TALiNT Partners

APAC Market Briefing

August 2026

Regional Improvement Stalls as Australia and China Soften, while Energy Relief Reverses

- Australia: unemployment **4.5%**, up from 4.4%; employment -15,800, full-time +16,300, part-time -32,200.
- China: urban unemployment **5.2%**, up 0.2pp; youth rate (16–24 excl. students) **17.9%**, up from 14.9%.
- Japan: **2.4%**, a fourth consecutive fall. South Korea: **2.8%**, up from 2.7%.
- Singapore: no new release; the Q2 figure of **2.0%** stands, Q3 advance due late October.

The July data ends the run of broad improvement seen through the second quarter. Australia's unemployment rate rose to **4.5%** as employment fell **15,800**, and China's rose 0.2 percentage points to **5.2%** on what the NBS called seasonal factors.

China's youth rate jumped to 17.9% as graduates left student status, close to the 17.8% of July 2025. June's energy relief has also reversed, with Brent moving from below $70 in early July to near **$90** by mid-August.

Employment and Participation Dynamics

Australia Gives Back the Quarter's Gains While Japan Improves Again

Australia's July figures were weaker across most measures. Employment fell 15,800, as a 32,200 drop in part-time roles outweighed a 16,300 rise in full-time work. Participation fell 0.2pp to 66.9% and the employment-to-population ratio to 63.9%.

Hours worked declined 0.6%, well ahead of the 0.1% fall in employment. Underemployment eased to 6.4%, youth unemployment to 10.4%.

Australia: Labour Market Key Indicators

July 2026 | Source: ABS, Labour Force Australia

Note: bars use different scales and are NOT comparable across indicators. Read the value column for magnitude.

Indicator	Bar scale	Value	Detail
Unemployment Rate *July 2026 | ABS*	0% – 10%	**4.5%**	Up from 4.4%; up 0.2pp on the year
Employment Change *July 2026 | ABS*	0 – -50k	**-15,800**	Full-time +16,300; part-time -32,200
Participation Rate *July 2026 | ABS*	0% – 100%	**66.9%**	Down 0.2pp; employment-population ratio 63.9%
Underemployment *July 2026 | ABS*	0% – 15%	**6.4%**	Down 0.1pp; underutilisation 10.8%
Youth Unemployment *July 2026 | ABS*	0% – 25%	**10.4%**	Down 0.3pp on the month

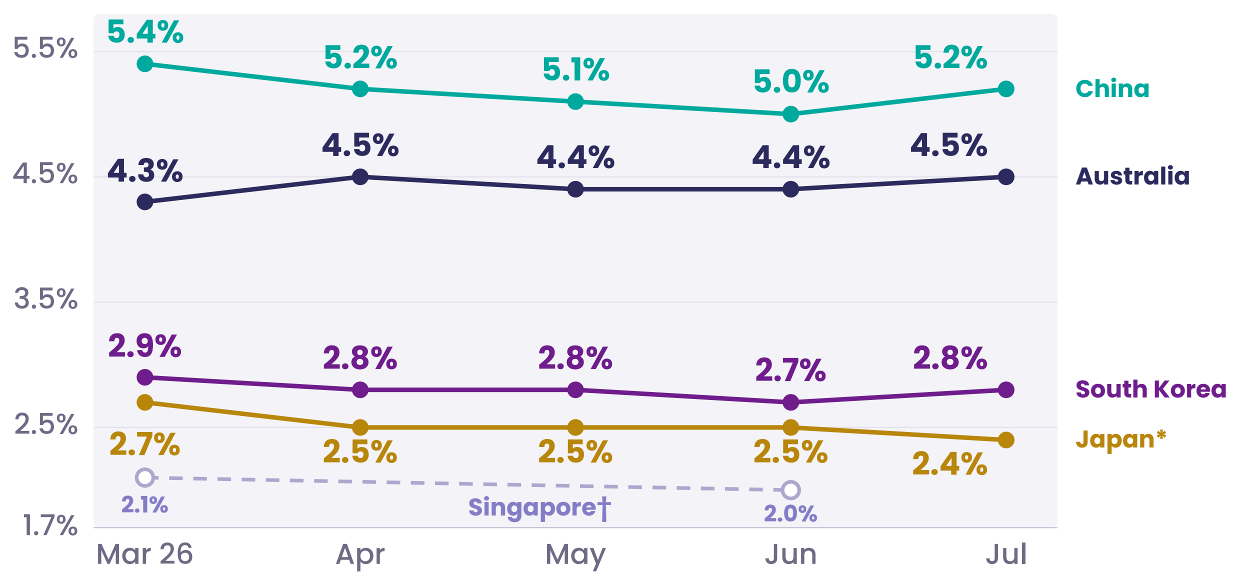
The July survey included seven rotation groups rather than the usual eight; the ABS advises caution with short-term movements and recommends trend data for underlying behaviour. Source: ABS, July 2026.

