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WAGE RATES IN INDUSTRIES

... Basic Pay and Allowances in Major Economic Activities

(First of an 18-Part Series)

The Occupational Wages Survey (OWS) is a nationwide establishment survey of the BLES since 1989. Through the years, the survey has undergone revisions in its periodicity, scope and coverage and survey design to meet the needs of users for statistics in aid of wage and salary administration and wage determination in collective bargaining negotiations.

The OWS is one of the designated statistical activities in E.O. 352 (s. 1996) that generates critical data for decision making in the government and the private sector. The data category **average monthly occupational wage rates in selected occupations** is among those listed by the Philippine government under the Special Data Dissemination Standard (SDDS) of the International Monetary Fund. The SDDS serves as reference to member countries in the dissemination of economic and financial data to the public.

With the addition of two emerging industries: call center activities, and medical transcription and related outsourcing activities, the 2006 OWS covered **non-agricultural establishments employing at least 20 persons** in 60 industry groups. In particular, data on wage rates of time-rate workers on full-time basis were collected for 169 occupations across 45 specific industries. The reference period of the survey was August 2006.

Aside from collecting data on wage rates in selected occupations in the 45 industries, the OWS inquired on the distributions of time-rate workers on full-time basis along pre-determined basic pay and allowance intervals. These wage distributions led to the determination of the median monthly basic pay and the median monthly allowances in the 60 industry groups. (Note: The median divides the wage distribution into two equal parts. It is the value where half of the workers in the distribution receive more while the other half receives less.)

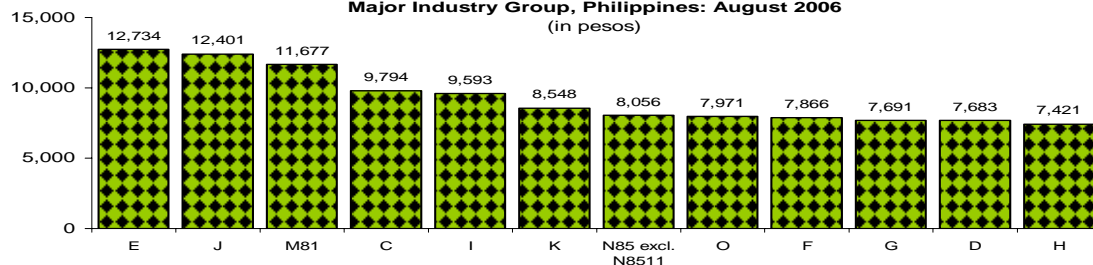
This first issue on the series of LABSTAT Updates focuses on the basic pay and allowances of the non-agricultural sector of the economy. Nationwide, the median monthly basic was estimated at ₱8,035. The median monthly allowances (for those workers given allowances), on the other hand, was reported at ₱1,278. The metadata and the statistical tables of the 2006 OWS are posted on the BLES website.

Electricity, gas and water supply reported the highest average basic pay among industries; least average pay in hotels and restaurants

Electricity, gas and water supply had the highest average¹ basic pay at ₱12,734, which was about 1.6 times higher than the national median basic pay of ₱8,035. Financial intermediation (₱12,401) and private

education services (₱11,677) were the two other major economic activities with high basic pay. Least basic pay of ₱7,421 was observed in hotels and restaurants. (Figure 1)

FIGURE 1 - Median Monthly Basic Pay of Time-Rate Workers on Full-Time Basis by Major Industry Group, Philippines: August 2006
(in pesos)



C - Mining and Quarrying

D - Manufacturing

E - Electricity, Gas and Water Supply

F - Construction

G - Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods

H - Hotels and Restaurants

I - Transport, Storage and Communications

J - Financial Intermediation

K - Real Estate, Renting and Business Activities

M81 - Private Education Services

N85 excl. N8511 - Health and Social Work except Public Medical, Dental and Other Health Activities

O - Other Community, Social and Personal Service Activities

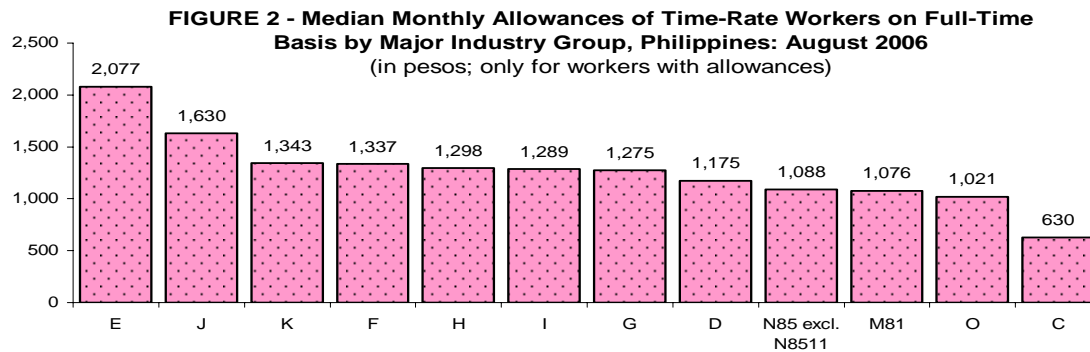
Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

¹ The terms "average" and "median" are used interchangeably in the analysis of basic pay and allowances.

