

## 5. Labor Market

### Increase in Employment

In 2024, the domestic economy experienced steady growth, leading to a stable labor market. The number of employed persons steadily increased from 11.59 million at the beginning of the year to 11.61 million by the end of the year. The annual average employment was 11.60 million persons, representing an increase of 67 thousand persons or 0.59% compared to the previous year.

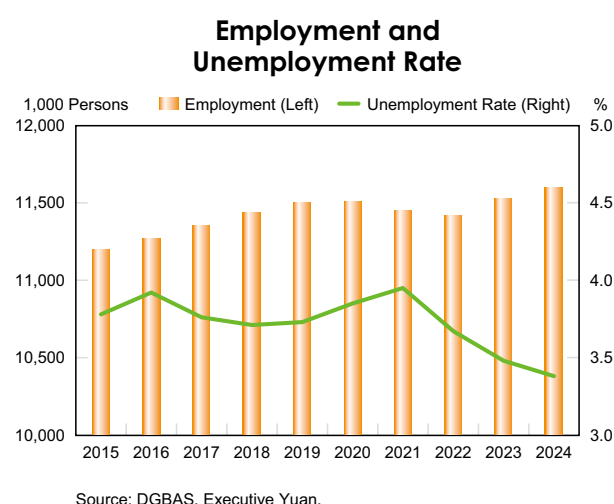
In terms of employment sector, the annual average employment in the services sector increased by 77 thousand persons or 1.09%, and that in the industrial sector increased by seven thousand persons or 0.16%, while the agricultural sector saw a decline of 15 thousand persons (3.00%). Of total employment, the services sector accounted for the highest share of employment at 60.81%, up by 0.31 percentage points from the previous year. On the other hand, the industrial and the agricultural sectors accounted for 34.94% and 4.26%, respectively, down by 0.14 and 0.16 percentage points in 2024.

By occupation, white-collar workers made up 46.84% of total employment, increasing by 84 thousand persons or 1.55%. Service and sales workers, comprising 20.08% of total employment, grew by 21 thousand persons or 0.90%. In contrast, blue-collar workers, who accounted for 33.09% of total employment, declined by 36 thousand persons or 0.94%.

### Lowest Unemployment Rate Since 2001

In 2024, the unemployment rate generally trended downwards to 3.32% in December, except for seasonal fluctuations such as the post-Lunar New Year swings in February and in the summer period from June to August due to job transitions and new graduates entering the labor market. For the year as a whole, the unemployment rate was 3.38%, marking the lowest level since 2001.

Under stable employment conditions, the average unemployment duration decreased by 0.42 weeks over the previous year to 20.77 weeks. In terms of age groups, the unemployment duration of the age group 25-44 decreased the most, dropping by 0.93 weeks to 22.16 weeks, followed by 16.13 weeks for the age group 15-24 with a decrease of



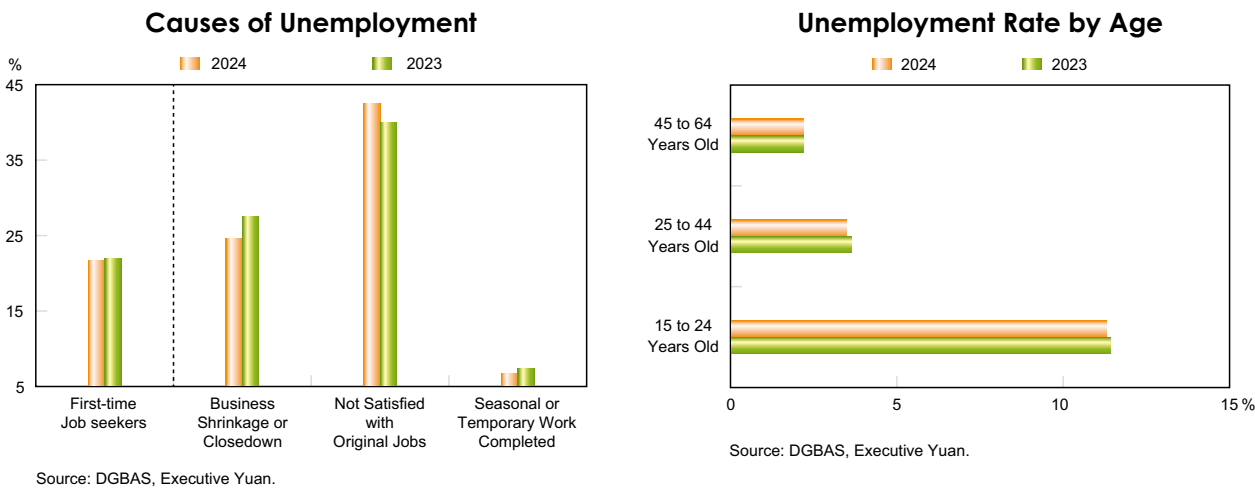
0.20 weeks. However, the unemployment duration of the age group 45-64 increased by 0.42 weeks to 22.14 weeks. Additionally, the number of the long-term unemployed<sup>3</sup> remained unchanged at 49 thousand persons.

