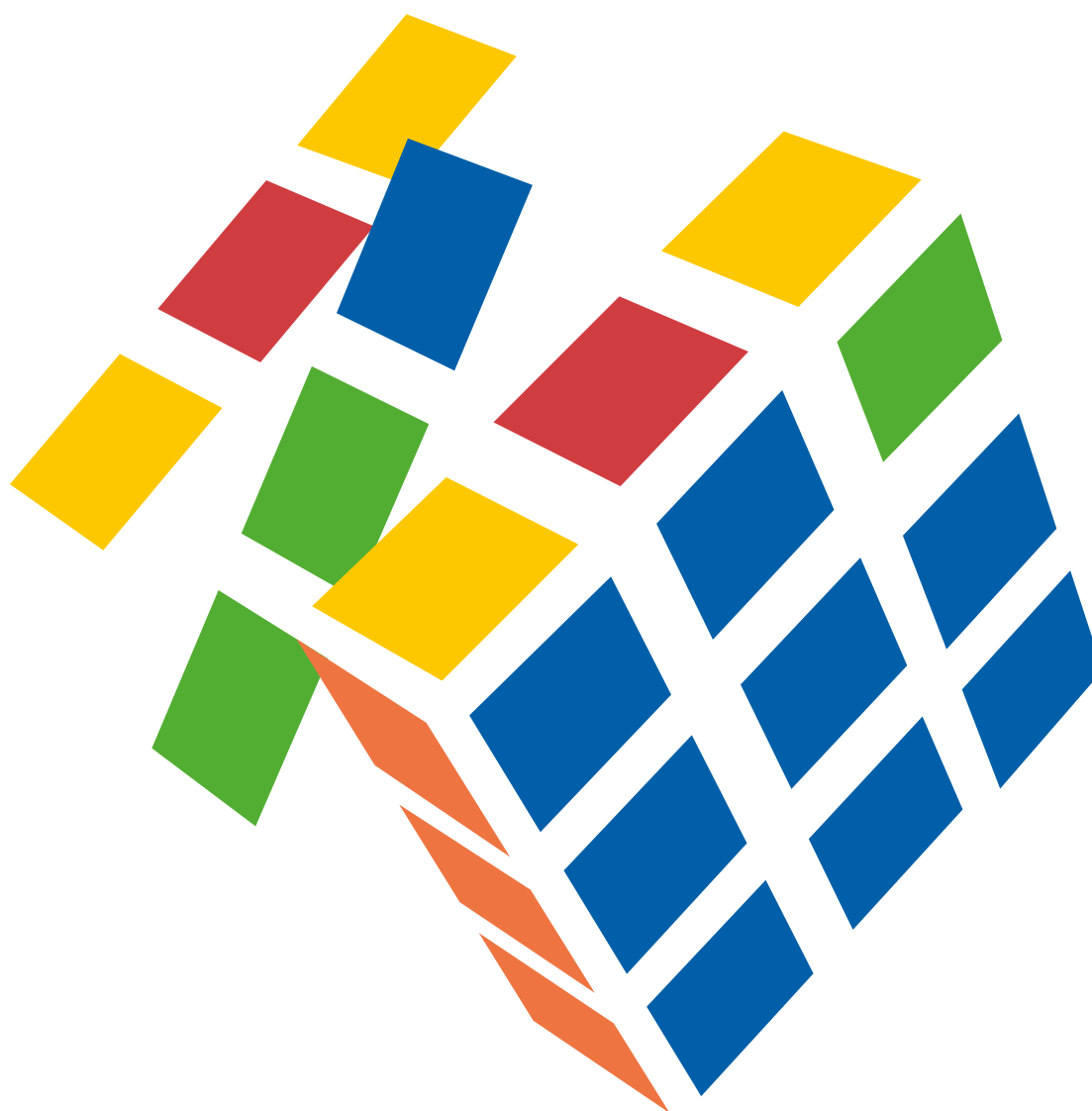




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European Centre for the Development
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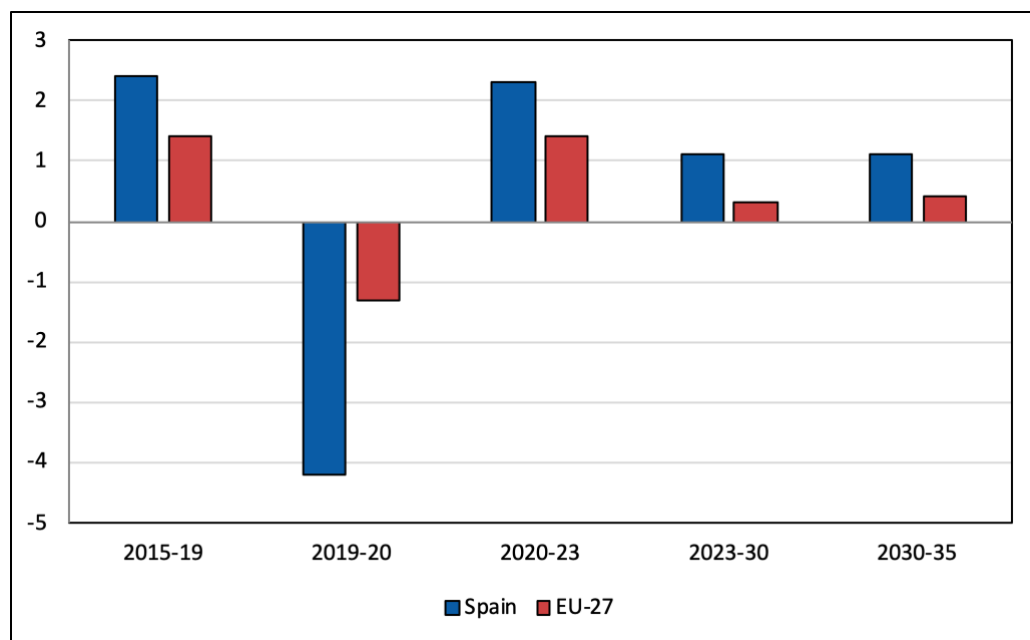
2025 skills forecast Spain



1. Employment outlook

Employment in Spain is forecast to grow quite a bit faster than the EU-27 average, albeit at somewhat slower rates than seen over 2015-19. Figure 1 shows that employment in Spain grew faster than the EU-27 average over 