TALiNT Partners

APAC Market Briefing

July 2026

Unemployment Falls Across Most of APAC, but Japan's Steady Rate Masks a Shrinking Workforce and Energy Volatility Returns

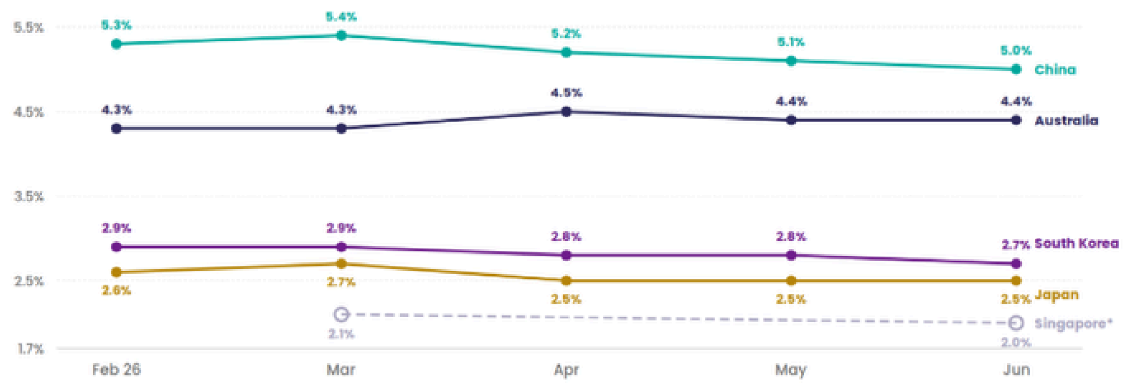
- **Japan:** Unemployment held at 2.5%, while employment fell by 360,000.
- **Singapore:** Unemployment dipped to 2.0%; employment grew, but retrenchments rose.
- **China:** Unemployment was 5.0%, with youth unemployment falling to a one-year low of 14.9%.
- **South Korea:** Unemployment was 2.7%, with employment up 63,000.
- **Australia:** Unemployment reached 4.4%; employment rose by 76,300, but underemployment increased.

June data across all five markets was broadly positive. Unemployment fell to **5.0%** in China, with youth unemployment reaching a one-year low of **14.9%**, while South Korea eased to **2.7%** and Singapore to **2.0%**. Australia added **76,300** jobs, although its rate held at **4.4%** and labour-market slack increased.

Japan was the exception: unemployment remained at **2.5%**, but employment fell by **360,000** as the workforce contracted. Energy pressures also eased as Brent fell sharply through June, before renewed hostilities pushed prices higher.

APAC Unemployment Trends, February – June 2026

Monthly unemployment rates (%), seasonally adjusted where published



*Singapore publishes quarterly: markers show the March (Q1) and June (Q2) reference-month rates, connected by a dashed line. No monthly readings between. South Korea shown seasonally adjusted. China is the surveyed urban rate. Japan's June rate held at 2.5% but its labour force contracted (see Employment section).

Sources: ABS Australia, NBS China, Statistics Korea, Statistics Bureau of Japan / MHLW, MOM Singapore (all July 2026 releases)

