

WAGE RATES IN INDUSTRIES

... Basic Pay and Allowance in Manufacturing

(Ninth of a Series)

This issue of the LABSTAT Updates is the 9th in the series of statistical releases on the results of the 2004 Occupational Wages Survey (OWS) conducted last year in coordination with the DOLE Regional Offices. The OWS is a nationwide survey covering 6,827 non-agricultural establishments employing 50 or more workers. It aims to provide statistics for wage and salary administration and for wage determination in collective bargaining negotiations.

This issue focuses on the basic pay and allowance of time-rate workers on full-time basis in 29 sub-industries of manufacturing. In the 2004 OWS, 30 sub-industries in manufacturing were surveyed on basic pay and allowance but the results for one sub-industry are excluded due to non-response of its key players.

In June 2004, the median monthly basic pay in manufacturing averaged at ₱ 6,934 which is 8.1 percent lower than the ₱ 7,542 average pay across all industries covered by OWS. On the other hand, the median monthly allowance at ₱ 867 was 6.8 percent lower than the ₱ 930 estimated for all industries covered.

Workers in manufacture of cement received highest basic pay



The median¹ monthly basic pay of time rate workers on full-time basis in the manufacturing establishments was estimated at ₱ 6,934 in June 2004. This is 8.1 percent lower than the all industry pay of ₱ 7,542.

The highest basic pay among the 29 manufacturing industries was noted in the manufacture of cement at

₱ 16,521. Manufacture of beverages and manufacture of glass and glass products also had relatively high basic pay at ₱ 15,713 and ₱ 13,935, respectively. (Table 1)

The lowest basic pay was in manufacture of wood and wood products except furniture at ₱ 4,854. This sub-industry also reported the lowest wage rate among unskilled workers in all industries covered by the OWS. See LABSTAT Updates Vol. 9 No. 23.

¹ Aside from occupational wage rates, the OWS inquires on the distribution of the time-rate workers on full-time basis along basic pay intervals per time unit of work (hourly, daily and monthly). The distribution of these workers who are given regular/guaranteed cash allowances are also inquired into. These wage distributions lead to the generation of the median monthly basic pay and the median monthly allowance. **Median refers to that amount where half of the workers in the distribution receive more while the other half receives less.**

Manufacture of chemical and chemical products (P 9,105); manufacture of motor vehicles, trailers and semi-trailers (P 9,016), publishing, printing and reproduction of media (P 8,919); and manufacture of other transport equipment (P 8,049) had monthly pay higher than the average for all manufacturing establishments.

The basic pay for the rest of the divisions of manufacturing had lesser differentials from each other. The pay ranged from P 5,551 (manufacture of articles of bamboo, cane rattan, cork and the like/manufacture of plaiting materials; and recycling) to P 7,673 (manufacture of basic metals).

Industries with high basic pay also gave high allowances

Manufacture of cement (P 1,149), manufacture of beverages (P 1,351) and manufacture of glass and glass products (P 1,302) paid monthly allowances to their workers which were higher than the all-manufacturing median monthly allowance at P 867. These allowances were also greater than P 930, the average across all industries covered by the OWS.

Publishing, printing and reproduction of recorded media (P 1,211), manufacture of chemicals and chemical products (P 1,221), manufacture of electrical machinery and apparatus, n.e.c. (P 1,053), manufacture of other transport equipment (P 1,223), and manufacturing, n.e.c (P 1,043)

likewise gave allowances of at least P 1,000 per month.

Recycling which paid the second lowest basic pay at P 5,551, (also in manufacture of articles of bamboo, cane rattan, cork and the like/manufacture of plaiting materials) gave the biggest allowance at P 3,150.

The lowest monthly allowance was given by establishments engaged in manufacture of wood and wood products at P 428 which is less than half the manufacturing average at P 867. The allowances of the other industries varied from P 483 (manufacture of tobacco products) to P 992 (manufacture of paper and paper products).

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TABLE 1 - Median Monthly Basic Pay and Monthly Allowance of Time Rate Workers on Full-Time Basis in Manufacturing, Philippines: June 2004

(Non-agricultural establishments employing 50 and over. Median refers to the amount where half of the workers in the basic pay or allowance distribution receive more while the other half receives less.)

1994 PSIC	Industry	Median Basic Pay (P)	Median Allowances ¹ (P)
	ALL NON-AGRICULTURAL INDUSTRIES	7,542	930
D	MANUFACTURING	6,934	867
D151-154	Manufacture of Food Products	6,984	808
D155	Manufacture of Beverages	15,713	1,351
D16	Manufacture of Tobacco Products	7,314	483
D17	Manufacture of Textiles	6,930	887
D18	Manufacture of Wearing Apparel	6,401	858
D191	Tanning and Dressing of Leather; Manufacture of Luggage and Handbags	6,708	870
D192	Manufacture of Footwear	6,054	876
D201	Manufacture of Wood and Wood Products except Furniture	4,854	428
D202	Manufacture of Articles of Bamboo, Cane, Rattan, Cork and the Like; Manufacture of Plaiting Materials	5,551	781
D21	Manufacture of Paper and Paper Products	7,576	992
D22	Publishing, Printing and Reproduction of Recorded Media	8,919	1,211
D23	Manufacture of Coke, Refined Petroleum and Other Fuel Products	a	a
D24	Manufacture of Chemicals and Chemical Products	9,105	1,221
D251	Manufacture of Rubber Products	6,896	789
D252	Manufacture of Plastic Products	6,995	867
D261	Manufacture of Glass and Glass Products	13,935	1,302
D262	Manufacture of Cement	16,521	1,149
D269	Manufacture of Non-Metallic Mineral Products, n.e.c.	6,791	910
D27	Manufacture of Basic Metals	7,673	817
D28	Manufacture of Fabricated Metal Products, Except Machinery and Equipment	6,749	880
D29	Manufacture of Machinery and Equipment, n.e.c.	7,550	947
D30	Manufacture of Office, Accounting and Computing Machinery	7,017	815
D31	Manufacture of Electrical Machinery and Apparatus, n.e.c.	7,392	1,053
D32	Manufacture of Radio, Television and Communication Equipment and Apparatus	7,225	810
D33	Manufacture of Medical, Precision and Optical Instruments, Watches and Clocks	6,504	956
D34	Manufacture of Motor Vehicles, Trailers and Semi-Trailers	9,016	672
D35	Manufacture of Other Transport Equipment	8,049	1,223
D36	Manufacture and Repair of Furniture	5,867	956
D37	Recycling	5,551	3,150
D39	Manufacturing, n.e.c.	6,570	1,043

Notes: 1. Basic pay refers to pay for normal/regular working time before deductions for employees' social security contributions and withholding taxes. It excludes overtime, night shift differential and other premium pay; commissions, tips and share of employees in service charge; and payment in kind.

2. Allowances refer to regular/guaranteed cash payments. These include living allowance but exclude reimbursements for travel, entertainment, meals and other expenses, etc. incurred in conducting the business of the employer, cost of uniform/working clothes; bonuses and gratuities; family allowances.

¹ *Refer only to those workers given regular/guaranteed cash allowances.*

Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.