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**BUREAU OF  
LABOR AND  
EMPLOYMENT  
STATISTICS**  
Department of Labor and Employment  
Manila, Philippines

# LABSTAT

## Updates

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## LABOR COST IN THE PHILIPPINES

*Sixth of an eight-part series)*



*This LABSTAT is the sixth issue on a series of reports that focus on labor cost based on the results of the 2002/2003 BLES Integrated Survey (BITS) conducted last year in coordination with the DOLE Regional Offices. The BITS is a nationwide survey covering 6,818 sample non-agricultural establishments with 20 or more workers that aims to generate an integrated data set on employment, labor relations, labor cost and occupational safety in the workplace as basis for policy and program formulation.*

*This issue looks into the components of bonuses and gratuities across industries for the years 1998 (from the 1998 Labor Cost Survey) and 2002 (from the BITS). These are the 13<sup>th</sup> month pay, profit sharing bonuses and additional payments. Specific industry details can be accessed at the BLES Website.*

### Annual Bonuses and Gratuities Per Employee Up by 58 % in 2002

Per employee bonuses and gratuities in 2002 stood at ₱19,147, higher by 57.6 percent than the ₱12,147 in 1998. It was highest in financial intermediation, estimated at ₱ 45,836 in 1998 and ₱ 69,339 in 2002, followed by electricity, gas and water supply recorded at ₱ 39,600 in 1998 and ₱41,922 in 2002. It was, however, in hotels and restaurants where it almost tripled reaching ₱ 15,125 in 2002 from ₱5,787 in 1998. (Table 1)

Across sub-components, year end, seasonal and other one-time bonuses such as 13<sup>th</sup> month pay was the highest at ₱11,059 in 1998 to ₱16,143 in 2002, posting a 46.0 percent increase. This type of bonuses accounted for the largest share to total per employee, 91.0 percent in 1998 but declining to 84.3 percent share in 2002. Additional payments to employees amounted to ₱1,965 from only ₱241 per employee in 1998 while profit sharing reached ₱ 1,039 in 2002 from ₱846 in 1998.

### **Employees in Business Activities Received Highest Year-End and Similar Bonuses**

Per employee year-end seasonal and one time bonuses of ₱42,446 was highest in financial intermediation in 2002. Second highest was ₱39,039 paid to workers in electricity, gas and water supply and ₱24,237 paid to those in transport, storage and communications. It was lowest in construction at ₱8,453.

The most substantial increase was noted in hotel and restaurants from ₱5,449 in 1998 to ₱14,920 per employee in 2002.

### **Profit Sharing Bonuses Highest in Other Community, Social and Personal Service Activities**

Estimated at ₱ 3,161 per employee, annual profit sharing bonuses in other community, social and personal service activities was the highest in 2002. In financial intermediation, it was recorded at ₱2,718 and in manufacturing at ₱1,608.

To note, profit sharing bonuses increased only in manufacturing and other community, social and personal service activities over the four-year period.

### **Highest Additional Payments Per Employee in Financial Intermediaries in 2002**

From a mere ₱351 in 1998, additional payments in respect of vacation, (supplementary to normal vacation pay) in financial intermediation increased to ₱24,174 in 2002. This was followed by ₱2,247 paid to each employee in electricity, gas and water supply and ₱1,865 in other community, social and personal service activities.

Unlike profit sharing bonuses, additional payments increased across all industries.

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**TABLE 1- ANNUAL BONUSES AND GRATUITIES PER EMPLOYEE IN NON-AGRICULTURAL ESTABLISHMENTS EMPLOYING 20 AND OVER, PHILIPPINES: 1998 AND 2002**  
(In Pesos.)

Major Industry Group	Total		Year-end Seasonal and Other One-time Bonuses		Profit Sharing Bonuses		Additional Payments in Respect of Vacation, Supplementary to Normal Vacation Pay	
	1998	2002	1998	2002	1998	2002	1998	2002
Total	12,147	19,147	11,059	16,143	846	1,039	241	1,965
Mining and Quarrying	11,489	14,118	10,301	13,155	809	98	379	866
Manufacturing	9,271	15,338	8,384	12,957	612	1,608	276	772
Electricity, Gas and Water Supply	39,600	41,922	38,702	39,039	685	635	213	2,247
Construction	7,180	8,864	6,884	8,453	207	79	90	332
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	8,794	13,321	8,136	12,615	409	310	249	396
Hotels and Restaurants	5,787	15,125	5,449	14,920	288	51	50	154
Transport, Storage and Communications	13,169	25,914	12,646	24,237	361	219	162	1,458
Financial Intermediation	45,836	69,339	40,412	42,446	5,073	2,718	351	24,174
Real Estate, Renting and Business Activities	8,672	14,055	7,667	13,079	862	593	143	383
Private Education Services	12,004	14,009	9,735	12,571	1,825	893	445	545
Private Health and Social Work	6,697	10,864	6,387	10,524	111	36	200	304
Other Community, Social and Personal Service Activities	13,040	24,983	12,682	19,956	163	3,161	195	1,865

Source of data: Bureau of Labor and Employment Statistics, 2002/2003 BLES Integrated Survey and 1998 Labor Cost Survey.