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The Voice of Labour Market Enablers

Labour Market Strategic Insight Q3 2024

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Market Comment

Economic Environment

Several countries are registering negative GDP growth, with notable exceptions being China, the US, and India. Inflation is decreasing in most regions, while unemployment rates remain mostly stable.

Labour Market

- The global labour market is facing several challenges, with agency work activity remaining strained due to negative turnover growth in many countries, despite some stabilization in hours worked.
- Online job postings have declined in Q2 2024 compared to the same period of the previous year.
- Job vacancy rates and labour shortages are easing, although in some sectors they are still strong. In case of Europe, shortage is still high in Administrative and Support Services, Accommodation and food services, and Communications.
- Regionally, the most sought-after professions vary: software developers/engineers in Asia, nurses in North America, telemarketers in South America, and warehouse workers in Europe.
- Globally, the hardest occupations to fill include computer scientists, CIOs, product managers, economists, and nuclear engineers, with skills like contract implementation, Keras, interim management, and corporate development being particularly difficult to find through online job postings. Asia leads the world in job offers that require one or more AI-related skills.



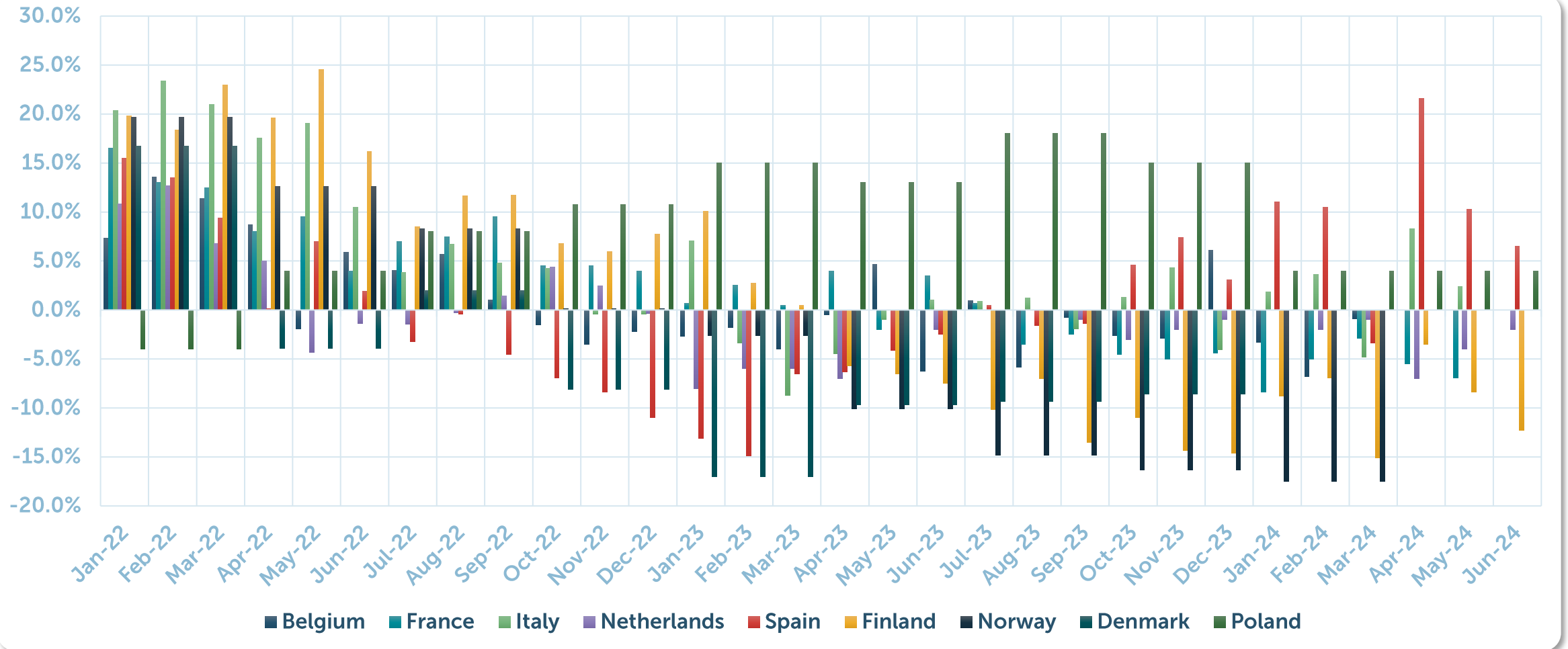
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1

Agency Work Activity

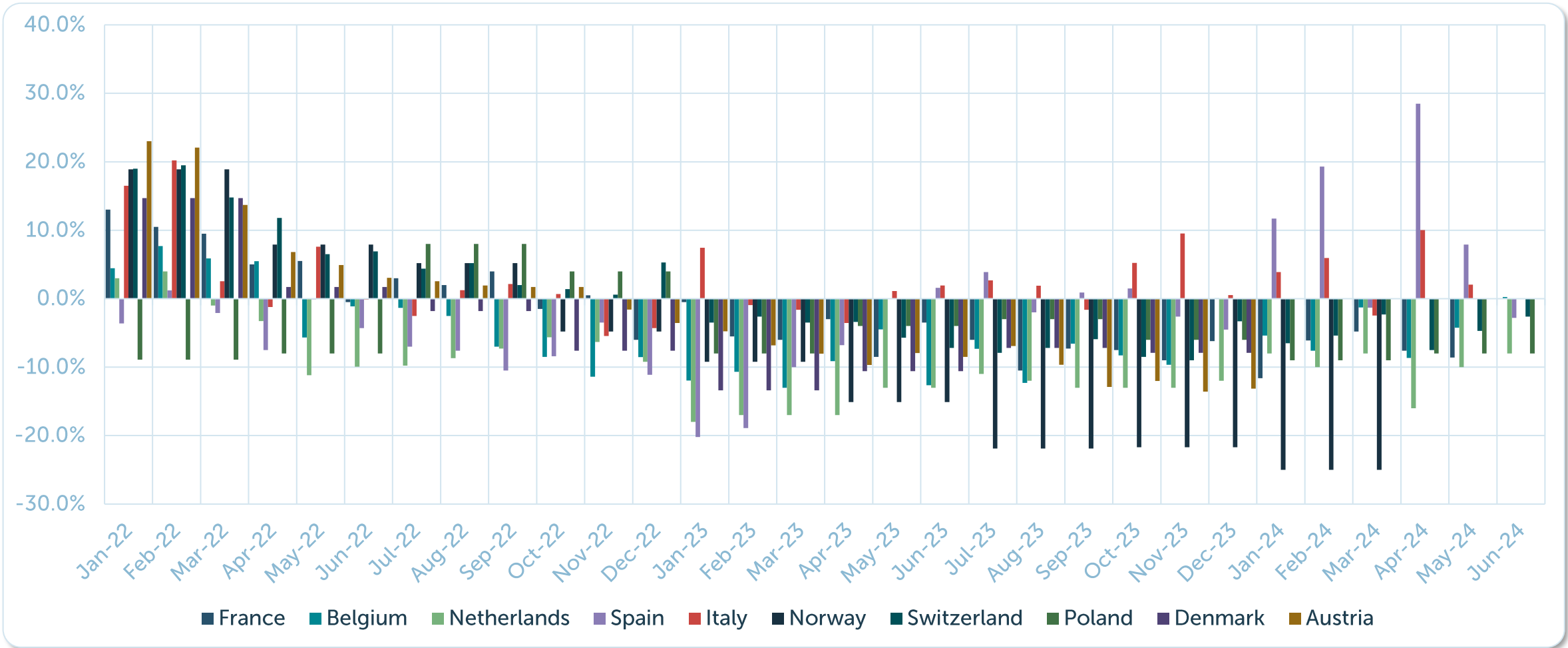
Agency Work: Turnover

Monthly Dynamics (YoY % change)



