



Australian Government



Jobs and Skills Australia

International Labour Market Update

February 2026



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International labour market

The Organisation for Economic Development and Cooperation (OECD) reported a softening in the international labour market in 2025. Job openings per unemployed worker generally continued to decline in 2025 and were below the average 2019 level in the United States of America (USA), the United Kingdom (UK), Germany, Canada and Japan.¹

The United Nations (UN) stated global labour markets were stable in 2025. The global unemployment rate was steady at approximately 5.0% and is projected to decline to 4.9% in 2026.² The International Labor Organization (ILO) suggested a slowing of global labour force growth is stabilising unemployment rates. The ILO projects the global labour force participation rate to decline by 0.2 percentage points (pp) each year to 60.5% in 2027.³

Labour market comparison

Unemployment in the Euro Area fell close to historic lows by 0.1pp to 6.2% in December 2025.⁴ The European Central Bank expects the unemployment rate to decline over the medium term and reach a historic low of 5.8% by the end of 2028.⁵ In December 2025, the youth unemployment rate was 14.7% in the European Union (EU), down from 14.9% in November 2025. In the Euro Area, the youth unemployment rate was 14.3%, down from 14.4% in November 2025.⁶ Among the largest Euro Area economies, employment growth was driven by Croatia, Portugal and Spain, while it was negative for Romania, Austria and Finland.⁷ Short-term market indicators pointed to slightly positive employment growth in the December quarter 2025.⁸

Over the year to December 2025, 667,000 Canadians (2.3% of the working age population) engaged in paid work through a digital platform. The delivery of food or other goods (272,000), personal transport services (184,000) and selling goods online with the specific purpose of earning income (92,000) were the most common types of digital platform related employment. Findings suggest 45.6% of digital platform workers participated in the industry to supplement income from a main job or to earn extra money.⁹

The Bank of Canada's December quarter 2025 Consumer Outlook Survey indicated consumers perceived a higher probability of job loss in 2025 than from 2021 to 2024.¹⁰ However, the Bank's Business Survey reported most firms' workforce size and physical capacity were sufficient in 2025 with greater ease in finding workers than in 2024.¹¹

The Bank of Japan reports employment continued to increase in the information and communications and the medical, healthcare and welfare services industries, both of which faced labour shortages.¹² Employment increased in Japan by 480,000 over the year to November 2025. Over the same period, employment for men declined by 40,000 and

¹ OECD - [Economic Outlook Volume 2025 Issue 2](#) – 2 December 2025

² UN – [World Economic Situation and Prospects 2026](#) – 8 January 2026

³ ILO - [Employment and Social Trends 2026](#) – 14 Jan 2026

⁴ Eurostat – [Statistic Explained: Unemployment statistics](#) – 30 January 2026

⁵ ECB - [Eurosystem staff macroeconomic projections for the euro area](#) – 3 December 2025

⁶ Eurostat – [Statistic Explained: Unemployment statistics](#) – 30 January 2026

⁷ Eurostat – [Statistics Explained: Quarterly national accounts, GDP and employment](#) – 20 January 2026

⁸ ECB - [Economic Bulletin Issue 8, 2025](#) – 7 January 2026

⁹ Statistics Canada - [Labour Force Survey, December 2025](#) – 9 January 2026

¹⁰ Bank of Canada - [Canadian Survey of Consumer Expectations: Fourth Quarter of 2025](#) – 19 January 2026

¹¹ Bank of Canada - [Business Outlook Survey: Fourth Quarter of 2025](#) – 19 January 2026

¹² Bank of Japan - [Outlook for Economic Activity and Prices](#) – 26 January 2026

women increased by 520,000 – the highest since January 1953.¹³ The Bank of Japan notes as the labour force participation of women and older workers have advanced to a high degree, the rate of increase is likely to decelerate as the demographic labour supply shrinks.

The number of filled jobs in New Zealand (NZ) increased by 0.3% over the month to November 2025. The largest increases over the year to November 2025 were in public administration and safety (up 2.1%) and health care and social assistance (up 1.8%).¹⁴ Survey findings showed in the December quarter 2025, 39.0% of firms expect better general economic conditions over the coming months, which is the highest level since March 2014. In the December quarter 2025, 5.0% of firms increased staff numbers and 22.0% plan to hire in the March quarter 2026.¹⁵ From 1 April 2026, the NZ Government will increase the minimum wage by 2.0% to \$23.95 an hour, impacting 122,500 workers.¹⁶

In the Republic of Korea (Korea), the labour force participation rate (persons aged 15 and older) and the employment rate (persons aged 15 to 64) both reached their highest levels on record in December 2025. The number of employed persons increased by 168,000 to 28.209 million¹⁷ over the year to December 2025, continuing a 12-month period of six figure monthly gains.¹⁸ The Korean government will develop tailored support measures to improve employment conditions for job-seeking and inactive youth, such as artificial intelligence (AI) work-experience programs, increasing regional employment promotion subsidies and raising job-seeking allowances.¹⁹

Total estimated vacancies in the UK were down by 69,000 (8.6%) over the year to the December quarter 2025, decreasing in 13 of the 18 industry sectors. The industries with the largest declines were mining and quarrying (down 31.3%) and electricity, gas, steam and air conditioning supply (down 30.0%). There were 2.5 unemployed people per vacancy in the November quarter 2025.²⁰ The unemployment rate was estimated at 5.1% in the November quarter 2025 which was above estimates for the November quarter 2024.²¹

In the USA, findings from the job website Indeed, include that hiring demand and the pace of hiring slowed in 2025.²² Research and consulting roles, many of which are held by recent graduates and early-career professionals, are declining quickly and at a higher rate than overall postings.²³ In November 2025, the USA unemployment rate was 4.6%,²⁴ while the rate for college graduates was 2.9% and for high school graduates was 4.4%.²⁵ The USA Chamber of Commerce survey findings show approximately 75.0% of hiring managers stated trade-school graduates and 4-year college graduates do not have the industry-recognised credentials to enter the workforce.²⁶

