

## Labor Cost in the Philippines

(Third 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 study 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.

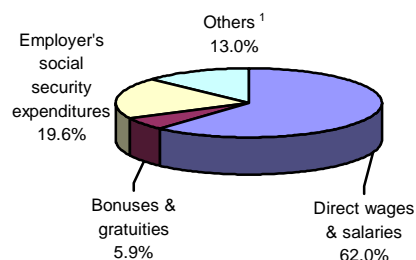
This part of the series focuses on the main labor cost components in the **mining and quarrying** industry. Statistics on the sub-components are available at the Bureau upon request.

### Major Labor Cost Components

- Mining and quarrying establishments spent some P2,227 million for their employees in 1998.
- Around 62.0 percent of this amount went to direct wages and salaries; 19.6 percent to employer's social security expenditures; 5.9 percent to bonuses and gratuities and 13.0 percent to other labor costs.
- Non-metallic ore mining firms had a higher percent share of direct wages and salaries (69.3%) and bonuses and gratuities (10.7%) to total labor cost than the metallic ore mining establishments with 59.6 percent and 4.6 percent share, respectively.
- On the other hand, metallic ore mining companies spent more on employer's social security

expenditures (21.3%) than its counterparts in the industry (13.0%).

**Percent Distribution of Labor Cost in Mining and Quarrying by Major Cost Component, Philippines: 1998**



<sup>1</sup> 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 mining industry was pegged at ₱195,880 in 1998.
- Of this, direct wages and salaries accounted for ₱120,647; bonuses and gratuities amounted to ₱11,489 while employer's social security contributions totalled to ₱38,295 and other labor cost stood at ₱25,450 per employee.
- Across sub-industries, the non-metallic ore mining edged their

counterparts relative to direct wages and salaries per employee (₱121,700 vs. ₱120,328) and bonuses and gratuities (₱18,843 vs. ₱9,262) while the metallic ore mining industry provided more for employer's social security payments (₱42,965 vs. ₱22,871).

- Relative to corresponding direct wages and salaries, the proportion of the annual bonuses and gratuities per employee (15.5%) in the non-metallic ore mining establishments was more than double than those in the metallic ore mining (7.7%).

#### 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](mailto:lssd@manila-online.net) or visit our website at <http://www.manila-online.net/bles>

**Table 1. - Percent Distribution of Labor Cost in Mining and Quarrying Industry  
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 <sup>1</sup>
	Amount (P M)	Percent				
<b>Mining and Quarrying</b>	<b>2,227</b>	<b>100.00</b>	<b>61.59</b>	<b>5.87</b>	<b>19.55</b>	<b>12.99</b>
Metallic Ore Mining	1,763	100.00	59.56	4.58	21.27	14.59
Non-Metallic Ore Mining	464	100.00	69.32	10.73	13.03	6.92

<sup>1</sup> 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 Mining and Quarrying Industry 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 <sup>1</sup>
<b>Mining and Quarrying</b>	<b>195,880</b>	<b>120,647</b>	<b>11,489</b>	<b>38,295</b>	<b>25,450</b>
Metallic Ore Mining	202,035	120,328	9,262	42,965	29,479
Non-Metallic Ore Mining	175,556	121,700	18,843	22,871	12,142

<sup>1</sup> 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.