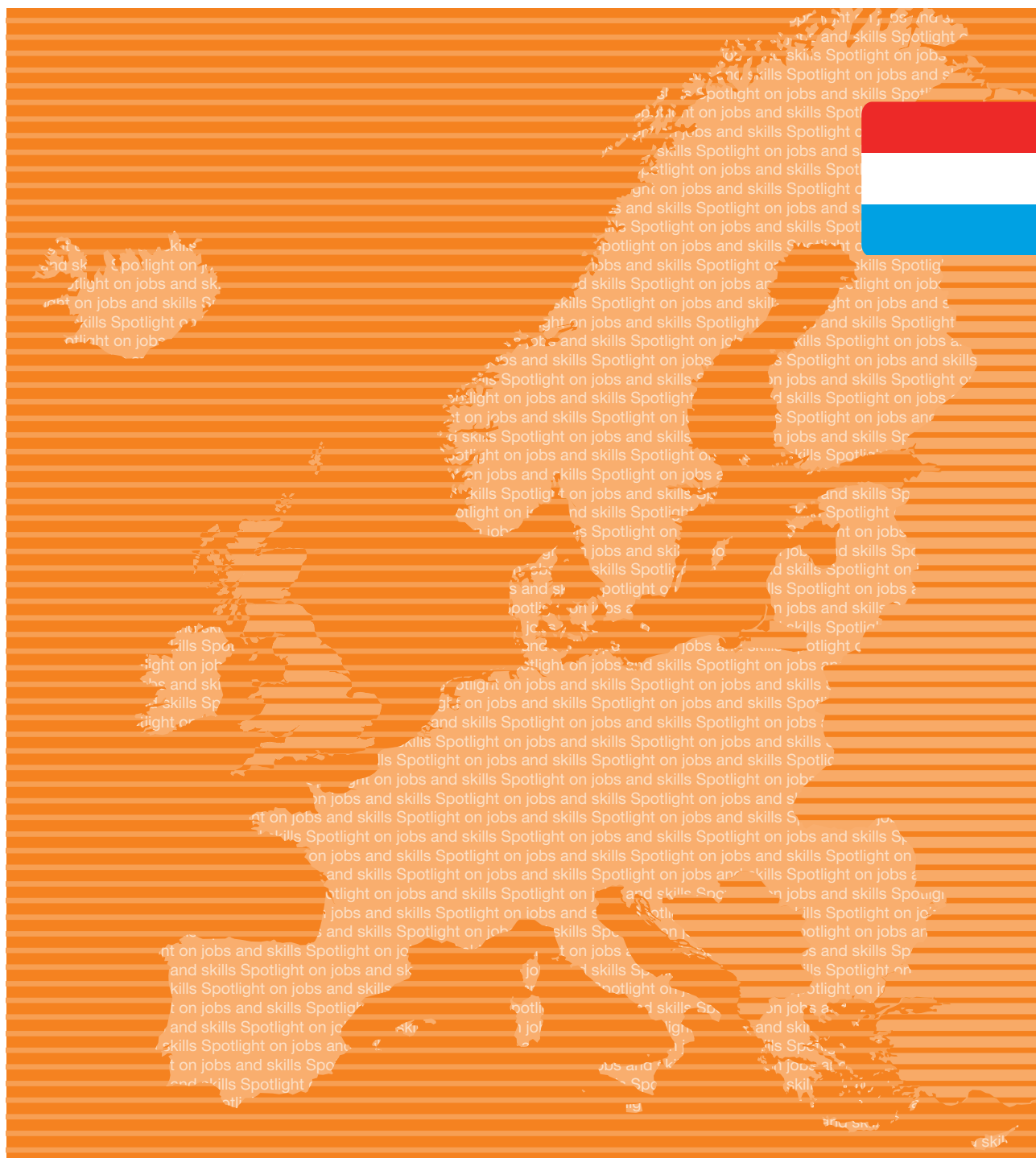




SPOTLIGHT ON JOBS AND SKILLS LUXEMBOURG

2026

Introduction

Drawing on its rich country-level skills intelligence, Cedefop develops its Spotlights on jobs and skills for EU-27 Member States, Iceland and Norway. The Spotlights provide insights into the current labour market landscape, future trends, and skills anticipation in each country. The analysis is based on Cedefop's skills intelligence online tool, its skills forecast, the European Skills Index (ESI), online job advertisements, sectoral and occupational skills intelligence, and country-specific skills anticipation reports.

