



CEDEFOP

European Centre for the Development
of Vocational Training

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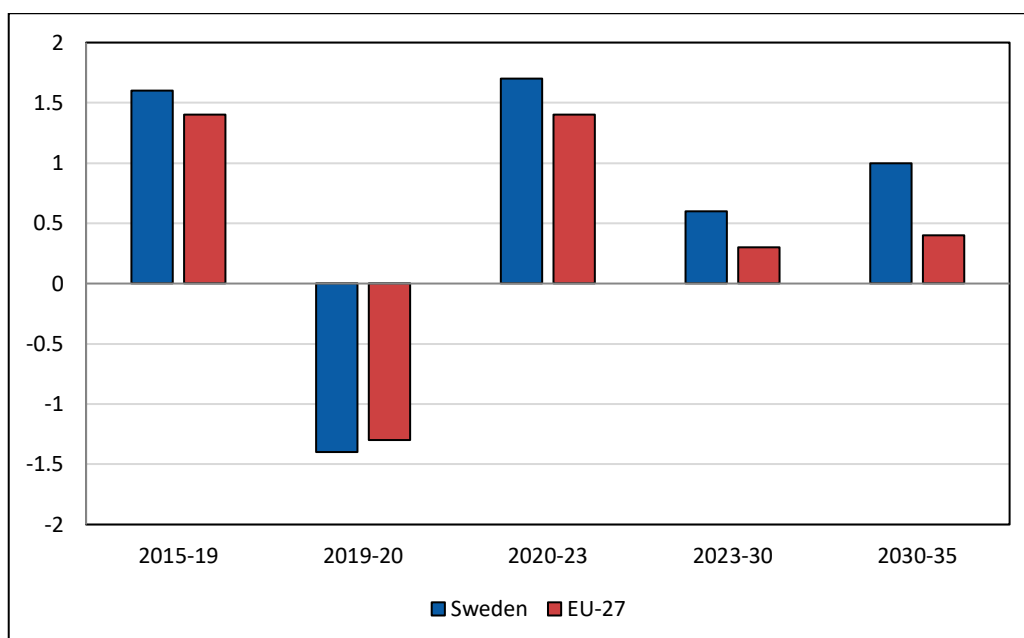
2025 skills forecast Sweden



1. Employment outlook

Employment in Sweden is forecast to grow much faster than the EU-27 average, and only slightly slower than seen over 2015-19. Figure 1 shows that employment in Sweden grew slightly faster than the EU-27 average over 2015-19 but fell slightly more sharply in 2020 as the Covid-19 pandemic hit. Employment in Sweden is however estimated to have bounced back more strongly than the EU-27 over 2020-23. Across the forecast period, employment in Sweden is forecast to grow strongly, by 0.6-1.0% pa compared with growth of 0.3-0.4% pa for the EU-27 as a whole.

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



Source: Cedefop (2025 Skills Forecast).

