



Australian Government



Jobs and Skills Australia

International Labour Market Update

November 2025



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International labour market

The Organisation for Economic Development and Cooperation (OECD) reported signs of a softening in the international labour market. During the first half of 2025, the unemployment rate increased in South Africa, India, Canada, France, Australia, Germany and the United States of America (USA). However, it declined in the Republic of Korea (Korea), Türkiye, Brazil, Italy and Spain and reached a historical low in the Euro Area.¹

The International Monetary Fund (IMF) has also reported a slowing in the global economy following a resilient start to 2025.² The job vacancy-to-unemployed ratio continued to decline in the USA, Germany, Australia, the United Kingdom (UK) and Canada. Average hours worked per employee also decreased in several advanced economies.³

Labour market comparison

Employment in the USA rose by 22,000 in August 2025 with minimal change since April 2025. The health care sector recorded employment gains, while declines were estimated for the federal government and the mining, quarrying and oil and gas extraction sectors.⁴ The USA Chamber of Commerce projects an average of 193,100 job openings for registered nurses per year to 2032. Over the same period, 177,400 registered nurses are expected to enter the workforce, below the number required to meet annual demand.⁵

Canada's labour market remained stable in September 2025 as the employment rate rose by 0.1 percentage points (pp) to 60.6%. Employment increased among workers aged 25 to 54 with 1.2% gains for women and 0.5% gains for men. Employment declined by 1.0% for those aged 55 and over and was unchanged for youth aged 15 to 24.⁶

The Bank of Canada's Business Outlook Survey for the September quarter 2025 reported improved labour availability, with the share of firms experiencing labour shortages at its lowest level since 2020.⁷ However, the Bank's Consumer Survey indicated weaker labour market conditions for the September quarter 2025, driven by a decline for public sector job seekers.^{8,9}

The UK labour market continued to soften as vacancies fell by 9,000 in nine of the 18 industry sectors over the September quarter 2025.¹⁰ However, early estimates for the August to October quarter 2025 showed an increase of 2,000 (0.2%) vacancies to 723,000. For this period, vacancies increased in nine of the 18 industry sectors, with the largest increases in the professional scientific and technical activities, and the education sectors. Total estimated vacancies are now 72,000 (9.1%) below their pre-pandemic January to March 2020 level.¹¹

¹ The Euro Area includes EU member states who have adopted the Euro as their currency. This includes Austria, Belgium, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

² IMF – [World Economic Outlook: Global Economy in Flux, Prospects Remain Dim](#) - October 2025

³ OECD – [Economic Outlook, Interim Report: Finding the Right Balance in Uncertain Times](#) – 18 September 2025

⁴ USA Bureau of Labour Statistics (BLS) – [The Employment Situation - August 2025](#) – 5 September 2025

⁵ USA Chamber of Commerce – [Understanding America's Labor Shortage: The Most Impacted Industries](#) – 16 October 2025

⁶ Statistics Canada – [The Daily: Labour Force Survey - September 2025](#) – 10 October 2025

⁷ Bank of Canada - [Business Outlook Survey: Third Quarter of 2025](#) – 20 October 2025

⁸ Bank of Canada - [Canadian Survey of Consumer Expectations: Third Quarter of 2025](#) – 20 October 2025

⁹ A report funded under the Government of Canada's Future Skills Program ([Adoption Ready? The AI Exposure of Jobs and Skills in Canada's Public Sector Workforce](#)) estimates that 74% of the public sector workforce are highly exposed to artificial intelligence (AI) technologies based on occupational attributes, compared to 56% of the total overall Canadian labour force.

¹⁰ UK Office of National Statistics (ONS) - [Vacancies and jobs in the UK: October 2025](#) – 14 October 2025

¹¹ UK ONS - [Vacancies and jobs in the UK: November 2025](#) – 11 November 2025

In the Euro Area, employment increased by 0.1pp in the June quarter 2025. Among the largest Euro Area economies, employment growth was driven by Spain, while it was unchanged or slightly negative for Germany, France and Italy. Short term market indicators point to modest employment growth for the September quarter 2025.¹²

The number of filled jobs in New Zealand (NZ) decreased by 0.5% over the year to September 2025. The largest decreases were in construction (4.5%), professional, scientific and technical services (2.6%) and manufacturing (down 1.7%).¹³ The NZ Institute of Economic Research September quarter 2025 survey of Business Opinions showed a decline in hiring intentions, with 23.0% of firms reducing staff levels in the September quarter 2025.¹⁴

Employment increased in Japan by 200,000 over the year to August 2025.¹⁵ Between June 2025 to August 2025, employment for women increased by 1.48 million while employment for men declined by 123,000.¹⁶ Research attributes this trend to policy and social changes, such as the expansion of social insurance coverage to part-time workers, increased childcare and after-school care capacity, and a gradual shift in social norms supporting female employment.¹⁷

The number of employed persons in Korea increased by 312,000 over the year to August 2025, continuing a 9-month period of 6 figure monthly gains. Employment growth was concentrated in the service sector supported by improving consumer sentiment, government initiatives (such as consumption and culture coupons) and seasonal demand during the holiday period.¹⁸

Economic Outlook¹⁹

The OECD reports that global Gross Domestic Product (GDP) growth was more resilient than expected in the first half of 2025, particularly for emerging economies. The OECD expects soft growth for the remainder of 2025 (from 3.2% in 2025 to 2.9% in 2026) as higher tariff rates and policy uncertainty may impact investment and trade.²⁰

The United Nations (UN) projects global GDP growth at 2.5% for both 2025 and 2026. The 2025 forecast was revised up by 0.1pp since May 2025, while the 2026 projection is unchanged. Both forecasts remain below expectations set earlier in the year.²¹ The IMF forecasts global GDP growth at 3.2% in 2025 and 3.1% in 2026.²² The European Central Bank (ECB) also projects global real GDP to fluctuate from 3.3% in 2025 to 3.1% in 2026 back to 3.3% in 2027.²³

The OECD projects GDP growth in the USA to decline from 1.8% in 2025 to 1.5% in 2026, attributed to higher tariff rates and reduced net immigration. In the Euro Area, growth is expected to slow from 1.2% in 2025 to 1.0% in 2026, reflecting increased trade frictions and

