

# LABOUR FORCE STATISTICS BULLETIN

## QUARTER THREE, 2025: KEY FINDINGS

National Statistics Bureau



The overall unemployment rate in 2025 QUARTER THREE is 3.2% with youth unemployment rate of 17.8%

### 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 3<sup>rd</sup> Quarter Labour Force Survey was conducted in August 2025, covering a total of 3,018 households across 20 dzongkhags. Of the selected households, 2,963 participated in the survey, resulting in an overall response rate of 98.2%.

Most indicators are available at domain level. The survey follows the labour force framework and standards of the International Labour Organization (ILO), ensuring that the results are internationally comparable.

Key Indicator (%)	2024				2025		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
<b>Labour Force Participation</b>							
<b>Rate</b>							
Sex							
Male	72.8	72.5	75.7	74.0	73.3	73.5	74.2
Female	54.1	50.0	53.5	54.6	54.4	56.3	55.8
Area							
Urban	58.8	56.7	59.1	61.0	59.8	60.7	61.1
Rural	67.0	65.0	68.7	67.1	67.1	68.0	68.1
Total	63.9	61.8	65.1	64.8	64.3	65.3	65.5
<b>Inactivity Rate</b>							
Sex							
Male	27.2	27.5	24.3	26.0	26.7	26.5	25.8
Female	45.9	50.0	46.5	45.4	45.6	43.7	44.2
Area							
Urban	41.2	43.3	40.9	39.0	40.2	39.3	38.9
Rural	33.0	35.0	31.3	32.9	32.9	32.0	31.9
Total	36.1	38.2	34.9	35.2	35.7	34.7	34.5
<b>Employment Rate</b>							
Sex							
Male	96.0	96.9	97.6	97.7	97.3	97.6	97.8
Female	95.7	95.5	95.8	95.6	95.1	96.5	95.3
Area							
Urban	93.4	94.3	94.9	94.5	94.3	94.6	94.6
Rural	97.2	97.5	97.9	98.3	97.6	98.4	97.9
Total	95.9	96.3	96.9	96.9	96.4	97.1	96.8
<b>Unemployment Rate</b>							
Sex							
Male	4.0	3.1	2.4	2.3	2.7	2.4	2.3
Female	4.3	4.5	4.2	4.4	4.9	3.5	4.7
Area							
Urban	6.6	5.7	5.1	5.5	5.7	5.4	5.4
Rural	2.8	2.5	2.1	1.8	2.4	1.6	2.1
Total	4.1	3.7	3.1	3.1	3.6	2.9	3.2
<b>Youth Unemployment Rate</b>							
Sex							
Male	25.7	18.9	11.9	14.5	14.8	13.8	13.4
Female	19.7	19.6	21.8	21.2	19.5	20.3	22.4
Area							
Urban	31.5	21.7	20.1	19.8	19.7	22.0	21.16
Rural	17.9	16.7	13.8	15.5	14.3	12.8	15.18
Total	22.9	19.2	16.5	17.7	17.1	17.3	17.8

# I. Labour force participation rate in quarter three remains around 65%

## SURVEY FINDINGS

In Q3 2025, 77.6% of the total population (608,117 persons) were aged 15 years and above, constituting the working-age population. Of this, 52% were male and 48% female; 38% resided in urban areas and 62% in rural areas.

A total of 398,039 individuals were economically active, with males accounting for 59.4% and females 40.6%. Economic activity is higher in rural areas (64.5%) compared to urban areas (35.5%).

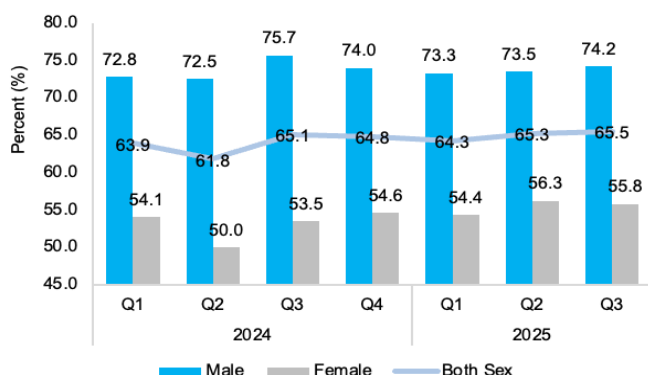
The Labour Force Participation Rate (LFPR) the proportion of the working-age population that is economically active stands at 65.5% in Q3, 2025. The rate is higher among males (74.2%) than females (55.8%), and higher in rural areas (68.1%) than in urban areas (61.1%) (Figure 1b).