2. Labour force overview

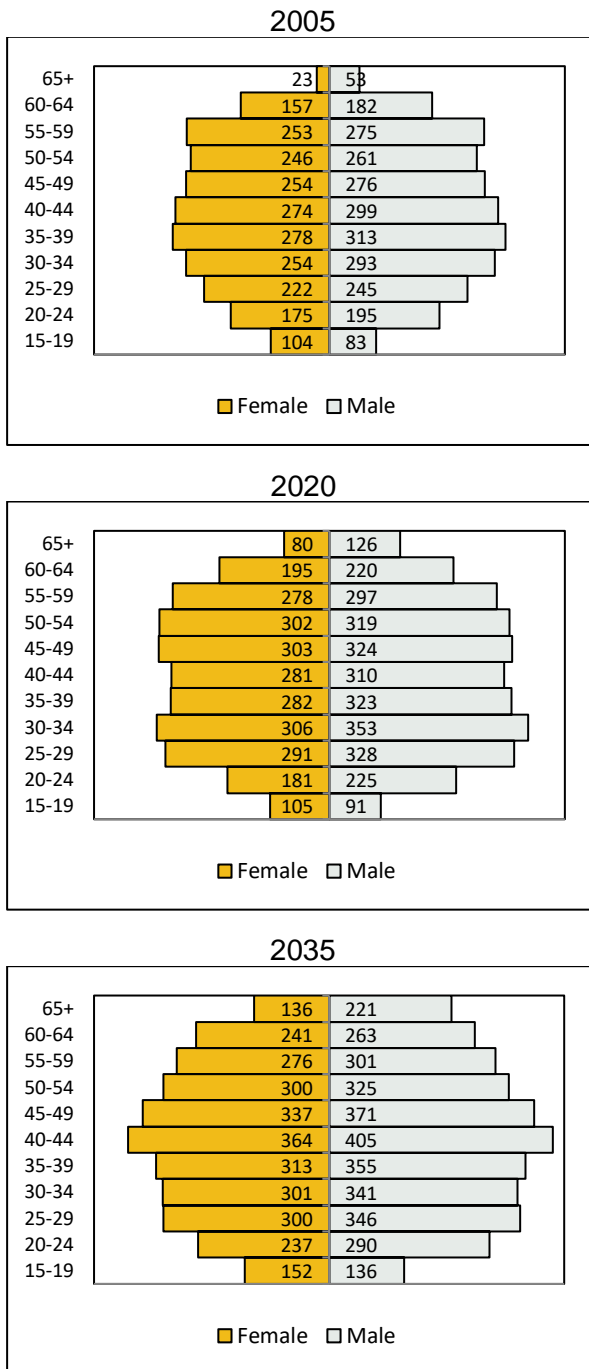
Figure 2 shows Sweden's labour force by age group in 2005, 2020 and 2035. Changes in the labour force in Sweden over the forecast period will continue to be driven, to some extent, by the ageing population and increasing participation rates in most age groups. The total labour force in Sweden is projected to increase by 14% over 2020-35, compared to growth of 18% over the previous 15 years. This compares with a forecast increase in the labour force of just under 10% over 2020-35 for the EU-27. The total participation rate in Sweden is forecast to increase by 1 pp over 2020-35, slower than the 4 pp increase forecast for the EU-27 as a whole. The total population is forecast to grow by 12% over 2020-35, compared with EU-27 average growth of 3% over the same period.

Although the population aged 25-34 and 50-54 in Sweden is projected to decline during 2020-35, the remaining population groups are forecast to grow quite strongly, reflecting trends in the relevant younger cohorts in preceding periods.

The participation rates of all age groups in Sweden except those aged 45-49 and 55-59 are forecast to increase over 2020-35, with the strongest increases projected for the 15-19 (9 pp), 25-29 (7 pp) and 20-24 (6 pp) age groups.

Participation rates in Sweden are generally much higher than the EU-27 average across all age groups, and the differences between male and female participation rates in Sweden are also not generally as large as the EU-27 average. Overall, the total participation rates for females and males, which are determined by changes in population and participation rates by age group, are forecast to increase by 1 pp and 2 pp respectively over 2020-35.

