



NATIONAL STATISTICS BUREAU
ROYAL GOVERNMENT OF BHUTAN

LABOUR FORCE SURVEY

LABOUR FORCE STATISTICS BULLETIN

QUARTER THREE, 2026: KEY FINDINGS



EMPLOYMENT



UNEMPLOYMENT



LABOUR FORCE
PARTICIPATION



BACKGROUND

The Labour Force Survey (LFS) is an essential source of key labour market indicators used to guide national planning and policy decisions. The data generated supports the monitoring of economic performance and informs the development of employment programmes, poverty reduction strategies, and other socio-economic policies.

The Q3 2026 Labour Force Survey was conducted in August 2026, covering 3,016 households across 20 dzongkhags. Of these, 2,911 households successfully participated, resulting in a high response rate of 96.5 percent.

The headline indicators are produced at the national level due to the relatively small sample size, which can lead to high sampling variability and large standard errors at more disaggregated levels, thereby reducing the statistical reliability and precision of the estimates. The survey adheres to the labour force concepts and standards set by the International Labour Organization (ILO), ensuring that the results are comparable at the international level.

Table 1: Key Highlights of Labour Market Indicators

Key Indicator (%)	2024				2025				2026		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Labour Force Participation Rate											
Sex											
Male	72.8	72.5	75.7	74.0	73.3	73.5	74.2	72.7	73.9	73.5	73.5
Female	54.1	50.0	53.5	54.6	54.4	56.3	55.8	55.8	56.0	55.8	54.5
Area											
Urban	58.8	56.7	59.1	61.0	59.8	60.7	61.1	59.3	63.4	59.2	60.3
Rural	67.0	65.0	68.7	67.1	67.1	68.0	68.1	67.7	66.6	68.6	67.0
Total	63.9	61.8	65.1	64.8	64.3	65.3	65.5	64.6	65.4	65.1	64.4
Inactivity Rate											
Sex											
Male	27.2	27.5	24.3	26.0	26.7	26.5	25.8	27.3	26.1	26.5	26.5
Female	45.9	50.0	46.5	45.4	45.6	43.7	44.2	44.2	44.0	44.2	45.5
Area											
Urban	41.2	43.3	40.9	39.0	40.2	39.3	38.9	40.7	36.6	40.8	39.7
Rural	33.0	35.0	31.3	32.9	32.9	32.0	31.9	32.3	33.4	31.4	33.0
Total	36.1	38.2	34.9	35.2	35.7	34.7	34.5	35.4	34.6	34.9	35.6
Employment Rate											
Sex											
Male	96.0	96.9	97.6	97.7	97.3	97.6	97.8	96.9	97.0	98.1	97.7
Female	95.7	95.5	95.8	95.6	95.1	96.5	95.3	95.0	96.1	96.3	96.0
Area											
Urban	93.4	94.3	94.9	94.5	94.3	94.6	94.6	92.5	94.6	94.5	95.4
Rural	97.2	97.5	97.9	98.3	97.6	98.4	97.9	98.0	97.8	98.8	97.9
Total	95.9	96.3	96.9	96.9	96.4	97.1	96.8	96.2	96.6	97.3	97.0
Unemployment Rate											
Sex											
Male	4.0	3.1	2.4	2.3	2.7	2.4	2.3	3.1	3.0	1.9	2.3
Female	4.3	4.5	4.2	4.4	4.9	3.5	4.7	5.0	3.9	3.7	4.0
Area											
Urban	6.6	5.7	5.1	5.5	5.7	5.4	5.4	7.5	5.4	5.5	4.6
Rural	2.8	2.5	2.1	1.8	2.4	1.6	2.1	2.0	2.2	1.2	2.1
Total	4.1	3.7	3.1	3.1	3.6	2.9	3.2	3.8	3.4	2.7	3.0
Youth Unemployment Rate											
Sex											
Male	25.7	18.9	11.9	14.5	14.8	13.8	13.4	15.1	16.2	12.8	16.8
Female	19.7	19.6	21.8	21.2	19.5	20.3	22.4	26.5	16.7	13.9	18.1
Area											
Urban	31.5	21.7	20.1	19.8	19.7	22.0	21.16	27.1	17.0	18.7	18.3
Rural	17.9	16.7	13.8	15.5	14.3	12.8	15.18	16.0	15.9	9.5	16.6
Total	22.9	19.2	16.5	17.7	17.1	17.3	17.8	20.6	16.5	13.4	17.5