Compared to Q3, 2024, the LFPR rose by 0.4 percentage points, indicating a year-on-year improvement in labour market engagement. It increased by 0.2 percentage points from Q2 2025, on a quarter-on-quarter basis<sup>1</sup> (Figure 1a).

## LABOUR FORCE PARTICIPATION RATE, 2025

# 65.5%

1a. LFPR by Sex, Q1,2024-Q3,2025



1b. LFPR by Area, Q1,2024-Q3,2025

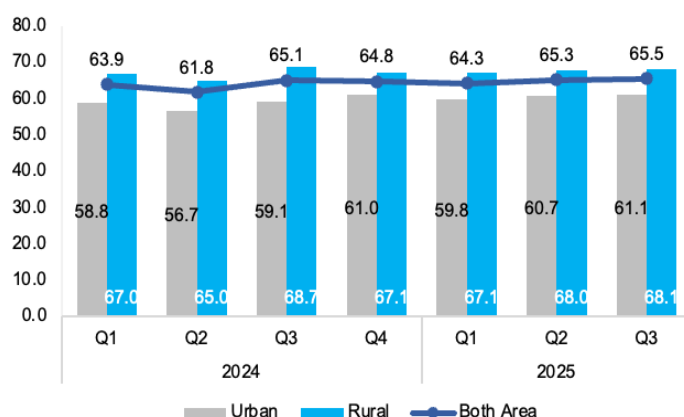


Figure 1: Labour Force Participation Rate by Sex and Area of Residence, Q1, 2024-Q3,2025

<sup>1</sup>: Quarter-on-Quarter comparisons use unadjusted data and may reflect seasonal effects

## II. Education and Family duties are the main reasons for being outside labour force

In Quarter 3, 2025, the proportion of persons outside the labour force declined by 0.2<sup>2</sup> percentage points from the previous quarter. Compared to the same quarter in 2024, the inactivity rate fell by 0.4 percentage points, from 34.9% to 34.5%.

The urban inactivity rate is 38.9%, while the rural rate remains consistently lower at 31.9%. A marked gender disparity persists: female inactivity stands at 44.2%, 18.4 percentage points higher than the male rate of 25.8%, reflecting continued gender gaps in labour force participation (Figure 2a).

Education and family duties remain the leading reasons for being outside the labour force. A large share of males reported studies or training as their main reason, while females predominantly cited household and family responsibilities. This highlights a strong gender disparity in labour force non-participation.

In addition, about 20.5% of individuals outside the labour force reported retirement, pension, or disability as their reason for non-participation (Figure 2b).