Monthly allowances averaged to ₱1,278

Time rate workers on full-time basis who were given allowances received ₱1,278, on the average. As in basic pay, employees in electricity, gas and water supply (₱2,077) and financial intermediation (₱1,630) received the

highest average monthly allowances. Mining and quarrying which was the only industry group with median allowances of less than ₱1,000 had the lowest at ₱630. (Figure 2)



C - Mining and Quarrying
D - Manufacturing
E - Electricity, Gas and Water Supply
F - Construction
G - Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods
H - Hotels and Restaurants
I - Transport, Storage and Communications
J - Financial Intermediation
K - Real Estate, Renting and Business Activities
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Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

About one-fourth had basic pay of ₱12,000 or more; around 0.3% with pay below ₱3,000

There were 2.8 million time-rate workers on full-time basis in non-agricultural establishments employing 20 persons or more in August 2006. About one-fourth or 700,000 of them were paid ₱12,000 or more. However,

around 7,000 or 0.3% received monthly basic pay of less than ₱3,000. (Figure 3)

On the other hand, some 1.3 million or 47.1% of time-rate workers were not given allowances. (Figure 4)

FIGURE 3 - Percent Distribution of Time-Rate Workers on Full-Time Basis by Monthly Basic Pay, Philippines: August 2006

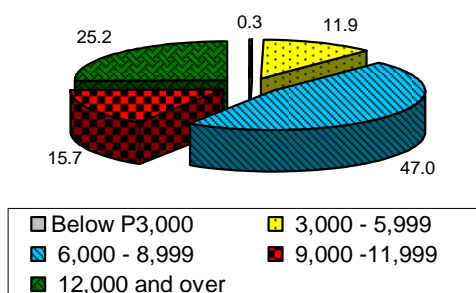
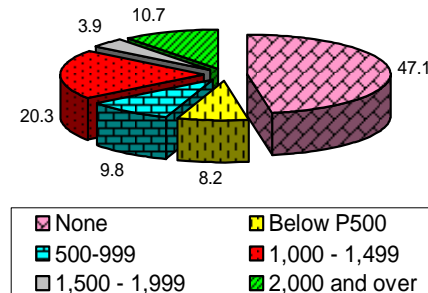


FIGURE 4 - Percent Distribution of Time-Rate Workers on Full-Time-Basis by Monthly Allowances, Philippines: August 2006



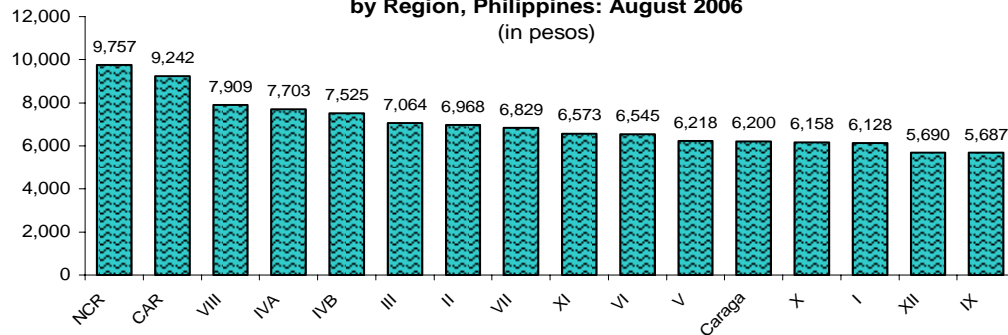
Source of data: Bureau of Labor and Employment Statistics, Occupational Wages Survey.

Basic pay of NCR and CAR higher than national average of ₱8,035

The National Capital Region (₱9,757) and Cordillera Administrative Region (₱9,242) were the regions whose average basic pay were reported higher than the national average of ₱8,035. (Figure 5)

For the rest of the country, Region XII-SOCCSKSARGEN (₱5,690) and Region IX-Zamboanga Peninsula (₱5,687) were the only regions with median basic pay below ₱6,000.

FIGURE 5 - Median Monthly Basic Pay of Time-Rate Workers on Full-Time Basis by Region, Philippines: August 2006
(in pesos)



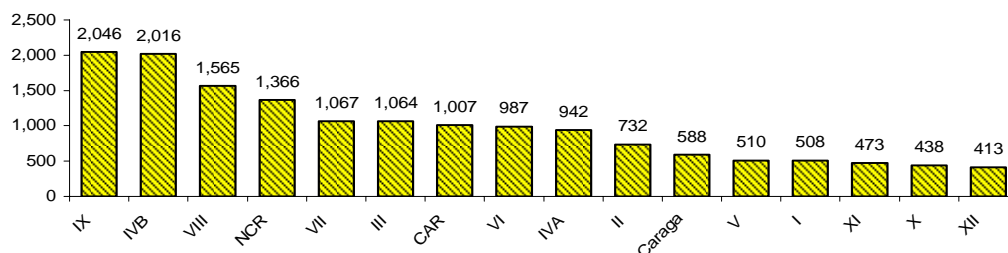
Note: ARMM data suppressed due to its low response rate to the survey.

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

In terms of monthly allowances, Region IX-Zamboanga Peninsula and Region IVB-MIMAROPA reported the highest averages at ₱2,046 and ₱2,016, respectively.

Regions XI-Davao, X-Northern Mindanao and XII had average monthly allowances of less than ₱500. (Figure 6)

FIGURE 6 - Median Monthly Allowances of Time-Rate Workers on Full-Time Basis by Region, Philippines: August 2006
(in pesos; only for workers granted allowances)



Note: ARMM data suppressed due to its low response rate to the survey.

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

Definition of Terms:

- **Wage rate** refers to the sum of basic pay and regular/guaranteed allowances.
- **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.
- **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.
- **Median** divides the wage distribution into two equal parts. It is the value where half of the workers in the distribution receive more while the other half receives less.

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