2015-19 but fell more sharply in 2019-20 as the Covid-19 pandemic hit. However, employment in Spain is also estimated to have bounced back much more strongly than the EU-27 over 2020-23. Across the forecast period, employment in Spain is forecast to grow by around 1.1% pa compared with growth of only 0.3-0.4% pa for the EU-27 as a whole.

Figure 1. **Annual percentage employment growth in Spain and the EU-27, 2015-35**



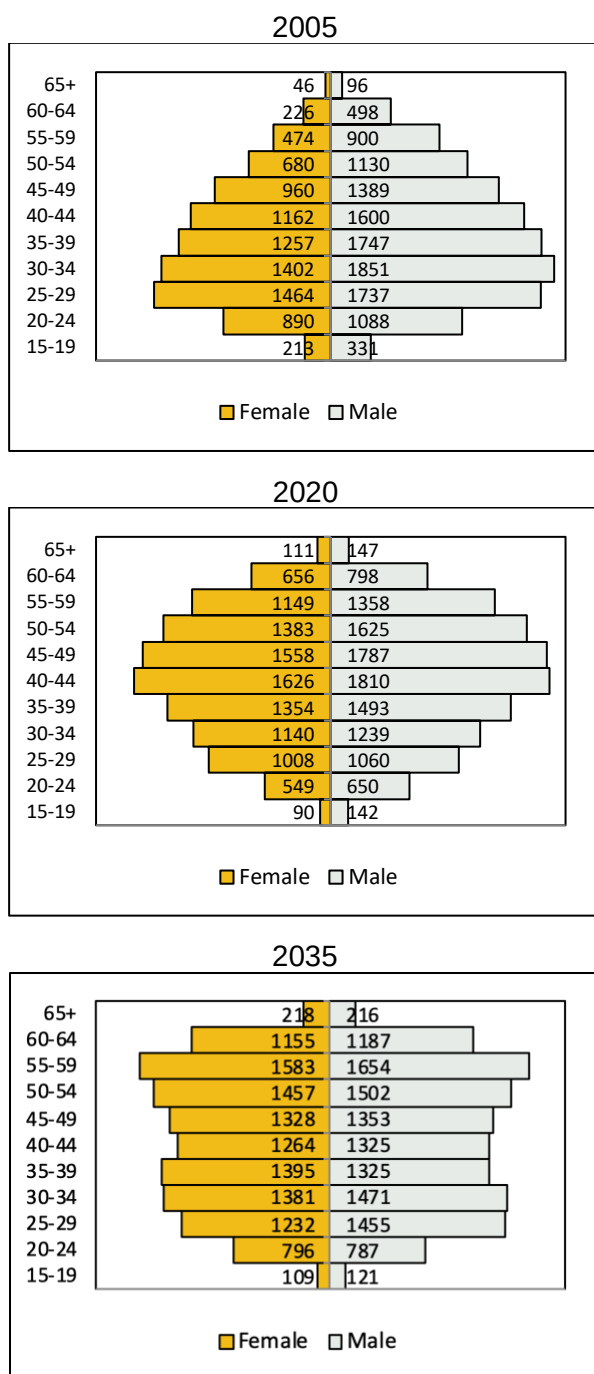
Source: Cedefop (2025 Skills Forecast).

