Here, the job openings are driven solely by the replacement needs.

At the more detailed level, most job openings (taking both new/lost jobs and replacement needs together) as a share of all job openings are expected to be in *Business and administration associate professionals (8%), Health professionals (8%), and Personal care workers (7%)*

Overall, replacement needs, as a component of total job openings, dwarf the job openings through growing employment; it represents 83% of all job openings over the forecast period.

Figure 4. Total job openings, 2022-35



Source: Cedefop (2025 Skills Forecast).

## 5. Drivers of occupational change

Within the Cedefop skills forecast, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective, employment growth can be explained by three possible drivers: (a) overall economic trends (i.e., growth or decline), (b) shifts of employment between sectors, and (c) changes in the occupational structure within sectors (i.e., factors making some occupations more important than others).

An increasing specialisation in many sectors influences the occupational composition of employment in Austria. This is reflected in stronger occupation-specific effects, leading to increasing shares of professionals and technicians and associate professionals in the economy. These changes reflect changes in job organisation in many sectors and, in many cases, an increasing specialisation. Along with these specialisations there is also a move towards managing these new work forms. High-skilled occupations that can benefit from this trend are, for example, *Legal and business professionals, managers*, as well as *Business and other associate professionals*. *Health professionals* benefit from an increasingly higher level of qualification. In contrast, *associate health professionals* benefit only from the increase in the underlying health sector. The development of the qualification level within Austria supports these shifts in the occupational structure.

Given the supply of higher-educated graduates, the occupation structure can shift towards higher-level occupations.

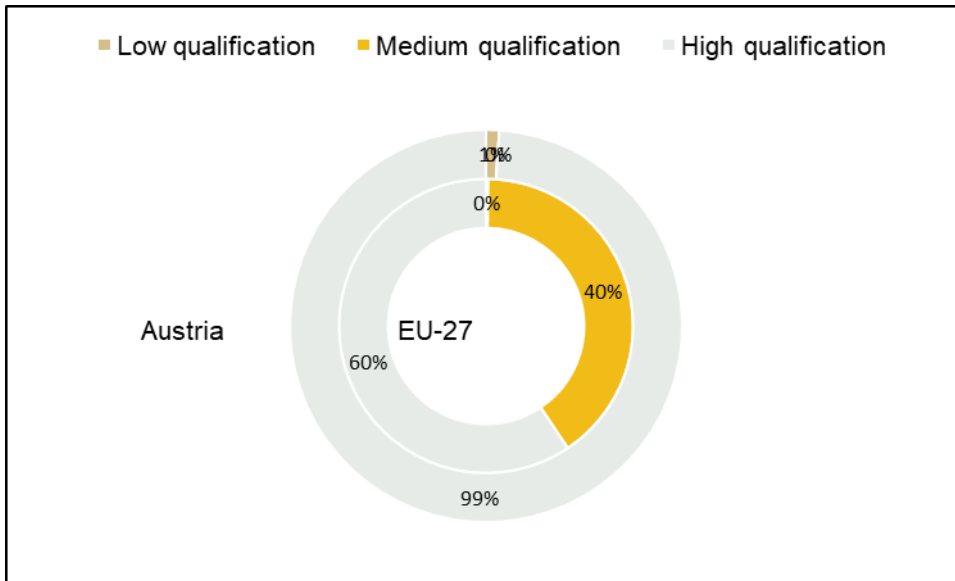
The overall effect of occupational change depends on several factors that must be considered together. Increasing digitalisation and moving towards a more service-oriented economy, including within manufacturing, will lead to a greater use of higher-level occupations. At the other end of the spectrum, lower-level occupations supporting production and the service sector seem to be increasing at the cost of intermediate occupations.

## 6. Demand for and supply of skills

Within the Cedefop skills forecast, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are distinguished: high, medium, and low, corresponding to the official ISCED classification. The occupational group also indicates the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

Almost all (99%) of the total job openings forecast to be created in Austria over the period up to 2035 are expected to require high-level qualifications, 40 pp more than the EU-27 average (see Figure 5). This reflects the recent shift from intermediate to higher-level qualifications in Austria. However, how far this shift will continue in the coming years remains to be seen. The forecasting model has likely exaggerated the overall shifts somewhat in the case of Austria given the still important standing of the intermediate qualification.

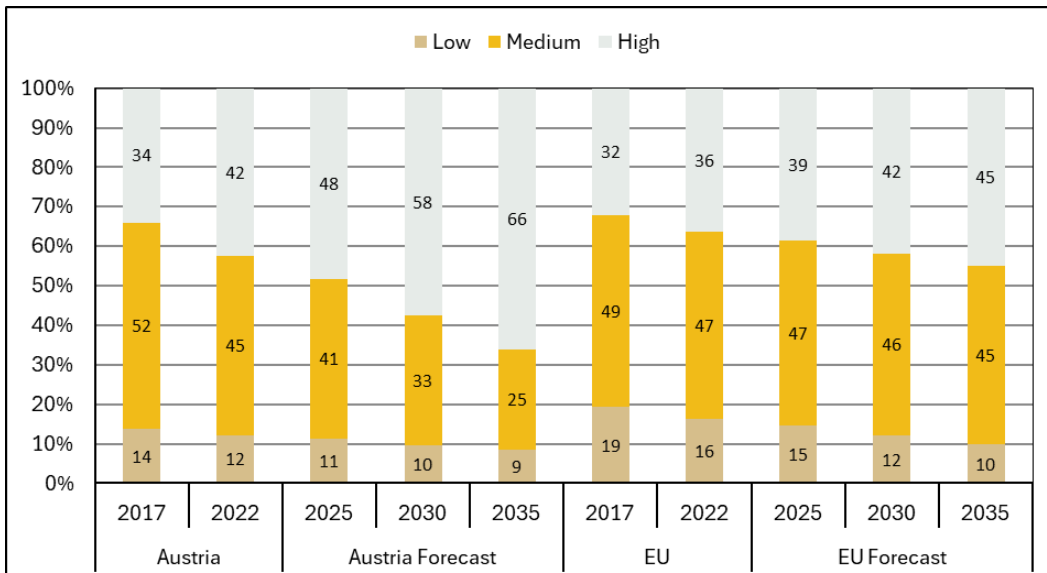
Figure 5. Shares of total job openings by level of qualification, 2022-35