SURVEY FINDINGS

I. Labour force participation rate remains stable at around 65%

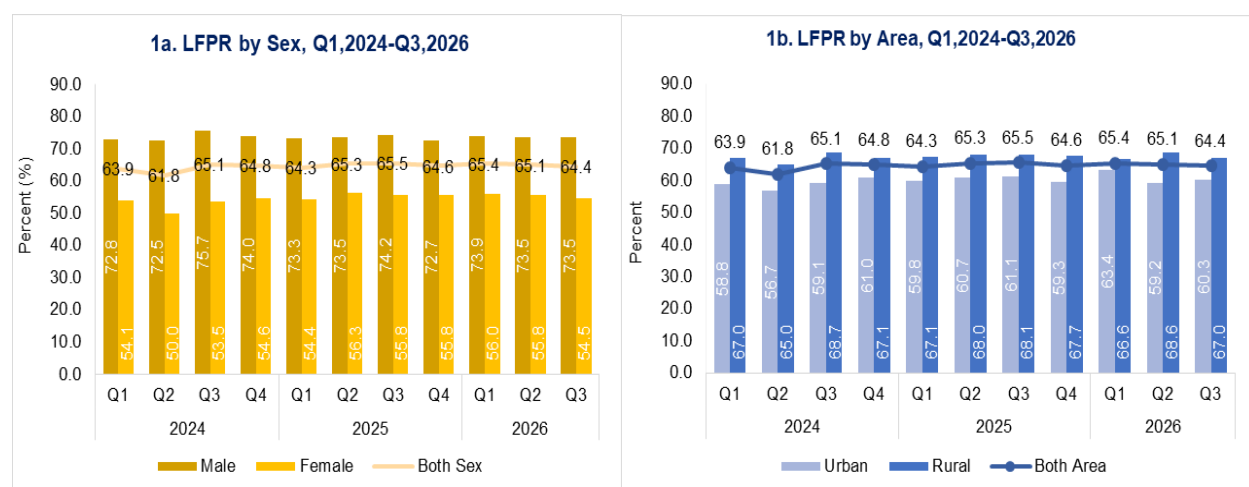
In Q3 2026, 77.9 percent (615,543 persons) of the total population were aged 15 years and above, constituting the working-age population. Of this, about 52.3 percent were male and 47.7 percent female; about 38 percent resided in urban areas and 62 percent in rural areas. A total of 396,684 individuals were economically active, with males accounting for about 60 percent and females 40 percent. Among the economically active population, a higher proportion of individuals were from rural areas (64.4%) compared to urban areas (35.6%).

The Labour Force Participation Rate (LFPR) the proportion of the working-age population that is economically active stands at 64.4 percent in Q3, 2026. The rate is higher among males (73.5%) than females (54.5%), and higher in rural areas (67.0%) than in urban areas (60.3%) (Figure 1b).

The Labour Force Participation Rate (LFPR) remained broadly stable over the period. It increased from 63.9 percent in Q1 2024 to 64.4 percent in Q3 2026. On a year-on-year basis, LFPR decreased slightly by 1.1 percentage point from 65.5 percent in Q3 2025 to 64.4 percent in Q3 2026, while on a quarter-on-quarter basis, it decreased by 0.7 percentage points from 65.1 percent in Q2 2026 to 64.4 percent in Q3 2026. The differences are not statistically significant.

Disaggregated by sex, LFPR trends indicate that male participation remained consistently higher than female participation throughout the period, with some fluctuations. Female labour force participation remained relatively stable over the period, despite some fluctuations. The gender gap in labour force participation also remained broadly stable, with only minor changes over the period (Figure 1a).

