



AUSTRIA

SKILL SUPPLY AND DEMAND UP TO 2025

2015 edition

Austria: Forecast highlights up to 2025

Between now and 2025:

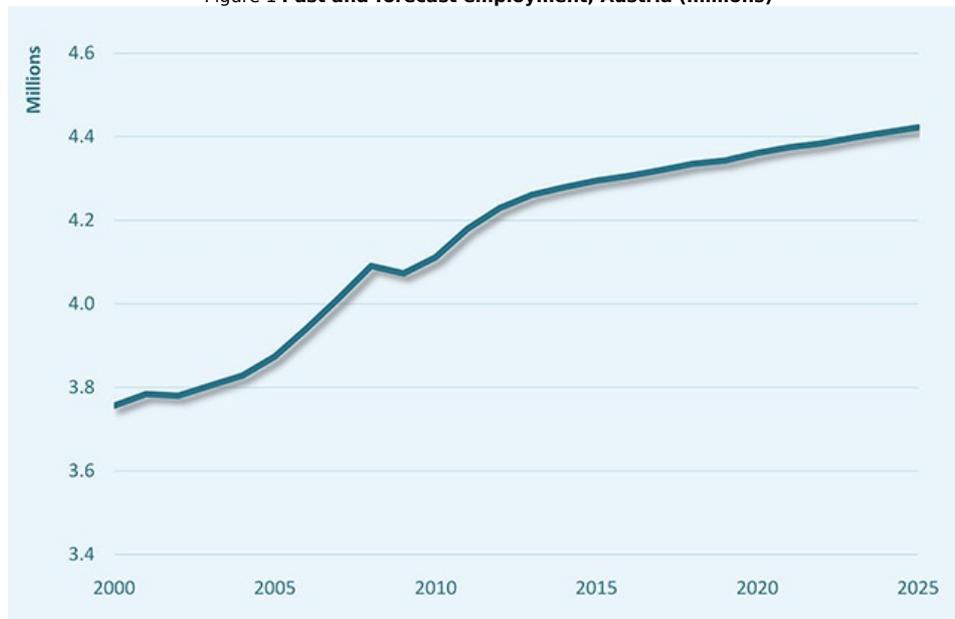
- Employment passed its 2008 pre-crisis level in 2012 and is forecast to continue to increase.
- Most employment growth will be in business and other services.
- Most job opportunities, around 22%, will be for service and sales workers.
- Around 25% of the labour force will have high-level qualifications, compared to 23% in 2013.

Following the economic crisis in 2008, Austria's GDP started to recover in 2010. In 2013, Austria's unemployment rate was 4.9%, well below the EU average of 11%. The European Commission forecasts GDP growth for Austria of around 1.2 % in 2015 and 1.5 % 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 Austria, which passed its 2008 pre-crisis level in 2012 (Figure 1). This is much 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, Austria (millions)

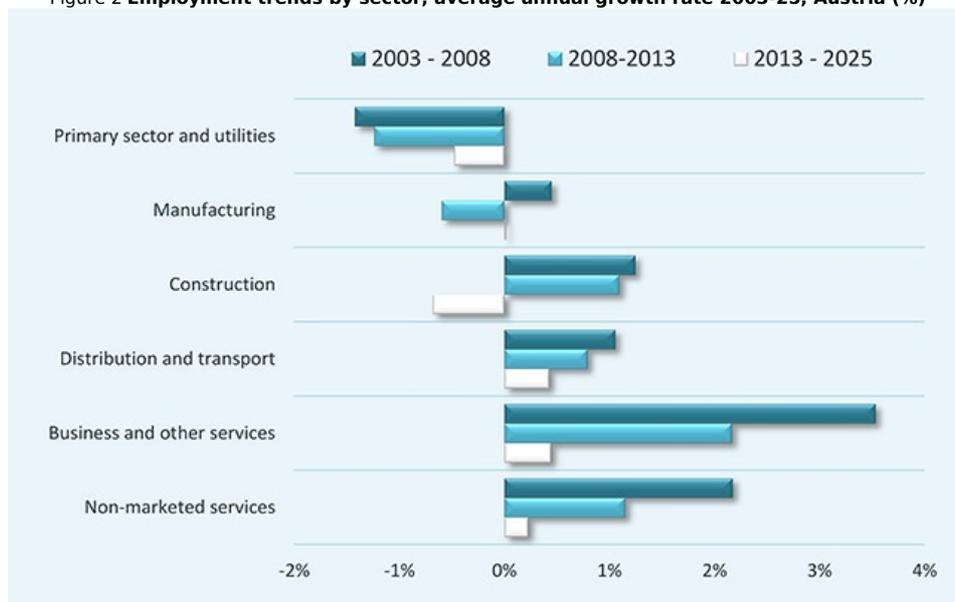


Source: Cedefop skills forecasts (2015)

