



QUARTER TWO 2025- Key Findings

INTRODUCTION

The Labour Force Survey (LFS) plays a vital role in generating key labour market indicators that inform national planning and policy formulation. Data from the LFS not only supports the monitoring and evaluation of the country's economic performance but also contributes to the design of employment-related programmes, poverty reduction strategies, and other socio-economic initiatives.

The 2nd Quarter Labour Force Survey was conducted in May 2025, covering a total of 2,928 households across 19 dzongkhags¹. Of the

selected households, 2,857 participated in the survey, resulting in an overall response rate of 97.6%.

Most indicators are available at the domain level; however, labour market indicators for the youth population (aged 15–24) could not be reliably estimated due to limitations in sample size. The survey follows the labour force framework and standards of the International Labour Organization (ILO), ensuring that the results are internationally comparable.

Table 1: Highlights of the Key Indicators of the Labour Market

Key Indicator (Numbers)	2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2
Labour Force Population						
Sex						
Male	229,024	226,821	238,065	231,587	233,248	232,629
Female	154,736	142,100	153,047	155,164	157,528	162,130
Area						
Urban	131,737	130,710	131,008	139,725	142,644	135,526
Rural	252,023	238,211	260,104	247,026	248,131	259,233
Total	383,760	368,921	391,113	386,751	390,775	394,759
Inactive Population						
Sex						
Male	85,562	85,831	76,521	81,256	85,062	83,826
Female	131,090	142,174	132,779	128,964	132,279	126,095
Area						
Urban	92,262	99,655	90,717	89,197	95,915	87,702
Rural	124,390	128,350	118,582	121,023	121,426	122,219
Total	216,652	228,005	209,299	210,219	217,342	209,921
Employed Population						
Sex						
Male	219,922	219,765	232,463	226,326	226,954	226,946
Female	148,126	135,650	146,560	148,379	149,807	156,382
Area						
Urban	123,091	123,225	124,385	131,990	134,551	128,217
Rural	244,957	232,191	254,637	242,715	242,211	255,110
Total	368,048	355,416	379,022	374,705	376,762	383,327
Unemployed Population						
Sex						
Male	9,102	7,056	5,603	5,261	6,293	5,683
Female	6,610	6,449	6,488	6,785	7,720	5,748
Area						
Urban	8,646	7,485	6,623	7,735	8,093	7,309
Rural	7,066	6,020	5,467	4,311	5,920	4,122
Total	15,712	13,505	12,090	12,046	14,014	11,432
Youth Unemployed Population						
Sex						
Male	5,382	4,187	2,645	2,808	2,517	2,365
Female	3,549	3,716	4,240	3,790	3,199	3,928
Area						
Urban	4,538	4,470	3,635	3,856	3,447	3,914
Rural	4,394	3,433	3,250	2,742	2,269	2,378
Total	8,932	7,903	6,885	6,598	5,716	6,293

Key Indicator (%)	2024				2025	
	Q1	Q2	Q3	Q4	Q1	Q2
Labour Force Participation Rate						
Sex						
Male	72.8	72.5	75.7	74.0	73.3	73.5
Female	54.1	50.0	53.5	54.6	54.4	56.3
Area						
Urban	58.8	56.7	59.1	61.0	59.8	60.7
Rural	67.0	65.0	68.7	67.1	67.1	68.0
Total	63.9	61.8	65.1	64.8	64.3	65.3
Inactivity Rate						
Sex						
Male	27.2	27.5	24.3	26.0	26.7	26.5
Female	45.9	50.0	46.5	45.4	45.6	43.7
Area						
Urban	41.2	43.3	40.9	39.0	40.2	39.3
Rural	33.0	35.0	31.3	32.9	32.9	32.0
Total	36.1	38.2	34.9	35.2	35.7	34.7
Employment Rate						
Sex						
Male	96.0	96.9	97.6	97.7	97.3	97.6
Female	95.7	95.5	95.8	95.6	95.1	96.5
Area						
Urban	93.4	94.3	94.9	94.5	94.3	94.6
Rural	97.2	97.5	97.9	98.3	97.6	98.4
Total	95.9	96.3	96.9	96.9	96.4	97.1
Unemployment Rate						
Sex						
Male	4.0	3.1	2.4	2.3	2.7	2.4
Female	4.3	4.5	4.2	4.4	4.9	3.5
Area						
Urban	6.6	5.7	5.1	5.5	5.7	5.4
Rural	2.8	2.5	2.1	1.8	2.4	1.6
Total	4.1	3.7	3.1	3.1	3.6	2.9
Youth Unemployment Rate						
Sex						
Male	25.7	18.9	11.9	14.5	14.8	13.8
Female	19.7	19.6	21.8	21.2	19.5	20.3
Area						
Urban	31.5	21.7	20.1	19.8	19.7	22.0
Rural	17.9	16.7	13.8	15.5	14.3	12.8
Total	22.9	19.2	16.5	17.7	17.1	17.3