¹² European Central Bank – [Economic Bulletin Issue 6: Economic, financial and monetary developments](#) – September 2025

¹³ Stats NZ – [Employment indicators: September 2025](#) – 28 October 2025

¹⁴ NZIER - [QSBO shows a cut-back in optimism amongst businesses, Quarterly Survey of Business Opinion](#) – 7 October 2025

¹⁵ Japan International Labour Foundation (JILAF) – [Economic and Labor Situation in Japan, October 2025](#) – 17 October 2025

¹⁶ JILAF – Economic and Labor Situation in Japan: [October 2025](#), [September 2025](#) and [August 2025](#) (JSA calculations)

¹⁷ Bank of Japan - [Japan's Labor Market under Demographic Decline: Evolving Dynamics and Macroeconomic Implications](#) – 23 August 2025

¹⁸ Korean Ministry of Economy and Finance – [Current Employment Situation, September 2025](#) – 17 October 2025

¹⁹ Projections vary across research organisations as the different weights and perspectives that are given to the inputs used in forecasting, result in varied GDP estimates.

²⁰ OECD – [Economic Outlook, Interim Report: Finding the Right Balance in Uncertain Times](#) – 18 September 2025

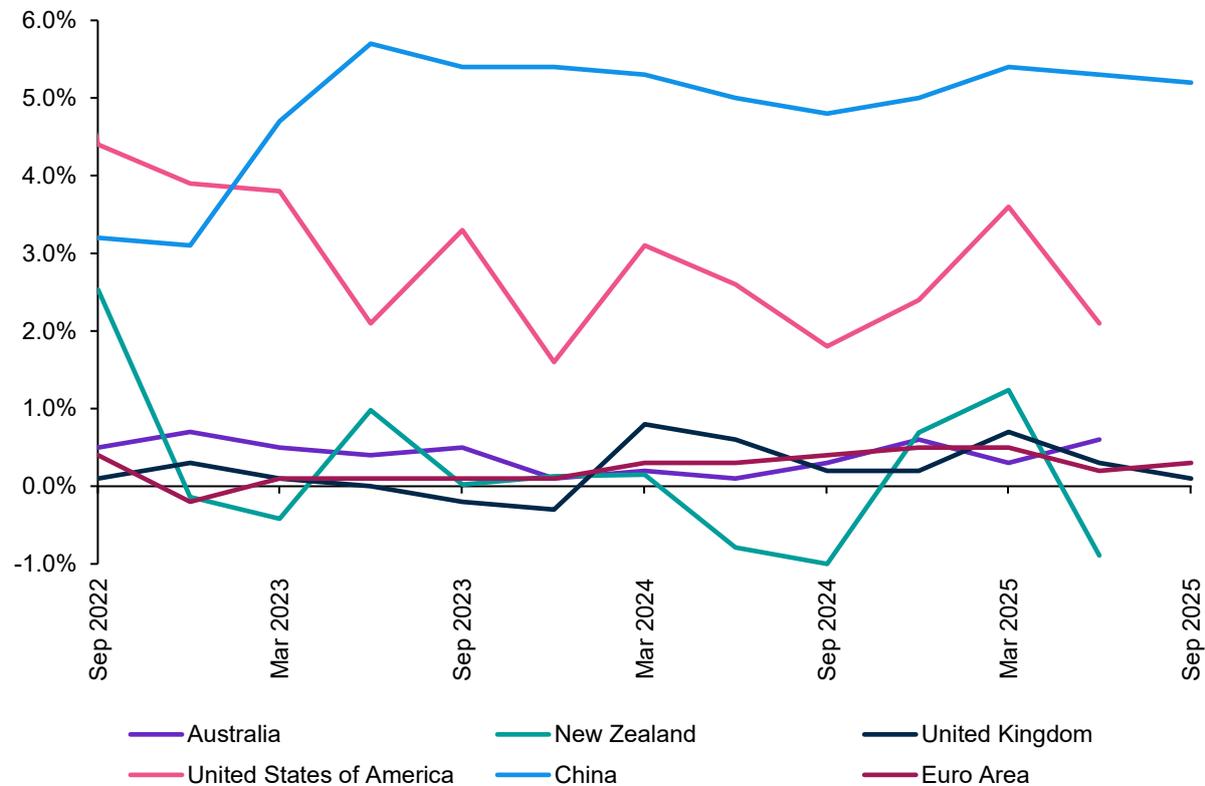
²¹ UN - [World Economic Situation and Prospects 2025 September Update](#) – 1 September 2025

²² IMF – [World Economic Outlook: Global Economy in Flux, Prospects Remain Dim](#) - October 2025

²³ European Central Bank - [ECB Staff Macroeconomic Projections for the Euro Area](#) – 11 September 2025

geopolitical uncertainty. Growth in China is forecast to decline from 4.9% in 2025 and 4.4% in 2026 as the effects of front-loading ease, tariffs increase and fiscal support moderates.²⁴

Figure 1: GDP growth (%) in selected countries, September quarter 2022 to September quarter 2025