Recent employment developments

Luxembourg ranks among the fastest-growing labour markets in the EU. Employment grew faster than the EU average between 2015 and 2019 (14 % compared with 6 % in the EU-27). It continued to increase even as employment decreased across the EU-27 during the COVID-19 pandemic, growing by 2 % compared with a 1 % decrease in the EU-27. Employment growth also remained above the EU average between 2020 and 2023 (8 % versus 4 % in the EU-27).

The steel industry has historically been a significant sector in the national economy ⁽¹⁾. Over the years, banking and finance have taken over as the most important economic sector. In 2023, more than 12 % of people were employed in banking and finance, compared with an EU-27 average employment share of just 3 %. Employment in manufacturing amounted to 3 %, significantly lower than the EU-27 average share of 16 % (Figure 1).

Unlike most other EU countries, the labour market is shaped by a high inflow of cross-border workers from neighbouring France, Germany, and Belgium. This inflow, driven by Luxembourg's central location in the region, is essential for the proper functioning of the national labour market, which is otherwise limited in size.

The strong occupational specialisation reflects an

evolving job structure that is increasingly shaped by knowledge-intensive services. This is evident in the employment growth of occupations such as business and administration professionals, ICT professionals, and legal, social and cultural professionals. In 2023, almost half of the workforce (45 %) were professionals, with office professionals taking the lion share (18 %). Meanwhile, trade workers (such as metal and machinery workers) accounted for just 5 % of the employed labour force.

In 2023, Luxembourg's unemployment rate was 5 %, slightly below the EU average of 6 %, with minimal differences between men and women. The unemployment rate varies significantly by age group. It is 19 % among 15- to 24-year-olds (15 % in EU-27), but just 4 % among those aged 25 to 49 (6 % in the EU-27). The NEET rate (young people aged 15 to 24 not in employment, education or training) was 8 % in 2023, below the EU average of 9 %.

Recent skills and learning developments

Cedefop's analysis of online job advertisements (OJAs) shows the critical importance of highly skilled jobs in the country, in line with forecast skills upgrading trends up to 2035. Between April 2024 and March 2025, most jobs advertised were for professionals (31 %) and associate professionals (20 %), indicating strong demand for a highly skilled labour force. Reflecting the sectoral structure of the economy, the top three most sought-after occupations were office professionals, ICT professionals and office associate professionals. Business managers, and researchers and engineers were also in high demand.

According to Cedefop's European Skills Index (ESI), Luxembourg ranked eighth out of 31 countries (total score 63.9 out of 100) in 2024. Its ranking has dropped five places since 2017. While Luxembourg ranked seventh in skills matching (Figure 2) and 10th in skills development, it ranked 19th in skills activation. Despite the overall low score for skills activation, the country ranked first in terms of employment of recent graduates (95 %). In the

⁽¹⁾ To learn more about the classification of sectors, occupations, and qualification levels discussed in this report, see [Annex 2 of Cedefop's skills forecast methodological framework](#) (April 2023).

skills matching category, it ranked first for the low overqualification rate of tertiary graduates (4 %).

Future employment trends

With a projected annual employment growth rate of 1.3-1.5 % – well above the EU average of 0.3-0.4 % – Luxembourg is expected to see one of the strongest employment increases across EU Member States in the 2022–2035 period. Driven by an ageing population and rising labour market participation rates in nearly all age groups, the country's labour force is expected to expand by about 2 % annually between 2022 and 2035.