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

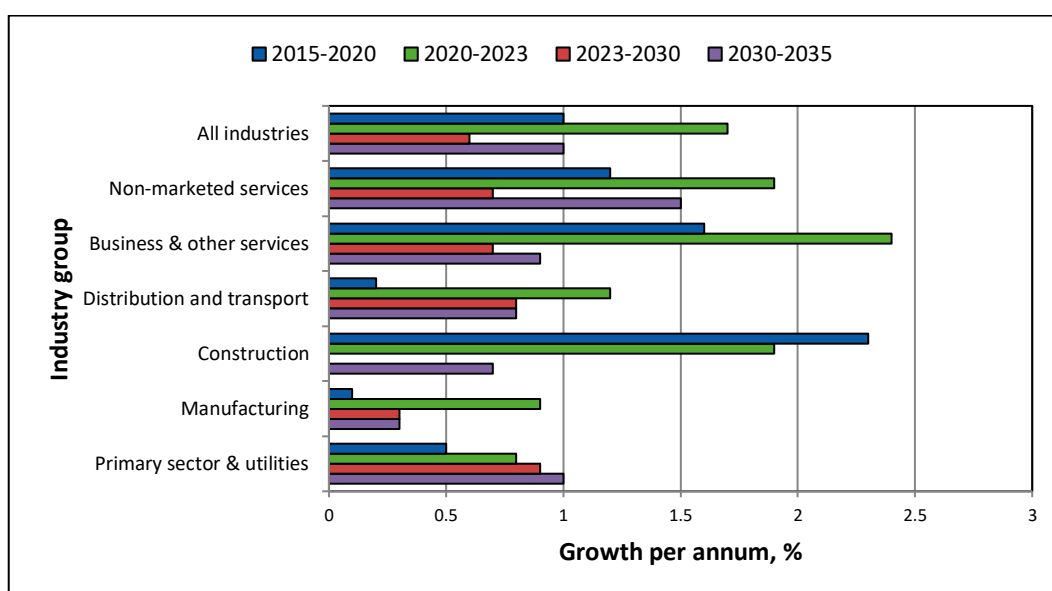


Source: Cedefop (2025 Skills Forecast).

3. Sectoral employment trends

Figure 3 shows Sweden's annual average employment growth by broad sector between 2015 and 2035. Employment is forecast to grow in all broad sectors apart from *Construction* over 2023-30, with similar relatively strong growth forecast for *primary sector & utilities, distribution & transport, business & other services* and *Non-marketed services* and (all at around 0.7-0.9% pa over 2023-30). Employment in *construction* is forecast to remain static over 2023-30, but then to start growing over 2030-35.

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), the pattern of growth is more mixed. Within *distribution & transport*, employment in all sub-sectors is forecast to grow, with *accommodation & catering services* (3.4% of employment) forecast to grow strongly over 2023-30, employment in *warehousing & postal services* (2% of employment) forecast to grow moderately, and employment in *wholesale & retail trade* (11% of employment) forecast to grow only weakly. In *non-marketed services*, employment in *public administration & defence* and *health* is forecast to grow quite strongly, with the latter reflecting increased demand due to the ageing population, while employment in *education* is forecast to decline over the same period. Within *manufacturing*, the sub-sectors tend to be much smaller. However, in all the sub-sectors that account for 1% or more of employment in Sweden (*other machinery &*

equipment, food, drink & tobacco, basic metals & metal products, motor vehicles and wood, paper, printing & publishing), employment is forecast to remain static or decline over 2023-30. In *business & other services*, employment growth is forecast to be driven by *computer programming & information services, market research & other professional services* and *other service activities* over 2023-30. However, the largest subsector, *administrative & support services* (5% of employment) is forecast to see a fall in employment, as is *architectural & engineering services* (2% of employment), over the same period. Within *primary sector & utilities*, employment in the largest sub-sector, *agriculture* (2% of employment), is forecast to grow only weakly over 2023-30, but employment in the other four (albeit much smaller) sub-sectors within this broad sector are forecast to see positive growth in employment over the same period.