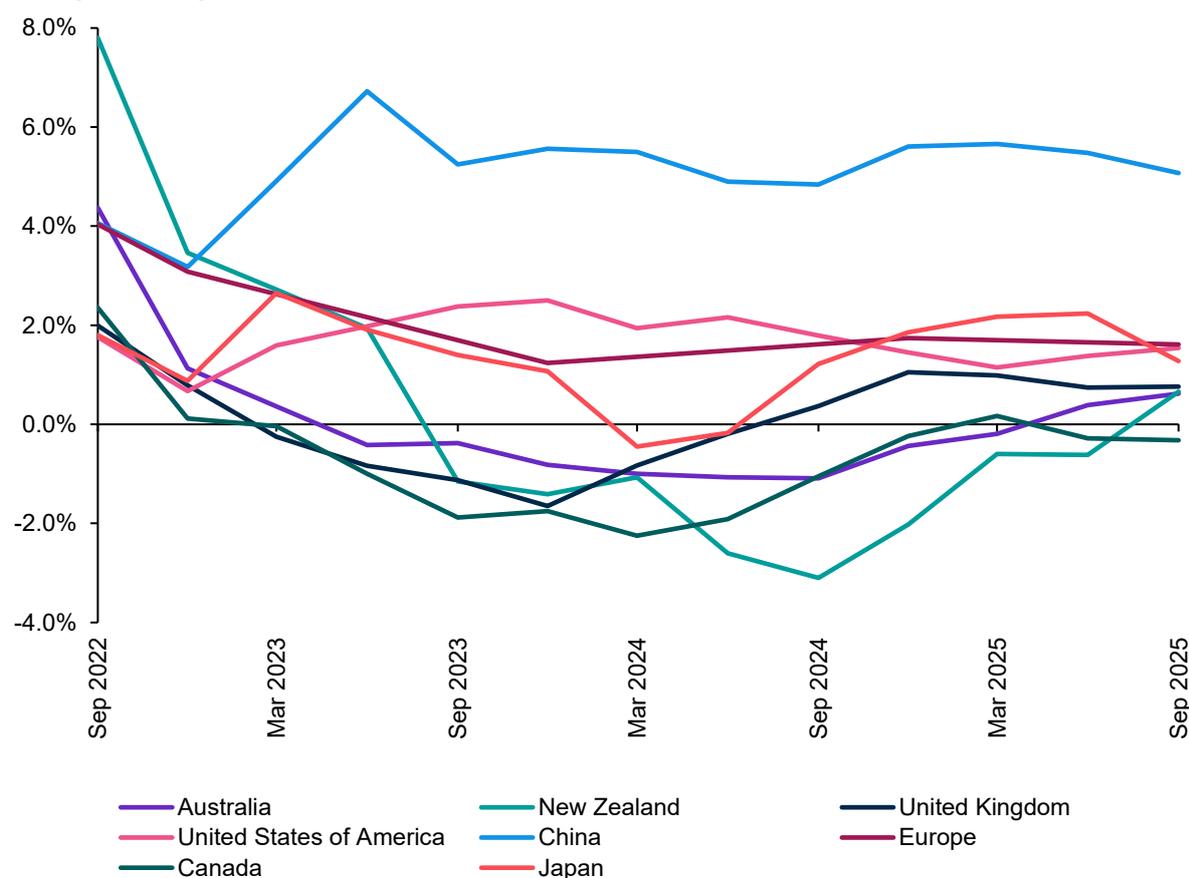


Source: LSEG Datastream

Figure 1 shows GDP growth declined for the UK and China in the September quarter 2025 and in the USA and NZ in the June quarter 2025. NZ experienced the greatest fall from 1.2% to -0.9% over the June quarter 2025. Growth in Australia and the Euro Area was positive during the June quarter 2025 and September quarter 2025, respectively.

²⁴ OECD – [Economic Outlook, Interim Report: Finding the Right Balance in Uncertain Times](#) – 18 September 2025

Figure 2: Annual growth in GDP per capita (%) in selected countries, September quarter 2022 to September quarter 2025



Source: LSEG Datastream

Figure 2 shows GDP per capita growth in the September quarter 2025 was positive for the first time in NZ since June quarter 2023. China continued to experience sustained growth of 5.1%. It also increased for the USA and Australia, however remained unchanged for the UK and Canada in September quarter 2025.

The IMF projects GDP per capita growth to increase from 1.2% in 2025 to 1.4% in 2026 for advanced economies and to decline from 3.7% to 3.0% for emerging economies. Notable increases are forecast for Canada (from 0.1% to 1.6%) and Germany (from 0.0% to 0.8%).²⁵

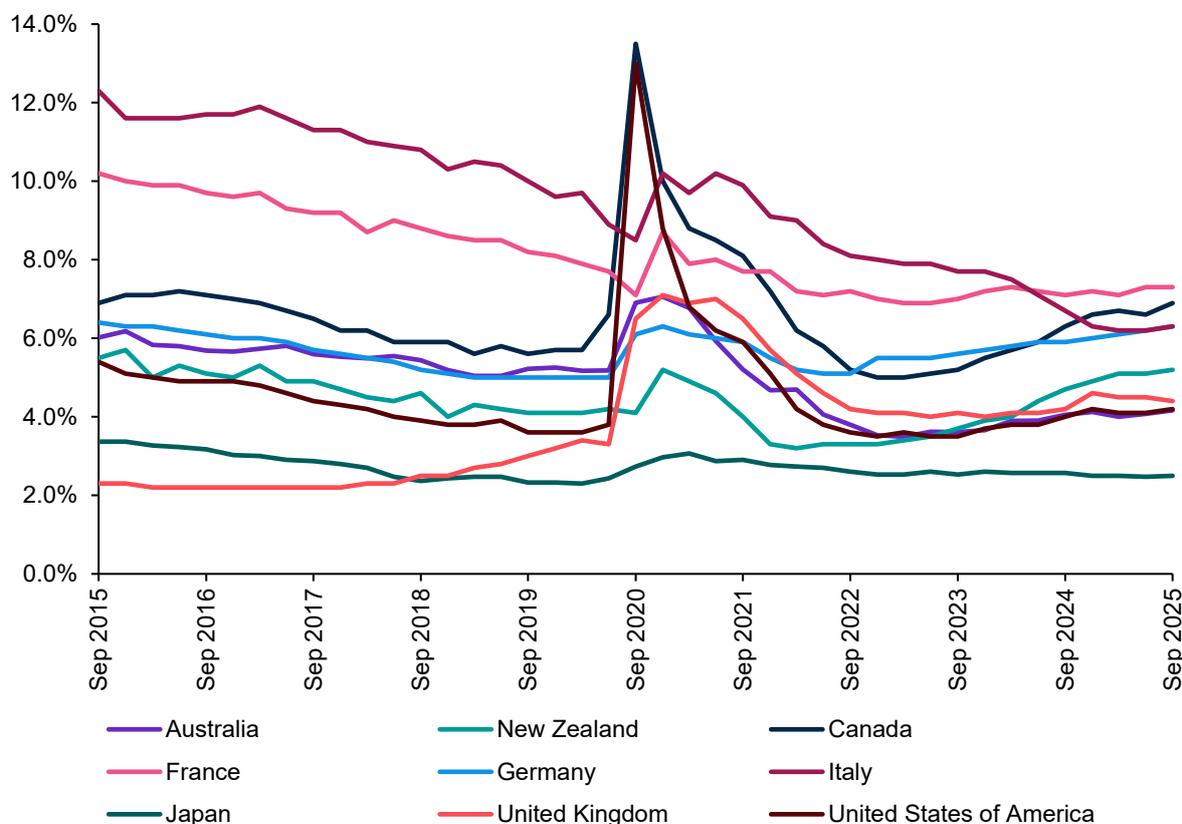
The World Bank (WB) projects GDP per capita growth in Europe and Central Asia to reach 2.5% over 2026–27, which is significantly below the 6.2% growth recorded prior to the 2008–09 global financial crisis and the 3.8% average in the decade before the pandemic. The WB has noted that if GDP per capita in these regions had continued to grow at its pre-2020 pace, incomes would be approximately 9.0% higher than current projections.²⁶