By area, LFPR in rural areas remained higher than in urban areas across all quarters. While both areas exhibit some fluctuations, the overall trend suggests stable participation with a slight decrease in Q3 2026 particularly in rural areas (Figure 1b).

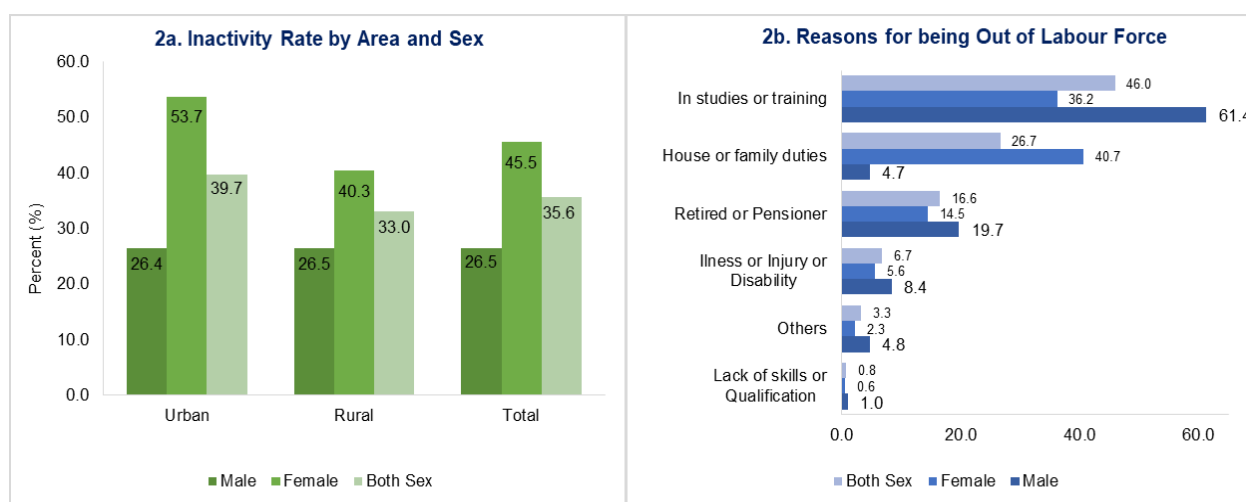


II. Education and family responsibilities continue to be the main reasons for being outside the labour force.

In Q3 2026, the proportion of persons outside the labour force decreased by 0.7 percentage points compared to the previous quarter. On a year-on-year basis, the inactivity rate has increased by 1.1 percentage points, from 34.5 percent in Q3 2025 to 35.6 percent.

The inactivity rate remains higher in urban areas (39.7%) than in rural areas (33.0%). A significant gender disparity persists, with female inactivity at 45.5 percent 19.0 percentage points higher than the male rate of 26.5 percent reflecting continued gaps in labour force participation (Figure 2a).

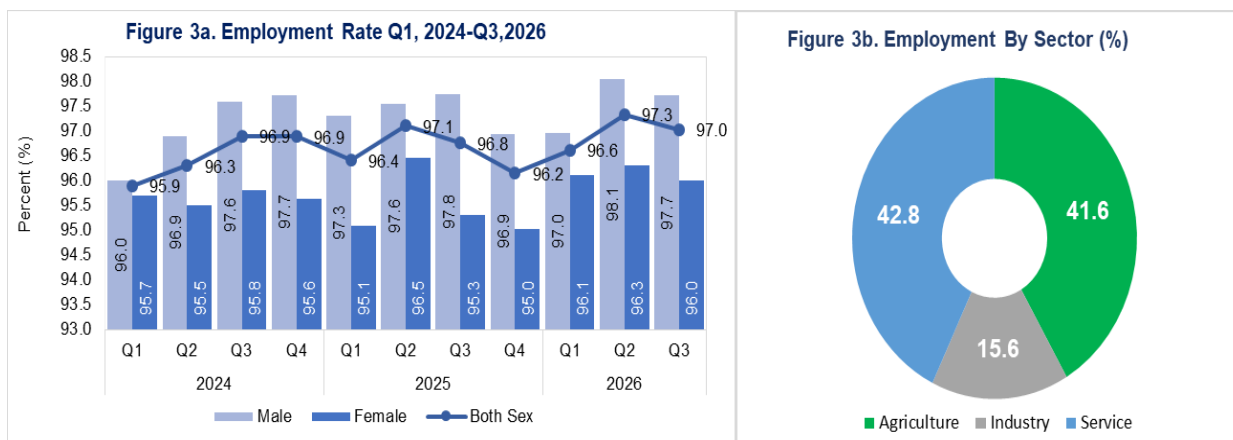
As in the previous quarter, education and family responsibilities remain the main reasons for being outside the labour force. Most males reported studies or training as their primary reason, while females predominantly cited household and family duties, underscoring a persistent gender divide in labour force non-participation. Additionally, about 16.6 percent of those outside the labour force reported retirement or being a pensioner as their main reason for not participating in the labour force (Figure 2b).



