



ARBETSFÖRMEDLINGEN
SWEDISH PUBLIC EMPLOYMENT SERVICE

Labour market outlook spring 2024 – Summary

Outlook for the labour market 2024–2025

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Summary

The recession affects the labour market

The world economy has continued to recover after global growth bottomed out at the end of 2022. According to the International Monetary Fund's (IMF) forecast, the risks of a global recession have decreased, and growth is expected to stabilize just below the historical average over the forecast period (2024-2025). The outlook for the Swedish economy has brightened during the beginning of 2024 as inflation has fallen back. The labour market was resilient for a long time and employment continued to increase during the first half of 2023 regardless of the weak growth. Despite the brighter outlook, several indicators imply that the labour market will continue to weaken in 2024. The number of vacancies have decreased while notice levels are higher than normal, indicating a subdued demand for labour. The number of registered unemployed has increased since the summer of 2023, most clearly among young people and more among men than among women in general. Arbetsförmedlingen (Swedish Public Employment Service) assesses that the number of registered unemployed will continue to increase in 2024 to gradually decrease in 2025 when the economy strengthens more clearly. The number of registered unemployed is estimated to add up to an average of 351,000 people in 2024 and 347,000 people in 2025. This can be compared to an average of 334,000 registered unemployed in 2023, which means that the labour market will not fully recover during the forecast period.

The imbalances in the labour market remain

The increased unemployment risks leading to an increase in long-term unemployment as well. A large proportion of the registered unemployed are considered to have a weak competitiveness on the labour market. Even among people with shorter periods of unemployment, these groups constitute a majority of the registered unemployed. It is therefore important to direct support towards those who are far from the labour market in order to counter a continued negative development. Significantly more people need to take part in training and work-related initiatives that to a greater extent lead to employment. The registered unemployed who are particularly far from the labour market often need intensified support and a chain of efforts where, for example, education is combined with work practice. By the end of 2025, the number of long-term unemployed is estimated to have increased to nearly 150,000 people. The challenges are particularly great for the unemployed who have been without work for two years or more. Within that group, nearly nine out of ten are considered to have a weak competitiveness on the labour market. The registered unemployed who have left for work are above all people who have at least a secondary education, which indicates that a completed upper secondary education is still central to permanently establishing themselves in the labour market. The imbalances have increased as a result of a long-standing widespread matching problem where many unemployed people lack the skills that employers demand in the Swedish labour market. These challenges risk increasing as a result of education-related as well as geographical and professional imbalances.

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