²⁵ IMF – [World Economic Outlook: Global Economy in Flux, Prospects Remain Dim](#) - October 2025

²⁶ World Bank – [Jobs and Prosperity: Europe and Central Asia Economic Update, Fall 2025](#) – 7 October 2025

Unemployment

Figure 3: Unemployment rates (%) for selected countries, September quarter 2015 to September quarter 2025



Source: LSEG Datastream

Figure 3 shows unemployment rates were unchanged in the September quarter 2025 for Germany and Japan. Increases of 0.1pp were estimated for Australia, NZ and Canada. Italy experienced the largest estimated decrease of 0.2pp.

In August 2025, the OECD unemployment rate was stable at 5.0%. Compared with the preceding month, the August 2025 unemployment rates were unchanged for 23 OECD economies, rose in seven (including Canada and Japan), and declined in two.²⁷ In the European Union (EU), from the March quarter 2025 to the June quarter 2025, 51.9% of unemployed persons remained unemployed, 23.8% moved into employment and 24.3% exited the labour force.²⁸

In the UK, the unemployment rate increased by 0.3pp to 5.0% over the September quarter 2025. The number of people unemployed for up to 6 months increased, while those unemployed for 6 to 12 months decreased. The number of long-term unemployed (over 12 months) also increased.²⁹ The unemployment rate in Japan rose to 2.6% in August 2025, the highest level in 13 months. The rate increased to 2.8% for men and 2.3% for women, driven by more workers leaving jobs to seek improved conditions.³⁰

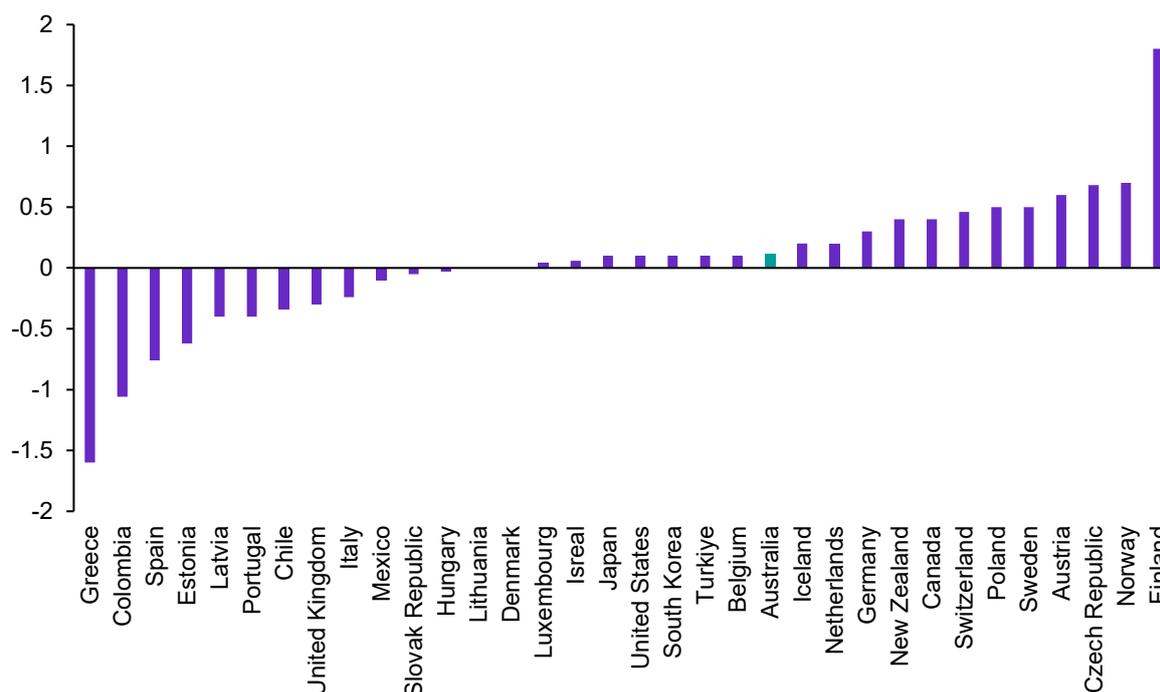
²⁷ OECD - [OECD employment and labour force participation rates stable in the second quarter of 2025](#) – 16 October 2025

²⁸ Eurostat – [Statistics Explained: Labour market flow statistics in the EU](#) – September 2025

²⁹ UK ONS - [Employment in the UK: November 2025](#) – 11 November 2025

³⁰ JILAF – [Economic and Labor Situation in Japan, October 2025](#) – 17 October 2025

Figure 4: Changes in unemployment rates for OECD countries (percentage points), August 2024 to August 2025



Source: LSEG Datastream

Figure 4 shows that over the year to August 2025 the largest increases in the unemployment rate were in Finland, Norway and Czech Republic, with Nordic economies frequently experiencing the largest year on year changes. Australia and the USA experienced small increases, while Greece, Colombia and Spain continued to record declines.