Total unemployment amounted to 406 thousand persons in 2024, dropping by nine thousand persons or 2.24% compared to the previous year. The drop was mainly due to a decrease in experienced job seekers, who accounted for 78.42% of total unemployment and whose number fell by six thousand persons or 1.82%.

Among the unemployed experienced job seekers, those who lost jobs because of shrinkage or closedown of business saw the largest reduction of 14 thousand persons or 12.66%, reducing its share of total unemployment from 27.48% the previous year to 24.55%. Such improvement was mainly due to continued economic growth, which led to a decline in the number of involuntary unemployment. Conversely, unemployment owing to dissatisfaction with original jobs increased by seven thousand persons or 3.98%, making it the leading cause of unemployment with a share of 42.35%. Unemployment from the conclusion of seasonal or temporary work, which accounted for 6.67%, fell by three thousand persons or 10.63%.

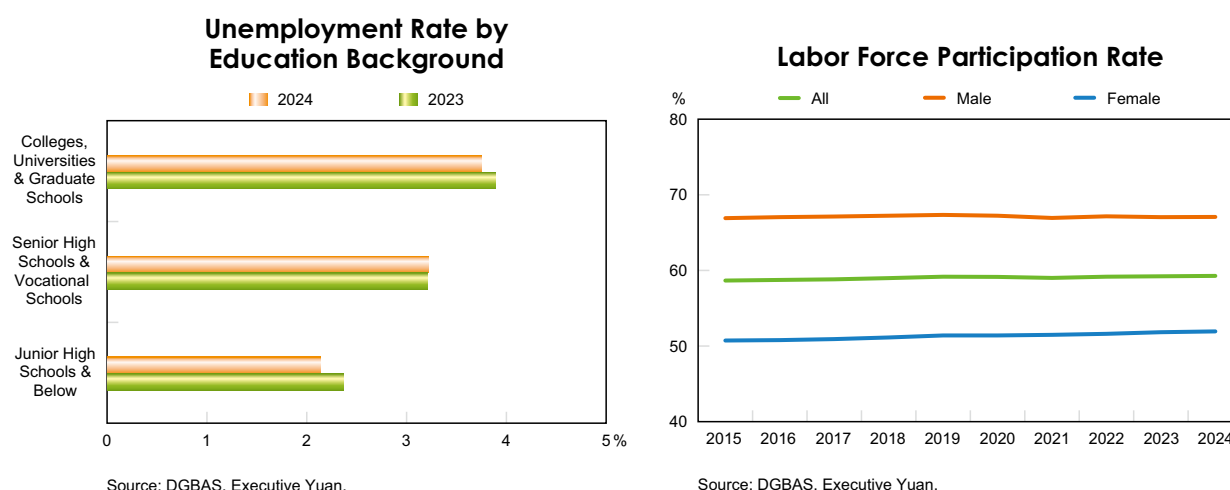
In terms of age groups, in 2024, the unemployment rates of the age groups 25-44 and 45-64 dropped by 0.14 and 0.01 percentage points from the previous year to 3.47% and 2.16%, respectively. The unemployment rate of the age group 15-24, though still the highest among all age groups, decreased by 0.12 percentage points to 11.27%.

In terms of educational background, the unemployment rates for two groups—those with a junior high school degree or below, and those with a college degree or higher—declined by



<sup>3</sup> Referring to those who have been unemployed for one year or more.

0.23 and 0.14 percentage points to 2.13% and 3.74%, respectively, while the unemployment rate for those with a senior high school or vocational school degree edged up by 0.01 percentage points from the previous year to 3.21%.



### Both Labor Force and Labor Participation Rate Increased

In 2024, the labor force (employed and unemployed combined) reached 12 million persons, an increase of 58 thousand persons or 0.49% from the previous year. Meanwhile, the non-labor force<sup>4</sup> population also increased by 17 thousand persons or 0.21%, reaching 8.24 million persons. The annual average labor force participation rate increased by 0.06 percentage points over the previous year to 59.28%, the highest since 1993.

In terms of gender, the male labor force participation rate edged up by 0.03 percentage points over the previous year to 67.08%. The female labor force participation rate, which has risen steadily since 2010, increased by 0.13 percentage points to 51.95% in 2024, reflecting the government's ongoing efforts to promote gender equality, improve workplace conditions, and support women's employment.

