

spring / summer 2024

EUROPE

LABOUR MARKET REPORT



Executive Summary

In 2023, Europe's labour market witnessed remarkable shifts, charting new territory despite global economic challenges. In early 2024, key indicators showcase a resilient landscape and dynamic changes that underscore both challenges and opportunities.

To help organisations navigate this volatile labour market amidst inflation, geopolitical tensions and talent shortages, Magnit analysed billions of data points for its “Spring/Summer 2024 Europe Labour Market Report,” examining a variety of metrics across multiple countries and analysing data year over year, focused on professional and technology job roles. The report also delves deeper into five key areas – UK/Ireland, Germany, Sweden, the Netherlands and Switzerland – highlighting trends in these regions and rate data for top titles. Future reports will feature additional countries.

Magnit's analysis uncovered several key trends that are shaping the overall European market and driving the recent cautionary approach. Findings include:

Record Lows for Unemployment, Disinflation Emerges

2023 commenced with the EU unemployment rate at an unprecedented low of 6.1% and reached a historic 5.9% by year's end, a remarkable feat given the previous decade's double-digit rates.

Regional variations persisted, with Czechia (2.4%) and Germany (3.2%) boasting some of the lowest rates, while Spain (12%) and Greece (9.6%) faced higher unemployment.¹ Simultaneously, the inflation rate plummeted to 3.1% in January 2024, down from 8.5% in October 2022, ushering in a period of disinflation.²

Low unemployment, decreased inflation, and a tight job market have fostered positive outcomes:

- **Job Stability:** A reduced likelihood of job loss contributes to a stable and secure workforce.
- **Wage Increases:** A competitive job market leads to higher wages, especially for skilled workers.
- **Increased Consumer Spending:** Higher wages and job security drive increased spending, propelling economic growth.

Wage Increases Vary Widely

Low unemployment and elevated job vacancies spurred nominal wage growth of 3.5% across the EU. However, growth rates varied, with Hungary and Bulgaria experiencing highs of 16.4% and 15.5%, while Denmark and Italy saw more modest increases.³

AI Technology Adoption Rises

Europe made strides in AI adoption, with 8% of companies using AI, though the US and China remained ahead.⁴ According to Magnit data, specific roles emerging in Europe for AI talent include data engineers, machine learning engineers and AI product owners. Skills seeing an increase in demand include predictive analytics, automation, personalisation, data management, machine learning and AI project management.

EU Directive 2023/970 Transforms Market

Introduced in May 2023, EU Directive 2023/970 is transforming Europe's labour market, necessitating a paradigm shift in talent acquisition. Emphasising transparency and equal pay practices, it serves as a strategic tool for organisations to proactively attract and retain top talent, demanding cross-departmental dialogue, encouraging comprehensive analyses and driving innovation in hiring.



Unemployment Hits Record Lows, Disinflation Emerges

When 2023 began, the EU unemployment rate was already at an all-time low of roughly 6.1%. By the end of 2023 the unemployment rate decreased slightly to 5.9%, reaching another all-time low that stands in marked contrast to the 2010s, when the unemployment rate was over 10% for much of the decade.

Czechia (2.4%), Malta (2.5%) and Germany (3.2%) recorded the lowest unemployment rates in the EU in 2023, while Spain (12%), Greece (9.6%) and Sweden (7.9%) posted the highest rates. Overall, the trend in the EU was positive, with unemployment rates decreasing in most member states.⁵