SURVEY FINDINGS

I. Labour Force Participation Rate in Q2, 2025 Remains Consistent at 65.3%

In Q2 2025, 77% of the total population (604,680 persons) were aged 15 years and above, constituting the working-age population. Of this, 52.3% were male and 47.7% female; 36.9% resided in urban areas and 63.1% in rural areas.

A total of 394,759 individuals were economically active, with males accounting for 58.9% and females 41.1%. Economic activity is higher in rural areas (65.7%) compared to urban areas (34.3%).

The Labour Force Participation Rate (LFPR) the proportion of the working-age population that is economically active stands at 65.3% in Q2, 2025. The rate is higher among males (73.5%) than

females (56.3%), and higher in rural areas (68.0%) than in urban areas (60.7%) (Figure 1b).

Compared to Q2, 2024, the LFPR rose by 3.5 percentage points, indicating a year-on-year improvement in labour market engagement. It increased by 1.0 percentage points from Q1 2025, on a quarter-on-quarter basis¹ (Figure 1a).



Labour Force Participation Rate:

65.3%

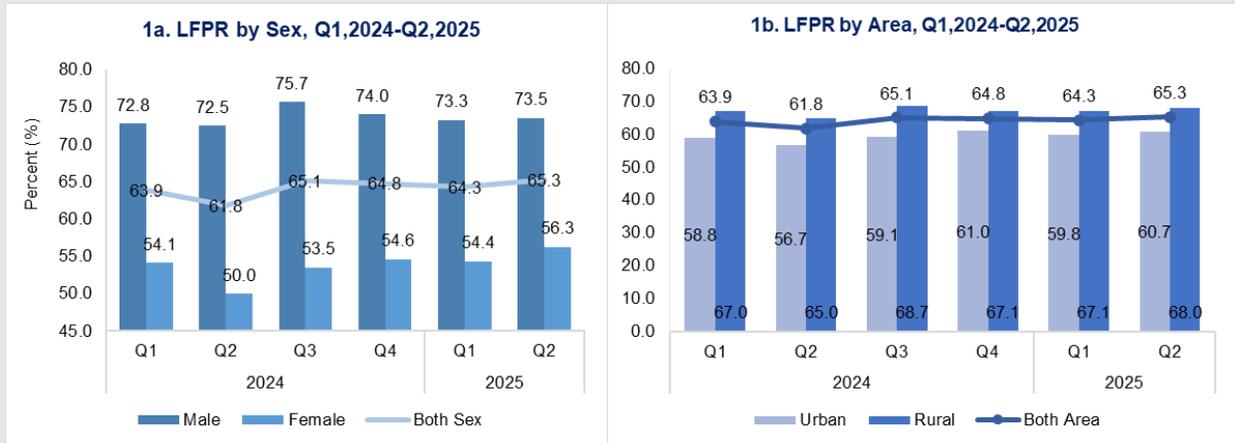


Figure 1: Labour Force Participation Rate by Sex and Area of Residence, Q1,2024-Q2,2025

¹ Quarter-on-quarter comparisons use unadjusted data and may reflect seasonal effects.



II. Education and Family Duties Were the Main Reasons for Being Outside Labour Force

In Quarter 2, 2025, the proportion of persons outside the labour force declined by 1.0² percentage points from the previous quarter. Compared to the same quarter in 2024, the inactivity rate fell by 3.5 percentage points, from 38.2% to 34.7%.