¹³ Japan International Labour Foundation (JILAF) – [Economic and Labor Situation in Japan, January 2026](#) – 1 January 2026

¹⁴ Stats NZ – [Employment indicators: November 2025](#) – 14 January 2026

¹⁵ NZIER - [NZIER's QSBO shows a strong rebound in confidence as recovery starts to gain traction](#) – 13 January 2026

¹⁶ NZ Parliament - [Monthly Economic Review: December 2025](#) – 19 December 2025

¹⁷ Korean Ministry of Finance and Economy - [Current Employment Statistics, December 2025](#) – 14 January 2026

¹⁸ Korean Ministry of Finance and Economy - [Current Employment Statistics \(Jan. 14, 2026\)](#) – 14 January 2026

¹⁹ Korean Ministry of Finance and Economy - [Current Employment Statistics \(Jan. 14, 2026\)](#) – 14 January 2026

²⁰ UK Office of National Statistic (ONS) - [Vacancies and jobs in the UK: January 2026](#) – 20 January 2026

²¹ UK ONS - [Labour market overview: January 2026](#) - 20 January 2026

²² Hiring Lab - [Indeed's 2026 US Jobs & Hiring Trends Report: How to Find Stability in Uncertainty](#) – 20 November 2025

²³ OECD - [Skills Outlook 2025](#) – 9 December 2025

²⁴ USA BLS - [The Employment Situation, November 2025](#) – 16 December 2025

²⁵ Hiring Lab - [December 2025 Labor Market Update: Three Compelling Things From the Year's Final Jobs Report](#) - 18 December 2025

²⁶ U.S. Chamber of Commerce - [New Hire Readiness Report](#) – September 2025

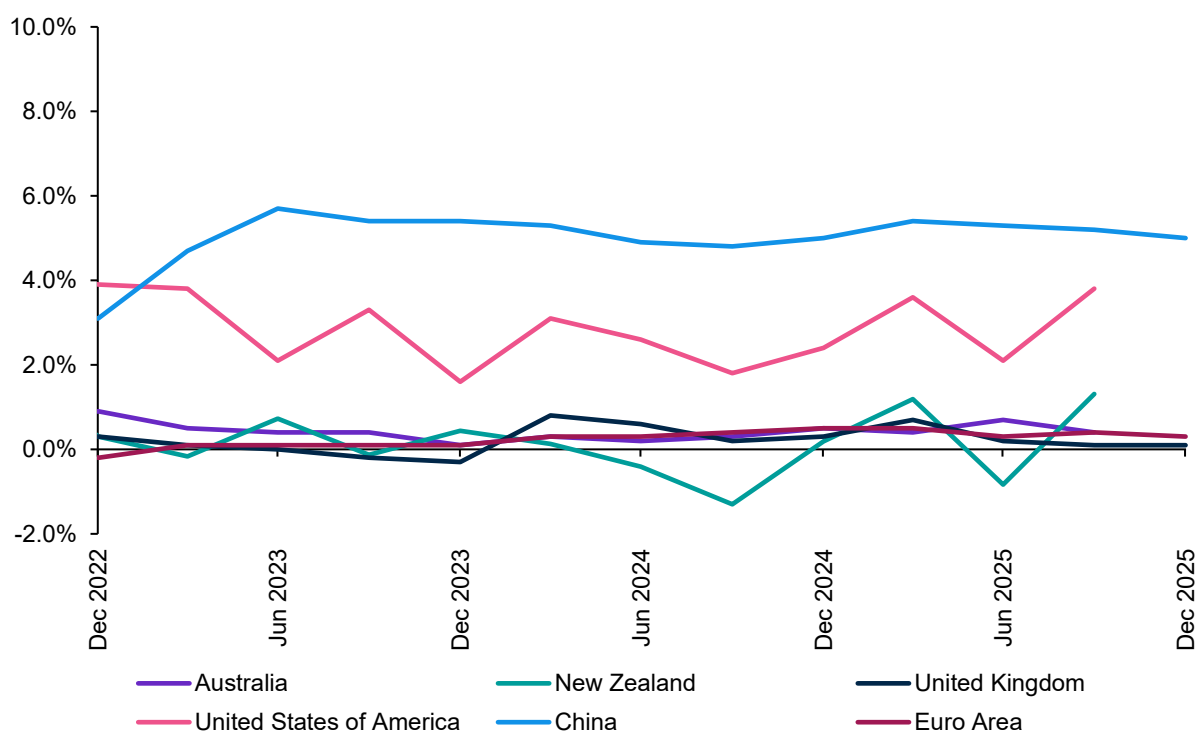
Economic Outlook²⁷

The OECD reported global Gross Domestic Product (GDP) growth was resilient in 2025, particularly in emerging economies. The OECD's global GDP growth projections were unchanged from previous projections (3.2% in 2025 declining to 2.9% in 2026 then rising to 3.1% in 2027) as higher tariff rates and policy uncertainty may still impact investment and trade growth.²⁸

The UN projects global GDP growth at 2.7% in 2026 and 2.9% in 2027, remaining below the pre-pandemic average of 3.2%.²⁹ The IMF forecasts global GDP growth at 3.3% in 2026 and 3.2% in 2027 due to increasing investment in technology and AI, predominately in North America and Asia.³⁰

The World Bank (WB) forecasts growth in advanced economies to decrease from 1.7% in 2025 to 1.6% in 2026 and 2027 as higher trade barriers impact on economic activity. Emerging economies experienced strong growth of 4.3% in 2025 from higher net exports and investment. Growth is forecast to decelerate to 4.0% in 2026 and 2027, as the projected slowdown in China is partly offset by a gradual recovery in other emerging economies.³¹

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



Source: LSEG Datastream

²⁷ 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.