2. Labour force overview

Figure 2 shows Spain's labour force by age group in 2005, 2020 and 2035. Changes in the labour force in Spain over the forecast period will continue to be driven by the ageing population and increasing participation rates in most age groups. The total labour force in Spain is projected to increase by around 7% over 2020-35, similar to the growth of 7.5% seen over the previous 15 years. This compares with an expected increase in the labour force of just under 10% over 2020-35 for the EU-27 as a whole. The total participation rate in Spain is forecast to fall by 1 pp over 2020-35, despite increasing rates in almost all age groups, due to falling population in some key age groups, compared with an increase of 4 pp in the total rate for the EU-27. Total population is forecast to grow by just over 9% over 2020-35, very similar to the growth seen over 2005-20.

The population aged 15-19 and 35-54 in Spain is forecast to decline strongly over 2020-35, while the population in the remaining age groups is forecast to grow strongly, reflecting trends in the relevant younger cohorts in preceding periods. The participation rates of all age groups over 20 in Spain are forecast to increase over 2020-35, by 1-11 pp. Female participation rates in Spain are generally forecast to increase by more than male rates, apart from for 25-29 year olds where the reverse is projected. Overall, due to the combination of changes in population by age group and changes in participation rate by age group, the total participation rate for females is forecast to crease by 1 pp and that for males is forecast to fall by 3 pp over 2020-35.