The urban inactivity rate is 39.3%, while the rural rate remains consistently lower at 32.0%. A marked gender disparity persists: female inactivity stands at 43.7%, 17.2 percentage points higher than the male rate of 26.5%,

reflecting continued gender gaps in labour force participation (Figure 2a).

Education and family duties remains the leading reasons for remaining outside the labour force. A significant share of individuals cited studies or training as the main reason, followed by household and family responsibilities. Additionally, around 22.2% of those outside the labour force reported retirement, pension, or disability as their reason for non-participation (Figure 2b).

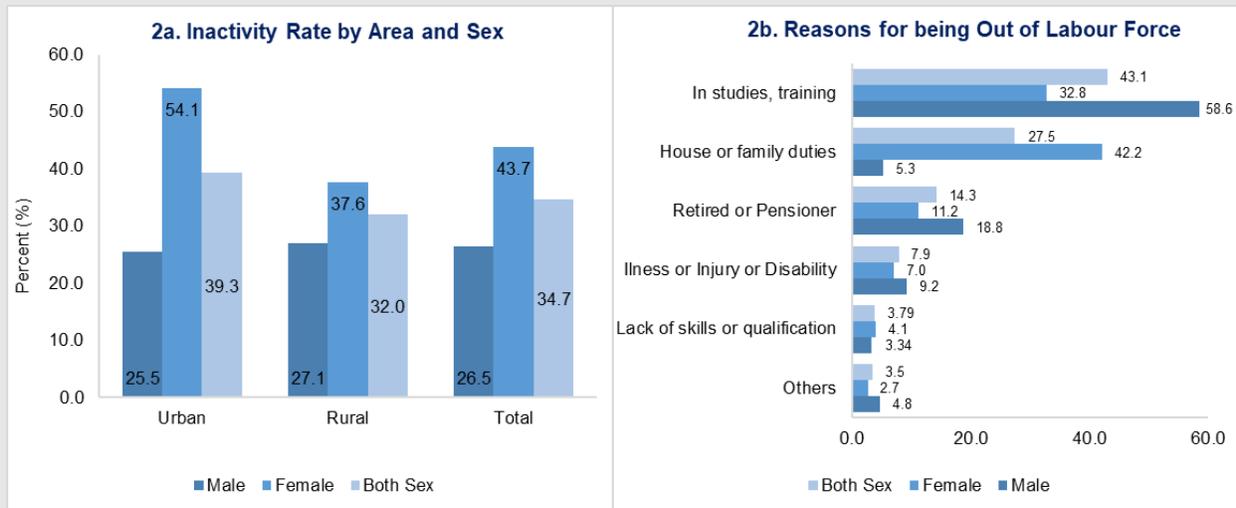


Figure 2: Inactivity Rate and Reasons for Being Out of Labour Force

III. The Employment Rate Continued on an Upward Trend

In Quarter 2, 2025, the employment rate maintained its upward trend, rising by 0.7 percentage points from the previous quarter. Compared to the same quarter in 2024, the rate increased by 0.8 percentage points, reflecting a continued strengthening of the labour market.

The employment rate stands at 97.6% for males and 96.5% for females. By area of residence, the urban (94.6%) employment rate is lower than that of rural areas (98.4%) a difference largely explained by the high proportion of rural residents engaged in own-account agricultural work, particularly farming on their own land (Figure 3a).

² Quarter-on-quarter comparisons use unadjusted data and may reflect seasonal effects.



QUARTERLY LABOUR FORCE STATISTICS BULLETIN

Among the 383,327 employed persons, 43.5% are engaged in the agriculture sector, 41.4% in the services sector, and 15.2% in the industry sector. Among employed males, a higher

proportion are engaged in the services and industry sectors, whereas among employed females, a higher proportion are engaged in the agriculture sector (Figure 3b).