²⁸ OECD - [Economic Outlook Volume 2025 Issue 2](#) – 2 December 2025

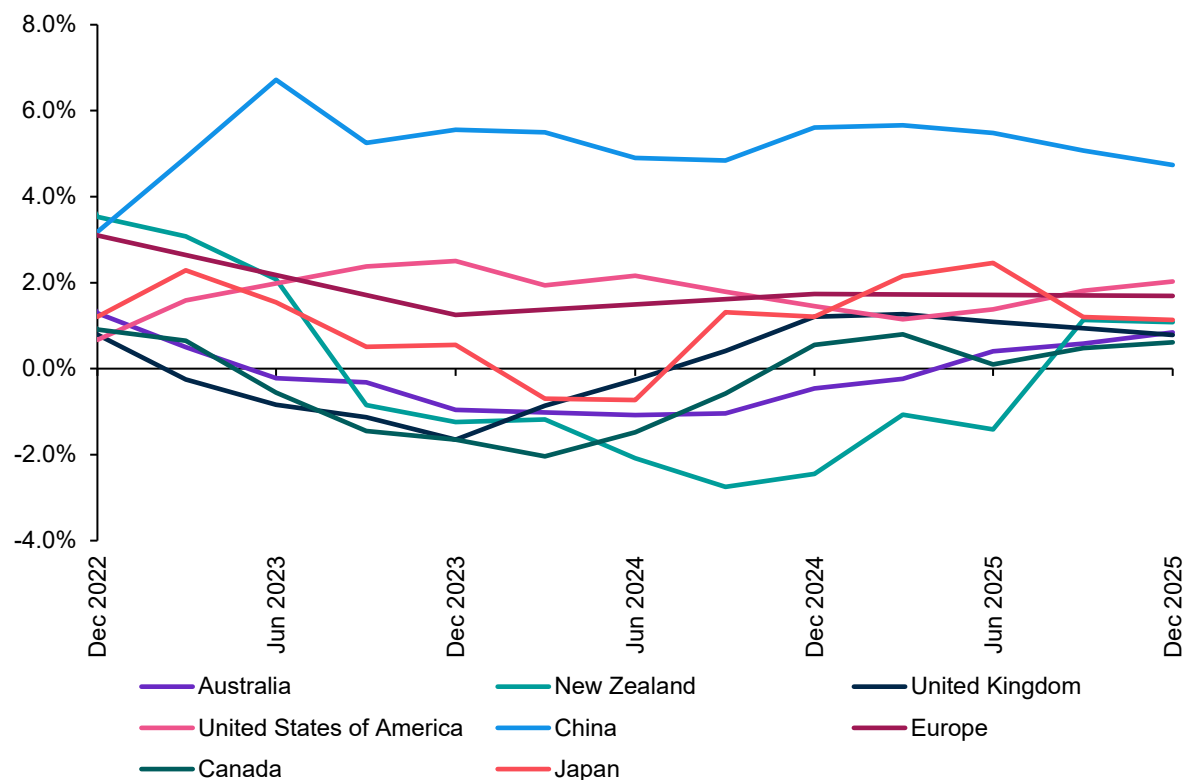
²⁹ UN – [World Economic Situation and Prospects 2026](#) – 8 January 2026

³⁰ IMF – [World Economic Outlook Update January 2026](#) – 19 January 2026

³¹ World Bank - [Global Economic Prospects, January 2026](#) – 13 January

Figure 1 shows GDP growth declined for the Euro Area and China in the December quarter 2025 and in Australia in the September quarter 2025. NZ experienced the greatest increase of 2.1pp followed by the USA of 1.7pp over the September quarter 2025. Growth in the UK was neutral over the December quarter 2025.

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



Source: LSEG Datastream

Figure 2 shows GDP per capita growth in the December quarter 2025 was positive for all selected economies. After negative growth in 2023 and 2024, GDP per capita growth was positive in 2025 for Australia, Japan, NZ, the UK and Canada.

The UN forecasts GDP per capita growth for advanced economies to be 1.5% in 2026 and 1.7% in 2027. For emerging economies, it is forecast to be 1.8% in 2026 and 2.4% in 2027.³² The WB states GDP per capita in 2025 was about 10.0% higher than in 2019, an increase exceeding past global recoveries. While 90.0% of advanced economies are now above pre-pandemic per capita income levels, less than 75.0% of emerging economies achieved this status. The divergence of emerging economies from advanced economies was attributed to conflict, expansion of the young population and policy responses pre and post pandemic.³³