4. Job openings by occupational group

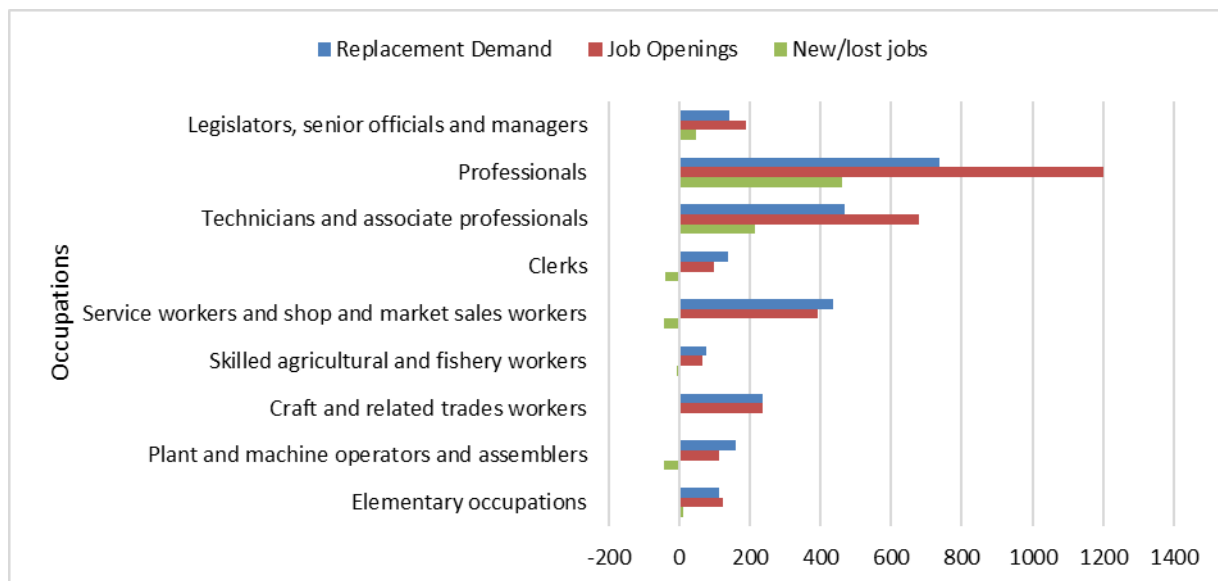
Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created or lost due to the expansion or contraction of employment in that sector or occupation. Replacement needs arise as 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 the 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.

All occupations are expected to experience at least some job openings, even if some will have lost jobs over the period. There will still be many job openings due to replacement demand. *Professionals* and *technicians & associate professionals* are the two broad occupations expected to generate the largest number of job openings over the forecast period, accounting for 39% and 22% of total job openings respectively. The total number of jobs is forecast to increase by 0.6 million. In contrast, replacement demand is forecast to be around 2.5 million, so there are expected to be more than 3.1 million job openings over the forecast period.

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 & administration associate professionals* (9%), *business & administration professionals* (9%), and *health professionals* (9%). Of these, only *general keyboard clerks* and *customer services clerks* are expected to see a decline in the number of jobs. *Personal care workers* are also expected to provide a large number of job openings, driven entirely by replacement demand as the total number of jobs is expected to contract for these occupations. Although most skilled manual and elementary occupations are expected to provide at least some job openings, mainly through replacement demand, the number is expected to be much lower than in the more skilled occupations.

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 Sweden. This is reflected in stronger occupation-specific effects, leading to increasing shares of *professionals* and *technicians & 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, social, cultural & related associate professionals, health professionals* and *teaching professionals*.

Health professionals, as well as *health associate professionals*, both benefit from the increase in the underlying health sector, yet not all of the increases in employment in the sector translate into higher employment in these important health occupations. An increasing specialisation will also lead to a larger share of other occupations in that sector.

The overall effect of occupational change, therefore, depends on several factors that need to 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.

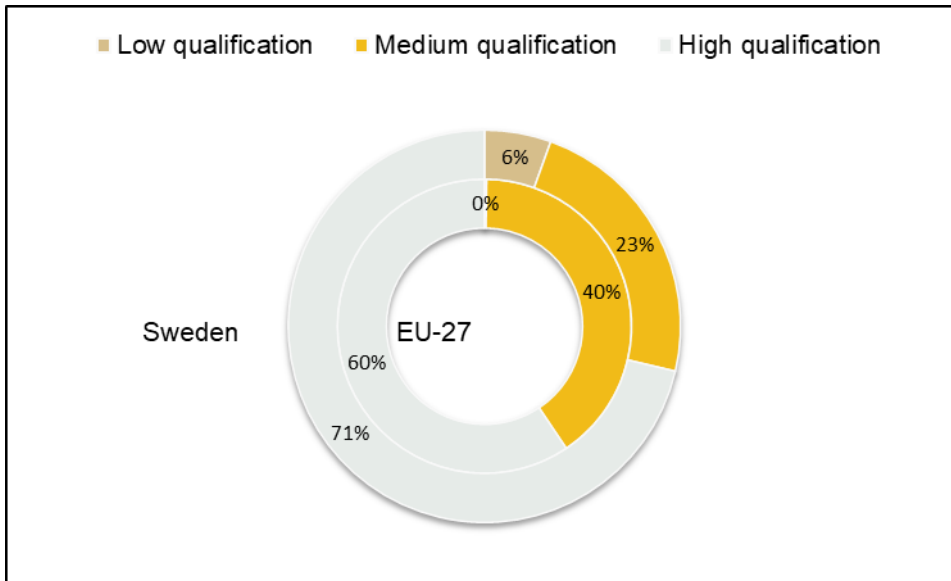
The strength of intermediate occupations, with a strong intermediate qualification level in Sweden, limits the overall effect on medium-qualified occupations. Whereas *building and related trade workers* remain somewhat stronger, the industry-based *metal, machinery, and related trade workers* are decreasing in number, most likely due to increases in automation within the sectors. Clerical work is generally expected to see a decrease in its employment share, but *numerical and material recording clerks* and *other clerical support workers* are expected to increase their employment share.