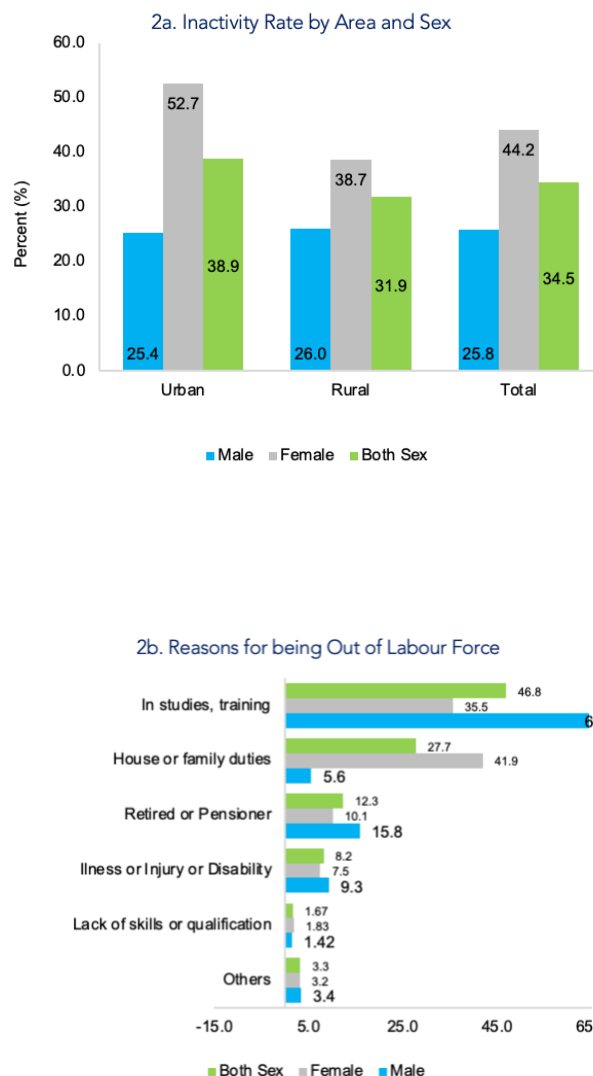


Figure 2. Inactivity rate and reasons for being out of labour force

## III. The employment rates remained stable, averaging 96-97% across Quarters.

In Quarter 3, 2025, the overall employment rate stands at 96.8%, showing a slight decline from 97.1% in the previous quarter. Compared to the same quarter last year, the rate is also slightly lower, reflecting minor fluctuations in employment.

The employment rate stands at 97.8% for males and 95.3% for females. By area of residence, the urban (94.6%) employment rate is lower than that of rural areas (97.9%). This is due to the engagement of the high proportion of rural

<sup>2</sup>: Quarter-on-Quarter comparisons use unadjusted data and may reflect seasonal effects

rural residents in own-account agricultural work, particularly farming on their own land (Figure 3a).

Among the 385,131 employed persons, 42.7% are engaged in the agriculture sector, 40.7% in the services sector, and 16.6% 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).

In Quarter 3 of 2025, the employment distribution reveals that approximately 42.4% 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 32.6%, while family contributing workers comprises around 25.0% 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. 25,728. Male employed persons earn a mean income of Nu. 28,007, which is Nu. 6,586 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).

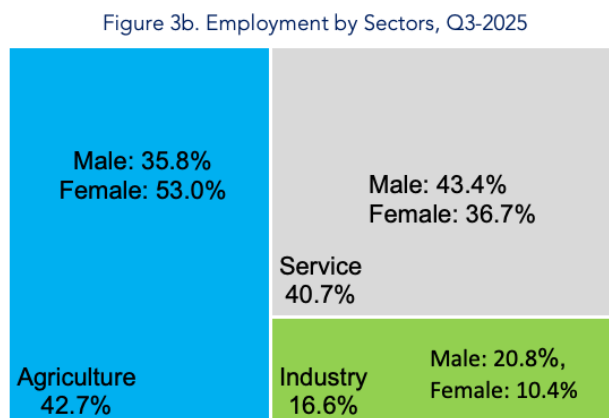
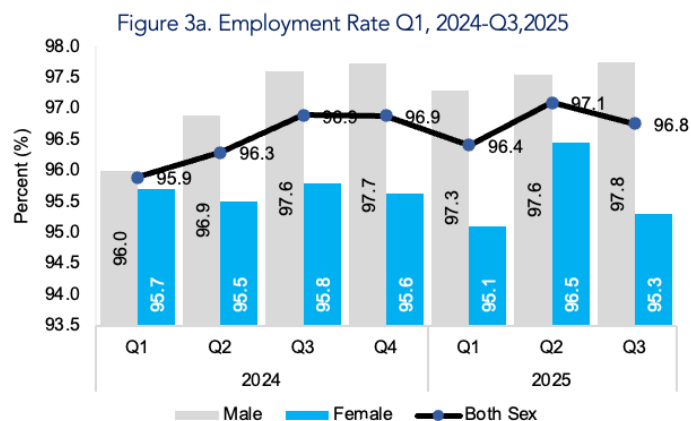


Figure 3. Employment Rate (Q1 2024–Q3 2025) and Sector-wise Employment Distribution