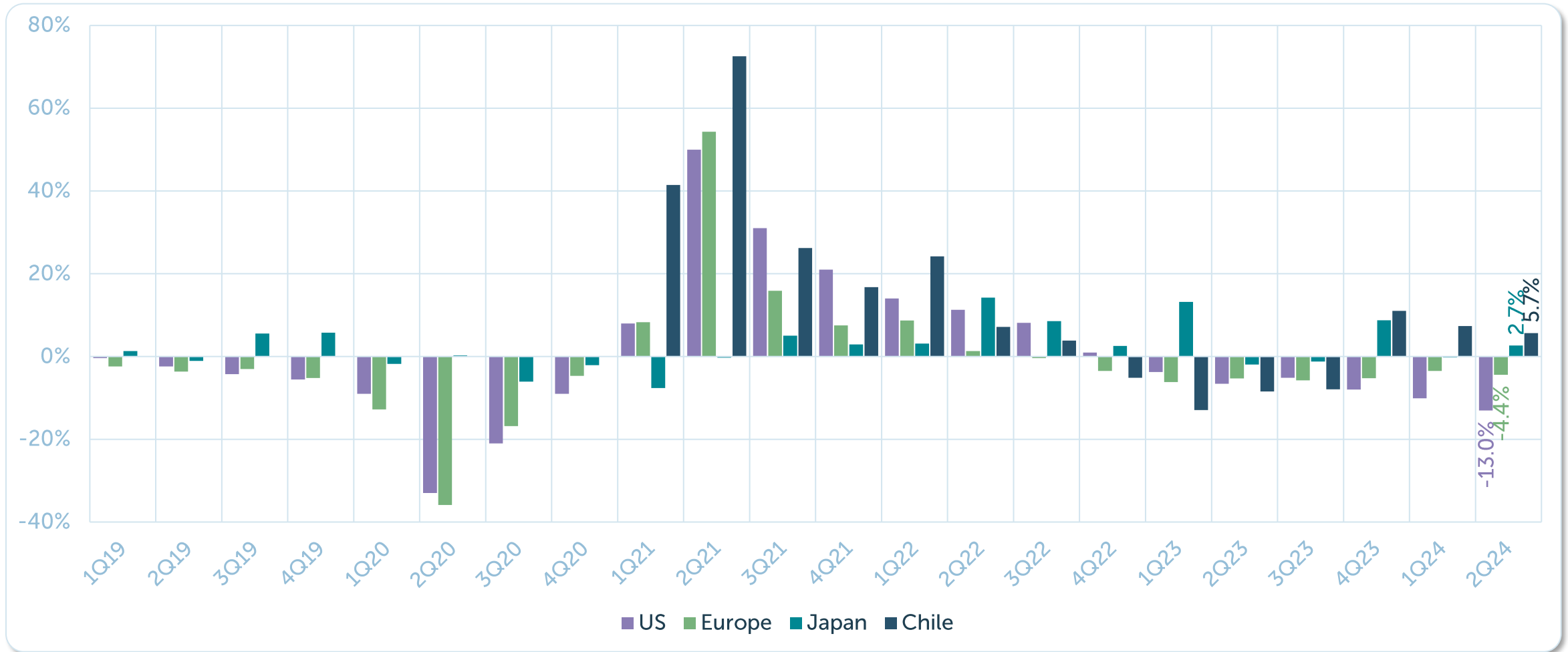
Agency Work: Hours Worked

Monthly Dynamics (YoY % change)



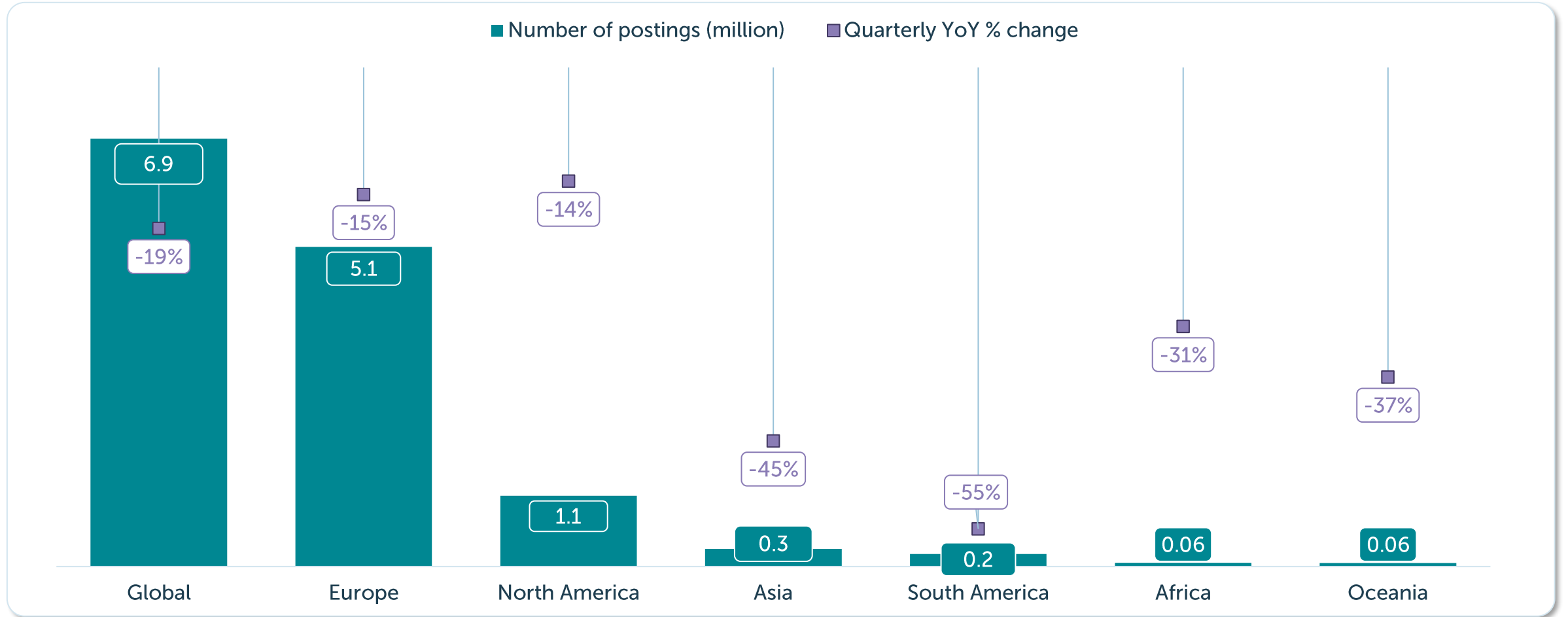
Agency Work Activity in US, Europe, Japan & Chile

Quarterly Dynamics (YoY % change)



Agency Work: Online Job Postings

Number of postings & quarterly dynamics – Q2 2024





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2 **Economy**

Evolution of GDP

REGION	COUNTRY	2019	2020	2021	2022	2023	1Q2024	2Q2024
NORTH AMERICA	Canada	1.9	-5.0	5.3	3.8	1.2	0.5	0.9
	Mexico	-0.3	-8.6	5.7	3.9	3.2	1.9	1.3
	United States	2.5	-2.2	5.8	1.9	2.6	2.9	3.1
SOUTH AMERICA	Argentina	-2.0	-9.9	10.4	5.2	n/a	-5.1	n/a
	Brazil	1.2	-3.3	4.8	n/a	n/a	1.7	n/a
	Chile	0.6	-6.1	11.3	2.1	0.2	2.1	2.2
ASIA	Australia	-0.3	2.1	4.3	3.0	2.0	1.1	n/a
	China	6.1	2.1	8.4	3.0	5.2	5.3	4.7
	India	3.9	-5.8	9.1	n/a	n/a	8.4	n/a
	Japan	-0.4	-4.1	2.6	1.0	1.9	-0.9	-0.8
	New Zealand	2.5	0.1	4.7	2.7	0.6	0.3	n/a
	South Korea	2.2	-0.7	4.3	2.6	1.4	3.1	2.3
	Austria	1.5	-6.6	4.2	4.8	-0.8	-1.3	0.0
	Belgium	2.2	-5.3	6.9	3.0	1.4	1.3	1.1
	Bulgaria	4.0	-4.0	7.7	3.9	1.8	1.9	2.0
	Czechia	3.6	-5.3	4.0	2.8	-0.1	0.3	0.4
EUROPE	Denmark	1.7	-1.8	7.4	1.5	2.5	1.4	n/a
	Estonia	4.0	-1.0	7.2	-0.5	-3.0	-2.1	n/a
	Finland	1.2	-2.4	2.8	1.3	-1.2	-1.4	-1.4
	France	2.0	-7.4	6.9	2.6	0.9	1.5	1.1
	Germany	1.1	-3.8	3.2	1.8	-0.2	-0.1	-0.1
	Greece	1.9	-9.3	8.4	5.6	2.0	2.1	n/a
	Ireland	5.0	7.2	16.3	8.6	-5.5	-4.0	-1.4
	Italy	0.5	-9.0	8.3	4.0	0.9	0.6	0.9
	Latvia	0.6	-3.5	6.7	3.0	-0.3	0.8	-0.4
	Lithuania	4.7	0.0	6.3	2.4	-0.3	3.0	1.4
	Luxembourg	2.9	-0.9	7.2	1.4	-1.1	-0.4	n/a
	Netherlands	2.3	-3.9	6.3	5.0	0.1	-0.7	0.6
	Poland	4.5	-2.0	6.9	5.6	0.2	1.8	4.0
	Portugal	2.7	-8.3	5.7	6.8	2.3	1.5	1.5
	Romania	3.9	-3.7	5.7	4.1	2.1	2.2	0.8
	Spain	2.0	-11.2	6.4	5.8	2.5	2.6	2.9
	Sweden	2.5	-2.0	5.9	1.5	-0.2	0.5	0.1
	Norway	1.1	-1.3	3.9	3.0	0.5	1.1	n/a
	Switzerland	1.1	-2.1	5.4	2.6	0.7	0.8	n/a
	Turkey	0.8	1.9	11.4	5.5	4.5	7.4	n/a
UK	1.6	-10.4	8.7	4.3	0.1	0.3	0.9	
AFRICA	Egypt	5.6	3.6	3.3	6.6	3.8	2.2	n/a
	South Africa	0.3	-6.0	4.7	1.9	0.6	0.6	n/a

“Global growth in 2023 continued at an annual rate above 3%, despite the drag exerted by tighter financial conditions and other adverse factors, including the evolving conflicts in Ukraine and in the Middle East.