In July 2025, the OECD youth unemployment rate (aged 15–24) declined to 11.2%, down 0.2pp from June 2025. This remained 7.1pp higher than the rate for workers aged 25 and over which remained stable since June 2022.³¹

In Canada, the youth unemployment rate rose to 14.7% in September 2025, the highest since September 2010. This follows a weak summer job market for students. Between May and August 2025, the unemployment rate for returning students³² reached a record high of 17.9%.³³

In August 2025, the youth unemployment rate was 14.6% in the EU, up from 14.4% in July, in the Euro Area, the rate was stable at 14.0%. Compared with August 2024, youth unemployment declined by 147,000 in the EU and 156,000 in the Euro Area.³⁴

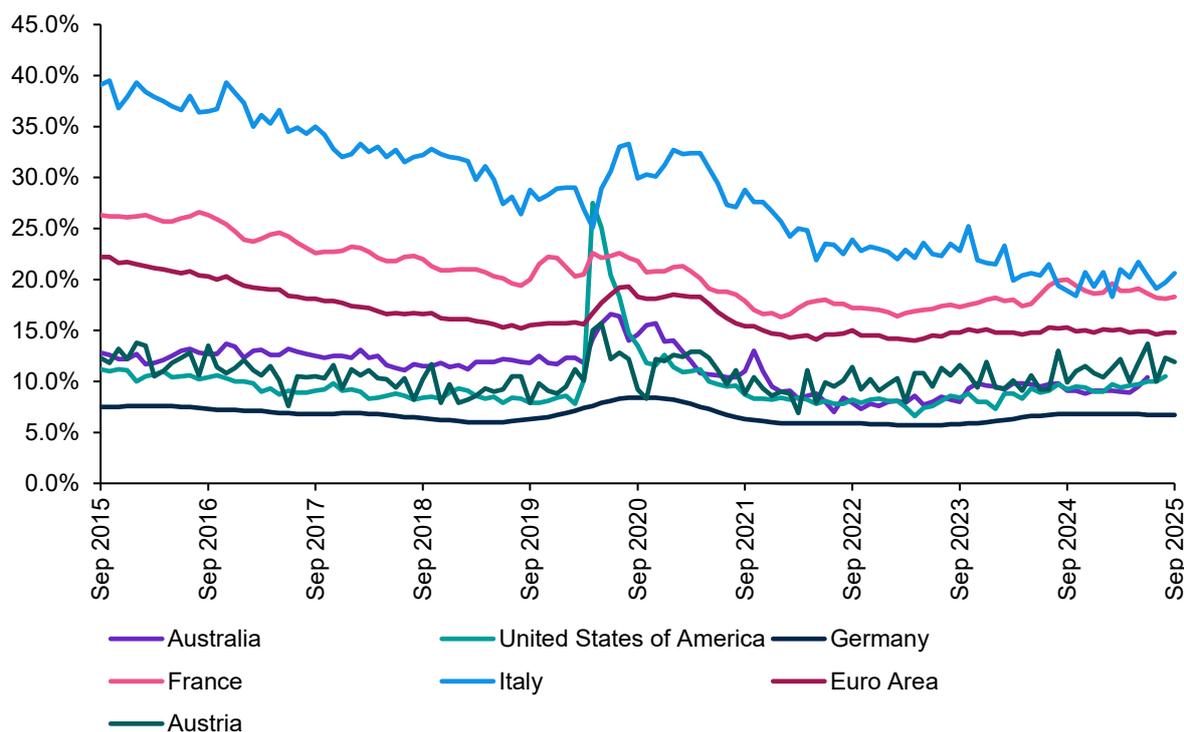
³¹ OECD - [OECD unemployment rate remained stable at 4.9% in July 2025](#) – 11 September 2025

³² Those who attended school full time in the spring and intended to return to school full time in the fall.

³³ Statistics Canada - [Labour Force Survey, September 2025](#) – 10 October 2025

³⁴ Eurostat – [Statistics Explained: Unemployment Statistics](#) – September 202

Figure 5: Youth unemployment rates for selected countries (%), September quarter 2015 to September quarter 2025



Source: LSEG Datastream

Figure 5 shows the youth unemployment rate decreased in the September quarter 2025 for Germany, France, Euro Area and Italy. Italy saw the largest decline of 1.1% over the September quarter 2025. The youth unemployment rate remained stable in Austria and increased in the USA.

Labour force participation

Labour force participation rates for individuals aged 15 to 64 were above the OECD average of 74.1% in three quarters of OECD economies in the June quarter 2025.³⁵ The rate in Korea reached record highs at 65.0% for September 2025.³⁶ In August 2025, the labour force participation rate in the USA was 62.3%, showing little change over the month and a decline of 0.4pp over the year to August 2025.³⁷

In NZ, the labour force participation rate was 70.3% in the September quarter 2025, down 0.2pp from the previous quarter. For both men and women, the labour force participation rate declined by 0.2pp to 74.5% and 66.2% respectively.³⁸

Figure 6 shows the labour force participation rate for selected countries at August 2025. The related dataset shows that between May and August 2025, the participation rate increased in the USA by 0.1pp, remained stable in Japan, and decreased in Australia by 0.1pp and Canada by 0.2pp.

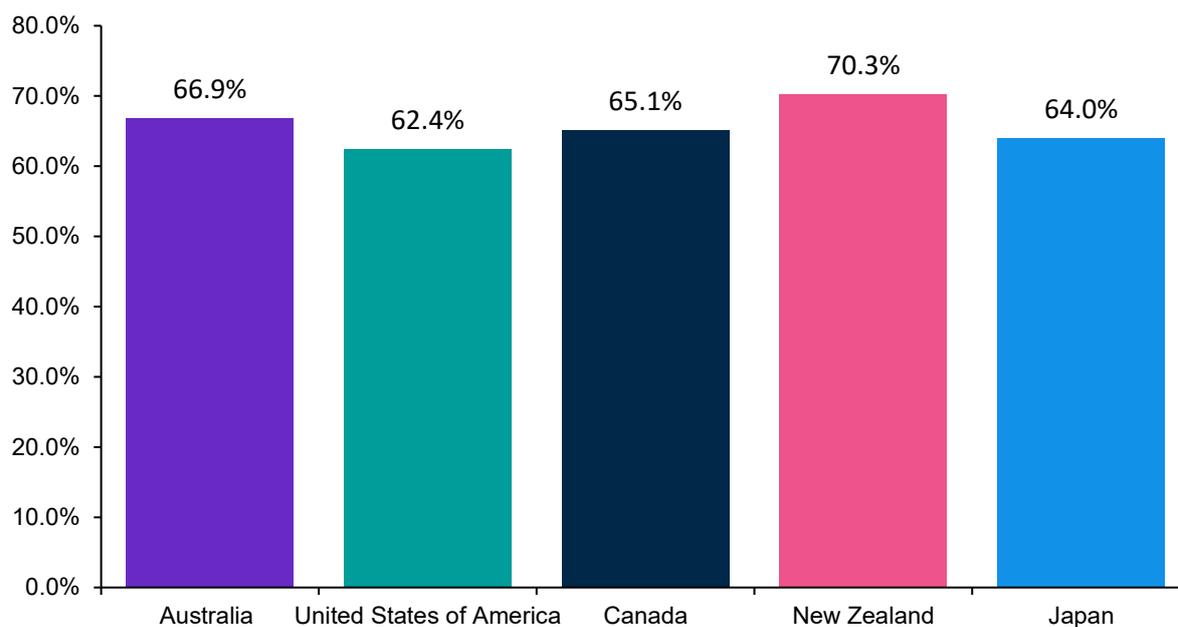
³⁵ OECD - [OECD employment and labour force participation rates stable in the second quarter of 2025](#) – 16 October 2025