WATCH NEXT

Hours worked fell 0.6% against a 0.1% fall in employment. Employers trim hours before headcount, so that gap is the earlier signal ahead of the next release.

APAC Unemployment Trends, March – July 2026

Monthly unemployment rates (%), seasonally adjusted where published



**Japan: sources differ on the April and May readings; the series matches our previous reports. †Singapore is quarterly, at March and June reference months. Sources: ABS, NBS, Statistics Korea, Japan Statistics Bureau, MOM.*

Japan improved for a fourth month, while South Korea gave back June's gain.

North & Southeast Asia Labour Market Indicators

July 2026, or latest available

MARKET & PERIOD	RATE	CONTEXT
Japan July 2026 | Statistics Bureau	2.4% ▼	**Down from 2.5%; a fourth consecutive monthly fall** Jobs-to-applicants data not included in the preliminary release.
South Korea July 2026 | Statistics Korea	2.8% ▲	**Up from 2.7% in June** A modest rise after four months at or below 2.8%.
China July 2026 | NBS	5.2% ▲	**Up 0.2pp from June; NBS cites seasonal factors** Seven-month average 5.2%, within the annual target.
Singapore Q2 2026 (June) | MOM	2.0% ▶	**No new release; Q3 advance due late October** 19th consecutive quarter of employment growth.

South Korea seasonally adjusted. Sources: Japan Statistics Bureau, Statistics Korea, NBS, MOM.

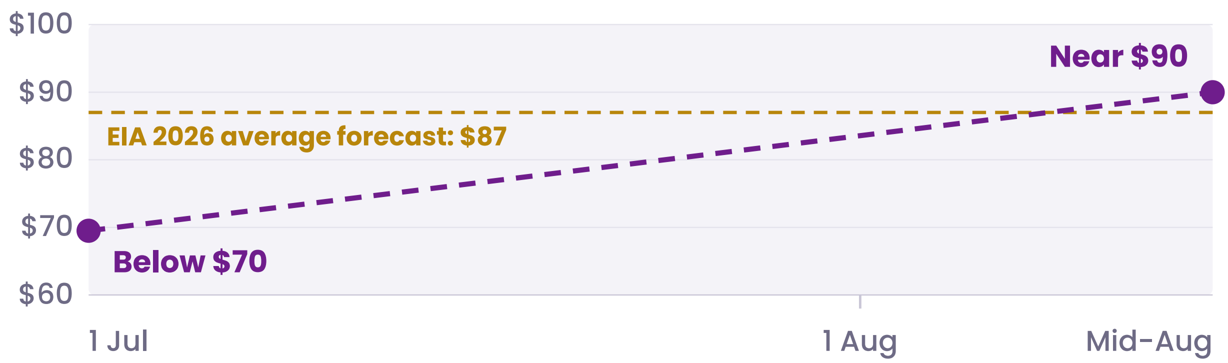
Energy Volatility and Inflation Risk

June's energy relief has now unwound. Brent fell below $70 a barrel on 1 July after the June memorandum on the Strait of Hormuz, but negotiations stalled: Iran stated in August that the waterway would not reopen without major concessions, and attacks on shipping resumed.

Brent traded near $90 in mid-August. The EIA expects Brent to average $87 across 2026 and does not anticipate Middle East production returning to pre-conflict levels until early 2027. The July labour data predates the move, so any effect on hiring and pay will appear in later releases rather than in this edition.

Brent Crude: June's Relief Unwinds

US$ per barrel, 1 July to mid-August 2026



Marked points are the levels reported in the text; the path between them is indicative. Sources: EIA Short-Term Energy Outlook, August 2026 (released 11 August), as reported by Al Jazeera, 12 August 2026.