Sector developments

The effects of the economic crisis on employment in Austria were relatively mild compared to other EU Member States. Between 2008 and 2013 there were job losses in the primary and manufacturing sectors, however, the fall in primary sector employment was slower than between 2003 and 2008 (Figure 2). Also in contrast to many other Member States employment in construction increased between 2008 and 2013, but is forecast to contract between now and 2025. Future job growth in Austria is forecast to be in the business and other services, the non-marketed (mainly public sector) services, and the distribution and transport sector.

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



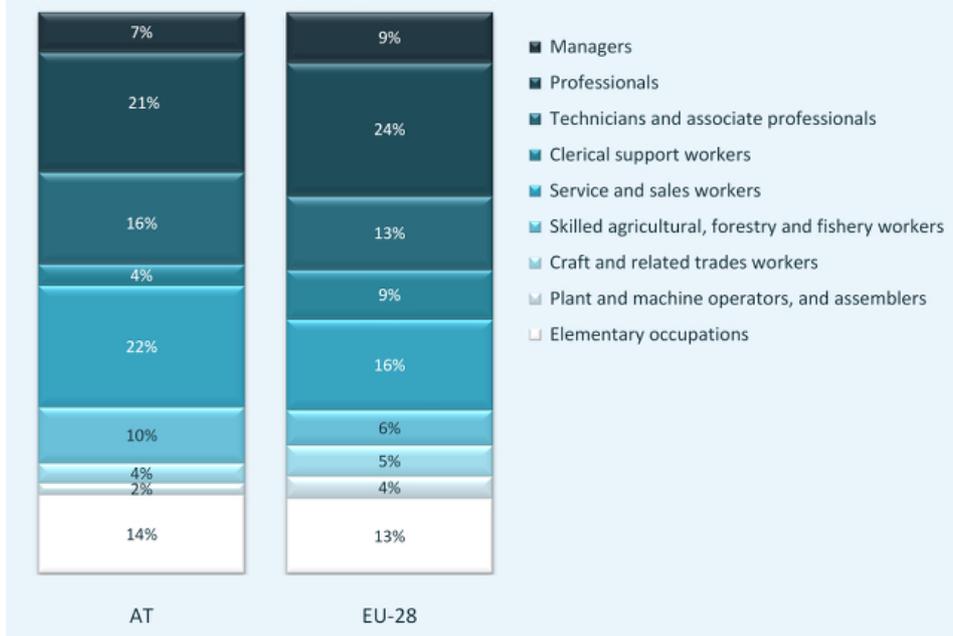
Source: Cedefop skills forecasts (2015)

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. Given expected trends in occupational mobility and an ageing labour force between now and 2025, replacement demand in Austria is forecast to provide more than nine times more job opportunities than expansion demand.

In Austria, most job opportunities, around 22%, will be for service and sales workers significantly higher than the EU average of 16% for this occupational group (Figure 3). The share of job opportunities for craft and related trades workers, around 10% in Austria is also well above the EU average of 5%.