Employment and Participation Dynamics

Job Growth Strengthens as Workforce Pressures Persist

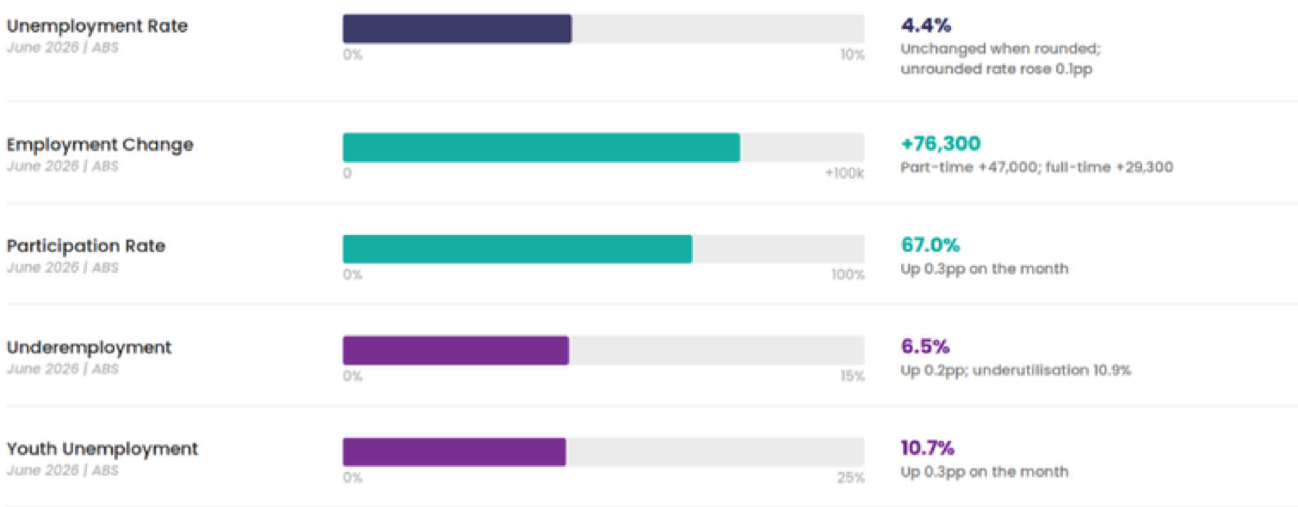
Australia added 76,300 jobs in June, including 47,000 part-time and 29,300 full-time roles. Unemployment held at 4.4% as participation rose to 67.0%, although unemployment increased by 12,700.

Underemployment reached 6.5% and youth unemployment 10.7%. The ABS applied a weighting adjustment and advised caution on trend estimates.

Australia: Labour Market Key Indicators

June 2026 | Source: ABS, Labour Force Australia, released 23 July 2026

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



Bars scaled to own reference range. ABS applied a weighting adjustment to one rotation group in NSW and Victoria this month and advises caution with trend estimates for this period. Source: ABS, June 2026, released 23 July 2026.

Japan presents the sharpest contrast. Its rate has held at 2.5% for three months, but June employment fell 360,000 to 68.46 million and the labour force shrank 350,000, with 430,000 more people outside it.

A steady rate on a contracting workforce is a weaker signal than the same rate on a growing one. The jobs-to-applicants ratio did tick up to 1.18, its first rise in four months, with services and manufacturing openings higher - demand is holding even as measured supply falls.

Singapore combined a falling rate with real expansion: Q2 employment grew 10,700, led by non-residents in construction and manufacturing, though retrenchments rose to 4,500.

North & Southeast Asia Labour Market Indicators

June 2026 / Q2 2026 | Sources: MOM Singapore, Statistics Korea, Statistics Bureau of Japan / MHLW, NBS China

MARKET & PERIOD	RATE	DIR.	CONTEXT
Singapore *Q2 2026 (June) / MOM*	2.0%	▼	Down from 2.1% in March; employment +10,700 19th consecutive quarter of growth, but retrenchments rose to 4,500
South Korea *June 2026 / Statistics Korea*	2.7%	▼	Down from 2.8%; employment +63,000 year-on-year First annual rise in two months; manufacturing still contracting
Japan *June 2026 / Stats Bureau / MHLW*	2.5%	►	Unchanged for a third month, but employment fell 360,000 Rate steady on a shrinking labour force; jobs-to-applicants up to 1.18
China *June 2026 / NBS*	5.0%	▼	Down from 5.1%; third consecutive monthly fall Youth rate 14.9%, a one-year low, but graduation season looms

Energy Volatility and Inflation Risk

The energy picture reversed twice within just six weeks. The 18 June US-Iran memorandum reopened the Strait of Hormuz, helping Brent average $85 per barrel in June, $22 below May, before falling below $70 on 1 July.