WORKFORCE IMPLICATION

APAC is a bloc of predominantly energy-importing economies, so a sustained oil price reaches imported inflation before it reaches wage data. That argues for explicit energy-cost scenarios in H2 pay reviews and for treating headcount budgets as provisional.

KEY RISK

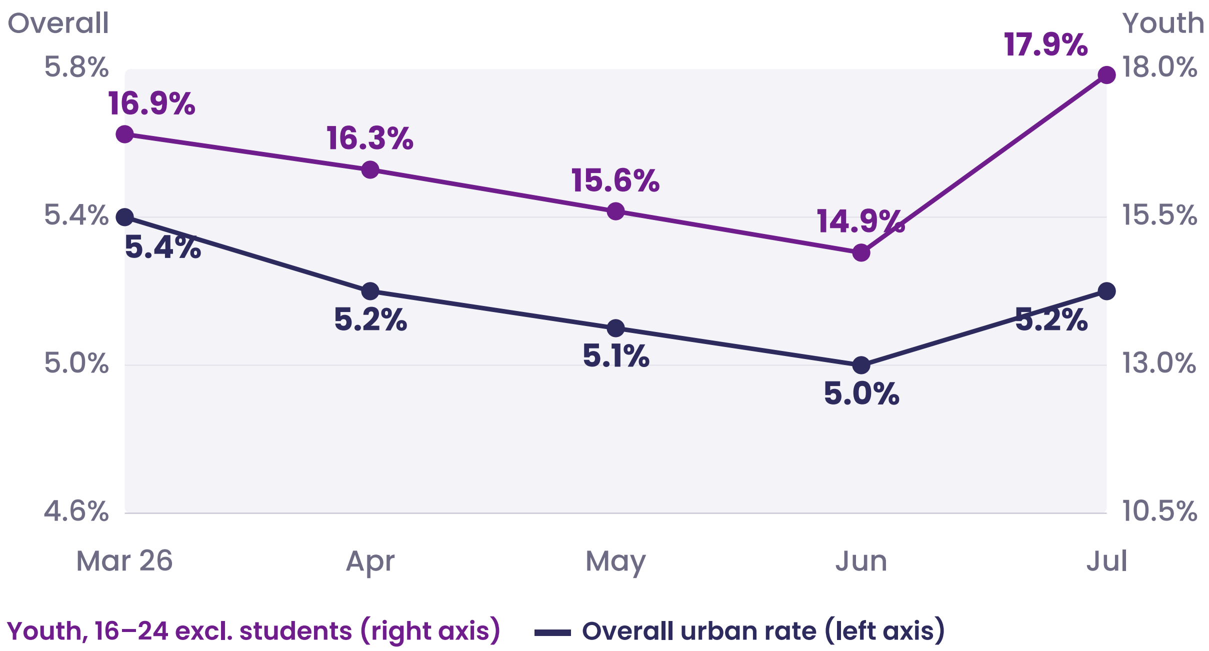
The EIA does not expect Middle East production to return to near pre-conflict levels until early 2027, so the pressure is structural rather than a single spike. A reopening of the Strait would reverse it quickly.

Sectoral and Regional Variation

China’s July rise sat in the youth cohort: the overall rate rose 0.2pp to 5.2%, while the 16 to 24 rate excluding students rose from 14.9% to 17.9%.

China: Surveyed Urban Unemployment, March – July 2026

Left axis: overall rate | Right axis: youth rate, 16–24 excluding students. Axes are scaled independently; the gap between the lines is not like-for-like.



The July rise reflects graduates leaving student status; July 2025 read 17.8%. Source: NBS China, 17 August 2026.

SEASONAL CONTEXT

17.9% vs 17.8%

July’s youth reading was similar to July 2025, pointing to the graduate cycle rather than deterioration. Xiong Yuan of Guosheng Securities said the rise was only slightly above the seasonal norm, with July increases averaging 0.1 percentage points from 2019 to 2025.