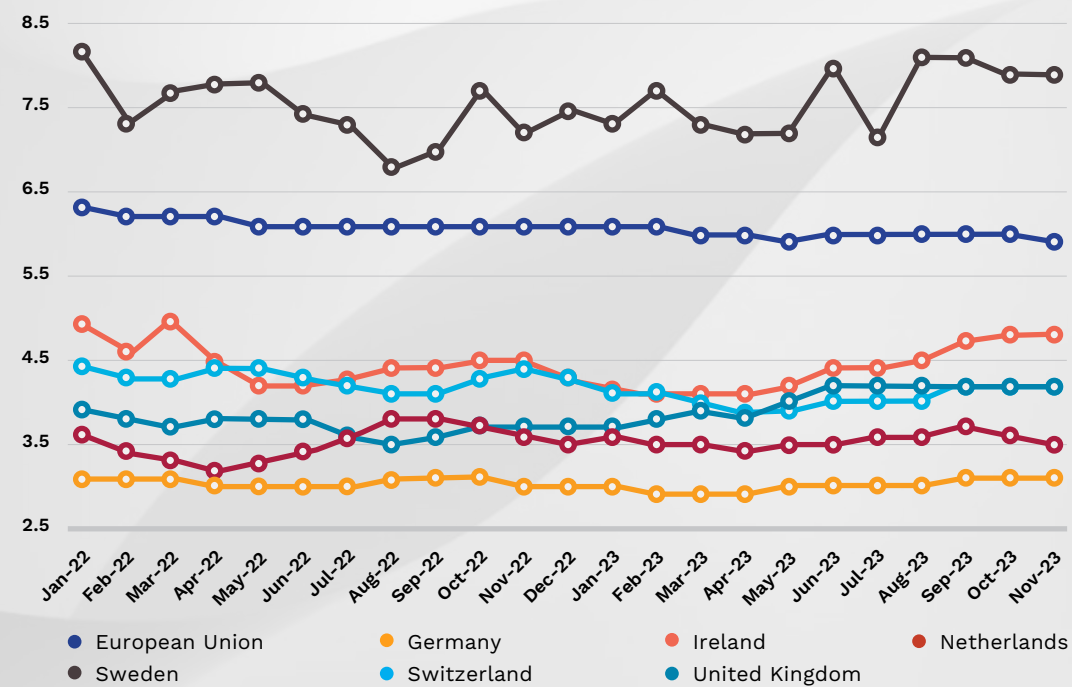
Europe experienced a significant decrease in inflation as well, with the overall rate falling to 3.1% in January 2024, down from a high of 8.5% in October 2022. The decline was driven by a decrease in energy prices, but food, alcohol, and tobacco prices continued to rise.

Inflation varied widely among countries, with Romania experiencing the highest rate in January 2024 at 7.3%, while Denmark and Italy posted the lowest at 0.9%.⁶

As a whole, the low unemployment rate combined with decreased inflation and a tight job market is contributing to a more secure workforce and impacting the European labour market in the following areas:

- ➔ **Increases in Wages:** With smaller talent pools, companies often need to offer higher wages to attract or maintain their workforce. See p. 5 for more.
- ➔ **Increased Consumer Spending:** The combination of higher wages and increased security often leads to workers spending more, driving further economic growth.
- ➔ **Increased Purchasing Power:** With lower inflation, the purchasing power of wages is preserved or increased.

Unemployment by Country



Source: Eurostat



BOTTOM LINE: In a tight job market, employees gain increased bargaining power, which they can use to negotiate better working conditions. This might include more flexible working hours, enhanced benefits and remote work options.

The factors organisations will need to consider regarding these areas will be unique to each individual company, but taking a data-driven approach rather than one based on emotion or tradition will help ensure policies that drive improved talent acquisition and retention. To that end, capture and analyse data around workforce preferences, employee satisfaction, productivity, and cost when formulating your approach in these areas.

To align with wage increases and assure compliance with pay parity regulations, organisations should also conduct a job taxonomy alignment exercise for full-time and contingent roles. This will help enable unified reporting, ease of sourcing, and elimination of confusing, extraneous titles, thereby driving more streamlined, cost-competitive sourcing.



Job Vacancies Stay Elevated

The European Union job vacancy rate held steady in 2023, ending the year at 2.9%, a 0.2-percentage-point increase compared to Q4 2022.⁷ This indicates healthy demand for skilled workers in the EU, despite the ongoing global economic challenges.

In terms of volume, Germany and the United Kingdom had the largest number of job vacancies, followed by the Netherlands:

- **Germany has a high demand for professionals in sectors such as engineering, IT, and healthcare.**
- **The UK also has a high demand for skilled workers, especially in technology and healthcare. Brexit has had an impact on the job market, with some industries experiencing labour shortages due to changes in immigration policies.**
- **The Netherlands has significant need for sales assistants and software developers.**

Across the EU, many countries faced labour shortages due to skill gaps and an aging population, especially in the technology and sales sectors. According to Magnit data, the most-in-demand jobs in 2023 were software developers, sales assistants and warehouse associates, with the most in-demand skills including digital advertising, market research and analysis, quality control and assurance, machine learning, and research development.

In a tight labour market characterised by high demand for skilled workers, employers are offering competitive salaries and benefits packages to attract top talent. In addition, governments are investing in training programs and education to develop the skills of their workforce.



BOTTOM LINE: One of the hottest areas for skills is AI, with Magnit data showing significant growth in the number of job categories including AI-related skills. While Europe still lags behind the United States and China in terms of AI adoption – it invested \$1.7 billion in generative AI in 2023 versus \$23 billion in funding in the U.S., for example – it made significant progress in AI adoption in 2023.