However, renewed US strikes on 8 July pushed Brent back above $76, and it traded near $84 in late July amid drone attacks on Saudi facilities and Iran's rejection of an Omani proposal for shared control of the strait.

Tokyo and Seoul were among the region's steepest equity-market fallers as renewed energy concerns weighed on sentiment. For APAC's energy-importing economies, June's relief was meaningful but ultimately fragile. The EIA projects Brent averaging $65 in 2027, although that forecast was completed on 1 July, before the latest escalation.

Sectoral and Regional Variation

China’s improvement was broad-based across age groups: the 25-29 rate eased to 7.1% from 7.2% and the 30-59 group to 4.0% from 4.1%. NBS officials attributed the declines to the post-Spring Festival recovery and peak seasonal activity.

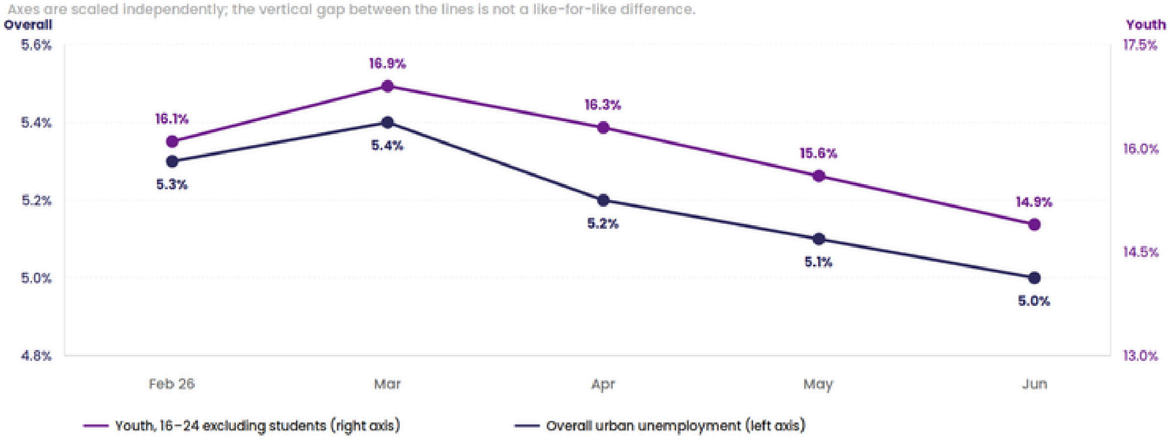
The caveat is timing: youth unemployment reliably rises in July and August as graduates leave student status, and with a record 12.7 million entering the market, 14.9% is likely the low point.

Korea’s manufacturing weakness persists, Australia’s gains skewed part-time, and Singapore’s growth leaned on non-resident workers - genuine improvement, but uneven in composition.

China: Surveyed Urban Unemployment, February – June 2026

Left axis: overall rate (%) | Right axis: youth rate, ages 16–24 excluding students (%)

Axes are scaled independently; the vertical gap between the lines is not a like-for-like difference.



Youth rate typically rises seasonally in July and August as graduates transition out of student status.

Source: NBS China. Overall rate released 15 July 2026; age-group breakdown released 20 July 2026.

Comparative Analysis: APAC, UK and US

APAC rates now span 2.0% in Singapore to 5.0% in China, but the useful distinction this month is compositional, not regional. China, Korea, Australia and Singapore all recorded employment growth alongside their rate moves.

Japan did not: its rate held steady while employment and the labour force both contracted - the same dynamic as the US, where the fall to 4.2% came amid participation dropping to its lowest since March 2021 and payrolls slumping to 57,000.

The UK, at 4.9%, recorded a higher employment rate and lower inactivity on the quarter. The shared variable across all three regions is energy.