The strong employment growth expected across almost all sectors until 2035 is driven by economic growth and demographic developments. Between 2022 and 2035, employment is expected to grow for professionals (+44 %) and elementary workers (+21 %). At the other end of the employment spectrum, employment fall is expected for farm and related workers (-42 %) and trades workers (-10 %).

Sectoral expansion reflects the country's increasing service orientation and population ageing. Employment in non-marketed services is set to expand rapidly, with education and healthcare employment expanding by +32 % and +27 % until 2035, respectively. The business services sectors of transportation and storage (+40 %), real estate, professional, scientific, and technical activities (+29 %), and information and communication (+27 %) are forecast to experience above-average growth.

Among the fastest-growing occupations are science and engineering professionals (+44 %), legal, social, and cultural professionals (+39 %), business and administration professionals (+39 %), and ICT professionals (+37 %). Conversely, employment is expected to decline for occupations such as building and related trades workers (-20 %), skilled agricultural workers (-29 %), and general and keyboard clerks (-38 %).

Replacement demand will remain the primary driver of job openings in most occupations. However, employers in several sectors – including ICT, legal services, and consultancy – will also create new jobs due to increasing specialisation. Over half of all job openings (51 %) will be for

professionals, making this the occupational group with most job creation by far. Most job openings will be for business and administration professionals, legal, social and cultural professionals, and science and engineering professionals.

The strong demand for highly qualified professionals – such as health professionals or science and engineering professionals – will be driven by sectoral expansion rather than increased specialisation. Demand is forecast to increase for only a few medium-skilled occupations. The 41 % employment increase for personal service workers is an exception within the shrinking medium-skilled labour market segment.

Future skills and learning trends

Between 2022 and 2035, Luxembourg's labour force is projected to shift notably in terms of qualification levels. The share of workers with a high-level qualification is expected to increase by approximately 11 percentage points, reaching 60 % by 2035. In contrast, the proportion of medium-qualified workers is set to shrink, declining from 30 % in 2022 to 18 % in 2035. The share of low-qualified workers is forecast to increase slightly, by about 1 percentage point, to 22 % in 2035. Compared with the EU-27 average, Luxembourg continues to have significantly higher shares of low- and high-qualified people in its labour force.

The polarisation in employment is mirrored in the qualification requirements of future job openings: only 7 % of all projected job openings until 2035 will require a medium-level qualification – 37 percentage points below the EU-27 average. In total, 70 % of job openings will require a high-level qualification, and 23 % will require a low or no qualification.

In 2030-2035, employment growth in the [high-tech economy](#) (close to +8 %) is forecast to outpace the EU-27 average (+5 %). This trend holds for knowledge-intensive services (+10 % compared with +8 % in the EU on average) and high technology manufacturing (+4 % versus +2 %).

The increasing polarisation poses challenges to skills matching. While demand for high-level qualifications will continue to dominate, especially in knowledge-based services, employment in medium-

qualified roles is likely to shrink or disappear. This widens the gap between workforce qualifications and labour market needs.

These trends highlight the importance of lifelong learning, skills upgrading and reskilling strategies to equip and upgrade medium-skilled workers for emerging roles. This is particularly important for workers that are vital to addressing demographic challenges (such as in the health and care sectors) and the digital transition.