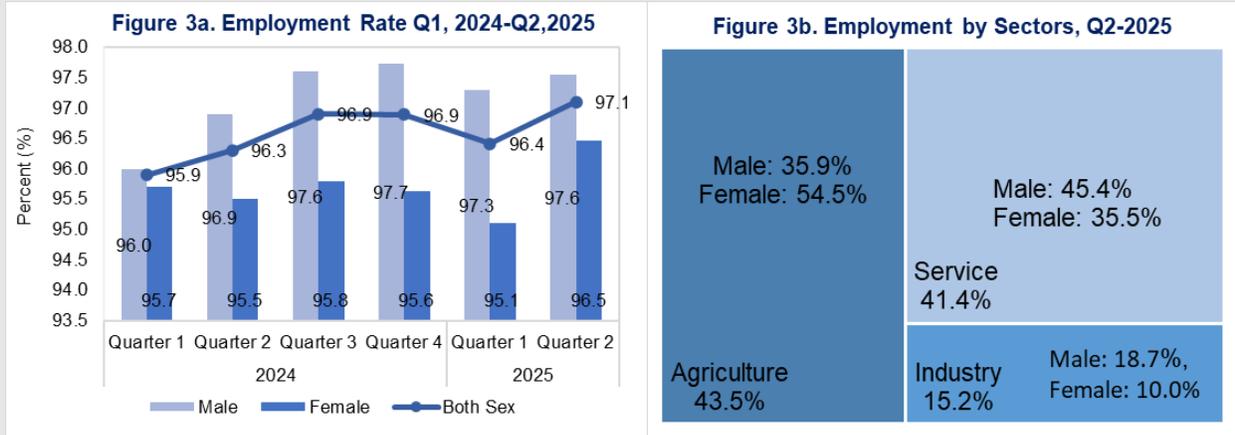


Figure 3: Employment Rate (Q1 2024–Q2 2025) and Sector-wise Employment Distribution

In Quarter 2 of 2025, the employment distribution reveals that approximately 40.5% of the total employed population were paid employees, including both regular and casual workers. Own-account workers, engaged in either agricultural or non-agricultural activities, accounts for 33.2% percent, while family contributing workers comprises around 26.4% of the workforce. A notable gender disparity is observed across these employment categories, indicating differences in

the nature of work undertaken by men and women (Figure 4a).

The mean monthly labour income for employed persons is Nu. 23,722. Male employed persons earn a mean income of Nu. 25,871, which is Nu. 6,330 higher than their female counterparts. Additionally, male employed persons have higher mean monthly incomes than female employed persons in both urban and rural areas (Figure 4b).

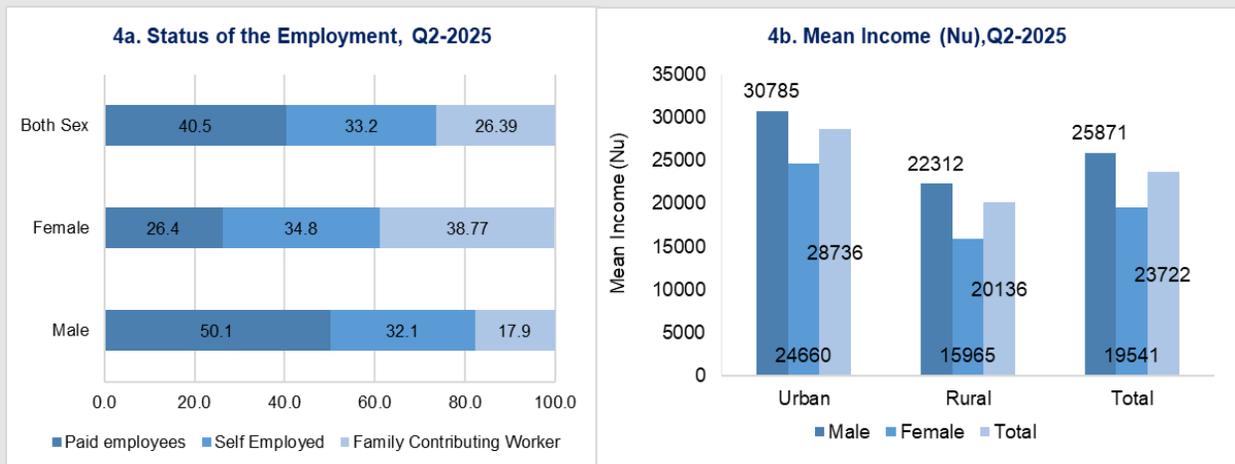


Figure 4: Employed Persons by Employment Status & Mean Income



IV. Unemployment Rate Falls to 2.9% in Q2 2025, but Youth Unemployment Remains Six Times Higher than the Overall Rate

During Quarter 2, 2025, the national unemployment rate declined to 2.9% (95% CI: 2.2%, 3.5%), continuing its downward trend. This represents a decrease of 0.7 percentage points from 3.6% in Quarter 1; however, the difference is not statistically significant, as indicated by overlapping confidence intervals.