Global GDP growth is projected at 3.1% in 2024 and 3.2% in 2025, little changed from the 3.1% in 2023.

This is weaker than seen in the decade before the global financial crisis, but close to currently estimated potential growth rates in both advanced and emerging market economies.”

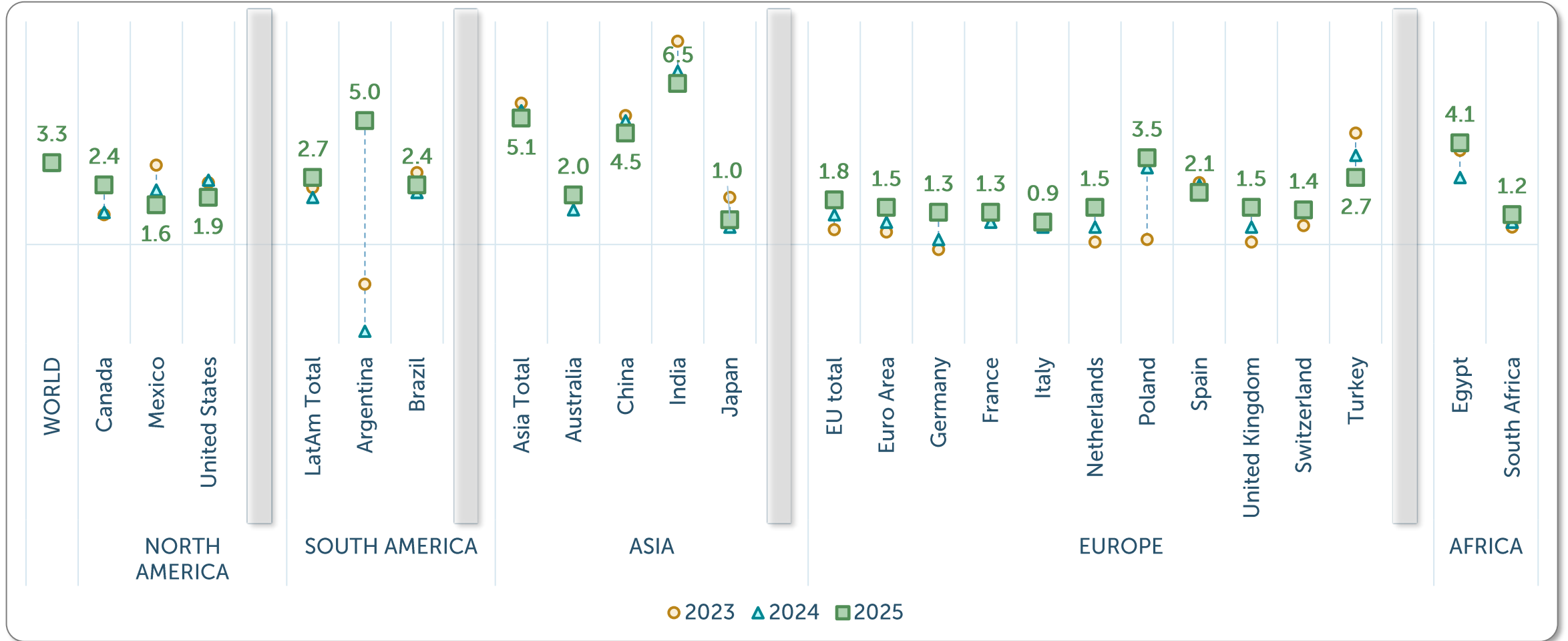
(OECD)

Source: OECD via Macrobond



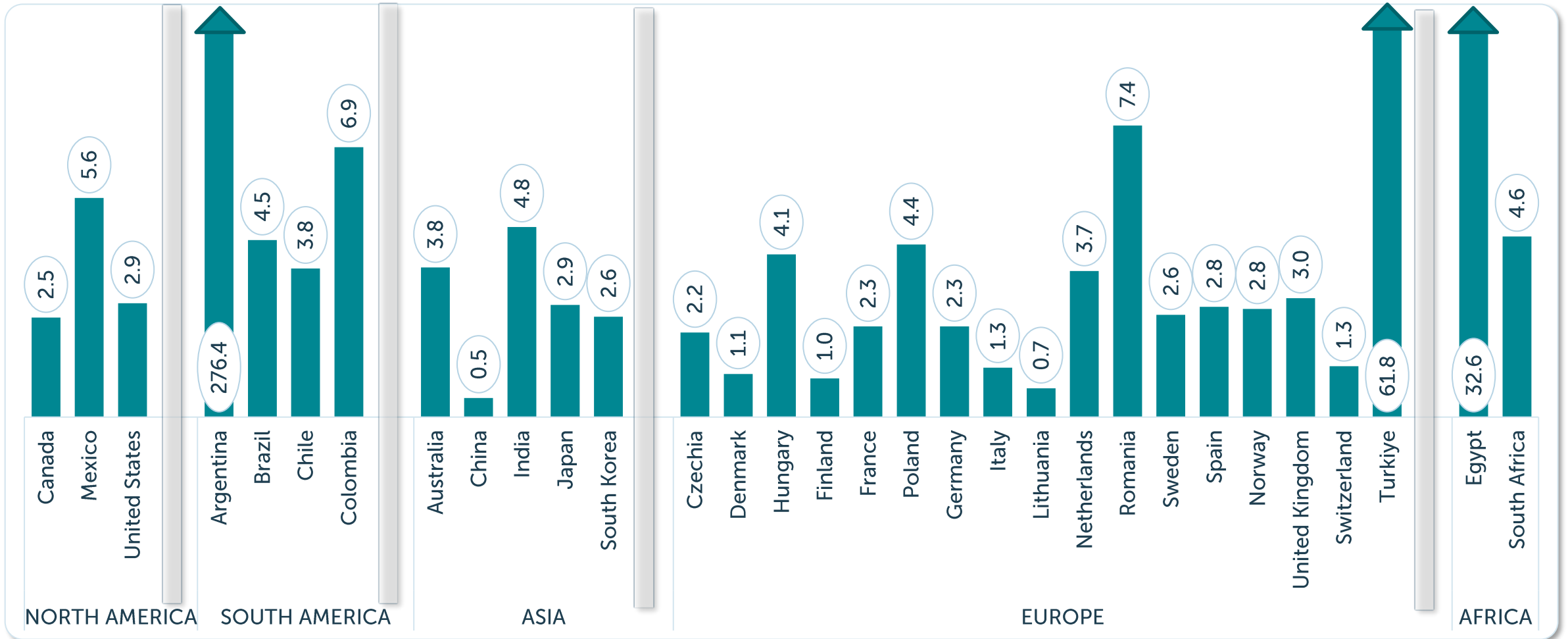
Economic Performance Will Remain Stable

GDP Growth Projections (YoY % change)



Inflation Continues Decreasing; Persists In Argentina, Turkey & Egypt

Inflation Rate - July 2024 or latest available (YoY % change)



Sample Averages (excl. AG, TR, EG):
 July 24: 3.1%
 July 23: 6.1%

Source: IMF via Macrobond
 Sample average calculation: simple average across listed countries