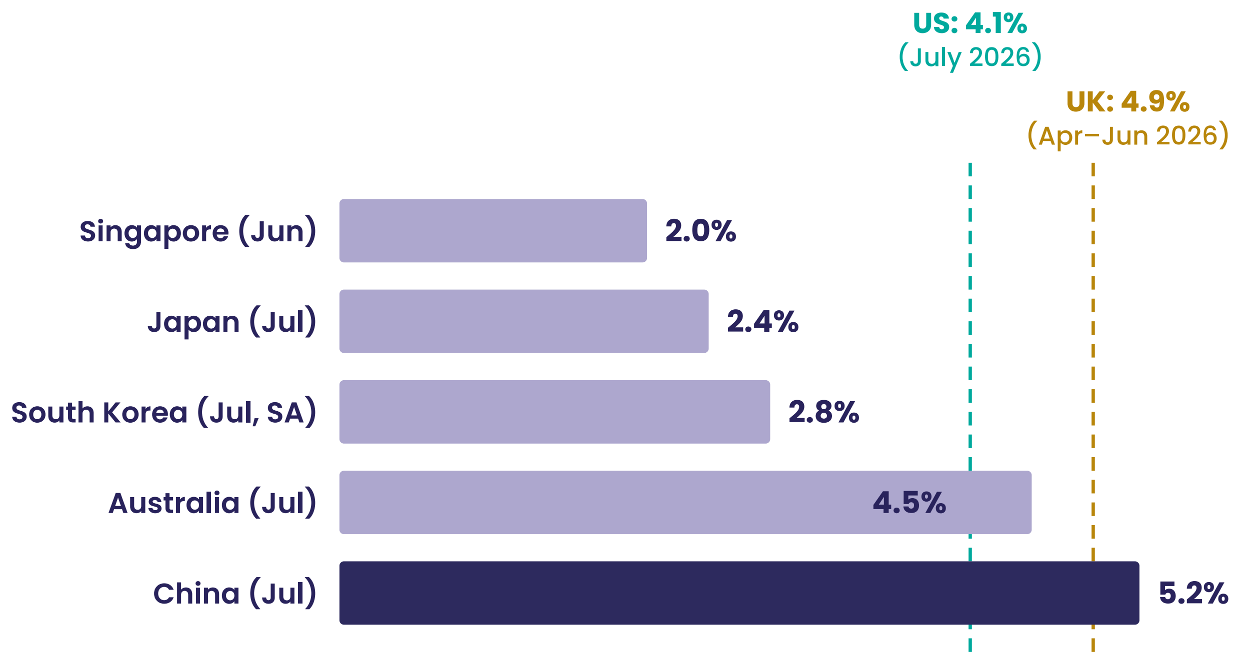
AUSTRALIA COMPARISON

-11,000

In Australia the weakness sat in part-time work and in male employment, down 11,000. With full-time roles up 16,300 on the month, the July fall reads as a change in composition rather than a broad contraction.

APAC Unemployment Rates, with UK and US Reference Lines

July 2026 rates (%), or latest available. National measures use differing definitions and age ranges; comparison is indicative, not exact.



China highlighted. South Korea seasonally adjusted. Singapore is the June reference month from the Q2 advance release. Reference lines: US 4.1% (BLS, July 2026); UK 4.9% (ONS, April to June 2026).

APAC rates span 2.0% in Singapore to 5.2% in China, a range that continues to reflect structural differences between the markets rather than a single cyclical turn.

Comparative Analysis: APAC, UK and US

The US rate fell to 4.1% in July, but payrolls declined 23,000 and the labour force contracted 264,000, so that fall reflects shrinking supply rather than hiring. The UK held at 4.9%, with survey evidence pointing to stabilising permanent hiring.

TALiNT view

APAC's July softening looks more like genuine easing in demand than the supply-driven US move, though one month should not be over-interpreted. Energy is now the clearest shared risk across the three regions, and it is the variable most likely to decide whether the three diverge further through the fourth quarter.

Strategic Implications for HR and Talent Acquisition

Treat the July softening as a pause, not a reversal

Australia's employment fell 15,800 and China rose 0.2 percentage points, but Japan improved for a fourth month and the Australian survey carried a rotation-group caveat. Hold hiring plans on their current course until the August releases confirm the direction rather than re-forecasting on a single month.

China graduate window

17.9%

Youth rate, 16–24 excl. students, July

Availability is at its seasonal peak as graduates leave student status, and the July 2025 reading of 17.8% was almost identical. Time graduate campaigns now: the equivalent figure fell back through the autumn last year, so this is the widest pool of the cycle.