Compared to the same quarter in 2024, the rate declined by 0.8 percentage points year-on-year. By sex, the unemployment rate is 2.4% for males and 3.5% for females (Figure 5a).

While the overall unemployment rate indicates near full employment, youth unemployment remains a

persistent concern. Of the total unemployed persons actively seeking and available for work in Quarter 2 of 2025, 55.1% were youth aged 15–24. The youth unemployment rate stands at 17.3% (CI12.3,22.3), reflecting a 0.2 percentage point increase from the previous quarter. On a year-on-year basis, the rate declined by 1.9 percentage points compared to the same quarter of the preceding year (Figure 5b).

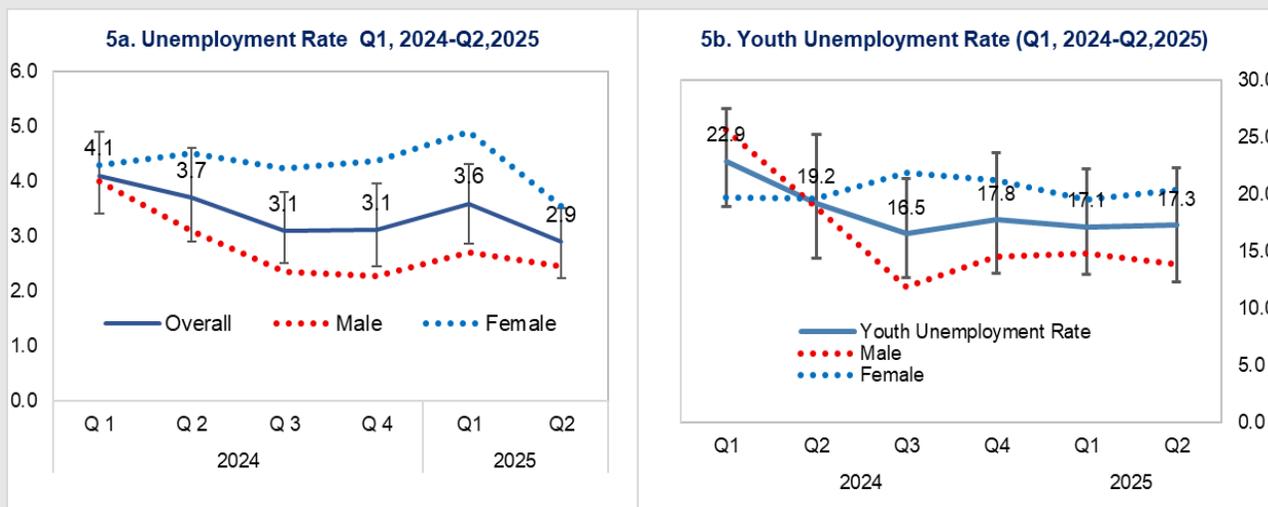


Figure 5: Unemployment Rate Q1,2024-Q2, 2025

The unemployment rate is highest among younger age groups, peaking in the 20–24 years cohort. It remains above the overall unemployment rate until the 30–34 years age group, after which the unemployment rate declines steadily and flattens from age 45 onwards (Figure 6a). Similarly, the

number of unemployed persons peaks in the 20–24 years group before declining thereafter. This decline in unemployment rate with age may reflect typical life-cycle patterns of labour market entry, accumulation of work experience, and increasing job stability.

