

PRE-PANDEMIC GROWTH LEVELS STILL OUT OF REACH FOR EUROPE'S AGENCY WORK MARKETS

A stronghold of agency work markets, Europe was significantly hit by the Covid-19 pandemic and the economic crisis it triggered. Pre-pandemic the sector still registered a 1.4% growth in the nine largest European markets, although stark differences can be observed across countries. While a path towards recovery is shaping across many markets, pre-crisis levels are not reached yet.

Brussels, 22 February 2021 – The Covid-19 pandemic and the economic crisis it triggered put a halt to the growth that the European private employment services industry was experiencing for the past couple of years. According to the World Employment Confederation's latest Economic Report, Europe was still a leading region for most services in 2019 but the Covid-19 crisis could be a game changer.

"Looking at 2020, we estimate that the global agency work sector contracted by as much as 18% in the first half of the year compared to the same period in 2019," explains Even Hagelien, Chairman of WEC's Economic Affairs Committee. *"Counting nine of the largest 15 agency work markets, Europe is particularly exposed to the impacts of the pandemic. Already in 2019, we observed stark differences across countries' results."*

Europe generates 43% of global revenues for the agency work segment. The evolution of revenues varied across countries in 2019, with some large markets experiencing growth, such as the Netherlands (+4.5%), Spain (+3.5%), Switzerland (+5%) and the UK (+13.2%), while others contracted, such as France (-1.1%), Germany (-9.3%), Italy (-4.5%) and Sweden (-8.4%). The combined turnover of the nine largest European markets grew by 1.4% in 2019.

Looking at the other private employment services, the EMEA region saw growth of 8% in 2019 for MSP. Nearly half of the region's MSP spend in generated in the UK, which is also the second largest MSP market globally. The most significant growth in the region was recorded by the RPO market (33%). Direct recruitment, however, declined in 2019. Most large markets saw a decline of turnover, with the UK market having contracted by as much as 17%. In the career management sector, many of the largest markets either remained stable or saw a decline, with the Dutch and British markets being down 2% and 3% respectively. Together with the USA, France and Japan, those countries make up the top 5 largest markets and contribute around three-quarters of total revenues.

In 2019, the global private employment services industry was worth €495 billion - an increase of 5% compared to the prior year.

"While a path towards recovery can be observed across many markets, pre-crisis levels are not reached and the future remains uncertain," observes Denis Pennel, Managing Director of the World Employment Confederation. *"But our industry is ready to play its role in the recovery, placing people in the labour market and offering innovative solutions to alleviate challenges and risks for workers and businesses."*

In 2019, more than 11 million individuals were placed in the labour market by the private employment services industry in Europe. The sector employed nearly 600 000 internal staff in its 73,000 agencies located across the region.

The 2021 Economic Report of the World Employment Confederation is available on [WEC-Europe's website](https://www.wec-europe.org).

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About the World Employment Confederation-Europe

The World Employment Confederation-Europe is the voice of the private employment services industry at the European level, representing national federations as well as large international workforce solutions companies from across Europe. Members of the World Employment Confederation-Europe represent a wide range of HR services, including agency work, direct recruitment, career management, Recruitment Process Outsourcing (RPO) and Managed Service Provider (MSP).

The World Employment Confederation-Europe works to broaden recognition of the positive economic and social role which the private employment services industry plays in enabling work, adaptation, security and prosperity. This role involves building networks with relevant stakeholders such as policy makers, social partners and the academic world; setting high recruitment and employment standards and practices; acting as a thought-leader shaping futureproof and competitive labour markets and providing strategic data on employment issues. The World Employment Confederation-Europe is the recognised, EU sectoral social partner for temporary agency work.

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