Manufacturing PMI

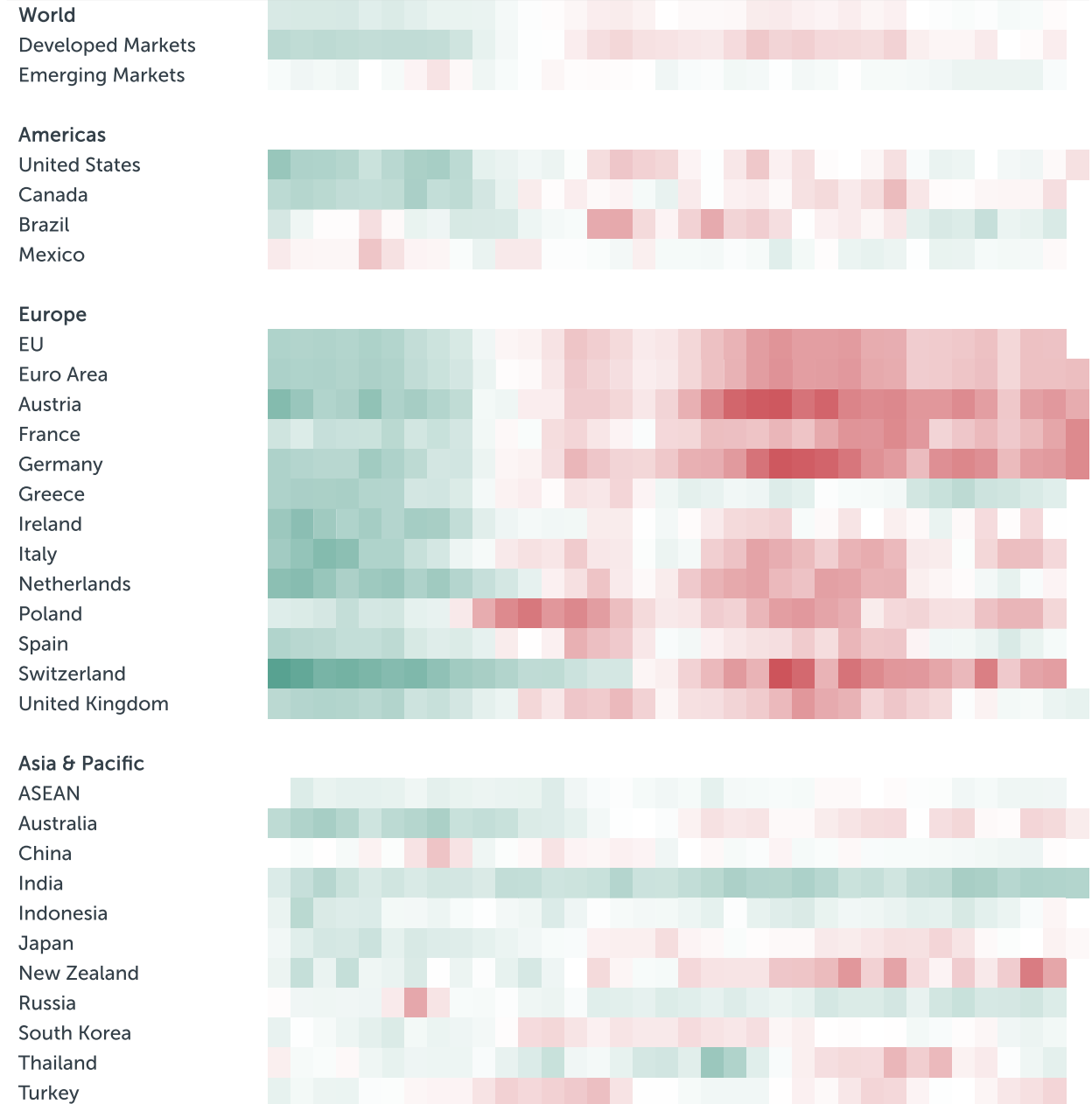
This chart presents the Purchasing Managers' Indices (PMIs) for the past three years, with green boxes indicating expansion and red boxes indicating contraction. It reveals that emerging markets initially contracted early in the cycle but have since rebounded, whereas developed markets have only recently begun to recover from their contraction phase.

During the central banks' hiking cycle, it is crucial for policymakers and the market to consider the spill-over effects of efforts to combat inflation. The impact of these interest rate hikes extends beyond immediate financial adjustments, influencing various sectors of the economy.

PMI numbers indicate that these hikes have created significant challenges for both the economy and companies. Increased borrowing costs and tightened financial conditions have slowed down business activities, reduced consumer spending, and strained corporate profitability. This underscores the importance of balancing inflation control with potential negative consequences on economic growth and stability.

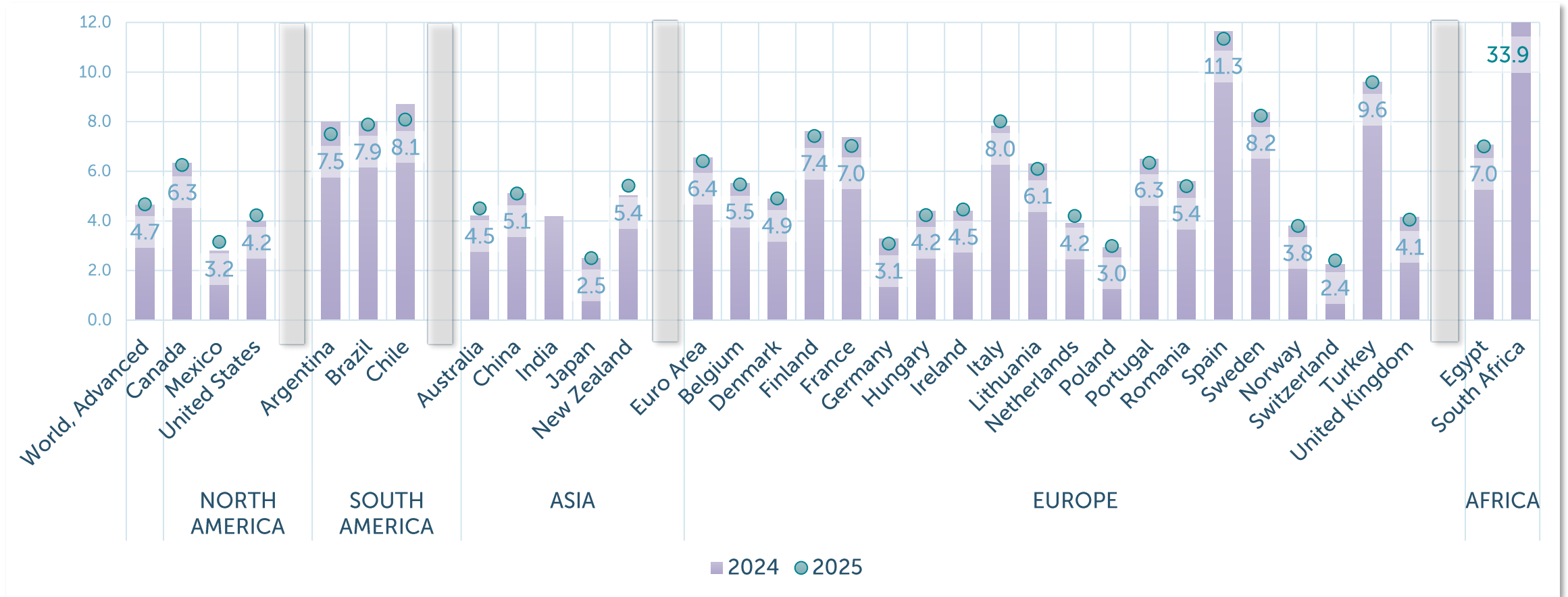
World Manufacturing PMI Heatmap

Recent 3 years: from Sep-21 to Aug-24 (left to right); green: PMI > 50, red: PMI < 50



Unemployment Rate Is Largely Unchanged

Unemployment Forecast (YoY % change)



Employment growth has slowed, the number of vacancies has declined, and total hours worked have eased in some countries, but unemployment rates generally remain close to historical lows.