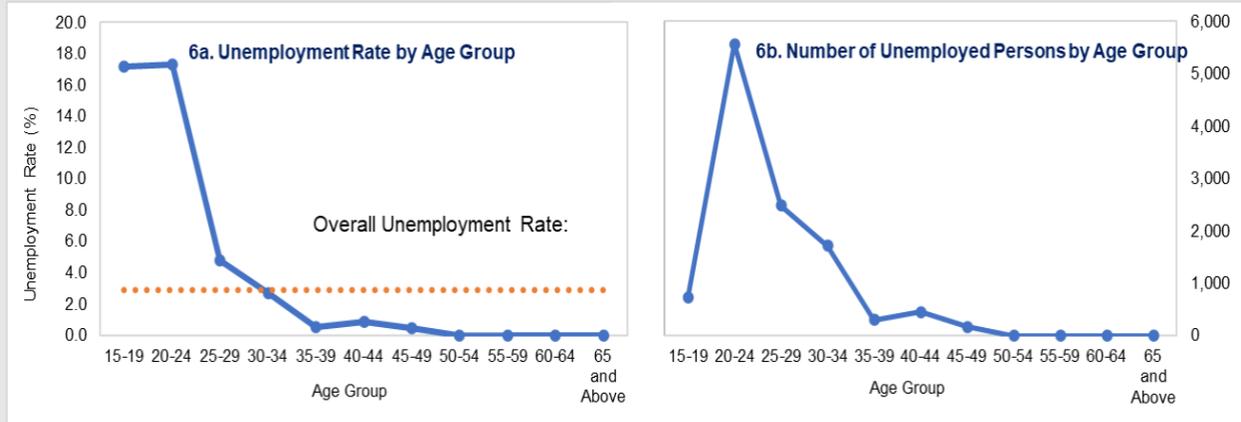


Figure 6: Number of Unemployed Persons and Unemployment Rate Q2, 2025

Information on reasons for unemployment shows that among several cited causes, the major ones include lack of experience (21.7%), lack of adequate qualification (20.6%), recently completed studies (15.2%), voluntary resignation from previous job (14.0%), and lack of skills (9.5%) (Figure 7a). This pattern of reasons for unemployment is consistent across both male and female respondents, indicating similar challenges faced by both genders in the labour market.

By duration of unemployment among the actively unemployed, 68.8% were unemployed for less than six months, while 31.2% were unemployed for six months or more. Approximately 15.3% of unemployed persons have been without work,

actively seeking employment, and available for work for more than one year during the reference period. This group is classified as long-term unemployed (Figure 7b).

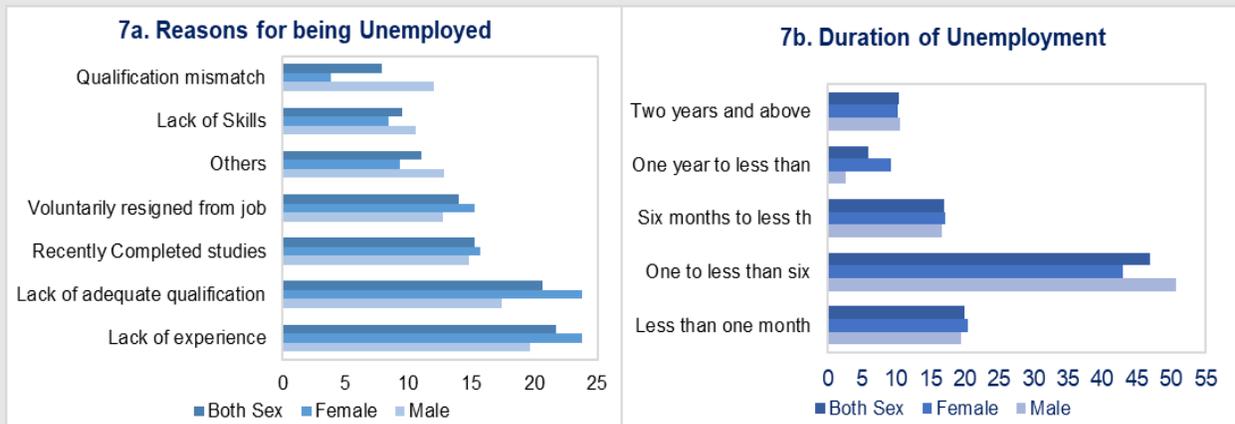


Figure 7. Reasons for Unemployment and Duration of Unemployment, Q2, 2025

ⁱ Gaza is excluded from Q2 and Q4 surveys due to small sample size and seasonal migration