



ARBETSFÖRMEDLINGEN
SWEDISH PUBLIC EMPLOYMENT SERVICE

Labour market outlook autumn 2024 – Summary

Outlook for the labour market 2024–2026

 ARBETSFÖRMEDLINGEN
SWEDISH PUBLIC EMPLOYMENT SERVICE

Text: Analysavdelningen

Reprint permitted with specification of source.

Arbetsförmedlingen, December 17, 2024

Summary

Slow recovery of the labour market

The recession continues to characterise the Swedish economy. The weak development of consumption has deepened and prolonged the recession. There are several signs that the labour market remains weakened, although employers are more positive about the future. However, several factors indicate that household consumption will increase in 2025, and that growth will pick up. The Swedish Public Employment Service (Arbetsförmedlingen) estimates that unemployment will stop rising in the first half of 2025, to then turn to a falling trend gradually during the rest of the forecast period, which extends to 2026. The high share of registered unemployed with low competitiveness is expected to restrict the decline in the number of unemployed. In 2024, the annual average number of registered unemployed is expected to reach 357,000 persons or 6.8% as a share of the register based labour force. In 2025, the number is projected to reach 365,000 (6.9%), then decrease to 352,000 (6.6%) in 2026. This can be compared with 334,000 (6.4%) in 2023.

Long-term unemployment risks remaining at a higher level

The weak economy and labour market has implied that a larger share of the unemployed face significantly lower possibilities in competing for job. Long-term unemployment has risen since the autumn of 2024 and is expected to continue to rise in 2025. The situation is particularly challenging for unemployed people who have been out of work for two years or more. Among these, almost nine out of ten are considered to have weak competitiveness in the labour market. However, even among the unemployed with shorter periods of unemployment, people with weak competitiveness are in the majority. To prevent the rise in long-term unemployment, more support and work-related measures are needed for jobseekers who are far from the labour market. More unemployed people need education, but also vocational education and training and subsidized employment.

Recruitment problems despite the recession

Despite the weak economic situation, many employers find it difficult to recruit employees with demanded skills. In the survey this autumn, the majority of employers who had tried to recruit had experienced recruitment problems. When the economy strengthens, there is a risk that matching problems will increase. The structural transformation of the labour market means that the need for retraining remains high. People who become unemployed because of changes in what skills what skills are required may need to adapt through additional training or by changing occupation or sector. For others, this may involve geographically broadening their search area to areas of the labour market where supply is not sufficient to meet demand. More employers may need to work with broadened recruitment to increase the opportunities to find people with related skills that can be adjusted. Collaboration between the Public Employment Service, municipalities and other actors is also crucial in order to provide support to jobseekers and improve matching on the labour market.

Arbetsförmedlingen
113 99 Stockholm
Telefon 0771-60 00 00
www.arbetsformedlingen.se