(OECD)

Source: IMF WEO via Macrobond
For India: Central Intelligence Agency





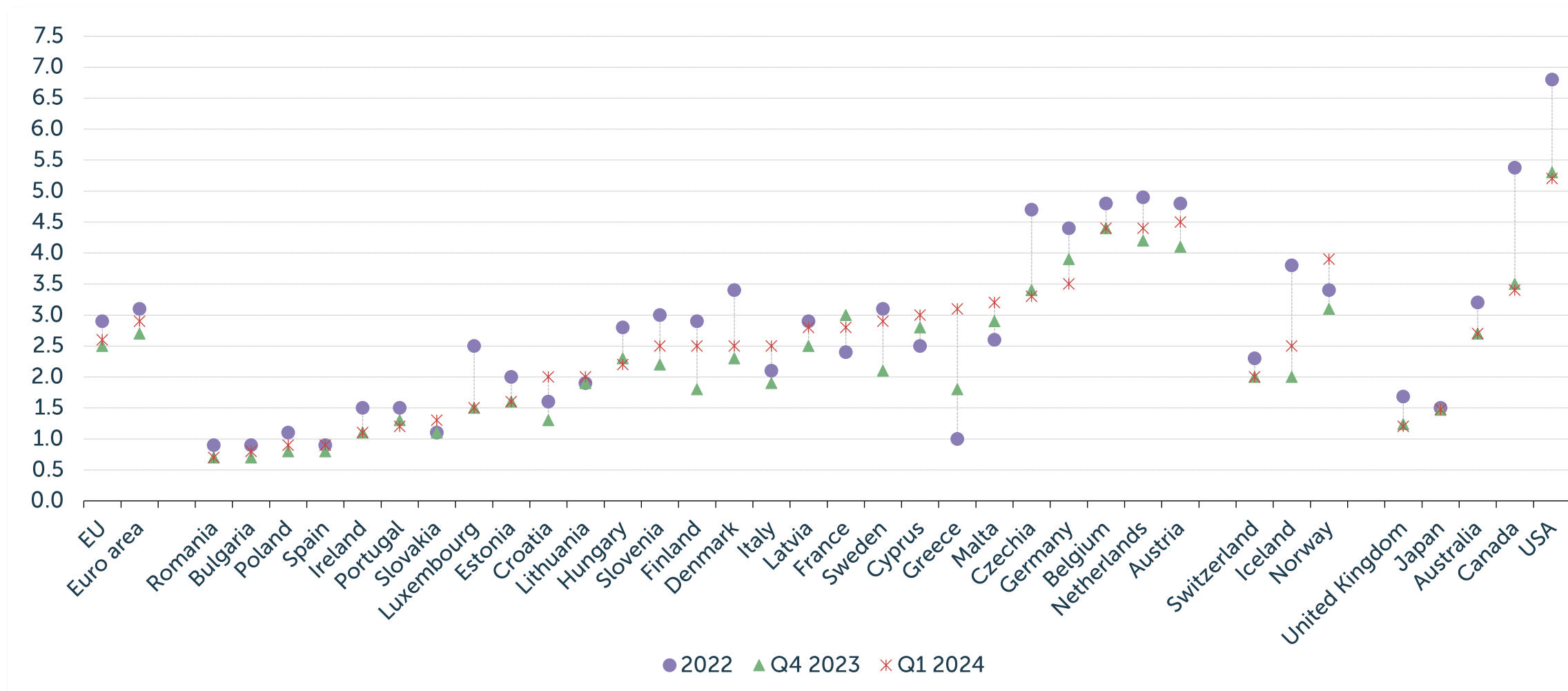
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Labour Market

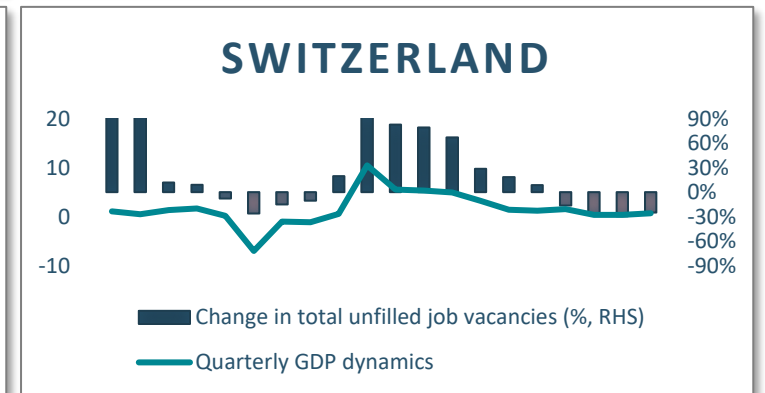
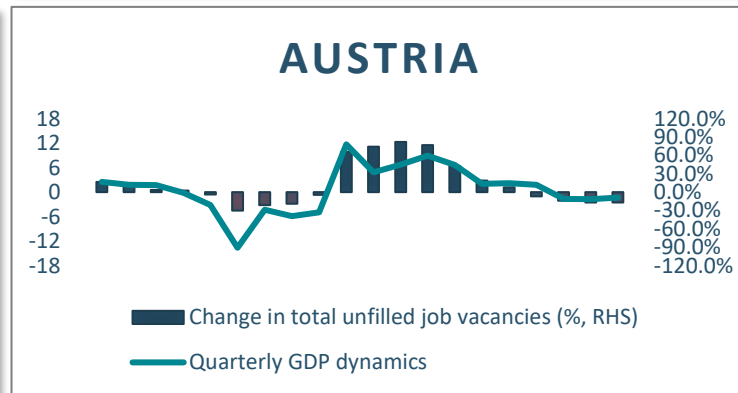
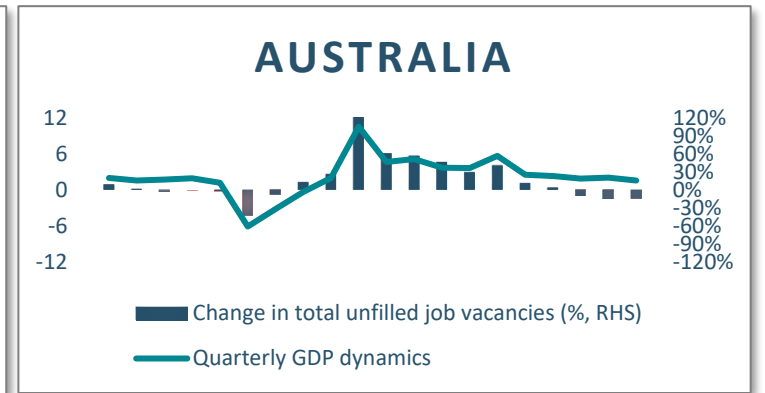
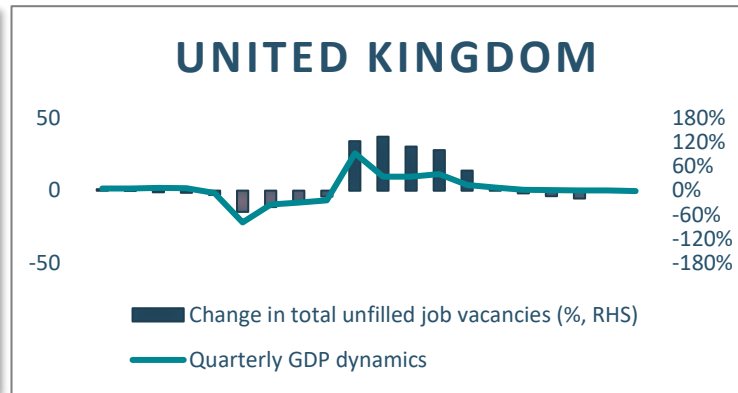
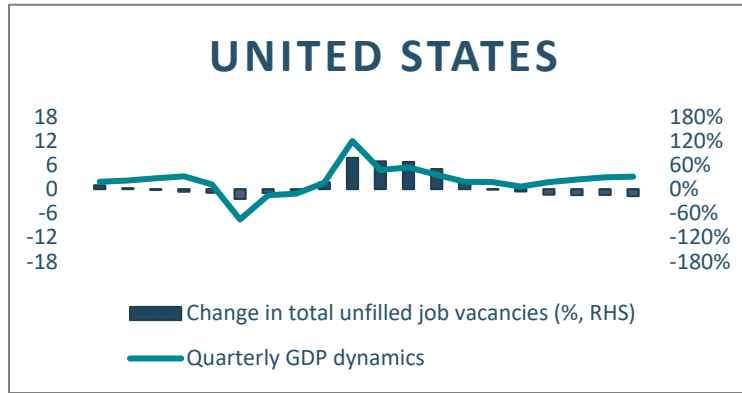
Job Vacancy Rate Easing Slowed in Q1-2024

Job vacancy rates (%)