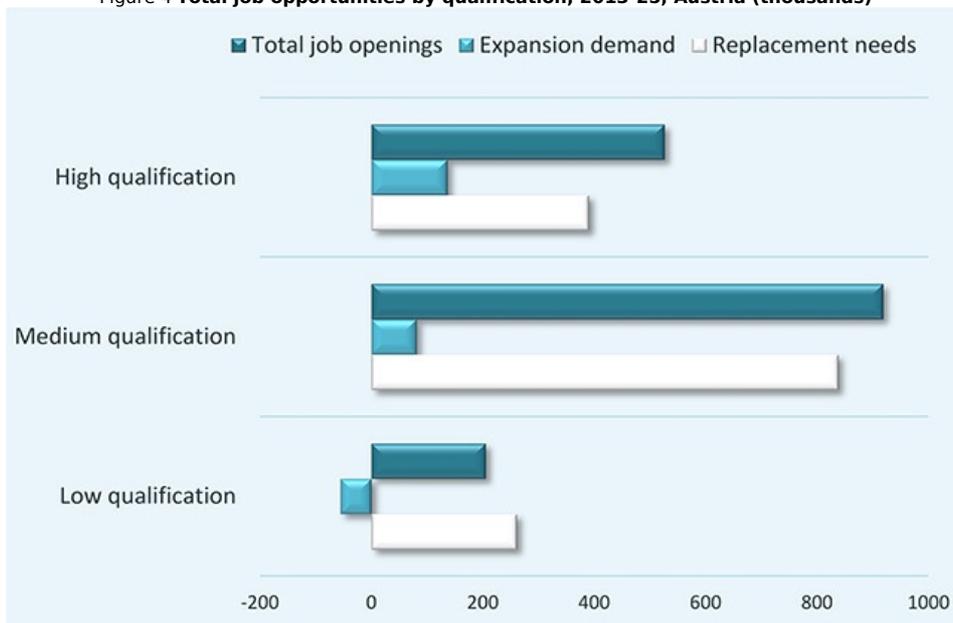
Figure 3 Distribution of total job opportunities by occupation, 2013-25, Austria and the EU (%)



Source: Cedefop skills forecasts (2015)

Most job opportunities through expansion demand in Austria will require high-level qualifications (ISCED 97 levels 5 and 6) (Figure 4). However, because of high replacement demand, overall, most job opportunities will require medium-level qualifications (ISCED 97 levels 3 and 4).

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



Source: Cedefop skills forecasts (2015)

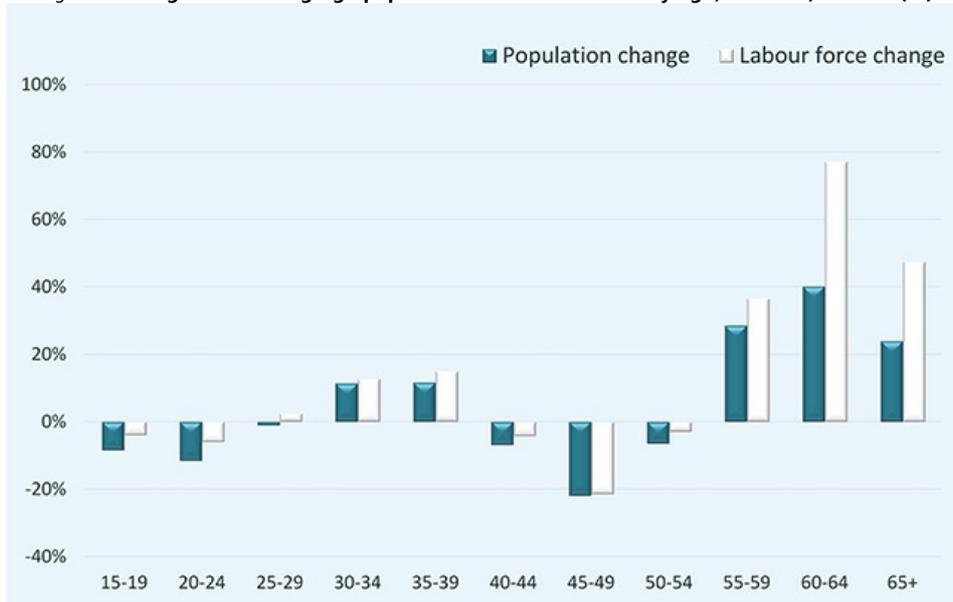
Labour force trends

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

Eurostat's latest population projection (Europop 2013) for Austria reflects the current trends in fertility rates and net migration flows. Austria's working-age population is forecast to grow by more than 6.5% between now and 2025. However, labour market participation in Austria is expected to fall slightly, by 2025 to just below 60% in 2025, still above the EU forecast average of 55.5%.