Expected skill shortages

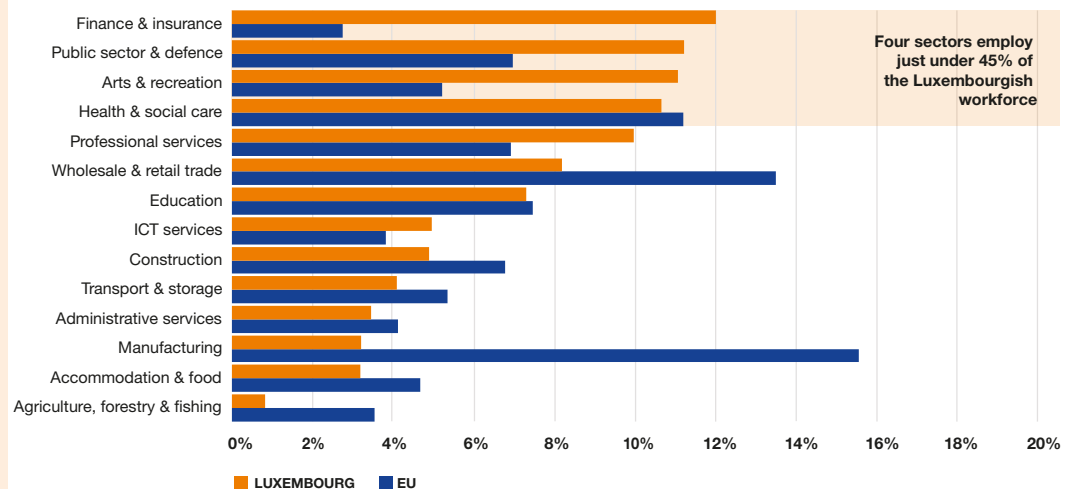
According to [Cedefop Labour and Skills Shortage Index](#), Luxembourg will face labour shortages in both high-skilled and elementary occupations. From an occupational perspective, shortages are expected to be particularly acute for legal, social, cultural, and related associate professionals; information and communications technicians; electrical and electronics trades workers; skilled agricultural workers; and elementary occupations (such as agricultural workers and labourers in mining and construction) (Figure 3). These shortages are driven by a combination of replacement demand, employment growth, and supply-demand mismatches.



LUXEMBOURG

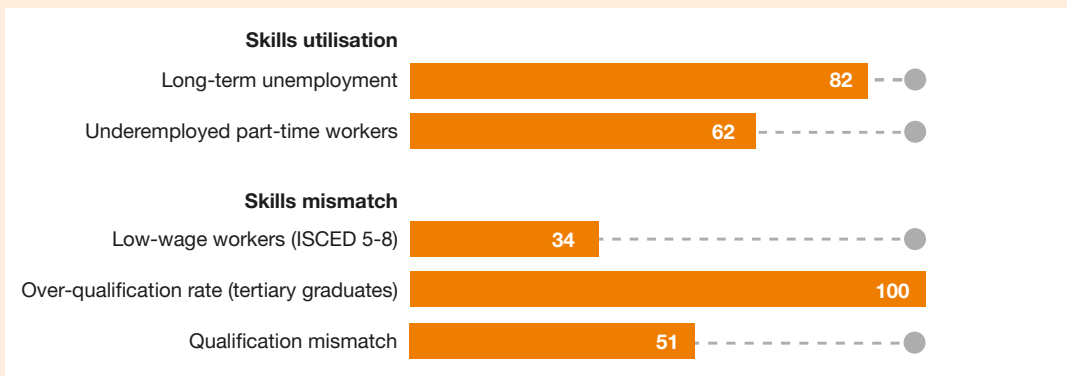
Jobs and skills in figures

Distribution of employment across sectors in Luxembourg and the EU, 2023 (%)



Source: [Cedefop Skills Intelligence tool](#).