Source: Cedefop (2025 Skills Forecast).

Future labour supply trends depend on the size of the working-age population (defined as those aged 15 or older), labour market participation rates, and the extent to which people acquire formal qualifications.

Figure 6. Labour force by qualification level



Source: Cedefop (2025 Skills Forecast).

According to the forecasting model, the shift of Austria away from intermediate qualification is expected to become more pronounced over the forecast period. The share of people with higher education is expected to increase to two-thirds (66%) of the labour force, mainly due to a rapid shrinking of those with an intermediate qualification from 45% in the base year (2022) to 25% in 2035, as seen in Figure 6. The share of low qualified is expected to also decline from 12% in 2022 to 9% in 2035. Overall, the model predicts a rapid shift away from intermediate to higher qualifications for Austria, which is also happening in the EU-27 countries. Still, the speed is expected to be much higher.

The **labour shortage index** is a method to summarise three elements of potential labour shortage: (1) employment growth, (2) replacement demand, and (3) Supply/Demand imbalance (IFIOD). The outcomes at the occupation level are grouped into four quartiles: those with a low indication of shortage get the value 1, and those with the highest indication of shortage will get the value 4. The total outcome of the individual elements is a simple average of the elements. In Figure 6, the length of the bar gives the overall outcome, where higher levels indicate more shortage. The outcomes of the three elements are also given to quickly evaluate the influence of employment growth - replacement demand, and - supply-demand imbalances.

Austria faces strong labour market tightness. The lack of faster labour supply growth has led to the forecast's lower overall employment growth projections. This explains the relatively low projected hiring difficulties up to 2035. Yet, labour market tightness is expected to remain throughout the forecast period. Given the exceedingly fast growth forecast among high qualified workers, the main hiring difficulties arise among the medium qualified.

Figure 7 summarises the outcomes by main occupation group. The combined labour shortage index is highest among *Service, shop, and market sales workers*, followed by most of the lower-qualified occupations. All pillars of the index drive service workers: they have higher overall growth in employment, high replacement needs, and slightly higher imbalances. Given that many higher-level occupations are projected not to have supply-demand imbalances given the forecast increase in higher qualified, they score somewhat lower, despite strong growth elements, high level of job openings, and average replacement needs. Occupations among the Professionals will likely exhibit shortages as a whole even if the shift towards the higher qualified will occur. Within this group, especially the *Health professionals* and the *Science and engineering professionals*, but also the *Legal, social and cultural professionals*, are expected to exhibit shortages.

Figure 7. Labour shortage Index, 2022-35



Source: Cedefop (2025 Skills Forecast).

## Cedefop methodology

The Cedefop Skills Forecast offers quantitative projections of future trends in employment, by sector of economic activity and occupational group. Future trends in the level of education of the population and the labour force are also estimated. Cedefop's forecast uses harmonised international data and a common methodological approach allowing cross-country comparisons between employment trends in sectors, occupations and qualifications. The forecast and methodology is validated by a group of national experts. The forecast does not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of the forecast covers the period up to 2035. The forecast takes account of global economic developments up to November 2023. The European Economy is expected to grow despite monetary tightening on phasing out of fiscal support.

The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in June 2023 (Europop 2023) <sup>(1)</sup>, and the short-term macroeconomic forecast produced by DG ECFIN in November 2023 <sup>(2)</sup>. The source of historical labour force data is the European Labour Force Survey, which in 2022 underwent important methodological changes, causing a break in the time series for several variables, including the labour force. Consequently, in many Member States, the participation rates in 2021 are noticeably above/below historical trends. Moreover, some Member States experienced significant revisions in the historical data series for sectoral employment from the National Accounts.

The Cedefop Skills forecast 2025 is consistent with the objectives set by the European Green Deal by incorporating suitable assumptions about additional investment, power sector technologies, energy balances, and carbon pricing.

Energy and commodity price forecasts from the World Bank and the IEA are used as inputs to the Cedefop Skills Forecast.

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(1) <https://ec.europa.eu/eurostat/web/population-demography/population-projections/database>

(2) [https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2023-economic-forecast-modest-recovery-ahead-after-challenging-year\\_en](https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2023-economic-forecast-modest-recovery-ahead-after-challenging-year_en)

For the latest update and access to more detailed Cedefop skills forecast data please visit:

[www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply](http://www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply)

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