III. Employment rate remains consistent across quarters, with no statistically significant change observed.

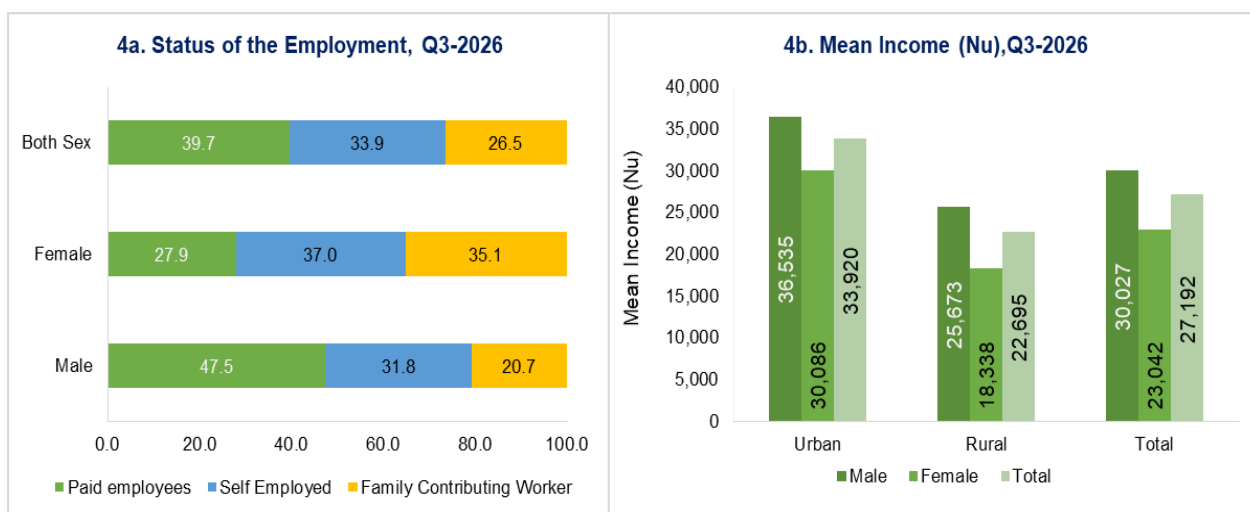
In Quarter 3, 2026, the overall employment rate stands at 97.0 percent, showing a slight decrease from 97.3 percent in the previous quarter. Compared to the same quarter last year, the rate has slightly increased, reflecting minor fluctuations in employment.

The employment rate stands at 97.7 percent for males and 96.0 percent for females. By area of residence, the urban (95.4%) employment rate is lower than that of rural areas (97.9%). This is due to the engagement of the high proportion of rural residents in own-account agricultural work, particularly farming on their own land (Figure 3a).



Among the 384,892 employed persons, 41.6 percent are engaged in the agriculture sector, 42.8 percent in the services sector, and 15.6 percent in the industry sector. Among employed males, a higher proportion are engaged in the services sector, whereas among employed females, a higher proportion are engaged in the agriculture sector (Figure 3b).