Figure 2. Distribution of the labour force (thousands), 2005-35

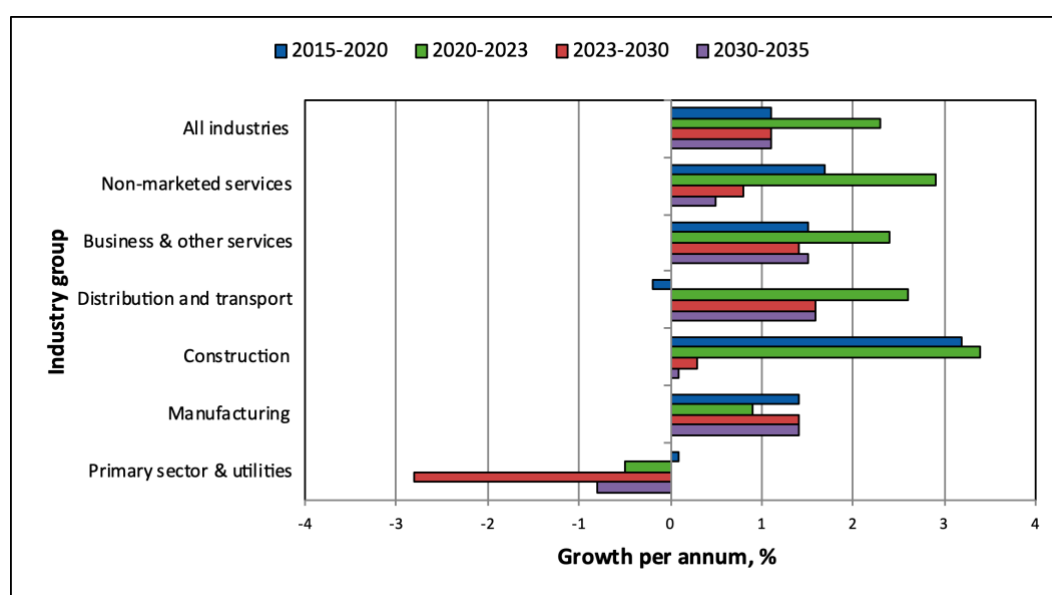


Source: Cedefop (2025 Skills Forecast).

3. Sectoral employment trends

Figure 3 shows annual average employment growth by broad sector in Spain between 2015 and 2035. Employment in Spain is expected to continue to grow over the forecast period in all broad sectors apart from *Primary sector & utilities*. The strongest growth over 2023-30 is forecast for *Distribution & transport* (1.6% pa), *Business & other services* (1.4% pa), and *Manufacturing* (1.4% pa).

Figure 3. **Employment growth by broad sector of economic activity, 2015-35**



Source: Cedefop (2025 Skills Forecast).

In terms of sub-sectors (i.e., below the level of the six broad sectors discussed above), growth in employment in *Distribution & transport* is forecast to be driven mainly by growth in *accommodation & catering services* and *wholesale & retail trade*. Growth in *Business & other services* is forecast to be driven by *architectural & engineering services*, *arts & entertainment*, *media*, *computer programming & information services*, *real estate activities*, *research & development*, *market research* and *other professional services* and *administrative & support services*. Within *Manufacturing*, growth is expected to be strongest in *optical & electronic equipment*, *other machinery & equipment*, *motor vehicles*, *other chemicals*, *other transport equipment* and *electrical equipment*. Despite the overall decline in employment forecast for the *Primary sector & utilities*, the sub-sectors of *electricity supply* and *water supply* are forecast to see relatively strong growth in employment over this period. The overall decline in employment in this broad sector is due to a

continued fall in employment in *agriculture*, which accounted for 3.7% of total employment in Spain in 2020.

Cedefop skills forecasts estimate the total job openings by occupational group as the sum of net employment change and replacement needs. Net employment change refers to new jobs created or lost due to the expansion or contraction of employment in that sector or occupation. Replacement needs arise as the workforce leaves the occupation due to retirement or career changes. Replacement needs, generally, provide more job opportunities than new jobs, meaning that significant job opportunities arise even in occupations declining in size (i.e. agricultural workers are a typical example, as ageing workers employed in the sector will need to be replaced).

4. Job openings by occupational group

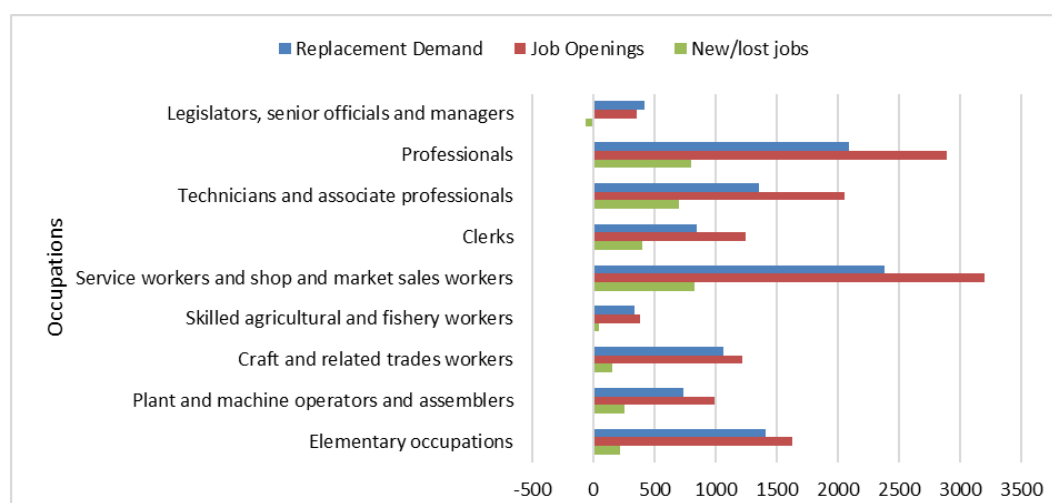
Figure 4 shows the total job openings by broad occupational group over 2022-35. The number of job openings indicates the number of jobs required to be filled due to lost/newly created jobs and those that need replacement workers.