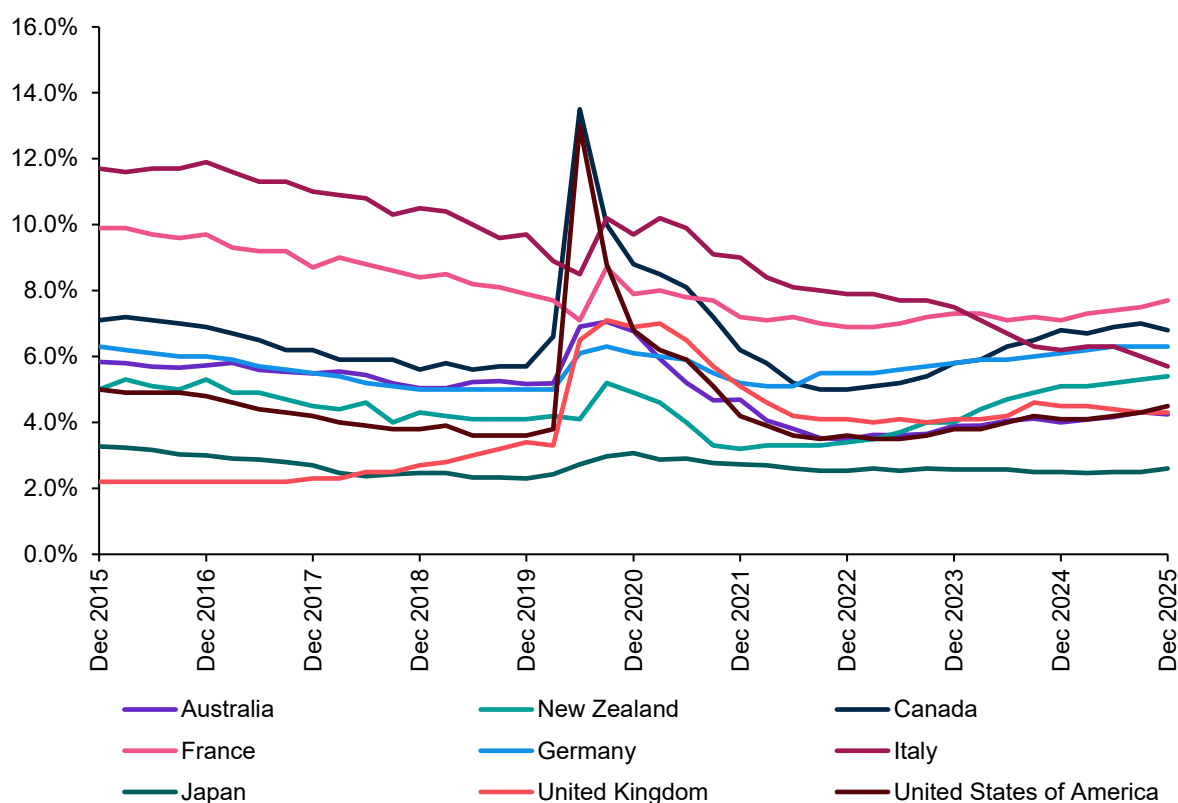
Unemployment

Figure 3 shows unemployment rates were unchanged in the December quarter 2025 for Germany and UK. The USA and France experienced the largest estimated increases of 0.2pp. Italy experienced the largest estimated decrease of 0.3pp.

³² UN – [World Economic Situation and Prospects 2026](#) – 8 January 2026

³³ World Bank - [Global Economic Prospects, January 2026](#) – 13 January

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



Source: LSEG Datastream

In November 2025, the OECD unemployment rate was stable at 5.0%. Compared October 2025, the November 2025 unemployment rates were unchanged for 23 OECD economies, rose in 4 and declined in 5.³⁴ In the EU, from the June quarter 2025 to the September quarter 2025, 52.4% of unemployed persons remained unemployed, 23.0% moved into employment and 24.5% exited the labour force.³⁵

The UK unemployment rate increased by 0.3pp to 5.1% over September to November 2025 which was largely due to more unemployed men.³⁶ The unemployment rate in Japan was unchanged at 2.6% in November 2025. It increased by 0.1pp to 2.9% for men and decreased 0.2pp to 2.3% for women.³⁷ The Bank of Japan expects the unemployment rate to moderately decline and plateau as the pace of growth in labour demand and labour force participation are expected to remain consistent.³⁸

Figure 4 shows that over the year to November 2025 the largest increases in the unemployment rate were in Finland, Sweden and Czech Republic. Australia, NZ and the USA experienced small increases. Greece, Colombia and Portugal continued to record declines.

³⁴ OECD - [OECD employment and labour force participation rates remain at record highs in Q3 2025](#) – 15 January 2026

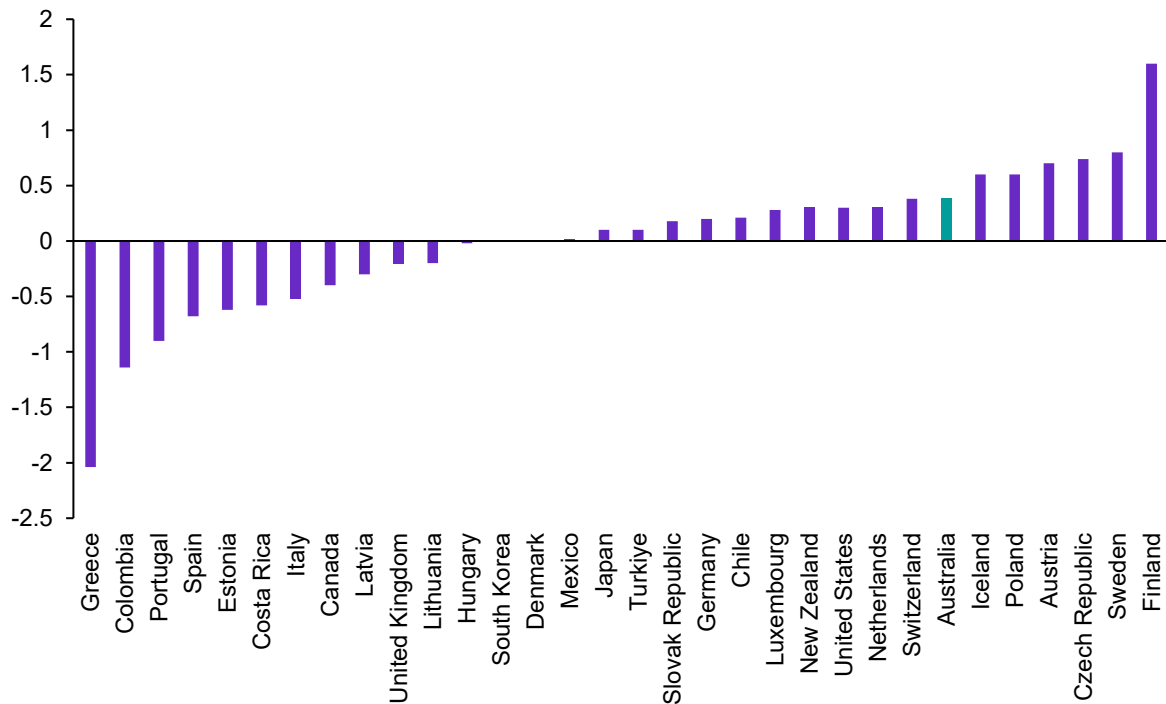
³⁵ Eurostat – [Statistics Explained: Labour market flow statistics in the EU](#) – 12 December 2025

³⁶ UK ONS - [Employment in the UK: January 2026](#) – 20 January 2026

³⁷ JILAF – [Economic and Labor Situation in Japan, January 2025](#) – 20 January 2026

³⁸ Bank of Japan - [Outlook for Economic Activity and Prices](#) – 26 January 2026