Following the EU demographic trend, Austria's population is getting older (Figure 5). Between now and 2025, there will be an increase in numbers of people in the labour force between 30 and 39 years-old, but a much larger increase of people aged over 55.

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

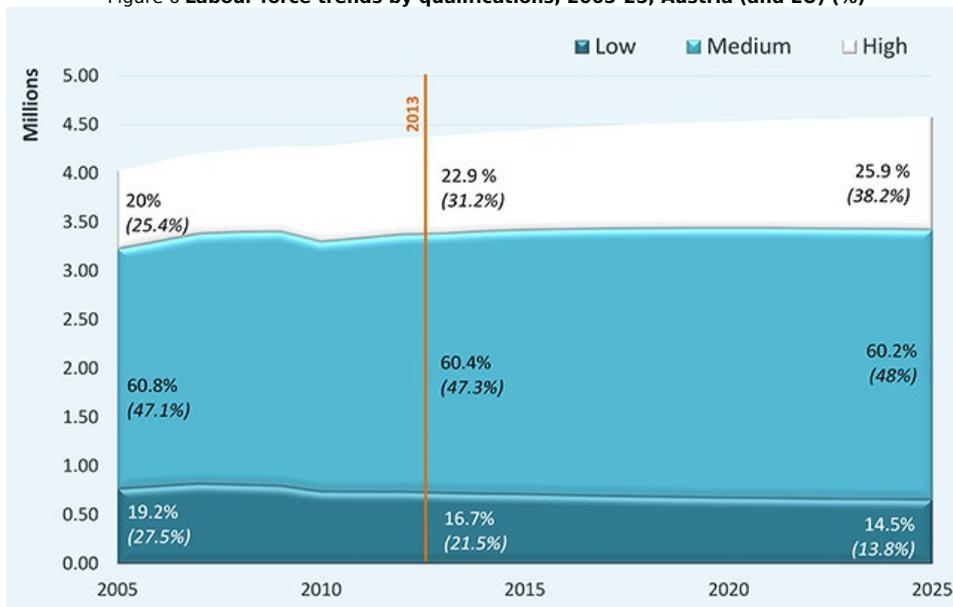


Source: Cedefop skills forecasts (2015)

Although older, Austria’s labour force is becoming more highly qualified (Figure 6). The share of labour force with high qualifications should rise to 25.9% in 2025 compared to 22.9% in 2013 and 20% in 2005. People with medium qualifications will remain almost the same at around 60% of the labour force. The share with low-level or no qualifications is forecast to fall from 16.6% in 2013 to 14.5% in 2025.

According to Cedefop’s forecasts, by 2020, in Austria, around 28% of 30 to 34 year-olds will have high level qualifications, below the national target of 38% and the EU target of 40% by 2020. On current trends around 30% of 30 to 34 year-olds in Austria will have high-level qualifications by 2025.

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



Source: Cedefop skills forecasts (2015)

In 2013, in Austria, 7.3% of young people left the education and training system with low-level qualifications, meeting the national target of less than 9.5% 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. A team of four researchers **Julia Bock-Schappelwein, Thomas Horvath, Ulrike Huemer and Helmut Mahringer** from the Department of Labour Market, Income and Social Security at the Austrian Institute of Economic Research consider the forecasts’ underlying assumptions and results plausible.

They add that national employment forecasts are considerably lower than those of the European Commission. National measures of unemployment are not well reflected by Eurostat. The national experts see unemployment rising in Austria due to weak economic growth and the increase in labour supply due to

immigration and a higher retirement age.

National experts also point to differences in the structure of job opportunities. National forecasts see professionals accounting for around 40% of total employment growth up to 2020 and the growth of elementary occupations significantly lower. Austria's national experts also think the 10 % share of job opportunities forecast by Cedefop for skilled agricultural, forestry and fishery workers is rather high.

It is also important to note that Austria includes graduates from upper secondary vocational schools (ISCED 4a) in the national higher education graduates target. This level is included in the band of medium-level qualifications in Cedefop's forecast. Consequently the national forecast for the share of 30-34 year olds with higher-level qualifications by 2020 is 38%, meeting the national target, compared to Cedefop's forecast of around 28%.

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.

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

Published online on 07/05/2015
Last updated on 07/05/2015

Skills forecasts country report – Austria

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