All broad occupations except for *Legislators, senior officials and managers* are expected to experience an increase in the number of jobs over this period, reflecting the forecast by sector. Due to replacement demand, there will still be many job openings among all broad occupation groups, including *Legislators, senior officials and managers*.

Service workers, shop and market sales workers, and *Professionals* are the two broad occupations expected to generate the largest number of job openings over the forecast period, accounting for 23% and 21% of total job openings, respectively.

At the more detailed level, most job openings (taking both new/lost jobs and replacement needs together) as a share of all job openings are expected to be in *Sales workers* (9%), *Personal service workers* (8%), and *Customer services clerks* (6%). Some occupations are expected to see a decline in the number of jobs, most significantly *Cleaners and helpers*, although replacement demand means that there will still be many job openings even for this group.

Figure 4. **Total job openings, 2022-35**



Source: Cedefop (2025 Skills Forecast).

5. Drivers of occupational change

Within the Cedefop skills forecast, future employment growth (or decline) of occupations is further broken down by separating national economic components from regional industrial and economic effects, helping to interpret what is driving the change. From this perspective, employment growth can be explained by three possible drivers: (a) overall economic trends (i.e., growth or decline), (b) shifts of employment between sectors, and (c) changes in the occupational structure within sectors (i.e., factors making some occupations more important than others).

An increasing specialisation in many sectors influences the occupational composition of employment in Spain. This is reflected in stronger occupation-specific effects, leading to increasing shares of *Business and administration professionals* and *Information and communications technology professionals* in the economy. These changes reflect changes in job organisation in many sectors and, in many cases, an increasing specialisation.

Along with these specialisations there is also a move towards managing these new work forms. High-skilled occupations that can benefit from this trend are, for example, *Legal, social, cultural and related associate professionals*.

Health associate professionals benefit from occupational effects, and despite a decrease in the underlying health sector, this effect translates into higher

employment. An increasing specialisation will also lead to a larger share of other occupations in that sector.

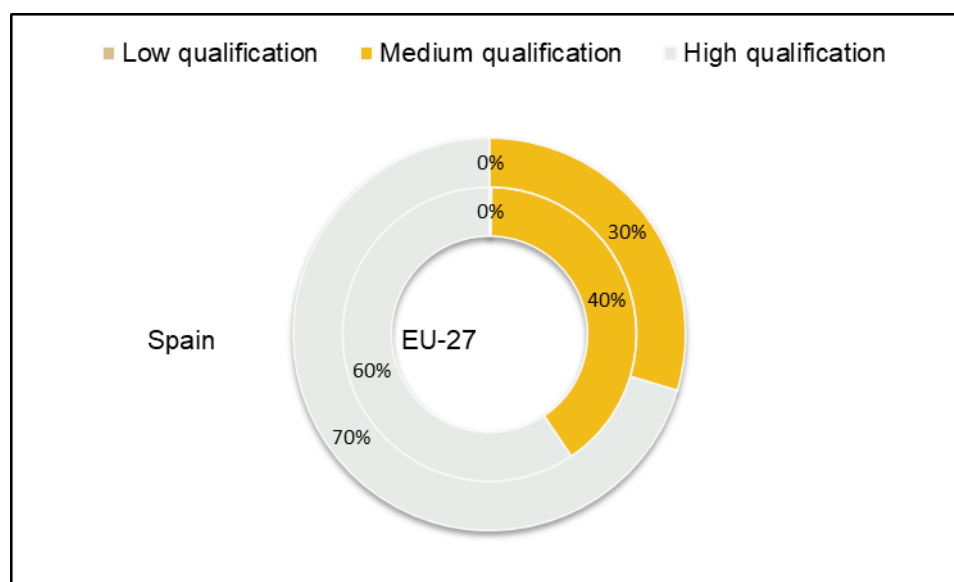
An expansion of medium-skilled *Agricultural, forestry, and fishery labourers* is expected in Spain despite negative sector effects. However, despite positive occupational effects, employment will decrease for low-qualified workers in this occupation.