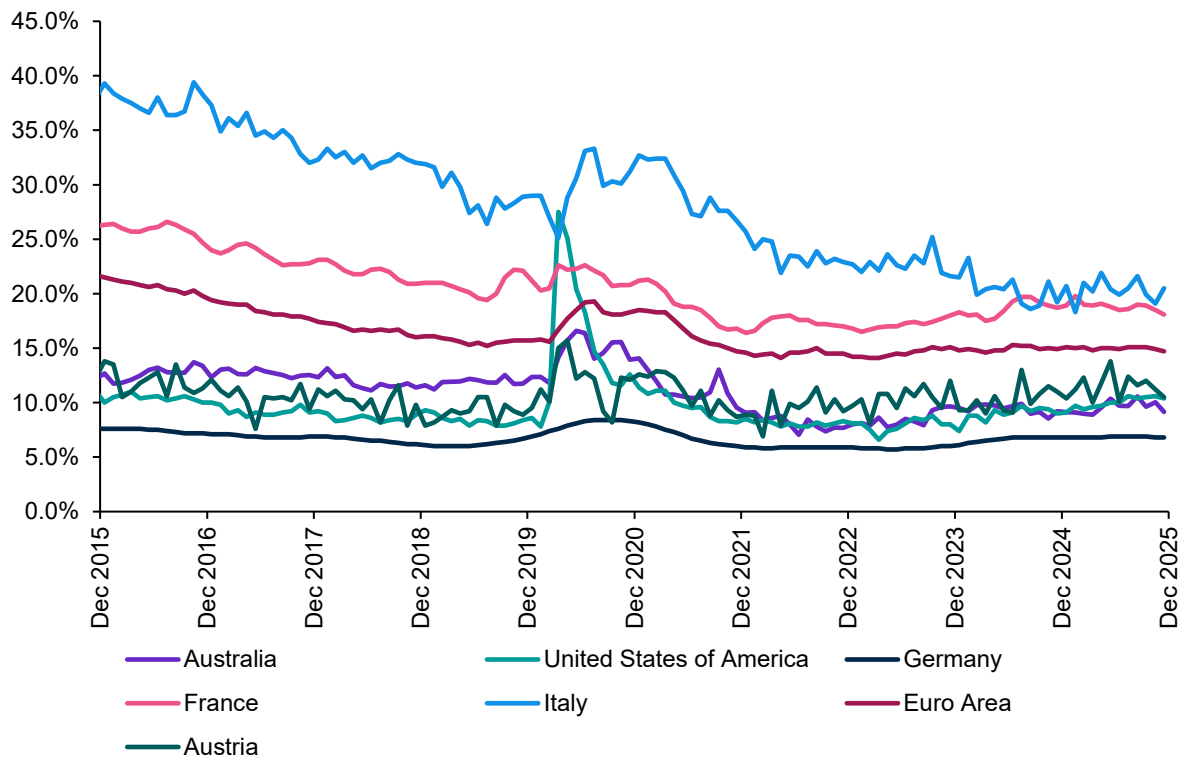
Figure 4: Changes in unemployment rates for OECD countries (percentage points), November 2024 to November 2025



Source: LSEG Datastream

Figure 5 shows the youth unemployment rate decreased in the December quarter 2025 for all countries except the USA, which saw a 0.5pp increase. Italy saw the largest decline of 2.5% followed by Australia of 1.1% over the December quarter 2025.

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



Source: LSEG Datastream

In November 2025, the OECD youth unemployment rate (aged 15–24) was stable at 11.5%. The highest rates were in Sweden (26.3%), Spain (25.0%) and Finland (24.1%), while the lowest rates were in Japan (3.0%), Korea (5.7%) and Mexico (6.3%).³⁹

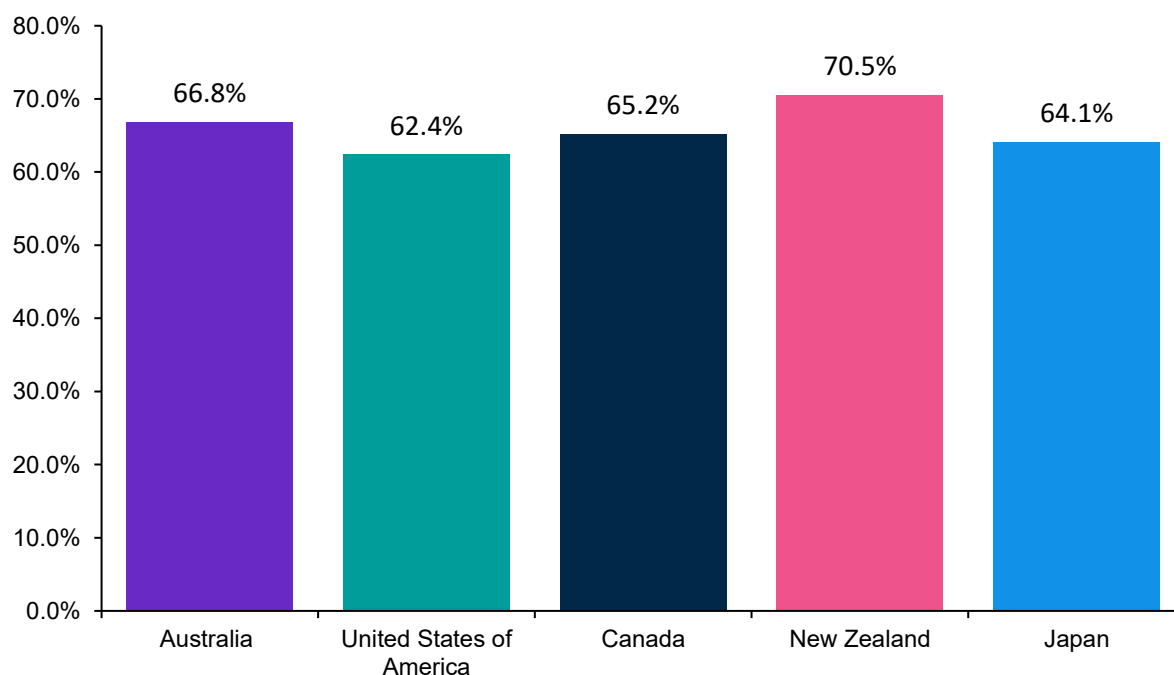
Research attributes Japan’s low youth unemployment rate to established school to work organisations and transition programs, a large expansion of the services sector, active provision of information about workplaces and diversifying into part-time and casual work.⁴⁰