In Q3 2026, the distribution of employment shows that about 39.7 percent of the employed population were paid employees, including both regular and casual workers. Own-account workers, engaged in agricultural and non-agricultural activities, made up 33.9 percent, while contributing family workers accounted for approximately 26.5 percent of total employment. A notable gender disparity is observed across these employment categories, indicating differences in the nature of work undertaken by men and women (Figure 4a).



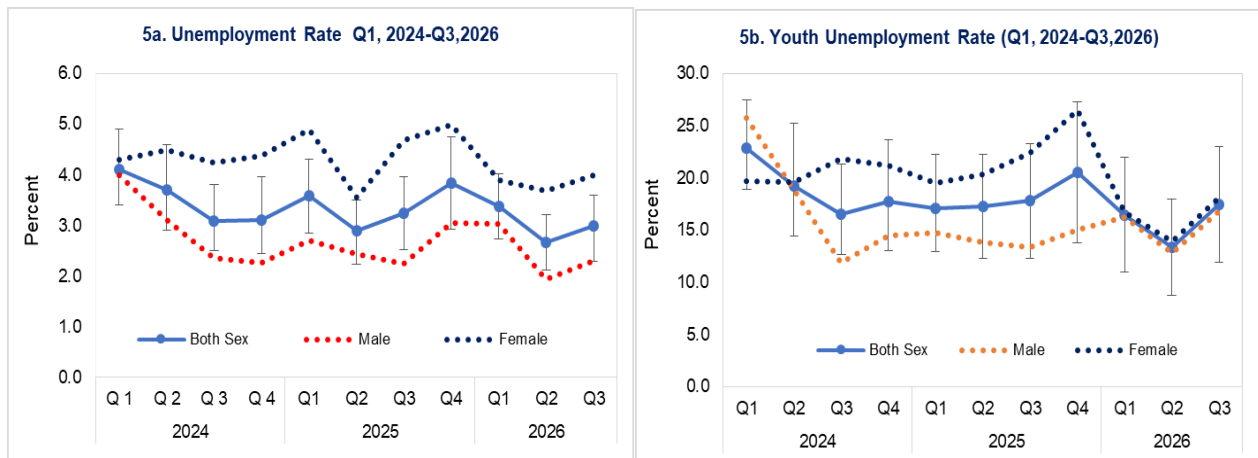
The average monthly labour income for employed persons is Nu. 27,192. Male employed persons earn a mean income of Nu. 30,027, which is Nu. 6,985 higher than that of female employed persons. This gap persists across both urban and rural areas, where males consistently report higher average earnings than females (Figure 4b). The median monthly income is Nu. 25,000, indicating that half of employed persons earn below this level.

IV. Overall unemployment rate remains at 3.0%, with youth unemployment continuing to remain substantially higher at about five times the overall rate.

In quarter three 2026, the national unemployment rate stands at 3.0 percent (95% CI: 2.3, 3.6), slightly higher than 2.7 percent (95% CI: 2.1, 3.2) in Quarter 2, 2026. The overlapping confidence intervals indicate that the observed difference is not statistically significant.

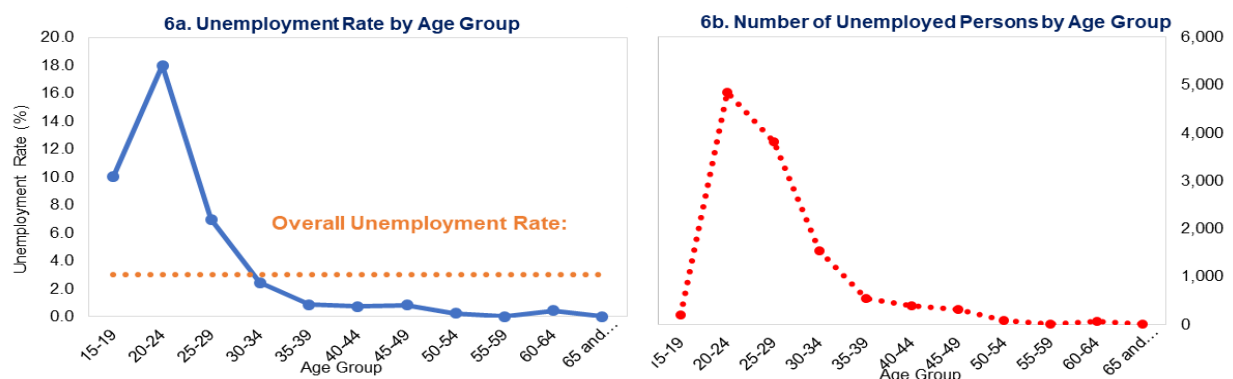
Compared to the same quarter in 2025, the rate is 0.2 percentage points lower. By sex, the unemployment rate is 2.3 percent for males and 4.0 percent for females (Figure 5a).