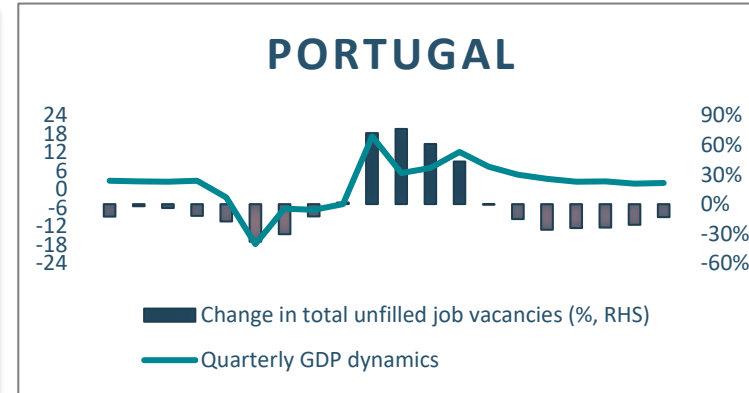
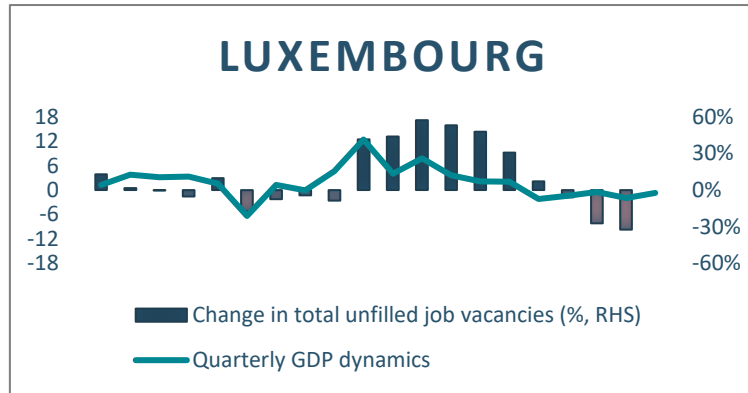
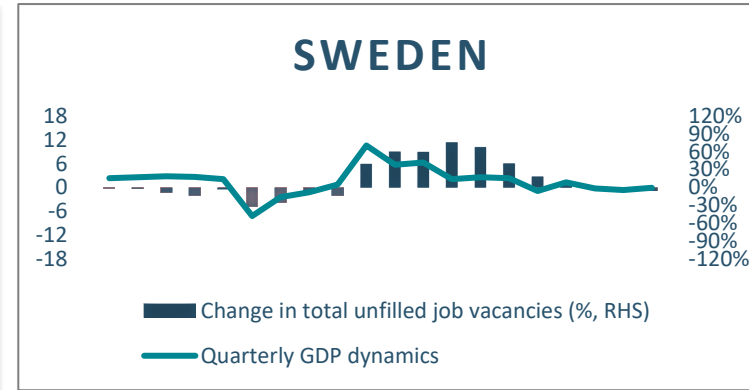
Number of Unfilled Job Vacancies Decline as Economy Slows

Quarterly dynamics of GDP and Job Vacancies (YoY % change) – Q1 2019 till Q4 2023



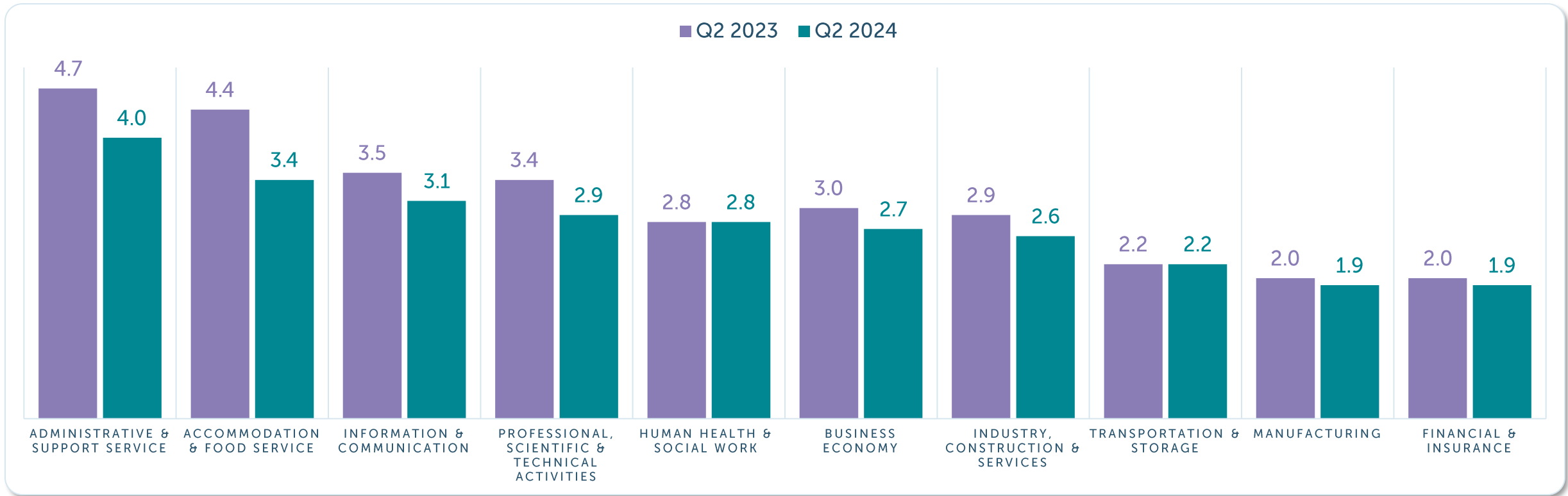
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Quarterly dynamics of GDP and Job Vacancies (YoY % change) – Q1 2019 till Q4 2023



EU-27 Labour Shortages

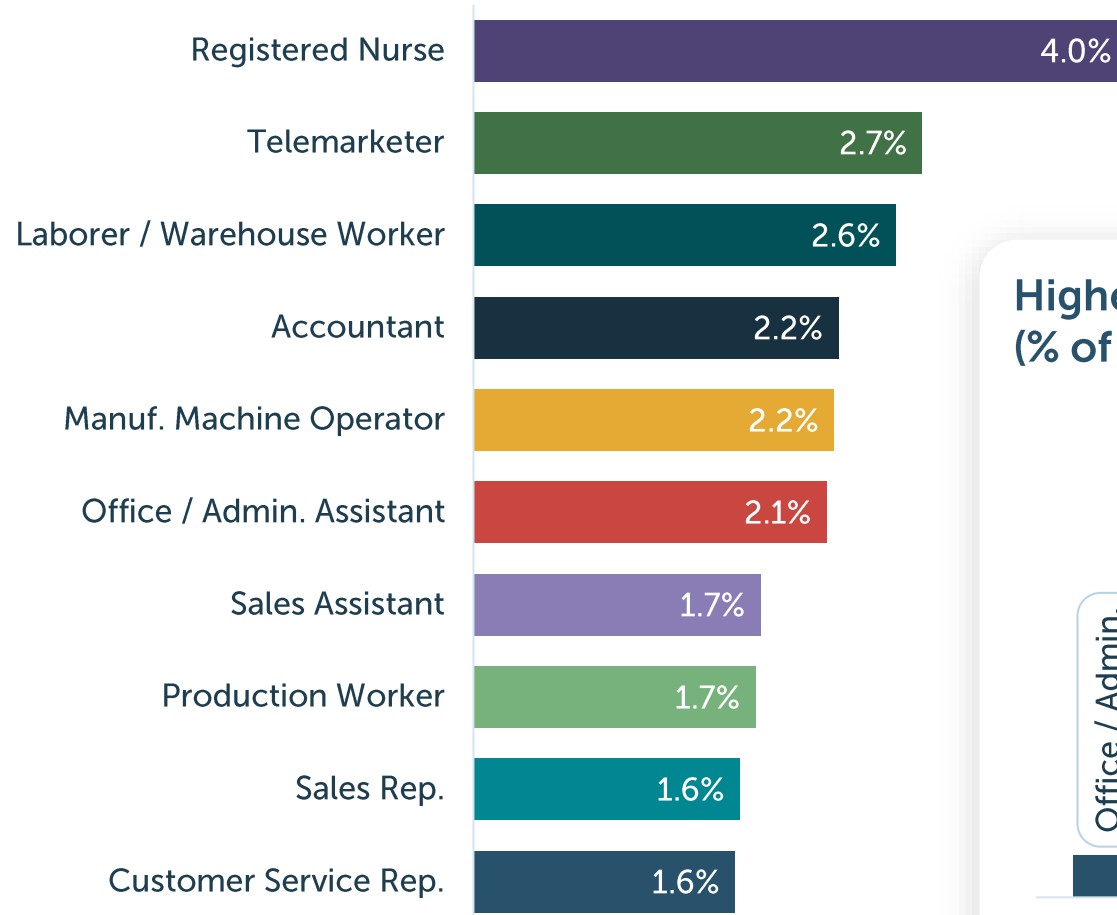
EU job vacancy rates eased further in Q2 2024, except in Human Health & Social Work and Transportation & Storage; strongest in Admin & Support services