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 September quarter 2025.⁴¹ In the Euro Area, the labour force participation rose for women and older workers in 2025.⁴² The labour force participation rate in the USA was 62.4% and was steady over the month and year to December 2025.⁴³ The ILO projects the global participation rate will decline to 60.5% by 2027 as workforces age.⁴⁴

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

Figure 6: Labour force participation rates (%) for selected countries, November 2025⁴⁵



Source: LSEG Datastream

³⁹ OECD – [Labour Market Situation](#) – 15 January 2026

⁴⁰ Labour Marker and Labour Administration and Legislation - [Youth Employment and Employment Policies in Japan \(Hori Yukie\)](#) – January 2023

⁴¹ OECD - [OECD employment and labour force participation rates remain at record highs in Q3 2025](#) – 15 January 2026

⁴² UN – [World Economic Situation and Prospects 2026](#) – 8 January 2026

⁴³ USA BLS – [The Employment Situation - December 2025](#) – 9 January 2026

⁴⁴ ILO – [Employment and Social Trends 2026](#) – 16 January 2026

⁴⁵ 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

Job vacancies

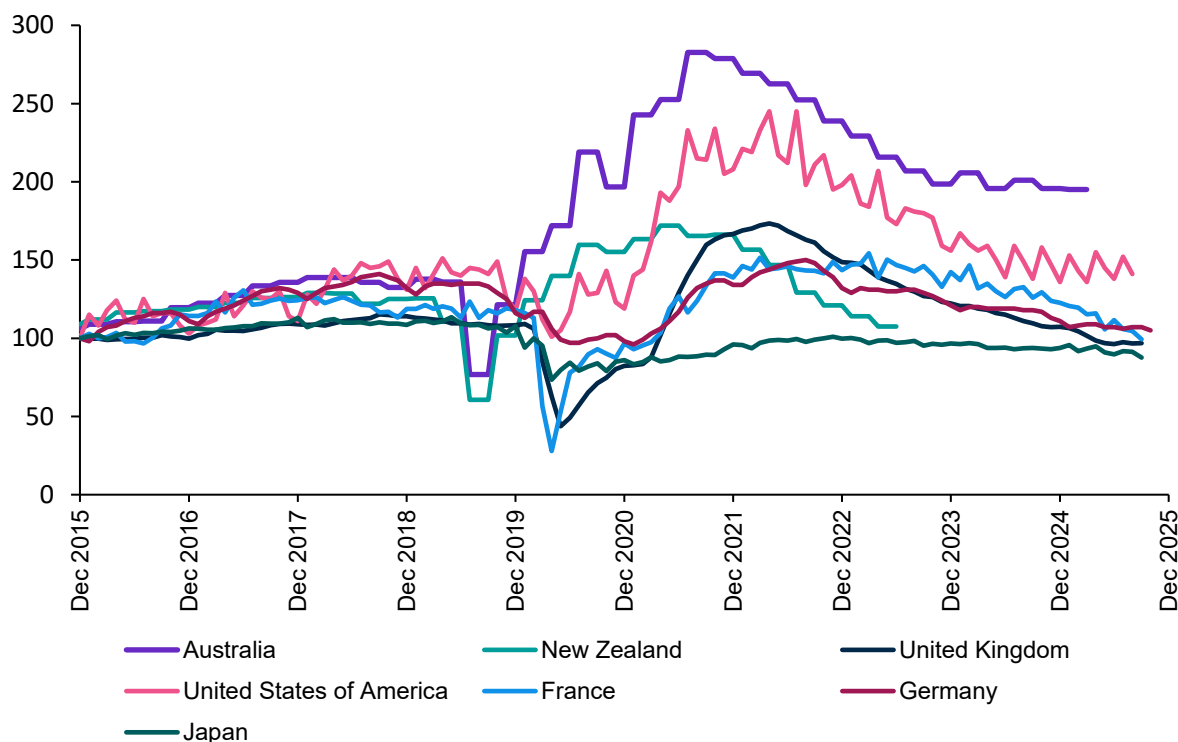
The OECD reports job vacancies across OECD economies returned to pre-pandemic levels in 2025.⁴⁶ The job vacancy rate in the Euro Area was 2.1% in the September quarter 2025, down 0.4pp from the September quarter 2024. In the EU, the job vacancy rate was 2.0% in the September quarter 2025, down 0.3pp from the September quarter 2024, which was the lowest since the pandemic.⁴⁷

In the USA, job openings continued to fall in December 2025 by 386,000 to 6.5 million. Declines were recorded in professional and business services (down 257,000), retail trade (down 195,000), and finance and insurance (down 120,000).⁴⁸

In NZ, online job advertisements increased by 6.4% over the year to the December quarter 2025, which is the second consecutive quarter of annual growth after consecutive falls since late 2022. Growth was recorded in 6 of 9 industries led by IT and construction, while education declined.⁴⁹

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

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



Source: LSEG Datastream

⁴⁶ OECD - [Economic Outlook Volume 2025 Issue 2](#) – 2 December 2025

⁴⁷ European Central Bank – [Economic Bulletin Issue 8: Economic, financial and monetary developments](#) – 7 January 2026

⁴⁸ USA BLS - [Job Openings and Labor Turnover, December 2025](#) – 5 February 2026

⁴⁹ NZ MBIE – [Jobs Online: December Quarter, Quarterly New Zealand Online Job Advertisements](#) – 30 January 2026