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 2026, 42.8 percent were youth aged 15-24. The youth unemployment rate stands at 17.5 percent (95% CI: 11.9, 23.0), reflecting a 4.1 percentage point increase from the previous quarter. On a year-on-year basis, the rate has decreased by 0.3 percentage points compared to the same quarter of the preceding year (Figure 5b).



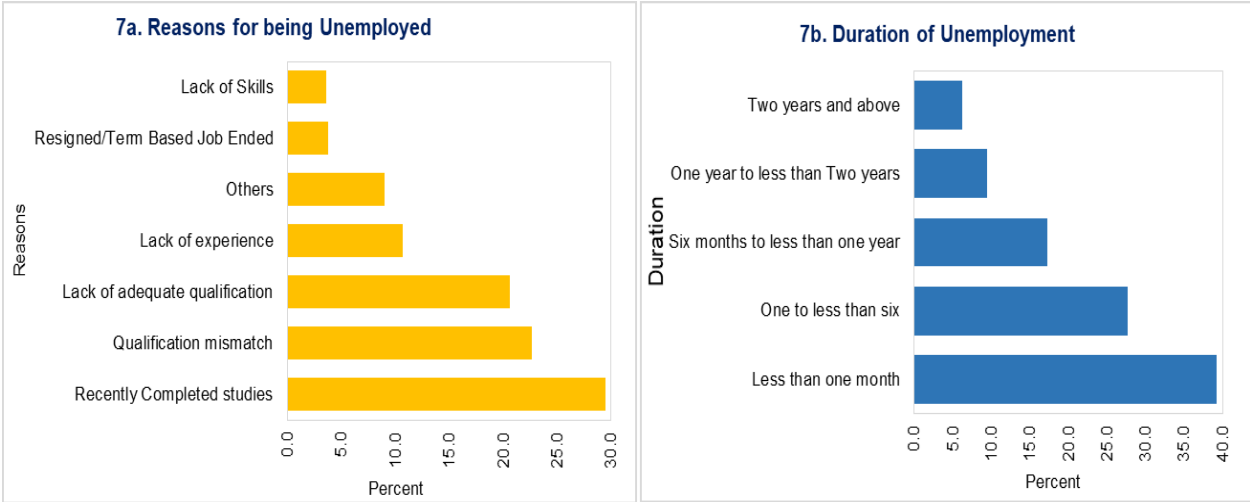
The unemployment rate is higher among younger age groups. It remains above the overall unemployment rate until the 30-34 years age group, after which the unemployment rate declines steadily and flattens from age 50 onwards (Figure 6a).

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.



Information on reasons for unemployment shows that among several cited causes, the major ones include recently completed studies (29.5%), qualification mismatch (22.7%), lack of adequate qualification (20.7%), lack of experience (10.8%) and voluntarily resigned (3.8%) (Figure 7a). These findings highlight the diverse factors underlying unemployment, with education- and skills-related factors accounting for a substantial share of the reported reasons.

Among the actively unemployed, 67.0 percent had been without work for less than six months, while the remaining 33.0 percent had been unemployed for six months or more. Within this latter group, about 15.7 percent of all unemployed persons had been jobless, actively seeking work, and available for employment for more than one year during the reference period. This group is classified as long-term unemployed (Figure 7b).



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