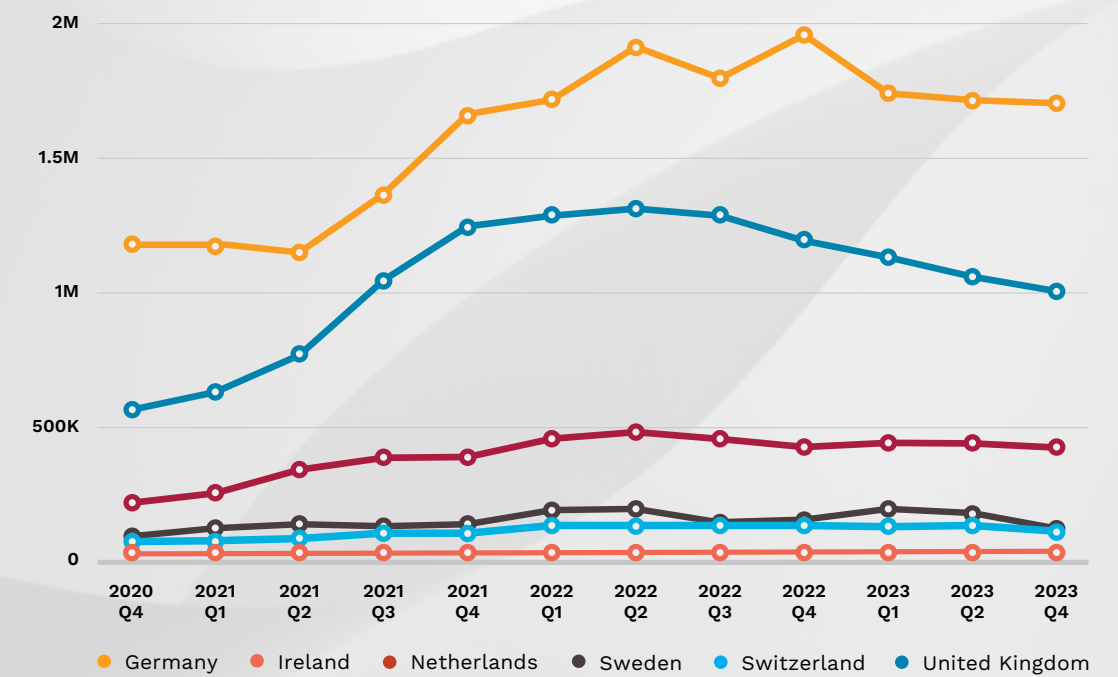
From an industry and enterprise perspective, 8% of companies in Europe used some form of AI, a 3% increase compared to 2021. Countries that increased AI utilisation include Belgium, Luxembourg, Netherlands, and many more.⁸

Workers with AI talent are a unique group with nuances in skillsets. Sourcing these candidates requires good data to ensure compensation is competitive and sourcing strategies are consistent with where the talent can be found across Europe.

Since AI-related skillsets are a relatively new phenomenon and thus less likely to show up in standard work histories, job titles or degrees, organisations will also need to shift to a skills-based approach if they want to find these candidates – whether sourcing externally or filling gaps internally through upskilling and/or redeployment.



Job Vacancies in Numbers by Country



Source: Eurostat





Nominal Wages Increase

Low unemployment and elevated job vacancies typically drive increased nominal wages (percentage change compared to same period in previous year), and wages did in fact increase across the European Union by 3.5% in 2023 compared to 2022.⁹

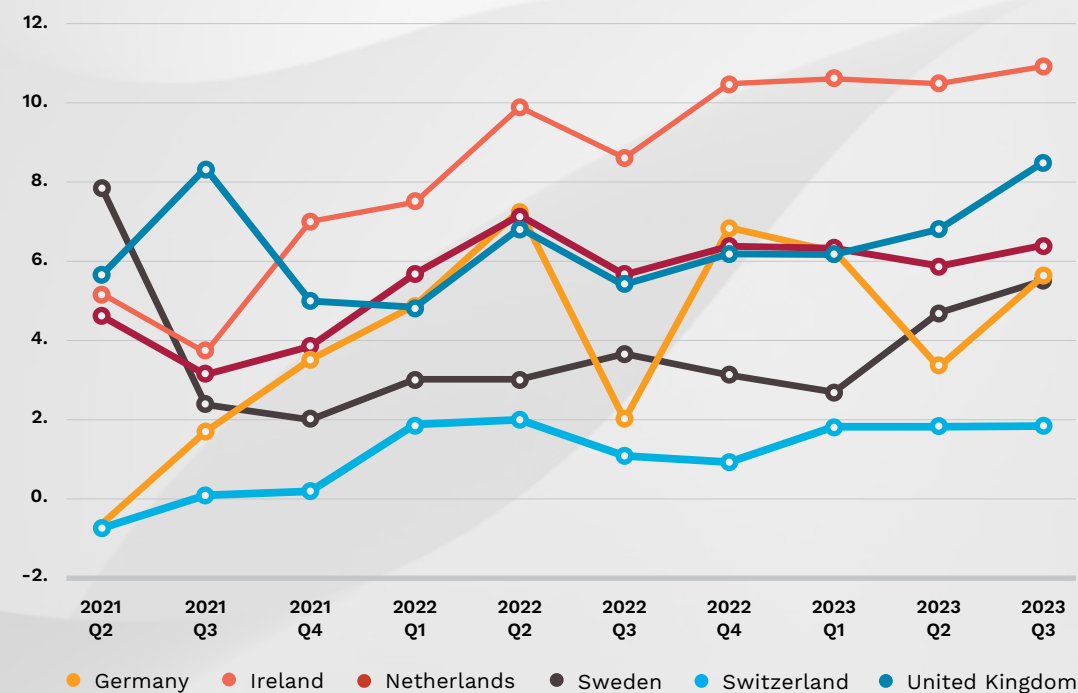
However, this growth slowed significantly from the all-time highs seen in 2022 and varied significantly from region to region:

- **Hungary and Bulgaria saw wage growth rates of 16.4% and 15.5%, respectively**
- **Denmark and Italy experienced more modest growth of 2.2% and 2.3%**
- **Looking at the countries spotlighted in this report (see p. 7 to 11), Ireland led with nominal wage growth reaching over 10% for 2023**

When inflation is considered, wage growth becomes less impressive, but due to declines in inflation toward the end of 2023, real wage growth became positive for several months.

Overall, low unemployment and disinflation has led Europe to a tight labour market, influencing the rise in nominal wage growth. This can be extremely difficult for companies, affecting their ability to match quality candidates to the right jobs, increasing costs and limiting expansion.

Nominal Wage Change YoY by Country



Source: Eurostat and Trading Economics



BOTTOM LINE: A tight labour market with rising wages requires creativity in sourcing. One approach is to identify new locations where the supply of skills an organisations is looking for is high relative to hiring demand.

For example, “software engineer” is one of highest-demand job titles in Europe. An analysis of Magnit data as of Q1 2024 surfaces the following insights:

- **Although most of the supply for software engineers is in the greater London Area due to very high population, hiring demand there is very high, allowing only 34.3 candidates per job opening.**
- **Prague’s metropolitan area has one-eighth the population of London, but a higher professional-to-job-posting ratio, with 37 candidates per job opening — an 8% increase in candidates compared to London.**

- **The Frankfurt Rhine-Main and Helsinki metropolitan areas are even better, at 49.6 and 57.4 candidates per job opening, respectively.**
- **The Copenhagen metropolitan area has a population size similar to Frankfurt but very low hiring demand. There are 64.6 candidates per job opening, nearly double London and the highest ratio in Europe.**

If this role is permitted to be remote, Magnit data suggests organisations should consider expanding their search to the Copenhagen area.

To combat a tight labour market, organisations should conduct similar analysis for critical roles. Consider partnering with a third-party expert to help scope out expansion projects and determine the best analysis for each unique situation.

Examining the Impact of EU Directive 2023/970

TRANSPARENCY AND EQUAL PAY

Since EU Directive 2023/970's publication in May 2023, advisory channels have focused discussions on what companies **MUST** do to ensure compliance. Here, Magnit aims to explore the opportunities this directive presents.

Inclusion of the Extended Workforce

Aimed at strengthening equal pay for equal work regardless of gender, age or protected classification, the directive broadens its scope beyond traditional full-time employment. Covering all workers, including part-time, fixed-term, and temporary agency workers, the directive also emphasises the importance of pay transparency.

Pay Transparency and Talent Acquisition

Some perceive pay transparency as a negative force in talent acquisition, opening an organisation to risks related to poaching or cost inflation. But because the directive applies to all companies with 100-plus employees, it should foster a natural equilibrium, encouraging research rather than bidding wars. By leveraging data properly, companies will less likely be blindsided by external offers and can focus on finding the right candidates.

By setting pay rates as a relative constant and giving qualitative aspects greater importance, transparency decreases the advantage of companies with greater

financial resources, helping ensure candidates are genuinely interested in an organisation beyond financial consideration.

Cross-Functional Collaboration

The directive introduces the concept of simulating rate comparisons, placing the onus on organisations to create hypothetical peers for equity evaluations. This effort may have extensive application in the extended workforce, as many organisations hire unique positions or engage talent in non-standard locations.