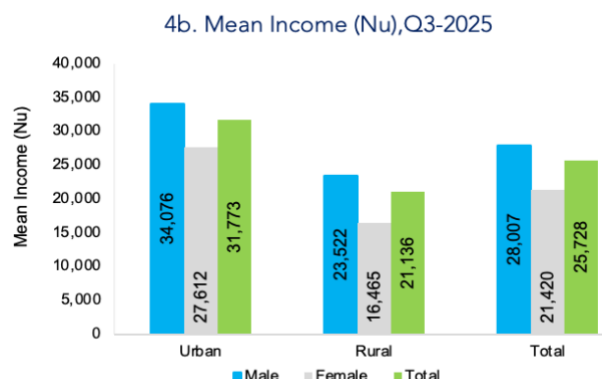
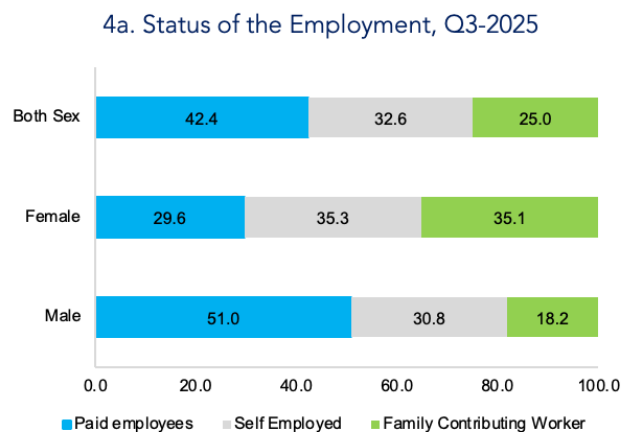


Figure 4. Employed Persons by Employment status & Mean Income

## IV. Overall Unemployment Rate Stands at 3.2%, While Youth Unemployment remains over Five times higher in Quarter Three, 2025

In quarter three 2025, the national unemployment rate stands at 3.2% (95% CI: 2.5, 4.0), slightly higher than 2.9% (95% CI: 2.2, 3.5) in Quarter 2. The overlapping confidence intervals indicate that the observed difference is not statistically significant.

Compared to the same quarter in 2024, the rate is 0.2 percentage points higher. By sex, the unemployment rate is 2.3% for males and 4.7% 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 3 of 2025, 44.2% were youth aged 15–24. The youth unemployment rate stands at 17.8% (95% CI: 12.3, 23.3), reflecting a 0.5 percentage point increase from the previous quarter.

On a year-on-year basis, the rate increased by 1.3 percentage points compared to the same quarter of the preceding year (Figure 5b).

### Q3 - UNEMPLOYMENT RATE, 2025

3.2%

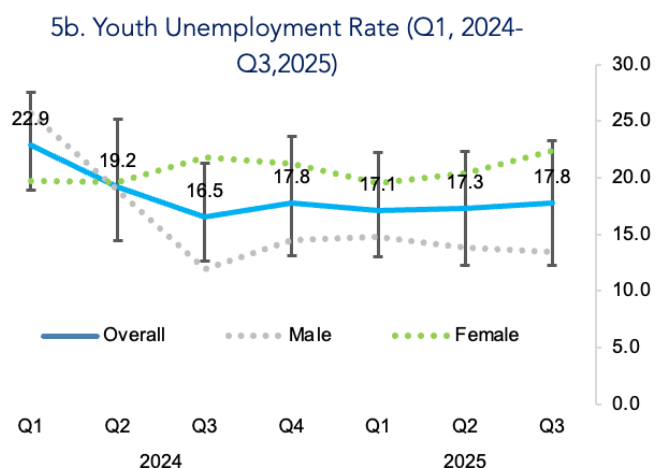
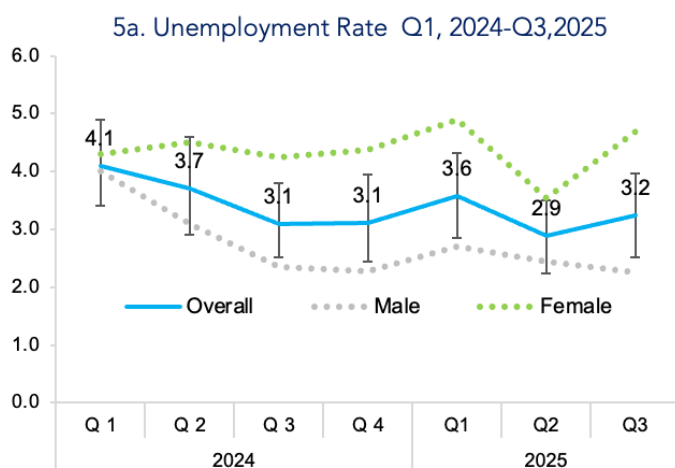


Figure 5. Unemployment Rate, Q1, 2024- Q3, 2025



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 25-29 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.

