



The BLES

LABSTAT DIGEST

(A Statistical Digest on Labor Cost)

Vol. 2 No. 16

October 2000

Labor Cost in the Philippines (Tenth of a fourteen-part series)

Last year, the Bureau of Labor and Employment Statistics undertook a nationwide Labor Cost Survey (LCS) that covered **non-agricultural establishments employing at least 20 persons**. The inquiry fills one of the important gaps in the statistical measurement of wages in the country. Thus, it supplements the other statistical undertakings that collect data on wage rates, earnings and compensation of employees.

The LCS aims to measure the level and composition of labor cost in the Philippines and the evolution of the cost components over time. The reference period of the first LCS is calendar year 1998 and the periodicity of the survey is every four (4) years. The second LCS will be conducted in 2003 with 2002 as reference year.

This part of the series focuses on the main labor cost components in **construction**. Statistics on the sub-components are available at the Bureau upon request.

Major Labor Cost Components

- Annual labor cost in the construction industry amounted to ₱11,357 million in 1998. Its direct wages and salaries component attributed for the highest share of 83.6 percent (₱9,500 million). Other individual shares were bonuses and gratuities at 6.6 percent (₱750 million), employer's social security expenditures at 5.9 percent (₱667 million) and other labor costs at 3.9 percent (₱439 million).

Annual Labor Cost Per Employee

- In 1998, employers in construction industry paid each worker ₱90,901 on direct wages and salaries and ₱7,180 on bonuses and gratuities. In addition, they spent some ₱6,386 on employer's social security payments for each employee and ₱4,196 per employee on other labor costs. Thus, their expenditures on labor totaled to ₱108,664 per employee.

For Inquiries:

Regarding this report, contact Labor Standards Statistics Division at 527-3489 / 527-9325 / 527-9331

Regarding other statistics and technical services, contact BLES Databank or write to BLES

c/o Databank, 3/F DOLE Bldg. Gen. Luna St. Intramuros, 1002 Manila

FAX 527-3489 / 527-3579 E-mail: lssd@manila-online.net or visit our website at <http://www.manila-online.net/bles>

TABLE 1. - Percent Distribution of Labor Cost in Construction by Major Cost Component, Philippines: 1998

(In non-agricultural establishments employing 20 and over)

Major Cost Component	Amount (P M)	Percent
Total	11,357	100.00
Direct Wages and Salaries	9,500	83.65
Bonuses and Gratuities	750	6.61
Employer's Social Security Expenditures	667	5.88
Others ¹	439	3.86

¹ Include Remuneration for time not worked; Food, drink, fuel and other payments in kind; Cost of workers' housing shouldered by employer; Cost of training; Cost of welfare services; Other costs (cost of work clothes/uniform, transport of workers, travelling expenses, recruitment cost, etc.)

Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.

TABLE 2. - Annual Labor Cost Per Employee in Construction Industry by Major Cost Component, Philippines: 1998

(In pesos. In non-agricultural establishments employing 20 and over)

Major Cost Component	Annual Labor Cost Per Employee
Total	108,664
Direct Wages and Salaries	90,901
Bonuses and Gratuities	7,180
Employer's Social Security Expenditures	6,386
Others ¹	4,196

¹ Include Remuneration for time not worked; Food, drink, fuel and other payments in kind; Cost of workers' housing shouldered by employer; Cost of training; Cost of welfare services; Other costs (cost of work clothes/uniform, transport of workers, travelling expenses, recruitment cost, etc.)

Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.