Extended workforce leadership and procurement managers must partner closely with their HR colleagues to create remuneration structures and strategies for roles and locations that were never included in their purview. While challenging, it may drive organisations to harmonise taxonomies and establish a universal language for cataloguing and describing work, minimising risk.



BOTTOM LINE

The (EU) Directive 2023/970 takes effect on or before 7 June 2026 and is subject to individual member states drafting their own clauses. To ready your organisation, consider the following recommendations:



By addressing these aspects, you'll gain insights into the activities required for compliance. While some may opt for a wait-and-see approach, investing time in these steps is crucial for every organisation, regardless of final statutory language.



UK/Ireland Spotlight

Macro Environment

The employment markets in both the UK and Ireland have faced significant volatility due to a turbulent economic landscape. Ongoing global conflicts, persistent economic uncertainty, heightened energy costs, and fluctuations in inflation and interest rates have collectively fueled rising costs and contributed to a decline in hiring activity.

The UK job market has become more competitive, with a rise in available workers coupled with a decline in job vacancies. In contrast, the Irish job market has experienced a deceleration, particularly in the technology sector, a key industry alongside pharmaceuticals.

Current interest rates have emerged as a factor affecting both regions, slowing investments, impacting liquidity and minimising growth opportunities across sectors.

According to data from KPMG and the Recruitment & Employment Confederation, hiring activity for both permanent and temporary roles continues to fall. In Q4 2023 the UK experienced a 5% decline in the estimated number of vacancies, marking the 18th consecutive period of decline, and that trend continued into January 2024.¹⁰

Skills in Demand

In the UK, a surge in AI technology adoption has increased demand for professionals proficient in AI and machine learning (ML). This aligns with the government's initiative to position the UK as a global leader in unlocking AI's potential to enhance quality of life.¹¹ Sought-after skills in global software sales, cloud services, and managed security expertise reflect the strategic priorities of companies navigating a technology-centric marketplace.

In Ireland, a housing crisis has propelled a surge in demand for construction-skilled workers. Other notable developments include:

- **An increased need for engineers, especially those specialised in validation and automation engineering, within the technology sector**
- **High demand for professionals with expertise in data analytics, data science, and project management using agile methodologies**
- **An emphasis in the pharmaceutical industry on skills such as microbiology and chemistry method testing, particularly within biopharmaceutical operations**

Other Trends

The UK experienced year-over-year wage growth of 6.4% in January 2024, rebounding from a Q3 decline of 3.6%.¹² Conversely, Ireland saw moderate wage growth, reaching 3.7% by the close of 2023, below the Eurozone average.

Candidates' decision-making processes extend beyond salary considerations to factors like remote work policies, holiday entitlements, pension contributions, and avenues for career progression. Maintaining a healthy work/life balance is a persistent priority, with flexibility playing a critical role.

Sixty-six percent of organisations in the region recognise the need to offer flexible working options when advertising jobs, underlining its growing importance in attracting and retaining talent.¹³



London

Average Hourly Bill Rate

Dublin

Average Hourly Bill Rate

Role	London			Dublin		
	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp
Data Analyst	£29.48 €34.40	£50.39 €58.81	£84.70 €98.85	€30.95	€47.92	€80.09
Project Manager - IT	£39.44 €46.03	£61.19 €71.42	£98.39 €114.83	€39.02	€60.83	€97.57
Validation Engineer	£33.18 €38.72	£50.71 €59.18	£79.07 €92.28	€36.31	€54.93	€89.28

Note: These bill rates are exclusive of 13th month salary. They are representative of workers engaged in a temporary staffing arrangement and are inclusive of typical local employment costs and staffing fees. Please note that these costs can be impacted by provision of differing business benefits and agreed staffing fees.



Germany Spotlight

Macro Environment

Affected by the lingering effects of the energy crisis in Europe, Germany is forecast to have a slow start to 2024 after being the only G7 economy that shrank in 2023.¹⁴ However, there are also positive indicators as inflation rates continue to decline moving into 2024 (YoY 3.1% as of early 2024) and unemployment remains low at around 3% of the eligible labour force.¹⁵ In addition, household consumption is forecast to rebound to pre-pandemic levels moving into the second half of 2024.

As the German macro-economic climate continues to stagnate, the labour market is expected to soften. Whilst unemployment levels remain low and vacancy rates high, companies will continue to be in cost-savings mode, preferring to wait for global economic improvement before testing the market.