6. Demand for and supply of skills

Within the Cedefop skills forecast, skills are proxied by the highest level of qualification held by individuals in the labour force and employment. Three levels are distinguished: high, medium, and low, corresponding to the official ISCED classification. The occupational group also indicates the skill level required, as some occupations (e.g. professionals) typically require high-level skills, while others (e.g. elementary) typically require only basic ones. Therefore, occupational groups are also linked to a skill level.

More than two-thirds (70%) of the total job openings expected to be created in Spain between now and 2035 will require high-level qualifications, about 10 pp more than the EU-27 average (see Figure 5).

Figure 5. **Shares of total job openings by level of qualification, 2022-35**

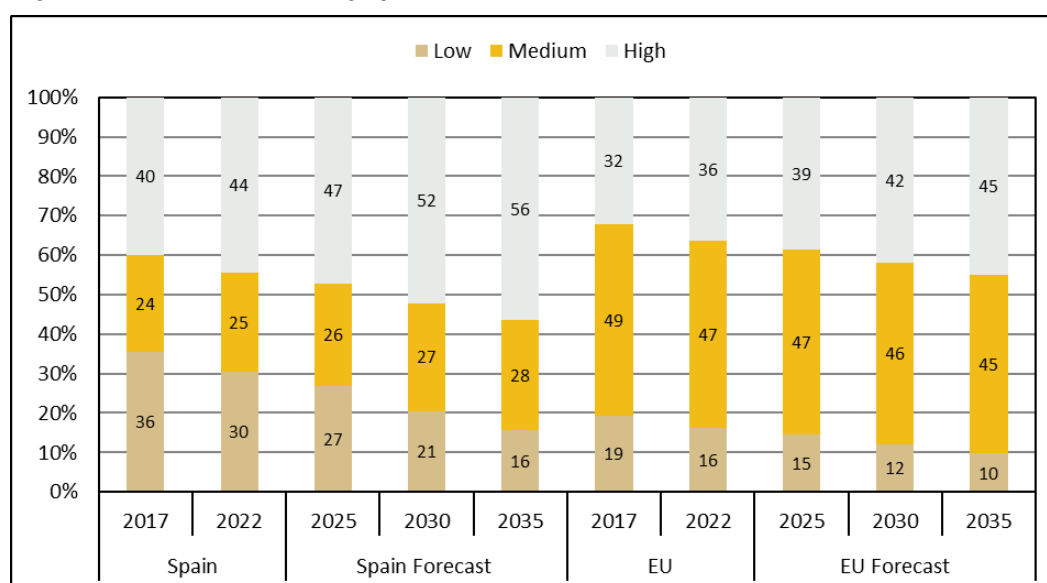


Source: Cedefop (2025 Skills Forecast).

Slightly less than one-third (30%) of total job openings will require medium level qualifications (10 pp less than the EU-27 average). As the EU-27 average, job openings with low qualification level requirements are not expected to play a significant role in Spain over the forecast period.

Future labour supply trends depend on the size of the working-age population (defined as those aged 15 or older), labour market participation rates, and the extent to which people acquire formal qualifications.

Figure 6. **Labour force by qualification level**



Source: Cedefop (2025 Skills Forecast).

Spain is expected to experience a further shift towards a higher qualified labour force over 2022-35, as seen in Figure 6. The share of people with high-level qualifications is expected to increase to 56% by 2035, about 11 pp higher than the EU-27 average. The medium-qualified labour force share is also expected to increase, slightly, by around 3 pp (to 28% in 2035). Those with low levels of qualification are expected to decrease from 30% in 2022 to 16% in 2035. In Spain, the proportion of the labour force with medium-level qualifications is expected to remain significantly lower than the EU-27 average.