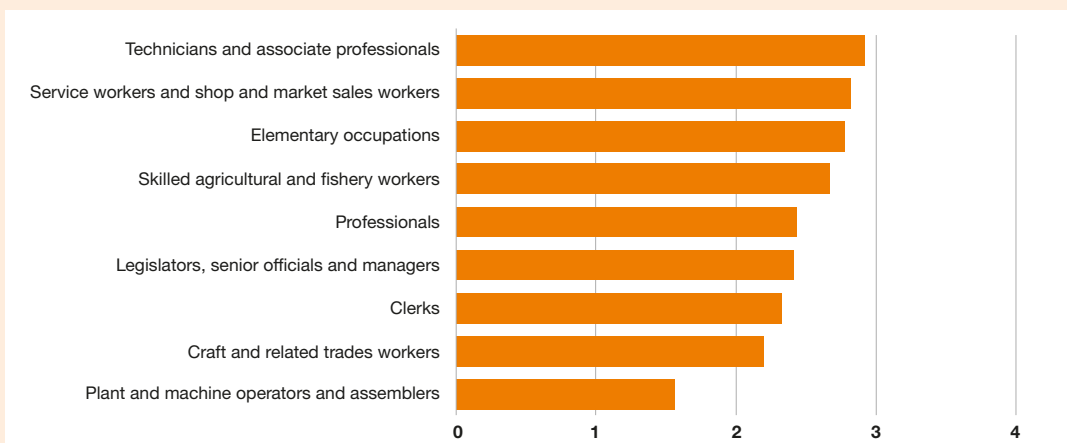
ESI skills activation pillar in Luxembourg, 2024



NB: The ESI measures countries' 'distance to the ideal' performance, i.e. the highest achieved by any country over a period of seven years. The ideal performance is scaled to 100, with national scores computed and compared to that. Example: a score of 65 suggests that the country has reached 65 % of the ideal performance, with 35 % (100-65) room for improvement.

Source: [Cedefop ESI](#).

Cedefop Labour and Skills Shortage Index, 2022-35, Luxembourg



NB: The Labour and Skills Shortage Index is the simple average of the quartiles in each of the three pillars: (1) employment growth; (2) replacement demand; (3) supply/demand imbalance (FIOD). A score of 4 indicates a higher level of shortage, and 1 no shortage. The outcome of the pillars is based on the relative evaluation in quartiles of the occupation (here for all EU-27).

Source: [Cedefop Labour and Skills Shortage Index](#).



Further information

- ADEM. (2025). [New list of occupations in high shortage](#).
- Cedefop. (2023). [Skills forecast methodological framework](#).
- Cedefop. (2024). [Evolution of European skills systems: performance 2015 to 2022](#). Publications Office of the European Union.
- Cedefop. (2024). [Vocational education and training policy briefs 2023 – Luxembourg](#). Cedefop monitoring and analysis of vocational education and training policies.
- Cedefop. (2025). [Skills forecast report: Luxembourg](#).
- National Institute for the Development of Continuing Vocational Training (INFPC), & VET Department of the Ministry of Education, Children and Youth. (SFP). (2024). [Implementing European priorities in VET: making national VET agile, flexible, innovative, attractive, inclusive and quality-assured: Luxembourg](#). Cedefop ReferNet thematic perspectives.
- Statistics Luxembourg. (2025). [Medium-term projections \(2025-2029\)](#).

[Cedefop Skills intelligence tool](#)

[Cedefop Skills forecast](#)

[Cedefop Skills OVATE](#)

[Cedefop European Skills Index](#)

[Cedefop Labour and Skills Shortage Index](#)

This Spotlight was drafted by Cedefop's Skills intelligence and foresight team.

Cedefop would like to thank the Studies and Statistics Service of the National Employment Agency (Adem) for their valuable feedback, submitted through ReferNet Luxembourg (Department for Vocational Training of the Ministry of Education, Children and Youth). This Spotlight was validated by the National Representative of the ReferNet Luxembourg team.



CEDEFOP

European Centre for the Development
of Vocational Training

Europe 123, 570 01 Thessaloniki (Pylaia), Greece

Postal: Cedefop service post, 570 01 Thermi, Greece

Tel. +30 2310490111, Fax +30 2310490020, Email: info@cedefop.europa.eu



Copyright © European Centre for the Development of Vocational Training
(Cedefop), 2026 Creative Commons Attribution 4.0 International

visit our portal www.cedefop.europa.eu



Publications Office
of the European Union