Strategic Implications for HR and Talent Acquisition

- Read headline rates alongside employment and participation: Japan's stable 2.5% sits on a shrinking workforce, with very different talent-availability implications from Singapore's falling rate on genuine growth.
- China's July-August graduation wave will expand the early-career pool - time graduate campaigns accordingly.
- Australia's rising underemployment (6.5%) and participation (67.0%) mean more available candidate hours than the headline suggests.
- Singapore's retrenchments rose to 4,500 alongside improving hiring intentions - active restructuring, and a source of experienced candidates.
- Energy volatility is the main risk to H2 wage budgets; use scenario ranges, not single-point pay assumptions.

Forecast / Outlook

- China: the headline rate should hold near 5.0-5.2%, but expect the youth rate to rise materially in July and August on the graduation wave before easing into autumn.
- Japan: still structurally tight, but a contracting workforce is now the binding constraint rather than weak demand; watch whether July employment stabilises.
- Australia: unemployment likely stable at 4.3-4.5%. The RBA held at 4.35% in June after three increases; further moves depend on the full inflation, demand and labour picture, not energy alone.
- Singapore: MOM expects labour demand to stay healthy, with hiring and wage intentions improving; the full Q2 report lands in mid-September.
- Key risk: renewed Strait of Hormuz disruption reversing the June energy relief and re-tightening inflation across the region.

Sources & Assumptions

- *Statistics Bureau of Japan and MHLW, June 2026 (released 31 July 2026) - unemployment 2.5%, employment 68.46 million (down 360,000), labour force down 350,000, jobs-to-applicants 1.18: Japan June release reporting | Statistics Bureau of Japan*
- *Ministry of Manpower Singapore, Labour Market Advance Release Q2 2026 (released 31 July 2026) - June unemployment 2.0% overall, 2.9% resident, 3.0% citizen; employment +10,700; retrenchments 4,500; hiring intentions up from 40.6% to 43.9%: MOM*
- *Australian Bureau of Statistics, Labour Force Australia, June 2026 (released 23 July 2026) - employment +76,300, participation 67.0%, underemployment 6.5%, underutilisation 10.9%, youth 10.7%; includes ABS note on the NSW/Victoria rotation-group weighting adjustment and trend-estimate caution: ABS*
- *National Bureau of Statistics of China - overall surveyed urban unemployment 5.0% released 15 July 2026; age-group breakdown (youth 14.9%, ages 25-29 at 7.1%, ages 30-59 at 4.0%) released 20 July 2026: NBS via SCIO*
- *Statistics Korea, Economically Active Population Survey, June 2026 - unemployment 2.7% seasonally adjusted; employment +63,000 year-on-year (not monthly); youth employment rate 43.9%: Statistics Korea*
- *Energy - June pricing and the 18 June memorandum: EIA Short-Term Energy Outlook, July 2026 (released 7 July, forecast completed 1 July). Brent averaged $85/b in June and fell below $70/b on 1 July. Its $65/b 2027 projection is a pre-escalation forecast conditional on continued Strait of Hormuz access: EIA STEO*
- *Energy - post-escalation developments: renewed US strikes and the move above $76/b on 8 July (Al Jazeera, 8 July 2026); late-July pricing near $84/b, drone attacks on Saudi facilities and Iran's rejection of the Omani strait-management proposal, 28 July 2026 (Brent price and market commentary).*
- *Comparative data: US BLS Employment Situation, June 2026 (payrolls +57,000, unemployment 4.2%, participation 61.5%) | ONS UK, March to May 2026 (unemployment 4.9%, with a higher employment rate and lower inactivity on the latest quarter)*
- *Monetary context: the Reserve Bank of Australia held the cash rate at 4.35% at its June 2026 meeting, following three increases earlier in the year.*
- *Note: this report was prepared on 31 July 2026, following the release of Japan's June data and Singapore's Q2 advance estimates that morning. All five APAC markets are on June 2026 data; Singapore's rate is the June reference month within its quarterly release.*

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