Skills in Demand

Global demand for technology skills, driven by the growth of AI, is at an all-time high, and Germany is no exception. As such, there is strong demand for skilled workers in software engineering and data science with expertise in AI and machine learning. In-demand job titles¹⁶ include:

- **Data Scientist**
- **Information Security Specialist**
- **Software Developer**
- **UX/UI Designer**

With Germany a large industrial country and major exporter in the automotive and pharmaceuticals industries, there is also high demand for engineering professionals. The nation's commitment to becoming greenhouse gas neutral

by 2045 is also fueling growth in engineering professions, such as energy consultants, environmental engineers, and automotive engineers.¹⁷

Other Trends

In 2023 wage growth in Germany increased by 6.6% from 2022, but accounting for high inflation rates, real-term wage growth was only 0.1%. In 2024, the pressure on companies to increase wages is expected to continue, especially in high-demand markets such as IT and engineering, where skilled labourers take advantage of high demand and low supply, favouring roles that offer fully remote or hybrid working conditions and attractive remuneration packages.

Employers that offer less than 30 days paid holiday (the minimum is 24 days in Germany) may struggle to find suitable candidates, even if the salary offered is above market rate. As remote working continues to gain popularity, German companies will need to quickly adapt to retain high-performing talent in today's rapidly changing market.

From a compliance and risk management perspective, strict regulations, bureaucratic challenges, and the impact of reforms like the 2017 AÜG have added complexity to the contingent labor market. Key considerations for navigating compliance challenges include:

- **Ensuring proper documentation**
- **The use of qualified electronic signatures**
- **Legal bases for data processing**
- **Consideration of GDPR regulations**

Companies are advised to prioritise continuous learning and adaptability, as well as collaborating with external support, to achieve effective compliance management.



Berlin

Average Hourly Bill Rate

Frankfurt

Average Hourly Bill Rate

Role	Berlin			Frankfurt		
	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp
Data Scientist	€65.46	€100.83	€168.22	€65.79	€104.33	€168.35
Software Developer	€48.10	€71.51	€113.77	€47.10	€68.43	€112.21
UX/UI Designer	€47.22	€71.27	€116.12	€46.54	€73.29	€115.85

Note: These rates are representative of workers engaged in a temporary staffing arrangement generalised for all industries and are inclusive of typical local employment costs and staffing fees. Please note that these costs can be impacted by provision of differing business benefits and agreed staffing fees. Please contact Germany@magnitglobal.com for real-time data for a specific industry, region or skill set.



Sweden Spotlight

Macro Environment

In 2023, the Swedish labour market displayed intricate nuances, shaped by the COVID-19 pandemic aftermath and a resilient rebound in household and construction sectors. The tech industry, pivotal to Sweden's economy, faced initial challenges with layoffs and bankruptcies among smaller start-ups, but saw a noteworthy revenue increase toward the latter part of 2023.

Despite the hurdles, there was a steadfast commitment to technological advancements, notably in AI. Companies displayed an appetite for integrating AI into their operational processes, such as optimising fulfilment centres and predicting staffing needs. Looking forward to 2024 and 2025, there is cautious optimism within the industry, with expectations of a gradual shift toward more favourable conditions.¹⁸

The labour market saw a rise in unemployment rate in 2023, reaching 7.7%, with 72,500 people notified of dismissal, more than double the previous year.¹⁹ This surge highlights the challenges faced by certain sectors, such as construction.

Skills in Demand

In 2023, companies experienced a significant shortage of skilled professionals in Sweden, particularly in healthcare and technology.²⁰ Efforts are needed to enhance training programs and attract talent in these critical sectors.

Other notable trends include:

- **A challenging recruitment landscape for consulting companies, with reduced turnover and a 24% drop in requisitions**

- **A 30% decrease in demand for roles in transportation, telecom, retail, real estate, logistics, IT, industrial, and finance, primarily impacting the private sector**
- **An uptick in requisitions in the energy and cybersecurity/defense sectors, reflecting a shift in talent needs, likely influenced by ongoing conflicts worldwide**

Efforts to bridge the gap between education and industry needs involve fostering closer connections between universities and companies, facilitating smoother transitions for graduates. Government funding is also increasing to address potential understaffing over the next 10 to 15 years, especially in the IT sector. However, geographic constraints on remote hiring present challenges.

Other Trends

Wage growth in Sweden during 2023 deviated from the norm, with percentages ranging from 3.5% to 7% and the larger increases attributed to the influence of higher prices. New hires may see more modest increases to maintain salary balance in 2024, with the preceding recession continuing to impact salary dynamics.

The hybrid work model, offering a balance between physical presence and remote work, is popular. However, some companies have opted for full onsite or full remote setups, compensating remote workers on par with office-based counterparts.

Collective agreements help prevent wage imbalances, ensuring salary increases align with natural inflation rates. Beyond monetary considerations, the preceding year's economic uncertainties have made job security a pivotal factor for candidates.