³⁶ Korean Ministry of Economy and Finance – [Current Employment Situation, September 2025](#) – 17 October 2025

³⁷ USA BLS – [The Employment Situation - August 2025](#) – 5 September 2025

³⁸ Stats NZ- [Labour Market Statistics: September 2025](#) – 5 November 2025

Figure 6: Labour force participation rates (%) for selected countries, August 2025³⁹



Source: LSEG Datastream

Job vacancies

The job vacancy rate in the Euro Area was 2.2% in the June quarter 2025, down 0.2pp from the June quarter 2024. In the EU, the job vacancy rate was 2.1% in the June quarter 2025, down 0.3pp from the June quarter 2024. The highest job vacancy rates in the June quarter 2025 were recorded in the Netherlands (4.2%), Belgium (3.9%), Austria (3.4%), Cyprus (3.3%) and Malta (3.2%).⁴⁰

In the USA, job openings remained steady in August 2025 at 7.2 million (4.4%). Declines were recorded in construction (down 115,000) and federal government (down 61,000).⁴¹ In Japan, new job offers declined by 6.2% over the year to August 2025. The largest decreases were in living-related and personal services (minus 16.1%) and wholesale and retail trade (minus 12.7%).⁴² In NZ, online job advertisements increased by 3.5% over the year to the September quarter 2025, which is the first annual rise since September 2022. Growth was recorded in six of nine industries led by IT and construction, while education declined.⁴³

Figure 7 shows indexed job vacancies declined in most economies throughout 2025. Germany's vacancies were stable and the USA experienced volatility throughout 2025.

³⁹ Data for Australia, Japan, NZ and Canada is for those aged 15 years and over. Data for the USA is for those aged 16 years and over

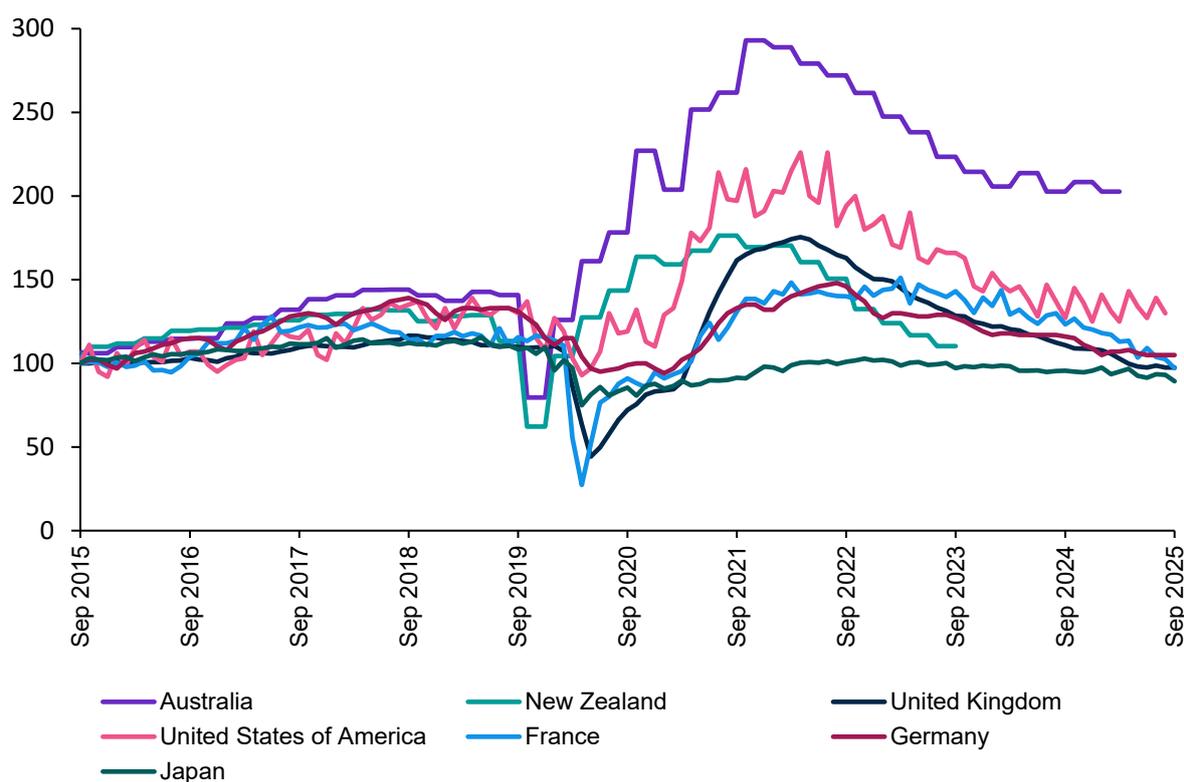
⁴⁰ Eurostat – [Statistics Explained: Job Vacancy Statistics](#) – September 2025

⁴¹ USA BLS - [Job Openings and Labor Turnover, August 2025](#) – 30 September 2025

⁴² JILAF – [Economic and Labor Situation in Japan, October 2025](#) – 17 October 2025

⁴³ NZ MBIE – [Jobs Online: September Quarter, Quarterly New Zealand Online Job Advertisements](#) – October 2025

Figure 7: Indexed job vacancies for selected countries, September quarter 2015 to September quarter 2025, indexed to September quarter 2015



Source: LSEG Datastream

Employee earnings

The OECD states nominal wage growth in advanced economies continued to moderate alongside easing labour market conditions and inflation. This combination caused real wage growth to soften since the December quarter 2024 in several advanced economies, including Japan, Italy, Canada, Spain and the UK.⁴⁴ The ECB states Euro Area year-on-year growth in compensation per employee was 3.9% in the June quarter 2025, down 0.9pp from the June quarter 2024.⁴⁵