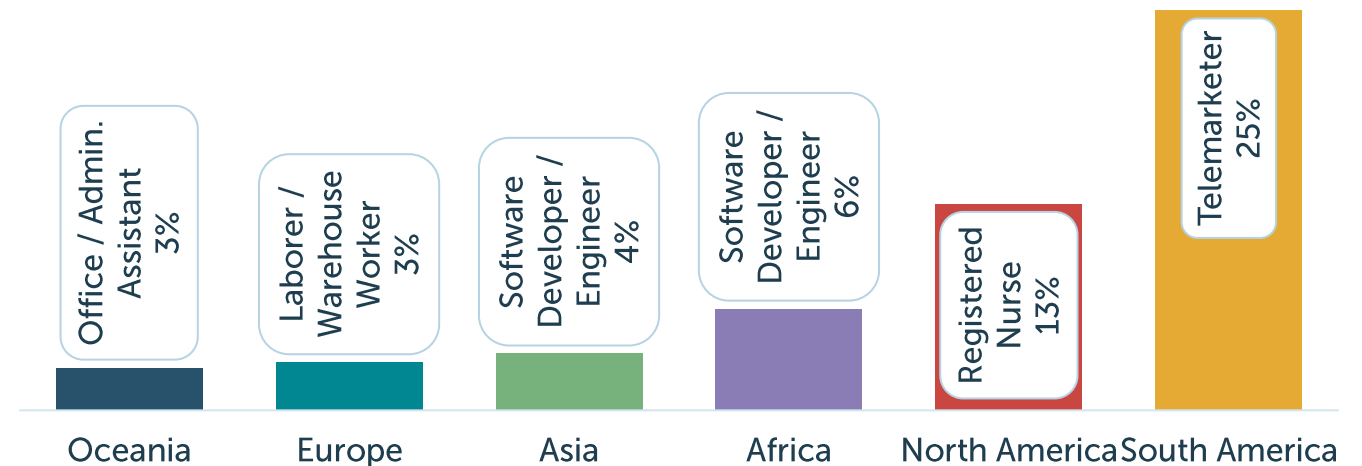
Top Occupations Sought By Staffing Firms Online



Top 10 Occupations Sought By Staffing Firms Globally (% of all staffing firms' online job postings) – Q2 2024

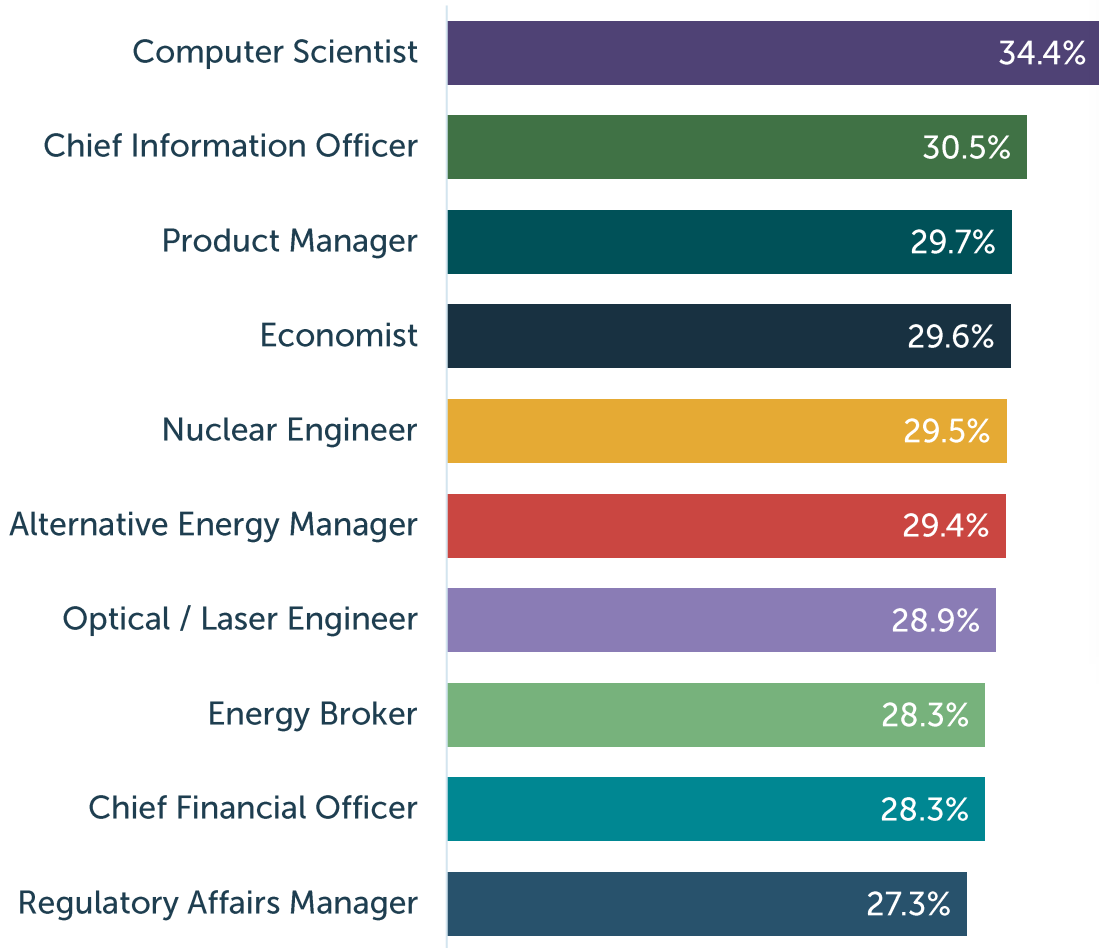


Highest-In-Demand Occupations by Geographical Region (% of all staffing firms' online job postings) – Q2 2024