The **labour shortage index** is a method to summarise three elements of potential labour shortage: (1) employment growth, (2) replacement demand, and (3) Supply/Demand imbalance (FIOD). The outcomes at the occupation level are grouped into four quartiles: those with a low indication of shortage get the value 1, and those with the highest indication of shortage will get the value 4. The total outcome of the individual elements is a simple average of the elements. In Figure 6, the length of the bar gives the overall outcome, where higher levels indicate more shortage. The outcomes of the three elements are also given to quickly evaluate the influence of employment growth - replacement demand, and - supply-demand imbalances.

The labour shortage index is calculated at the ISCO 2-digit level and then aggregated to the ISCO 1-digit level. At the ISCO 1-digit level (Figure 7), the highest value of the labour shortage index in Spain can be found among *Skilled agricultural and fishery workers* (2-3-4), predominantly due to supply-demand imbalances. For *Technicians and associate professionals* (4-3-1), the shortage is expected to be primarily caused by employment growth, while the labour shortage for *Service workers and shop and market sales workers* (3-3-3) is expected to be equally caused by employment growth, replacement demand, and supply-demand imbalances.

At the more-detailed 2-digit level, among the skilled manual occupations, the highest shortages are expected among *Market-oriented skilled agricultural workers* (2-4-4), who have among the highest replacement demand and imbalances. In the group of *Elementary Occupations*, the highest level of shortage is expected for *Food preparation assistants* (4-4-3) and *Refuse workers and other elementary workers* (3-4-4). Skilled non-manual occupations are affected comparatively less, except for *Personal care workers* (4-4-3), where shortages are primarily due to high employment growth and replacement demand. Three occupations in the group of High-skilled non-manual occupations have an average labour shortage index of 3.0, including *Legal, social, cultural and related associate professionals* and *Information and communications technicians* (both 4-4-1) and *Business and administration associate professionals* (3-4-2). In all three groups, labour shortages are expected to be significantly driven by replacement demand, while for *Legal, social, cultural and related associate professionals* and *Information and communications technicians*, employment growth is expected to play a more significant role, and supply-demand imbalances are expected to play a less significant role than for *Business and administration associate professionals*.

Figure 7. **Labour Shortage Index, 2022-35**



Source: Cedefop (2025 Skills Forecast).

Cedefop methodology

The Cedefop Skills Forecast offers quantitative projections of future trends in employment, by sector of economic activity and occupational group. Future trends in the level of education of the population and the labour force are also estimated. Cedefop's forecast uses harmonised international data and a common methodological approach allowing cross-country comparisons between employment trends in sectors, occupations and qualifications. The forecast and methodology is validated by a group of national experts. The forecast does not substitute national forecasts, which often use more detailed methodologies and data, while they also incorporate in-depth knowledge of a country's labour market.

The latest round of the forecast covers the period up to 2035. The forecast takes account of global economic developments up to November 2023. The European Economy is expected to grow despite monetary tightening on phasing out of fiscal support.

The key assumptions of the baseline scenario incorporate the Eurostat population forecast available in June 2023 (Europop 2023) ⁽¹⁾, and the short-term macroeconomic forecast produced by DG ECFIN in November 2023 ⁽²⁾. The source of historical labour force data is the European Labour Force Survey, which in 2022 underwent important methodological changes, causing a break in the time series for several variables, including the labour force. Consequently, in many Member States, the participation rates in 2021 are noticeably above/below historical trends. Moreover, some Member States experienced significant revisions in the historical data series for sectoral employment from the National Accounts.

The Cedefop Skills forecast 2025 is consistent with the objectives set by the European Green Deal by incorporating suitable assumptions about additional investment, power sector technologies, energy balances, and carbon pricing.

Energy and commodity price forecasts from the World Bank and the IEA are used as inputs to the Cedefop Skills Forecast.

⁽¹⁾ <https://ec.europa.eu/eurostat/web/population-demography/population-projections/database>

⁽²⁾ https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2023-economic-forecast-modest-recovery-ahead-after-challenging-year_en

For the latest update and access to more detailed Cedefop skills forecast data please visit:

www.cedefop.europa.eu/el/events-and-projects/projects/forecasting-skill-demand-and-supply

For more details, please contact Cedefop's Skills Forecast team at:

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