

LABOR COST IN THE PHILIPPINES

(Fifth of an eight-part series)



This LABSTAT is the fifth 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 direct wages and salaries across industries for the years 1998 and 2002. These are payment for normal/regular working time, commissions and share of employees in service charges, overtime, night shift and premium pay, payments under bonus and cost of living allowance. Specific industry details can be accessed at the BLES Website.

Annual Direct Wages and Salaries Up by 27 Percent in 2002

Annual direct wages and salaries per employee improved by 26.6 percent, i.e. from ₱107,233 in 1998 to ₱135,774 in 2002. Among non-agricultural industries, it remained highest in financial intermediation at ₱230,182 and in utilities at ₱203,752, per employee. It was observed lowest in construction at ₱114,787. (Table 1)

By sub-component, payment for normal/regular working time per employee remained the highest, posting a 26.5 percent increase from ₱ 89,374 in 1998 to ₱ 113,020 in 2002. This was followed by overtime,

night shift and premium pay which similarly increased from ₱ 8,799 to ₱ 10,722 (by 21.9 %).

Least went to payments under bonus reaching an annual average of ₱ 2,719 in 2002, after posting a 23.4 percent increase from its 1998 level.

Meantime, payments representing cost of living allowances improved by a substantial 72.6 percent from ₱ 2,658 in 1998 to ₱ 4,589 per employee in 2002.

Financial Intermediaries, Utilities Paid Highest for Normal/Regular Working Time

Employees in financial intermediation received the highest annual pay for normal/regular working time per employee amounting to ₱206,708 in 2002. This was followed by payments made to employees in utilities at ₱175,834 and in mining and quarrying at ₱137,128. Least or only ₱91,838 on the average were paid to employees in other community, social and personal service activities in 2002.

The most substantial increase at 89.8 percent was recorded among hotels and restaurants reaching ₱ 115,826 in 2002.

Workers in Hotels and Restaurants Enjoyed Highest Commission

From ₱ 8,606 in 1998, commissions paid to workers in hotels and restaurants increased more than five times in 2002 reaching ₱ 44,070.

In 1998, per employee commissions were highest in transport, storage and communications estimated at ₱ 31,065.

Overtime, Night Shift and Premium Pay: Highest in Manufacturing

Payments for overtime, night shift and premium pay were highest in manufacturing at ₱ 18,134 per employee. This was followed by ₱ 17,364 for workers in mining and quarrying and ₱ 14,247 for those in utilities.

In contrast, the least or only ₱1,362 in 2002 were paid as overtime, night shift and premium pay in private education services.

Workers in Other Community, Social and Personal Service Activities Had Highest Bonus

Receiving the highest amount of bonus were workers in other community, social and personal service activities at ₱ 11,020 per employee. Workers in financial intermediation followed, with bonuses amounting to ₱6,471.

Least was paid to workers in hotels and restaurants at ₱ 417 and in private health and social work at ₱ 533.

More Cost of Living Allowance (COLA) for Workers in Other Community, Social and Personal Service Activities and Utilities

The highest annual per employee COLA amounting to ₱ 12,678 was granted to workers in other community, social and personal service activities in 2002. Those paid to workers in utilities ranked next with ₱ 10,204.

Mining and quarrying workers received the least or only ₱ 2,134.

Apart from other community, social and personal service activities, annual per employee bonus also grew more than twice in hotels and restaurants from P 673 to P 2,223.

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TABLE 1- ANNUAL DIRECT WAGES AND SALARIES PER EMPLOYEE IN NON-AGRICULTURAL ESTABLISHMENTS EMPLOYING 20 AND OVER, PHILIPPINES: 1998 AND 2002
(in Pesos)

Major Industry Group	Total		Payment for normal/regular working time		Commissions and share of employees in service charge		Overtime, night shift and premium pay		Payments under bonus		Cost of living allowance	
	1998	2002	1998	2002	1998	2002	1998	2002	1998	2002	1998	2002
Total	107,233	135,774	89,374	113,020	4,198	4,724	8,799	10,722	2,203	2,719	2,658	4,589
Mining and Quarrying	120,647	160,127	103,600	137,128	56	-	13,121	17,364	1,735	3,501	2,135	2,134
Manufacturing	93,508	124,437	76,613	98,525	1,534	1,707	11,758	18,134	1,952	1,826	1,651	4,244
Electricity, Gas and Water Supply	201,113	203,752	163,990	175,834	16	113	18,182	14,247	2,640	3,354	16,285	10,204
Construction	90,901	114,787	75,510	101,511	347	616	13,384	8,535	383	1,370	1,277	2,755
Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods	96,411	119,393	84,214	103,334	3,578	3,917	4,481	4,880	2,743	3,547	1,395	3,715
Hotels and Restaurants	74,360	166,511	61,035	115,826	8,606	44,070	3,171	3,975	875	417	673	2,223
Transport, Storage and Communications	154,716	152,106	104,973	124,936	31,065	6,064	12,726	10,523	2,698	5,011	3,254	5,572
Financial Intermediation	210,278	230,182	184,906	206,708	790	1,099	6,382	6,067	8,093	6,471	10,107	9,837
Real Estate, Renting and Business Activities	92,088	122,041	80,745	109,084	1,655	976	6,850	5,879	1,374	2,317	1,463	3,784
Private Education Services	103,195	123,892	98,787	118,882	31	13	1,075	1,362	1,157	1,270	2,144	2,365
Private Health and Social Work	82,266	115,313	74,217	99,540	626	1,110	4,074	8,485	554	533	2,794	5,645
Other Community, Social and Personal Service Activities	113,973	125,737	90,774	91,838	7,092	5,805	6,601	4,397	5,399	11,020	4,108	12,678

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