In terms of age groups, in 2024 the labor force participation rates increased across all age brackets compared to the previous year. The labor force participation rates of the 16-24, 25-44, and 45-64 age groups increased by 0.80, 0.76, and 0.86 percentage points to 37.19%, 91.02%, and 67.21%, respectively. Although Taiwan's labor force participation rate has gradually rebounded since 2022, several structural factors, such as extended schooling and early retirement, continue to keep it

<sup>4</sup> The top three reasons for non-participation in the labor force in 2024 were "old age or disability" (accounting for 37.30% of the total non-labor force), "housekeeping" (30.74%), and "attending school or preparing for entrance exam" (18.85%).

below the rates of countries such as the United States (62.6%), Japan (63.3%), South Korea (64.5%), and Singapore (68.2%). In response to an aging workforce, the government has been actively implementing related measures<sup>5</sup> and these efforts are expected to yield positive results in the future.

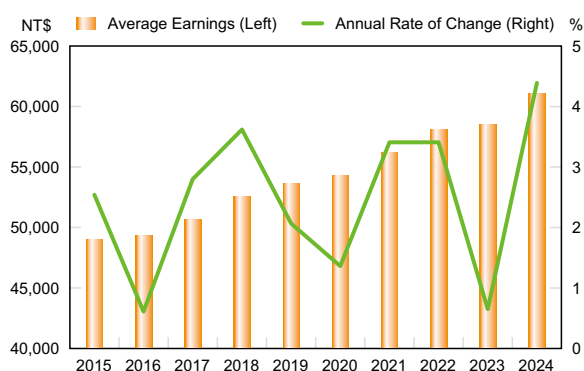
In terms of education background, the labor force participation rate of workers with a college degree or above rose by 0.17 percentage points to 67.43% in 2024, while the participation rates of workers with a junior high school degree or below and those with a senior high school or vocational degree dropped by 0.40 and 0.23 percentage points to 35.97% and 61.43%, respectively.

## Stronger Wage Growth

For the year of 2024, the average monthly earnings per worker in the nonfarm sector (industrial and services sectors) reached NT\$60,984, with an annual growth rate of 4.39%, the highest increase since 2011. Accounting for inflation, the average real monthly earnings increased by 2.16% to NT\$56,566, the largest increase since 2019.

In terms of major sectors, driven by growth in labor productivity because of export recovery, wage growth in the industrial sector recorded the highest growth rate in three years. The services sector also experienced its strongest wage growth since 1998 as employers adjusted wages in response to the ongoing post-pandemic recovery and a stable domestic economy. The average monthly earnings in the industrial and services sectors were NT\$63,628 and NT\$59,176, growing by 4.60% and 4.29%, respectively, while real wages in these two sectors increased by 2.37% and 2.06%, respectively.

**Amount and Rate of Change of Average Earnings of Nonfarm Workers**



Source: DGBAS, Executive Yuan.

In terms of industrial classification, the finance and insurance sector had the highest average monthly earnings at NT\$107,348, and the electricity and gas supply sector ranked second at NT\$96,669. In contrast, the education sector<sup>6</sup> and the accommodation and food services sector had the two lowest average monthly wages at NT\$34,121 and NT\$38,555, respectively, due to the high proportion of part-time employees in these sectors. In terms of growth rates, the finance and insurance sector registered the fastest growth at 9.27%, followed by the transportation and storage sector at 5.40%.

<sup>5</sup> The government launched the "Middle-aged and Elderly Employment Promotion Project" in 2023 and the "55Plus Employment Promotion Measures" in 2024, offering employment incentives aimed at encouraging middle-aged and elderly individuals to re-enter the workforce.

<sup>6</sup> Excluding schools at all levels within the formal education system (except preschools).

## Remarkable Increase in Labor Productivity and Declining Unit Labor Cost

With production growth outpacing the increase in working hours, labor productivity in the industrial and the manufacturing sectors increased by 10.16% and 10.94%, respectively, compared with the previous year. Within the manufacturing sector, the Computers, Electronic, and Optical Products sector registered the highest increase in labor productivity with 28.31%, followed by the Electronic Parts and Components sector at 16.13%. This reflected strong demand for ICT (information and communications technology) products fueled by the wave of artificial intelligence, which has in turn driven capital investment and automation, thereby enhancing labor productivity.

Since total earnings increased at a slower pace than production output, unit labor costs in the industrial and the manufacturing sectors declined by 6.70% and 7.34% year-on-year, respectively. Among all manufacturing sectors, unit labor costs in the Computers, Electronic, and Optical Products sector saw the steepest decline, falling by 22.58%.