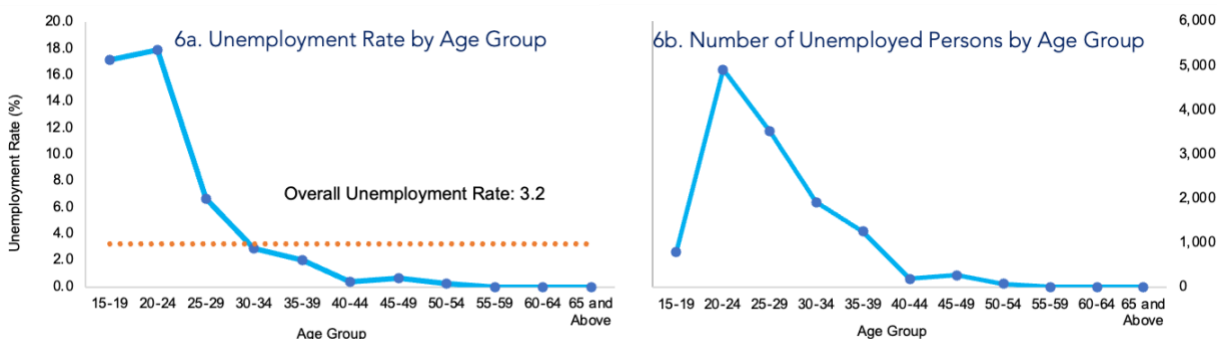


Figure 6. Number of unemployed persons and unemployment rate, Quarter 3, 2025

Information on reasons for unemployment shows that among several cited causes, the major ones include recently completed studies (25.4%), lack of adequate qualification (19.9%), qualification mismatch (11.7%), and lack of experience (11.5%) (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, 61.5% were unemployed for less than six months, while 38.5% were unemployed for six months or more. Approximately 18.6% 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).

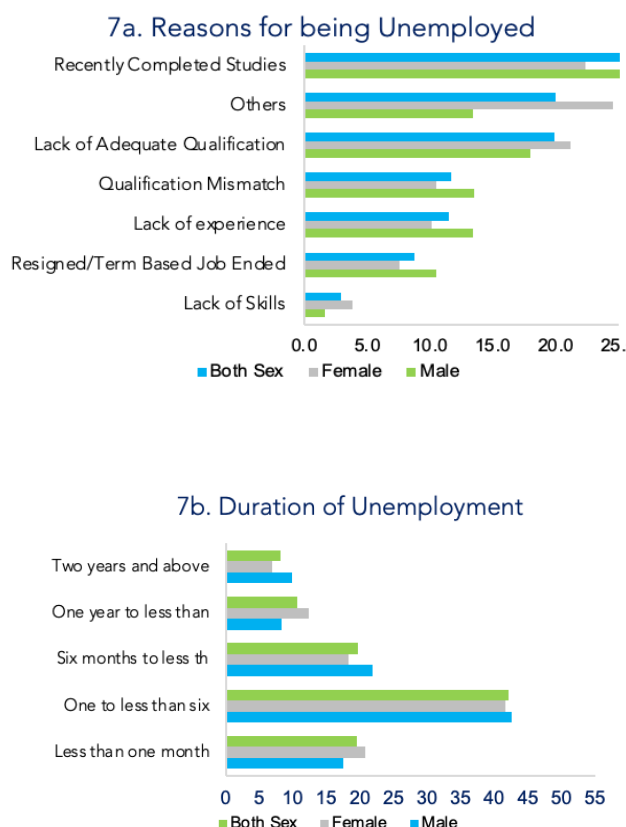


Figure 7. Reasons for being unemployed and duration of unemployment, Q3, 2025

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P.O. Box 338

Tashichhodzong premises

Thimphu, Bhutan

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