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 three quarters (71%) of the total job openings that are expected to be created in Sweden over the period up to 2035 will require high-level qualifications, about 12 pp more than the EU-27 average (see Figure 5). Slightly less than one-quarter (23%) of total job openings will require medium-level qualifications and only one in 20 will require low-level qualifications.

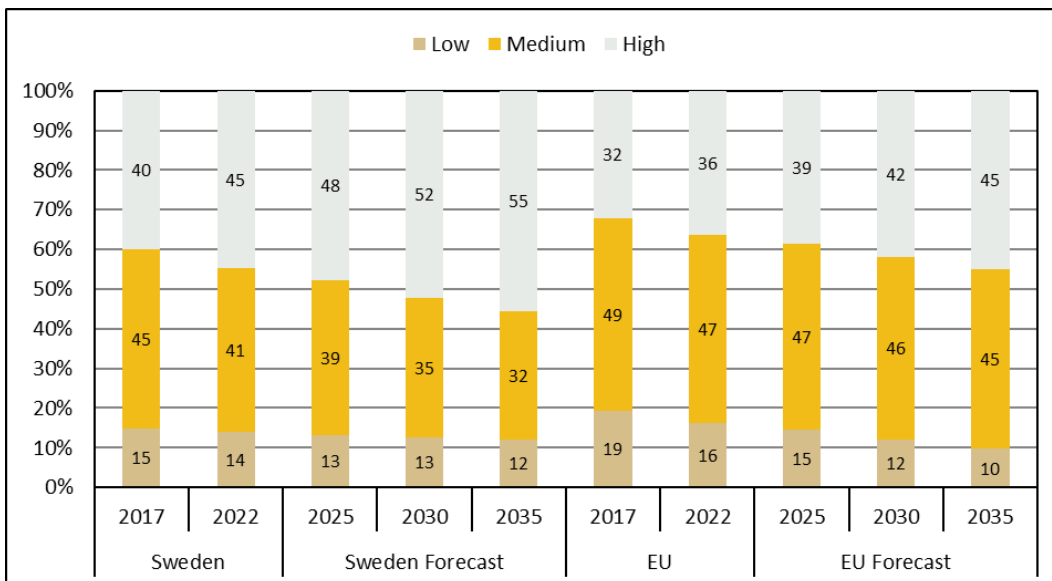
Figure 5. Shares of total job openings by level of qualification, 2022-35



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).

Sweden is expected to experience substantial changes over 2022-35 in the shares of qualifications in the labour force, as seen in Figure 6. The share of people with high-level qualifications in Sweden is expected to increase to 55% of the labour force in 2035 (from 45% in 2022). The share of medium qualified labour force is expected to reduce but remain the second largest qualification group in Sweden (32%, in 2035). Those with low levels of qualification are expected to reduce slightly from 15% in 2022 to 12% in 2035. In Sweden, the proportion of the labour force in 2035 with at least medium level qualifications (88%) is expected to be slightly lower than the EU-27 average (90%).

In Sweden, the supply of low- and medium-skill workers is expected to be above what is required by demand in 2035, while the supply of high-skill workers is expected to be below the demand for those qualifications broadly.