In the UK, estimates for September 2025 indicate that median monthly pay increased by 5.5% compared with September 2024. Annual growth for median pay in September 2025 was highest in the transportation and storage sector with an increase of 8.0%. It was the lowest in the professional, scientific and technical sector with an increase of 3.0%.⁴⁶

The Japanese Ministry of Health, Labour and Welfare announced the revised minimum hourly wages for the 2025 fiscal year will exceed 1,000 yen in all prefectures for the first time.⁴⁷ In Korea, average monthly household income increased by 2.1% in the September quarter 2025 compared to in the September quarter 2024. Disposable income also rose by 1.5% over the same period.⁴⁸

⁴⁴ OECD – [Economic Outlook, Interim Report: Finding the Right Balance in Uncertain Times](#) – 18 September 2025

⁴⁵ European Central Bank – [Economic Bulletin Issue 6: Economic, financial and monetary developments](#) – September 2025

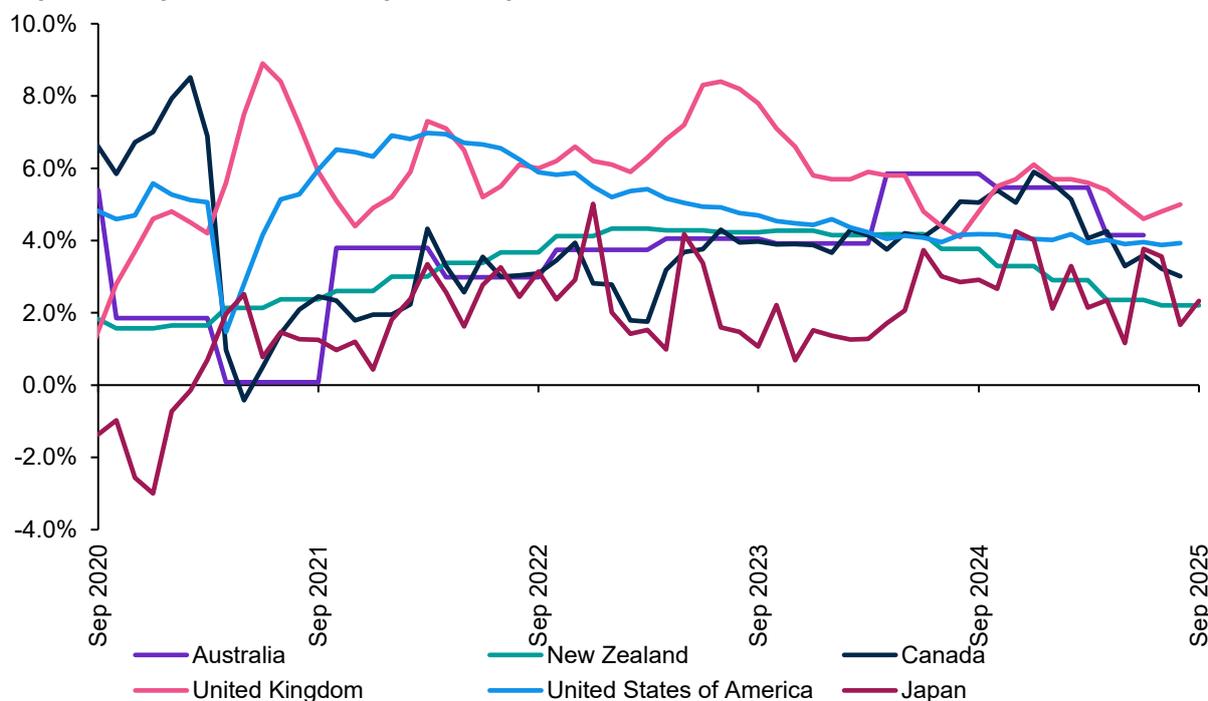
⁴⁶ UK ONS - [Earnings and employment from Pay As You Earn Real Time Information](#) - 14 October 2025

⁴⁷ JILAF – [Economic and Labor Situation in Japan, October 2025](#) – 17 October 2025

⁴⁸ Korean Ministry of Economy and Finance - [Household Income and Expenditure Trends in the Second Quarter of 2025](#) – 28 August 2025

Figure 8 shows the UK experienced the highest annual earnings growth at 5.0% in August 2025. Earnings growth was stable in the USA and volatile in Japan throughout 2025. Earnings growth continued to decline in Canada since December 2024 and in NZ since December quarter 2023.

Figure 8: Nominal earnings growth for selected countries (yearly percentage change), September quarter 2020 to September quarter 2025



Source: LSEG Datastream

Productivity

According to the World Economic Forum, between 2010 and 2024, advanced economies were on average, nearly 15 times more productive than emerging economies. North America, Europe and East Asia were nearly five times more productive than Central Asia, Southern Asia and Sub-Saharan Africa. However, productivity growth rates in Central Asia, East Asia and South Asia significantly outpaced other regions since 2010.⁴⁹

In the March quarter 2025, productivity based on persons increased by 0.9% in the Euro Area and 1.2% in the EU compared to the March quarter 2024. Based on hours worked, productivity rose by 1.2% in the Euro Area and 1.6% in the EU.⁵⁰ According to the USA Bureau of Labour Statistics, from the December quarter 2019 to June quarter 2025 labour productivity increased at an annual rate of 1.8%.⁵¹

UK Labour Force Survey estimates indicate output per hour worked in the September quarter 2025 was 3.1% higher compared to pre-pandemic levels, while output per worker was 2.1% higher compared to the same period. This growth was caused by an increase in Gross Value Added of 6.1% and an increase in hours worked by 2.9% over the period.⁵²