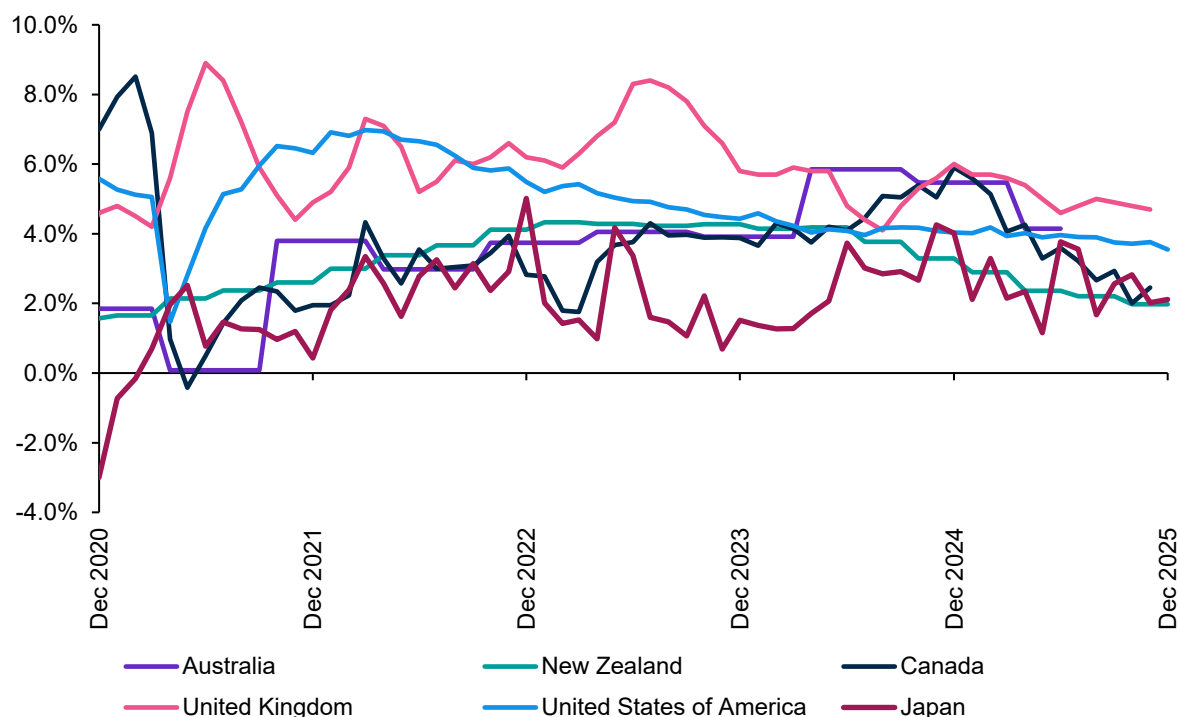
Employee earnings

The OECD states nominal wage growth in most OECD economies continued to slow in 2025. Continued inflation moderated real wage growth in Canada and Japan, while disinflation⁵⁰ led to steady real wage growth in the Euro Area. The OECD projects nominal wage growth will continue to soften in most OECD economies as labour markets soften further.⁵¹

The European Central Bank stated Euro Area year-on-year growth in compensation per employee was 4.0% in the September quarter 2025.⁵² In the UK, the IMF expects a softening labour market will keep wage growth low in 2026.⁵³ Estimates for December 2025 indicate median monthly pay increased by 4.0% compared to December 2024.⁵⁴ In Korea, average monthly household income increased by 3.5% in the September quarter 2025 compared to the September quarter 2024. Disposable income also rose by 4.6% over the same period.⁵⁵

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

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



Source: LSEG Datastream

⁵⁰ Disinflation refers to a decrease in the rate of inflation.

⁵¹ OECD - [Economic Outlook Volume 2025 Issue 2](#) – 2 December 2025

⁵² European Central Bank – [Economic Bulletin Issue 8: Economic, financial and monetary developments](#) – 7 January 2026

⁵³ IMF – [World Economic Outlook Update January 2026](#) – 19 January 2026

⁵⁴ UK ONS - [Earnings and employment from Pay As You Earn Real Time Information](#) – 20 January 2026

⁵⁵ Korean Ministry of Economy and Finance - [Household Income and Expenditure Trends in the Third Quarter of 2025](#) – 27 November 2025

Productivity

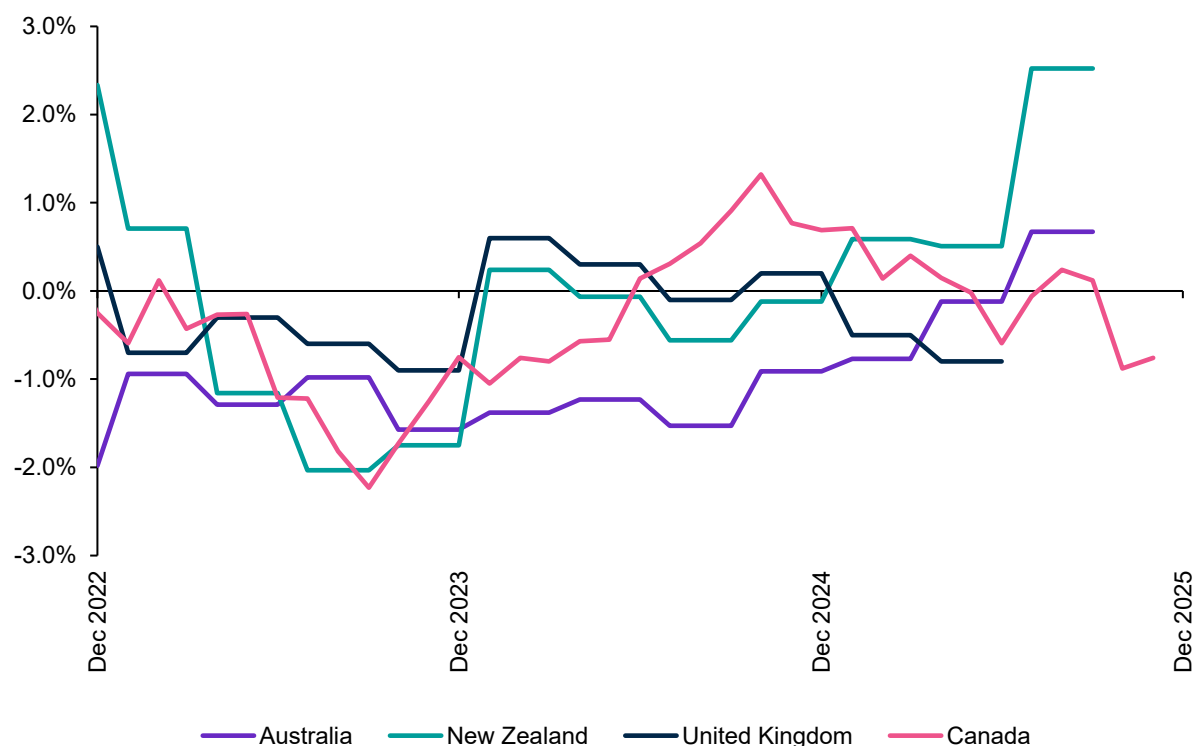
The UN and OECD suggest AI could lift productivity growth as technological advances are more widely adopted but faster than anticipated.⁵⁶

