

Labor Cost in the Philippines

(Fourteenth 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.

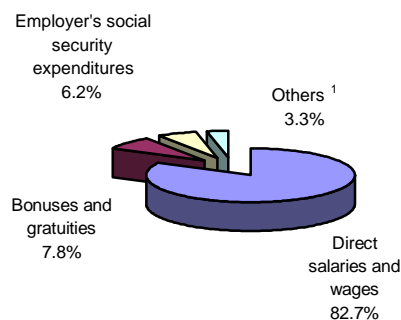
*This part of the series focuses on the main labor cost components in **real estate, renting and business activities**. Statistics on the sub-components are available at the Bureau upon request.*

Major Labor Cost Components

- In the real estate, renting and business activities, employers' total labor cost amounted to ₱24,879 million in 1998.
- The bulk of the major labor cost components went to direct wages and salaries (82.7%). Bonuses and gratuities accounted for 7.8 percent while employer's social security expenditures reached 6.2 percent and other labor costs at 3.3 percent.
- Across specific industries, miscellaneous business activities incurred ₱19,575 million which is almost 80.0 percent of the total labor cost of real estate, renting and business activities, while the research and development activities

posted the least expenses at ₱299 million which represented only 1.2 percent of the total industry disbursements.

Percent Distribution of Labor Cost in Real Estate, Renting and Business Activities by Major Cost Component, Philippines: 1998



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.

Annual Labor Cost Per Employee

- Annual labor cost per employee in the real estate, renting and business activities stood at ₱111,310 in 1998.
- Each employee received ₱92,088 for direct wages and salaries and ₱8,672 for bonuses and gratuities. For employer's social security expenditures, each worker got ₱6,923 and ₱3,627 for other labor costs.
- Employers in the research and development spent the highest labor cost per employee at ₱215,622 followed by computer and related activities with ₱171,725.
- Direct wages and salaries per employee was noted highest in research and development at ₱147,725 per annum and lowest in renting of machinery and equipment without operator at ₱62,833.
- Aside from direct wages and salaries, each worker in the research and development industry also received the highest bonuses and gratuities (₱27,436), employer's social security expenditures (₱27,465) and other labor cost at ₱12,996. The least payment for all labor cost components went to workers in renting of machinery and equipment without operator.
- Meanwhile, proportion of bonuses and gratuities to respective direct wages and salaries in this industry ranged from 8.9 percent (*renting of machinery and equipment without operator*) to 18.6 percent (*research and development*).

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 Real Estate, Renting and Business Activities by Major Cost Component, Philippines: 1998

(In non-agricultural establishments employing 20 and over)

Industry Group	Total		Direct Wages and Salaries	Bonuses and Gratuities	Employer's Social Security Expenditures	Others ¹
	Amount (P M)	Percent				
Real Estate, Renting and Business Activities	24,879	100.00	82.73	7.79	6.22	3.26
Real Estate Activities	2,776	100.00	80.37	8.99	7.61	3.03
Renting of Machinery & Equipment Without Operator	348	100.00	82.96	7.41	6.82	2.81
Computer and Related Activities	1,881	100.00	80.44	7.57	5.49	6.50
Research and Development	299	100.00	68.51	12.72	12.74	6.03
Miscellaneous Business Activities	19,575	100.00	83.50	7.57	5.98	2.94

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 Real Estate, Renting and Business Activities by Major Cost Component, Philippines: 1998

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

Industry Group	TOTAL	Direct Wages and Salaries	Bonuses and Gratuities	Employer's Social Security Expenditures	Others ¹
Real Estate, Renting and Business Activities	111,310	92,088	8,672	6,923	3,627
Real Estate Activities	162,755	130,806	14,632	12,392	4,924
Renting of Machinery & Equipment without Operator	75,739	62,833	5,609	5,165	2,132
Computer and Related Activities	171,725	138,128	13,000	9,427	11,170
Research and Development	215,622	147,725	27,436	27,465	12,996
Miscellaneous Business Activities	103,286	86,244	7,823	6,178	3,041

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.