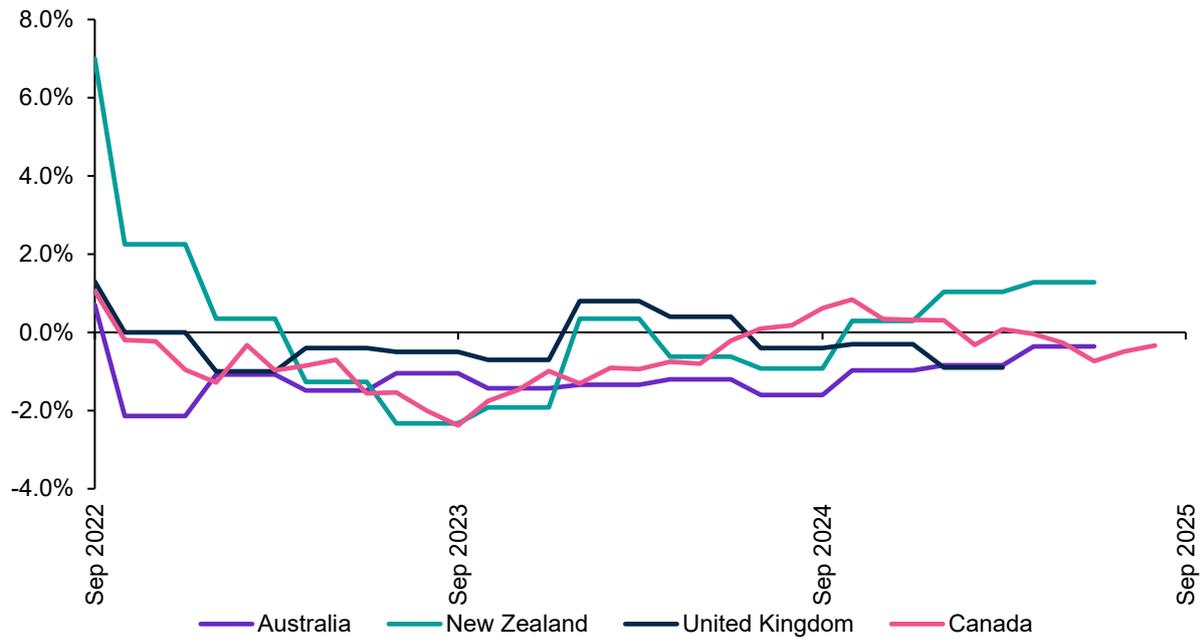
⁴⁹ World Economic Forum - [Global Economic Futures: Productivity in 2030](#) – January 2025

⁵⁰ Eurostat - [Quarterly national accounts - GDP and employment](#) – 20 October 2025

⁵¹ USA BLS – [Productivity and Costs: Second Quarter 2025 Revised](#) – 4 September 2025

⁵² UK ONS - [Productivity flash estimate and overview, UK: July to September 2025 and April to June 2025](#) – 13 November 2025

Figure 9: Productivity growth for selected countries (yearly change in output per worker), September quarter 2022 to September quarter 2025

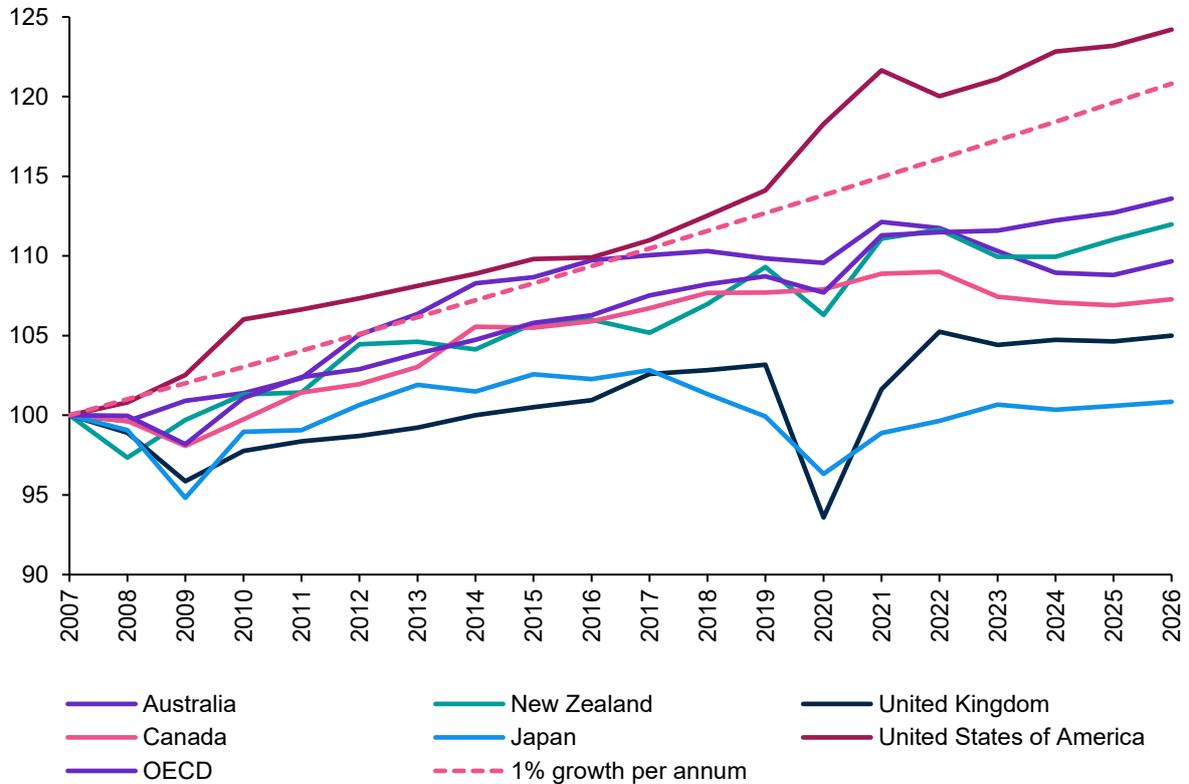


Source: LSEG Datastream

Figure 9 shows productivity growth was positive for NZ at 1.3% in the June quarter 2025. The UK and Australia experienced negative productivity growth throughout the first half of 2025. In Canada, annual productivity growth continued to fluctuate throughout 2025 but was positive in January, March and April.

Figure 10 shows the OECD forecasts indexed labour productivity to increase throughout 2026 for all economies. Australia is forecast to increase for the first time since 2021 and strong growth is forecast for NZ. The USA remains the only country above the 1.0% growth per annum line.

Figure 10: Indexed labour productivity growth for selected countries, 2007 to 2026⁵³



Source: LSEG Datastream

⁵³ 2025 and 2026 data used an OECD forecast.