In the September quarter 2025, labour productivity increased by 0.7% in the Euro Area and 1.1% in the EU compared to the September quarter 2024. Based on hours worked, productivity rose by 0.6% in the Euro Area and 0.9% in the EU.⁵⁷ The UN identified lower competition, high electricity prices, slow adoption of technology and aging populations as drivers for lower productivity in the EU.⁵⁸

From the December quarter 2019 to June quarter 2025 labour productivity increased at an annual rate of 2.0% in the USA.⁵⁹ Labour productivity in Canada increased by 0.9% in the September quarter 2025, reflecting a recovery in business output. This was the sixth quarterly increase in 8 quarters.⁶⁰

Figure 9 shows productivity growth was positive for NZ at 2.5% in the September quarter 2025. The UK experienced negative productivity growth throughout the first half of 2025. Australia's annual productivity growth continued its upward trend in 2025 and Canada's continued to fluctuate in 2025.

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



Source: LSEG Datastream

⁵⁶ UN – [World Economic Situation and Prospects 2026](#) – 8 January 2026; OECD - [Economic Outlook Volume 2025 Issue 2](#) – 2 December 2025

⁵⁷ Eurostat - [Quarterly national accounts - GDP and employment](#) – 20 January 2026

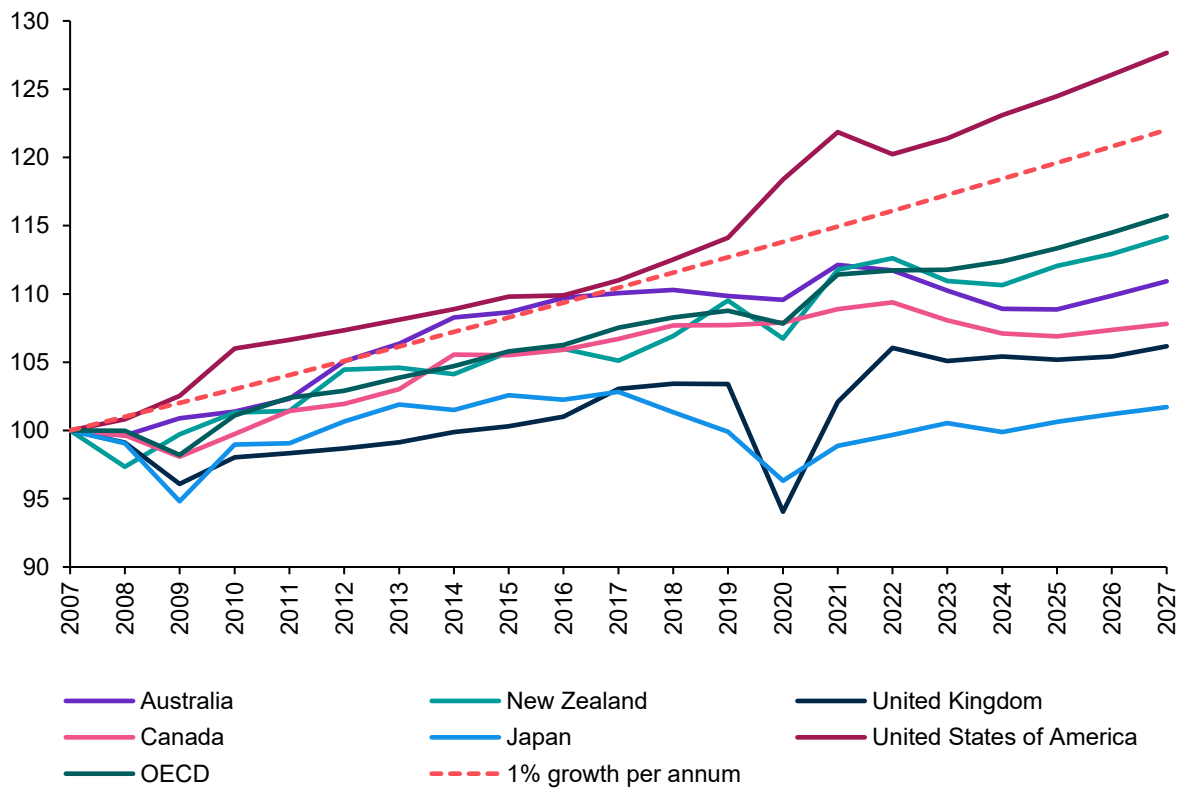
⁵⁸ UN – [World Economic Situation and Prospects 2026](#) – 8 January 2026

⁵⁹ USA BLS – [Productivity and Costs: Third Quarter 2025 Preliminary](#) – 8 January 2026

⁶⁰ Statistics Canada - [Labour productivity, hourly compensation and unit labour cost, third quarter 2025](#) – 3 December 2025

Figure 10 shows the OECD forecasts indexed labour productivity to increase throughout 2026 and 2027 for all economies. NZ is forecast to increase to most by 1.2% from 2026 to 2027. 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 2027⁶¹



Source: LSEG Datastream

⁶¹ 2025, 2026 and 2027 data used an OECD forecast.