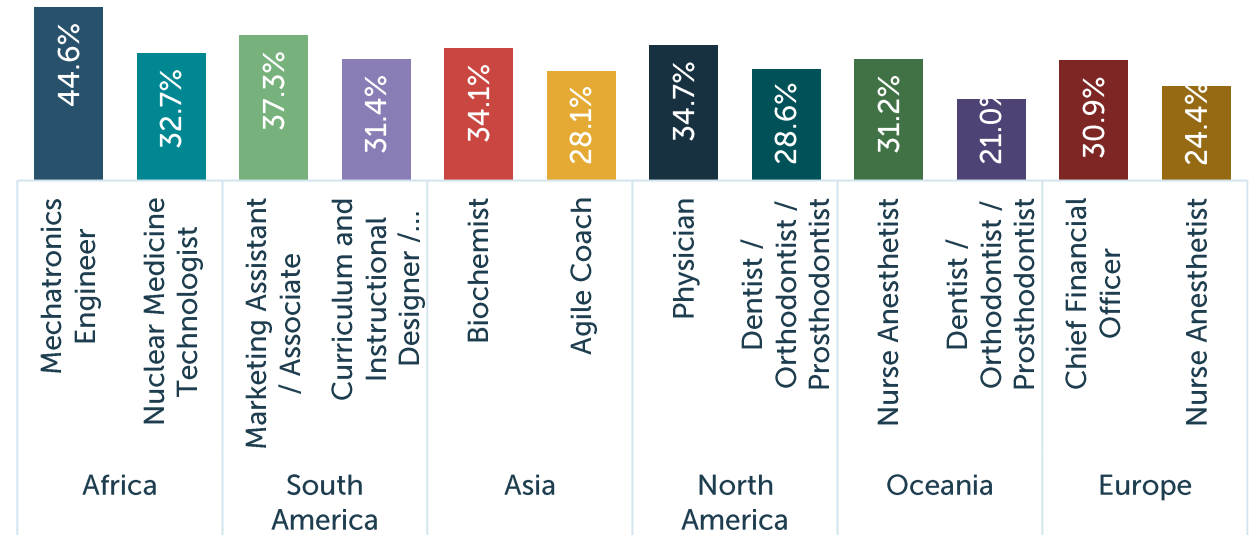


Top 10 Hardest-to-Fill Occupations

Top 10 Occupations By Difficulty-To-Fill Via Online Job Posts Globally – Q2 2024



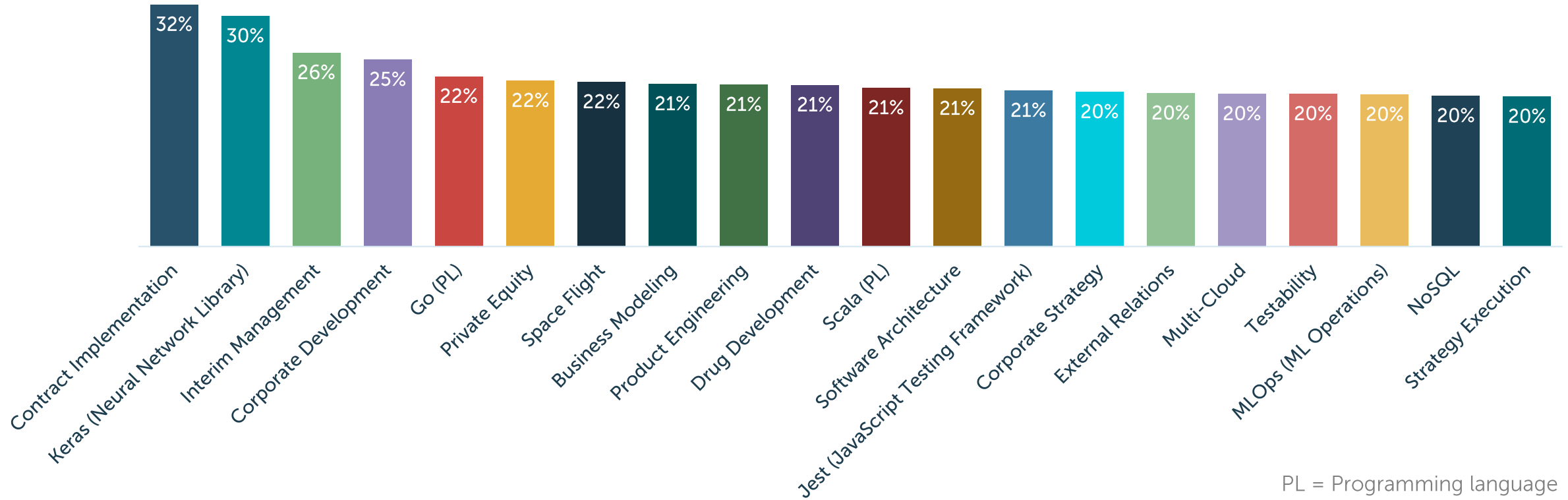
Most Difficult Professions To Find By Geographical Region - Q2 2024



* The Difficulty-To-Fill index (on a scale from 0 to 100%) is the average number of days it takes to fill a job vacancy that requires a given skill, weighted by the difference between the average salary for that job and the offered salary (a skill-enhanced "salary premium").

Top Hardest-to-Find Skills

Top 20 Hardest-To-Find Skills Globally Via Online Job Postings – Q2 2024

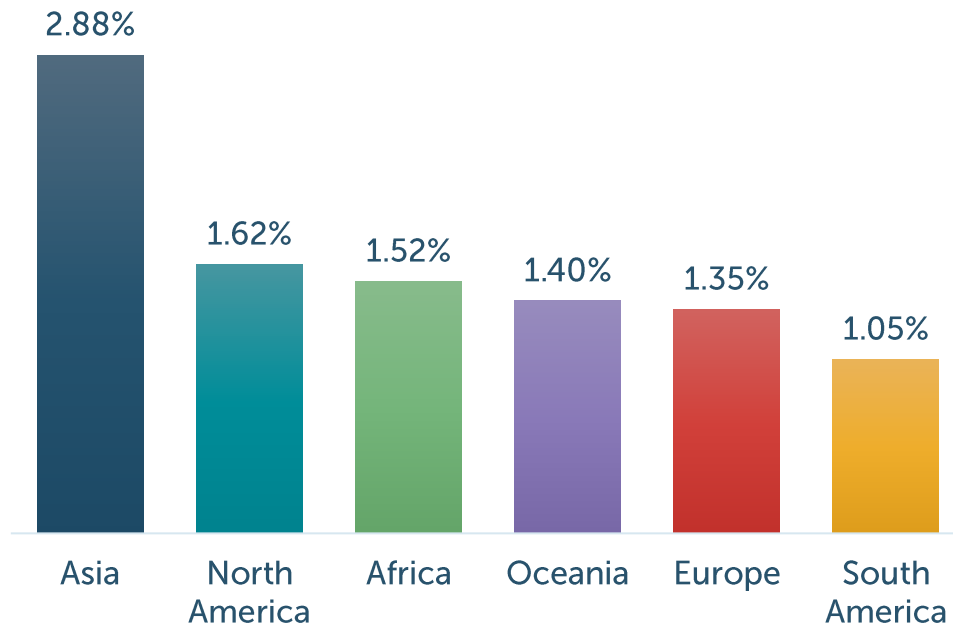


PL = Programming language
ML = Machine learning

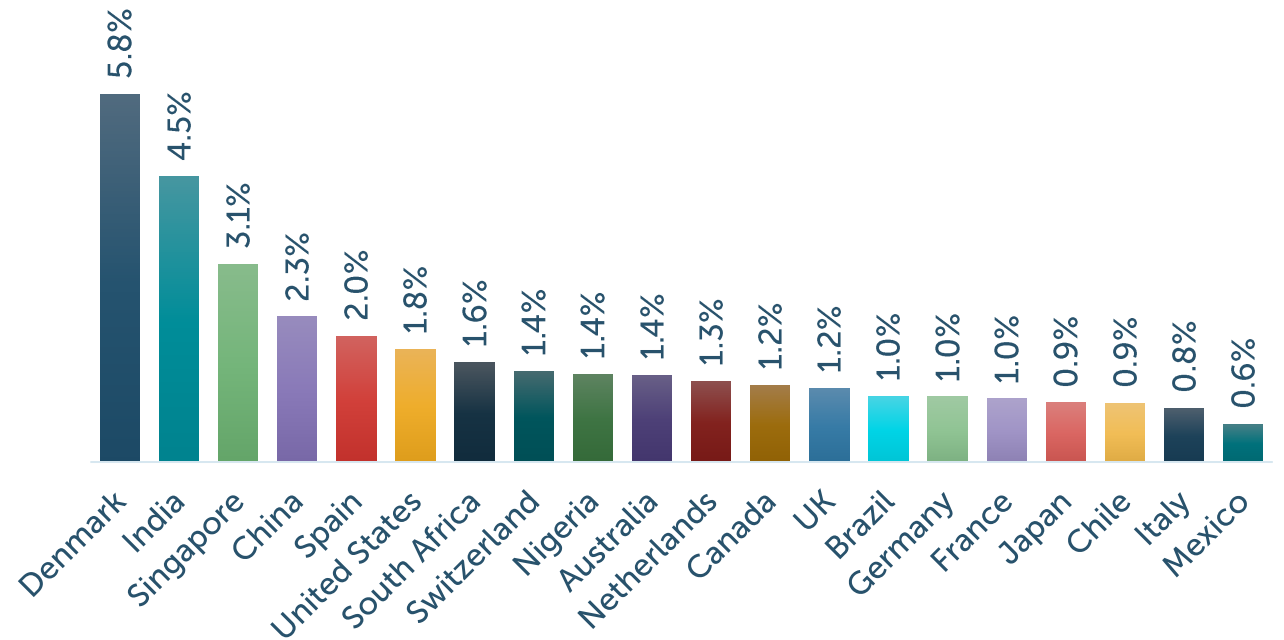
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AI-Index of Online Job Postings – Q2 2024

By Geographical Region



Top 20 Countries with the highest demand for AI related skills



- **The AI Index** is the ratio of the number of job postings with at least one AI-related skill to the total number of unique job postings in a specific area for a specific period.
- An AI Index close to 1 (or 100%) indicates a high prevalence of AI-related skills in job postings, suggesting strong demand for AI expertise in that area or period. The reverse is true for an AI Index close to 0. Usually the number is around 2-5%.

How can the HR Services industry create more value?

The HR Services industry...



Supports the transition to new economies

- Reskilling to drive sustainable recovery
- Delivering diverse working models and career management to facilitate transitions
- Delivering adaptation to change



Drives social purpose and social innovation

- Boosting opportunities for under-represented groups
- Reviewing social protection mechanisms through innovative mechanisms
- Reducing informal work



Simplifies increasing labour market complexity

- Making sense of new technology for recruitment and workforce management
- Implementing new ways of working (e.g. hybrid work)
- Providing agile workforce solutions



Acts as a solution provider in terms of risk management

- Managing workforce-related risks (compliance, productivity, skills obsolescence, etc.)
- Mitigating the unemployment risk (job creation, transitions, career management)
- Managing a broader range of risks (health and safety, well-being, etc.)



Delivers responsible intermediations and makes jobs markets work

- Ensuring a high degree of compliance with labour laws and protecting the interests of workers and end users
- Delivering new forms of work under an organised and regulated framework
- Committing to constructive industrial relations resulting in positive outcomes for all parties



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