Model energy cost risk

$87

EIA Brent average forecast for 2026

Brent moved from below $70 in early July to near $90 by mid-August, and the EIA does not expect production to normalise until early 2027. Build explicit energy-cost scenarios into H2 pay and headcount planning; Australia, South Korea and Japan are the most exposed.

Watch hours before headcount

-0.6%

Australian hours worked, vs -0.1% employment

Hours fell six times faster than employment. Because employers trim hours before they trim headcount, the measure gives workforce planners earlier warning than the headline rate. Track it alongside headcount in Australian workforce reporting.

Treat Japan and Singapore separately

2.4% / 2.0%

Japan (July) and Singapore (Q2)

Both sit below the regional range and remain structurally tight, and neither is likely to release candidates into the wider market this year. Benchmark offers and plan retention for these two markets independently of the softening ones.

Forecast for the Remainder of 2026

China

5.0–5.3%

Overall urban rate, remainder of 2026

The youth rate is likely to stay elevated before easing into the autumn, on the usual graduate-cycle path. The overall rate could hold in this range and the annual target looks achievable, though that depends on the graduate intake clearing at a normal pace.

For employers that means a wide graduate pool now and a narrowing one later in the year.

Australia

4.4–4.7%

Unemployment rate through year-end

The most uncertain of the major markets. One monthly employment fall with a survey caveat attached is not a trend, but the falls in hours worked and participation suggest demand softened rather than supply.

Treat Australian headcount budgets as the likeliest to need revising. The ABS completes its Labour Force Modernisation at the end of Q3.

Japan & Singapore

2.4% / 2.0%

Latest readings; both expected to stay tight

Japan's four-month improvement suggests June's labour force contraction has not continued, and Singapore has recorded 19 consecutive quarters of employment growth. South Korea's uptick to 2.8% may prove noise.

Neither is expected to loosen enough to change hiring difficulty, so plan on the same lead times and offer levels as in the first half.

Energy: the regional risk

$87

EIA Brent average forecast for 2026

The principal risk to every market above. Sustained elevation would feed imported inflation and likely constrain central banks through Q4.

A reopening of the Strait would reverse that quickly, but the EIA expects no normalisation until early 2027. Pay plans across the energy importers should carry an explicit cost assumption.

TALiNT house scenarios to end-August 2026 - judgement-based, not official forecasts.

Sources & Assumptions

- *Australian Bureau of Statistics, Labour Force Australia, July 2026 - unemployment 4.5%, employment -15,800, full-time +16,300, part-time -32,200, participation 66.9%, employment-to-population ratio 63.9%, underemployment 6.4%, underutilisation 10.8%, youth unemployment 10.4%, hours worked -0.6%. The July survey included seven rotation groups rather than eight: ABS.*
- *National Bureau of Statistics of China, July 2026 (released 17 August 2026) - surveyed urban unemployment 5.2%, up 0.2pp; seven-month average 5.2%; youth rate (16–24 excluding students) 17.9%, against 17.8% in July 2025. Commentary from Xiong Yuan, Guosheng Securities, on the seasonal norm: NBS via gov.cn.*
- *Statistics Korea, July 2026 (released 11 August 2026) - unemployment 2.8% seasonally adjusted, up from 2.7% in June: Statistics Korea.*
- *Statistics Bureau of Japan, Labour Force Survey, July 2026 - unemployment 2.4%, down from 2.5%, a fourth consecutive monthly fall. Jobs-to-applicants data were not included in the preliminary release: Statistics Bureau of Japan.*
- *Ministry of Manpower Singapore, Labour Market Advance Release Q2 2026 - June unemployment 2.0%, employment +10,700, a 19th consecutive quarter of growth. No release in August; the Q3 advance estimate is due in late October: MOM.*
- *Energy: EIA Short-Term Energy Outlook, August 2026 (released 11 August) - Brent forecast to average $87 a barrel in 2026, with Middle East production not expected to return to near pre-conflict levels until early 2027, as reported by Al Jazeera, 12 August 2026. Brent traded near $90 a barrel in mid-August.*
- *Comparative data: US Bureau of Labor Statistics, Employment Situation (July 2026); ONS UK (April to June 2026).*
- *Note on data quality: secondary sources differ on Japan's April and May 2026 readings. The series shown is consistent with our previously published reports and should be verified against the Statistics Bureau tables before any external reuse. The ABS completes its Labour Force Modernisation at the end of Q3 2026, which may affect comparability from the August data onward.*