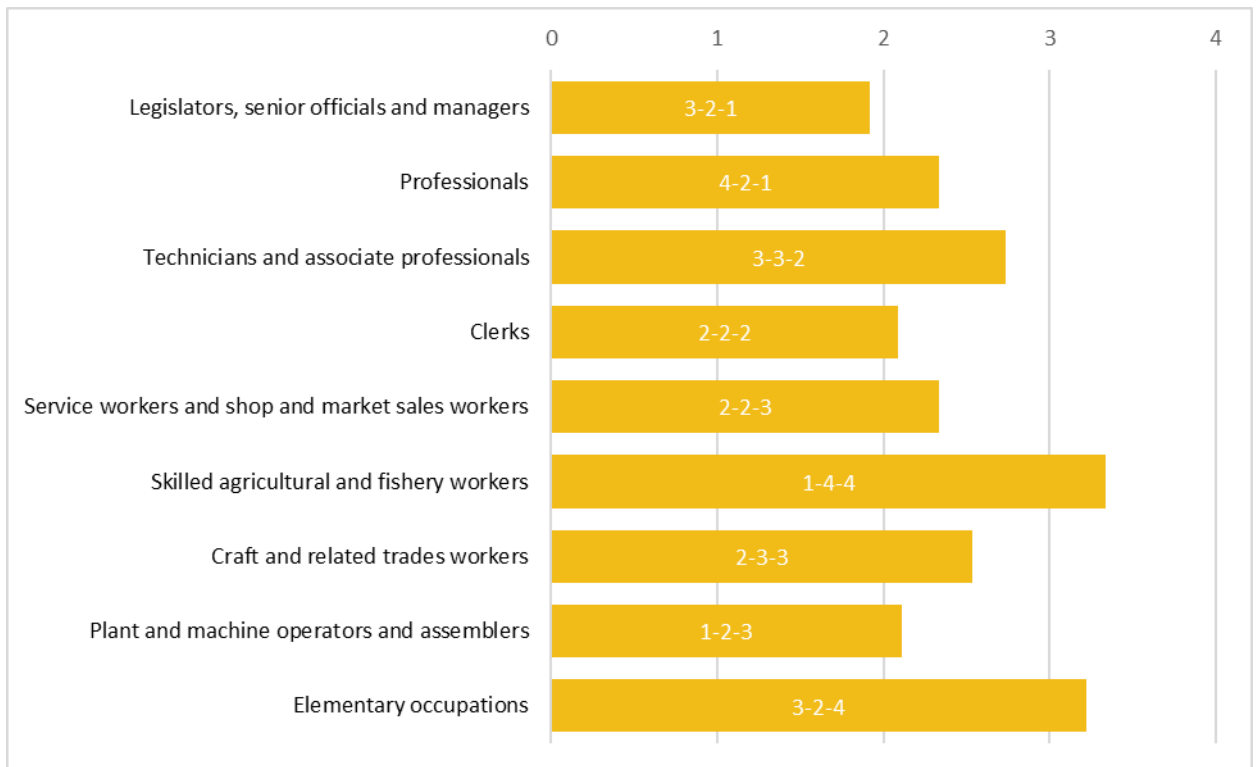
The **labour shortage index** is a method to summarise three elements of potential labour shortage: (1) employment growth, (2) replacement demand, and (3) Supply/Demand imbalance (FIOD). The outcomes at the occupation level are grouped into four quartiles: those with a low indication of shortage get 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.

The labour shortage index is calculated at the ISCO 2-digit level and then aggregated to the ISCO 1-digit level (see Figure 7).

The highest value of the labour shortage index can be found among *Skilled agriculture and fishery workers (1-4-4)*, and is driven by the growth of the underlying occupations along with their high replacement needs. This occupational group also has the highest employment supply/demand imbalance.

Another occupational group with a high labour shortage index value is *elementary occupations (3-2-4)*, due to employment growth and high supply/demand imbalance. The occupational group with the lowest labour shortage index value is *legislators, senior officials & managers (3-2-1)*, with relatively low levels of supply/demand imbalance expected.

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) ⁽¹⁾, and the short-term macroeconomic forecast produced by DG ECFIN in November 2023 ⁽²⁾. 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.

(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

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

For more details, please contact Cedefop's Skills Forecast team at:

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