



The BLES

# LABSTAT DIGEST

( A Statistical Digest on Labor Cost )

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## Labor Cost in the Philippines (Fourth 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 **wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods**. Statistics on the sub-components are available at the Bureau upon request.

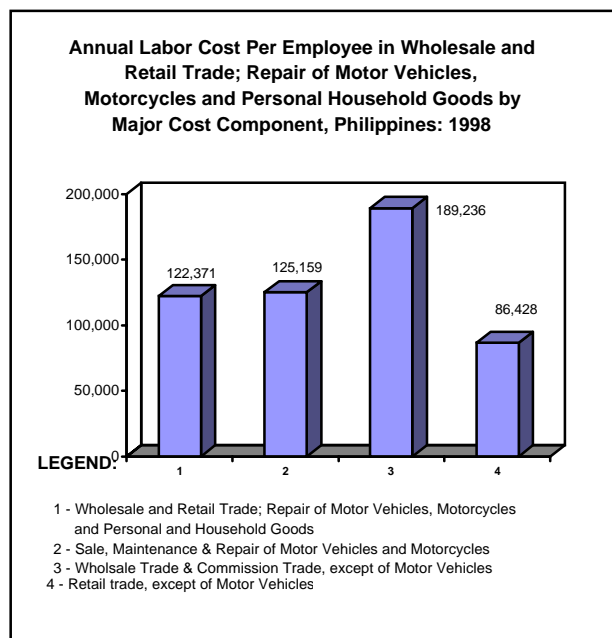
### Major Labor Cost Components

- Based on survey results, employers in wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods establishments spent some ₱35,978 million for their employees in 1998.
- Almost 80.0 percent of the total labor cost went to direct wages and salaries; 8.8 percent to employer's social security expenditures; 7.2 percent to bonuses and gratuities and 5.3 percent to other labor costs.
- Across specific industries, the largest portion of employers' expenditures were consumed in wholesale trade and commission trade except of

motor vehicles (₱17,276 million) followed by retail trade except of motor vehicles (₱14,883 million) and lowest at ₱ 3,819 million in sale, maintenance and repair of motor vehicles and motorcycles.

### Annual Labor Cost Per Employee

- In 1998, annual labor cost per employee in this particular industry was estimated at ₱122,371.
- Direct wages and salaries per employee stood at ₱96,411; employer's social security expenditures at ₱10,744; bonuses and gratuities amounted to ₱8,794 and other labor costs at ₱6,422.



Source of data: Bureau of Labor and Employment Statistics, 1998 Labor Cost Survey.

- Across sub-sectors, wholesale trade and commission trade except of motor vehicles had the highest annual labor cost per employee amounting to ₱189,236 while the lowest was in retail trade except of motor vehicles at ₱86,428.
- Each worker in the wholesale trade and commission trade except of motor vehicles received the highest direct wages and salaries at ₱144,458 and bonuses and gratuities amounting to ₱15,635. Again, lowest were noted in retail trade except of motor vehicles at ₱71,373 and ₱5,542, respectively.

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**TABLE 1. - Percent Distribution of Labor Cost in Wholesale and Retail Trade;  
Repair of Motor Vehicles, Motorcycles and Personal  
And Household Goods 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>Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods</b>	<b>35,978</b>	<b>100.00</b>	<b>78.79</b>	<b>7.19</b>	<b>8.78</b>	<b>5.25</b>
Sale, Maintenance & Repair of Motor Vehicles and Motorcycles	3,819	100.00	75.07	5.33	12.59	7.00
Wholesale Trade & Commission Trade, Except of Motor Vehicles	17,276	100.00	76.34	8.26	9.60	5.80
Retail Trade, Except of Motor Vehicles	14,883	100.00	82.58	6.41	6.85	4.16

<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 Wholesale and Retail Trade; Repair of Motor  
Vehicles, Motorcycles and Personal Household Goods 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>Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods</b>	<b>122,371</b>	<b>96,411</b>	<b>8,794</b>	<b>10,744</b>	<b>6,422</b>
Sale, Maintenance & Repair of Motor Vehicles and Motorcycles	125,159	93,957	6,675	15,762	8,764
Wholesale Trade & Commission Trade, Except of Motor Vehicles	189,236	144,458	15,635	18,169	10,973
Retail Trade, Except of Motor Vehicles	86,428	71,373	5,542	5,919	3,594

<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.