Stockholm

Average Hourly Bill Rate

Malmö

Average Hourly Bill Rate

Role	Stockholm			Malmö		
	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp
IT Project Manager	692 kr €60.72	947 kr €83.13	1,358 kr €119.21	614 kr €53.95	834 kr €73.23	1,208 kr €106.05
Java Developer	623 kr €54.66	839 kr €73.63	1,237 kr €108.60	555 kr €48.75	748 kr €65.63	1,124 kr €98.69
Solution Architect	824 kr €72.33	1,063 kr €93.31	1,475 kr €129.51	738 kr €64.79	939 kr €82.44	1,304 kr €114.53

Note: These rates are representative of workers engaged as independent contractors and are inclusive of typical local employment costs and fees. Please note that these costs can be impacted by provision of differing business benefits and agreed staffing fees.



Netherlands Spotlight

Macro Environment

As of 2023, the Netherlands maintains a robust net employment rate of 73%, with a slightly higher rate for men (76%) than women (68%), reflecting the prevalence of part-time work.²¹

Gross domestic product increased by 0.1% in 2023 compared to 2022, with the slight economic growth attributed to increased household consumption and positive contributions from trade, investment, and public consumption.²² The unemployment rate also increased slightly from 3.5% in 2022 to 3.6% in 2023.²³ Various factors pose potential problems, including cooling global trade, geopolitical uncertainties, and domestic issues like the housing market downturn and nitrogen emissions problem. High inflation and a tight labour market also impact economic growth adversely.

The 18- to 25-year-old group has been most affected, with unemployment rising from 8.2% to 8.7%. In contrast, the rest of the population maintains an unemployment rate below 3%. Despite this increase, the Netherlands still boasts one of the lowest unemployment rates in the European Union.²⁴

Skills in Demand

In the Netherlands, employers highly value individuals with strong technology skills, such as AI, blockchain and data engineering. Proficiency in using open-source tools and LLM models is a key requirement. Also, knowledge of international law and the ability to automate legal processes are increasingly in demand.

Other high-demand/desirable traits include:

- **Familiarity with financial matters, including knowledge of new tax rates**
- **HR/recruitment skills**

- **Adaptability to a flexible work environment that includes both office and remote settings**
- **Expertise in green and clean technology**
- **Multilingual proficiency**

In various industries, such as high voltage, the market is very tight and there are too few well-trained people. Candidates with the above attributes are well-positioned to meet employers' demands.

Other Trends

The Dutch government's resignation in 2023 has cast doubt on planned labour market reforms, including changes to on-call contracts and fixed-term contracts. A decision on these reforms is pending in the House of Representatives, adding uncertainty to the Dutch labour market.

In addition, two key legislative proposals have the potential to significantly impact the Dutch labor market in 2025:

- **Clarification of Assessment of Employment Relationships and Legal Presumption (VBAR):** Recently introduced by the Minister of Social Affairs and Employment in the Netherlands, this proposal addresses the ambiguity in distinguishing between self-employed individuals and employees.
- **Authorisation for the Posting of Workers Act (WTTA):** This proposal introduces an admission system with the aim of improving compliance with existing laws and regulations when hiring contingent workers via temporary work agencies.

For more on upcoming changes to Dutch workforce legislation, including key takeaways that organisations should consider, download Magnit's "[Q1 2024 Regulatory Newsletter](#)."

Amsterdam

Average Hourly Bill Rate

Eindhoven

Average Hourly Bill Rate

Role	Amsterdam			Eindhoven		
	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp
Financial Analyst	€63.14	€80.50	€112.07	€66.10	€86.63	€120.90
Data Engineer	€64.82	€94.33	€147.24	€65.60	€92.09	€145.91
Human Resources Manager	€63.88	€86.66	€125.82	€64.33	€84.29	€124.02

Note: These rates are representative of all contingent workers, including independent contractors, engaged in a temporary arrangement and are inclusive of typical local employment costs and staffing fees. Please note that these costs can be impacted by provision of differing business benefits and agreed staffing fees.



Switzerland Spotlight

Macro Environment

The Swiss economy was relatively resilient throughout the pandemic, thanks to its specialisation in the financial sector and the chemical/pharmaceutical industries. In early 2023, the Swiss economy continued to perform well despite the general downturn experienced by other major economies in Europe, but it lost momentum in the latter half of 2023, as manufacturing and services (the country's largest economic sectors) recorded negative growth.²⁵

The outbreak of war in Ukraine led to a sharp increase in energy prices, impacting inflation rates across Europe. But while Switzerland saw a rise in inflation, the impact was more muted, with a 2.84% increase in 2022. As energy prices decreased in 2023, so did inflation, with a YoY rate of 1.4% in November 2023.²⁶

Despite global macro-economic trends, Switzerland continues to enjoy virtually full employment, with an unemployment rate under 5% in 2023 and only a minor increase forecasted for 2024.

Skills in Demand

Switzerland is one of the most competitive economies in the world with a strong services sector, accounting for roughly 96.5% of Switzerland's Gross Domestic Product (GDP). The services sector also employ 97% of the Swiss workforce, with the next highest sector being agriculture at 2% of workforce employment.²⁷

One such sector within the manufacturing industry that has seen huge demand recently is the mechanical engineering, electrical and metal industry (MEM), which has seen a

significant increase in job advertisements. According to Magnit data, the most requested skills in the MEM sector are engineering, data analysis and manufacturing, with the fast-growing skills including agile method, sales operations and technical support.

Looking at Magnit data from a broader country-wide perspective, the following skills are in high demand in Switzerland:

- **Most Requested Skills: Analytical skills, manufacturing, cloud computing, information tech, software development**
- **Fastest-Growing Skills: Customer experience/ satisfaction, analytical skills, B2B sales, CRM, data processing**

Other Trends

Over the past decade, Swiss workers have witnessed an average annual real-term wage growth of 0.3%.²⁸ As the aging population retires and fewer young individuals enter the workforce, companies offering higher starting wages are likely to fare better. The demand for skilled workers is expected to outpace supply, posing challenges in talent recruitment and retention.²⁹

In addition to competitive salaries, Swiss employees highly value flexible working arrangements and a positive work-life balance. A survey conducted by Employees Switzerland revealed that 66% of respondents would reject a job offer if it adversely affected their work-life balance, while 83% considered flexible working hours crucial when evaluating job opportunities.³⁰



Geneva

Average Hourly Bill Rate

Zurich

Average Hourly Bill Rate

Role	Geneva			Zurich		
	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp	Entry 1-3 yrs' exp	Senior 5-7 yrs' exp	SME 10+ yrs' exp
Plant Operator	CHF 39.52 €42.26	CHF 57.76 €61.62	CHF 85.76 €91.70	CHF 39.99 €41.79	CHF 57.70 €61.69	CHF 89.68 €95.88
Mechanical Engineer	CHF 56.66 €60.58	CHF 83.44 €89.22	CHF 133.47 €142.71	CHF 58.07 €62.09	CHF 91.08 €97.38	CHF 140.79 €150.53
Electronics Engineer	CHF 61.55 €65.81	CHF 86.75 €92.75	CHF 137.95 €147.50	CHF 60.22 €64.39	CHF 90.66 €96.93	CHF 144.41 €154.40

Note: These rates are representative of all contingent workers, including independent contractors, engaged in a temporary arrangement and are inclusive of typical local employment costs and staffing fees. Please note that these costs can be impacted by provision of differing business benefits and agreed staffing fees.

Methodology

This report has been developed by Magnit Strategic Advisory, which is comprised of 100+ MBAs, PhDs, CPAs and Consulting Business Analysts.

The Strategic Advisory team analyses programme data and provides actionable cost saving, efficiency and process improvement strategies for Global 2000 clients.

Magnit applies proprietary algorithms to aggregate, cleanse and anonymise data across a variety of internal and external data sources, including hundreds of client programmes globally, to create a cross-client data repository unmatched in the market. Magnit manages data on hundreds of thousands of workers annually across 51,000-plus unique roles globally, providing insights on rates,

skills premiums, efficiencies, candidate supply/demand, hiring competition, etc. The volume of data ensures normalisation without risk of skewed data.

The compensation data is backed by Magnit's global job taxonomy across 160-plus countries and input from 1,000-plus "Skills Village" compensation

experts around the world. The intelligence provided empowers in-depth understanding of the competitive environment, talent pools, legal and regulatory impacts, workplace dynamics, and social/political factors as they relate to the global labour market.

Footnotes

1. Eurostat, "[Unemployment by sex and age](#)"
2. Eurostat, "[HICP – monthly data](#)"
3. Eurostat, "[Labour cost index by NACE Rev. 2 activity](#)"
4. Eurostat, "[Artificial intelligence by size class of enterprise](#)"
5. Eurostat, "[Unemployment by sex and age](#)"
6. Eurostat, "[HICP – monthly data](#)"
7. Eurostat, "[Job vacancies in number and %](#)"
8. Eurostat, "[Artificial intelligence by size class of enterprise](#)"
9. Eurostat, "[Labour cost index by NACE Rev. 2 activity](#)"
10. Office for National Statistics, "[Vacancies and jobs in the UK](#)"
11. GOV.UK, "[Britain to be made AI match-fit with £118 skills package](#)"
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