



## WAGE RATES IN INDUSTRIES

### *...A comparison of the average daily wage rates of unskilled workers and the minimum wage rates*

*(Last of a four-part series)*

*The Occupational Wages Survey (OWS) is a nationwide establishment survey of the Philippine Statistics Authority (PSA) which aims to generate statistics that will be useful for wage and salary administration and wage determination in collective bargaining negotiations.*

*The OWS is one of the designated statistical activities of the country per Executive Order 352 (s. 1996) that requires the generation of critical and essential data for decision making of the government and the private sector. The data "average monthly occupational wage rates of 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.*

*The 2014 OWS covered 8,399 agricultural and non-agricultural establishments employing at least 20 workers wherein wage rates of 188 occupations from 50 pre-determined industry groups were collected. It likewise provided the median monthly basic pay and allowances in selected industry groups. The survey's reference period was July 2014.*

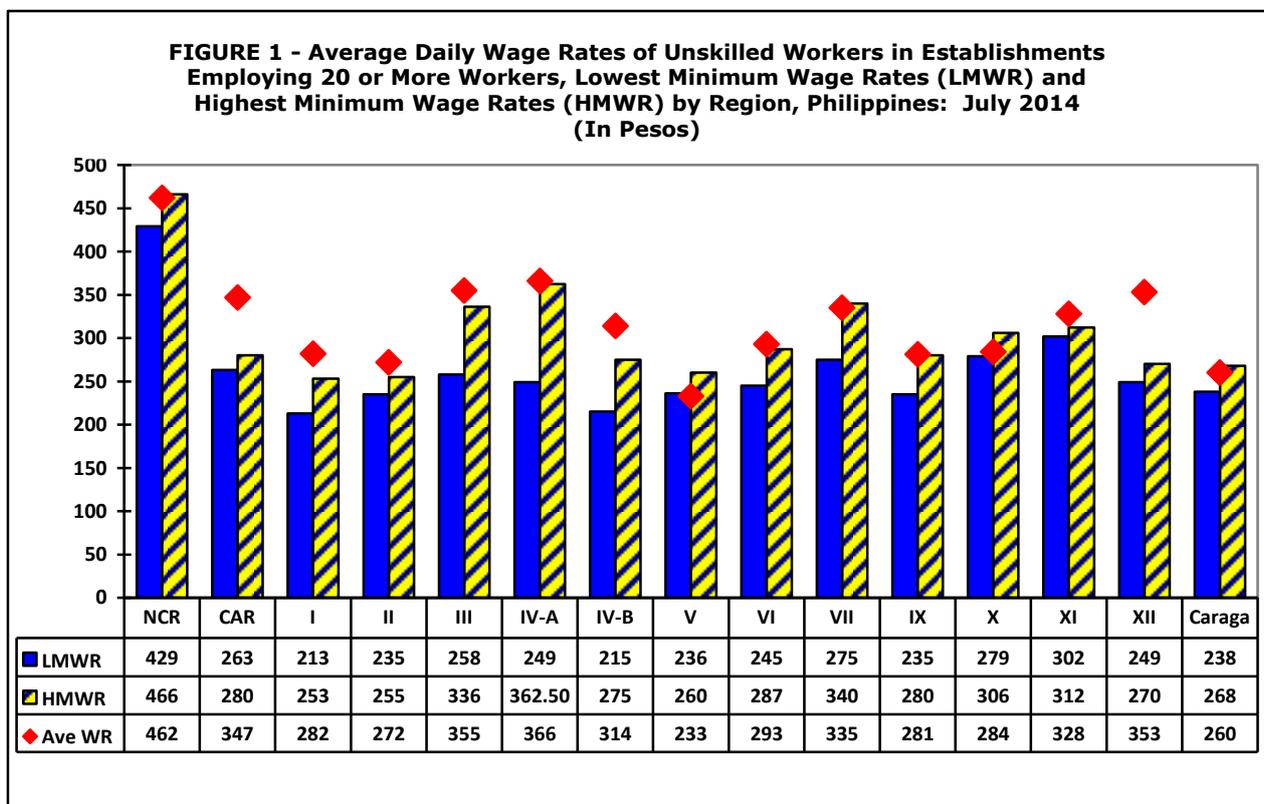
*This last issue of the LABSTAT Updates makes a comparison of the average daily wage rates of unskilled workers except janitors, messengers and freight handlers; and the minimum wage rates (highest in the region) prescribed by the Regional Tripartite Wage and Productivity Boards (RTWPBs) of the Department of Labor and Employment. The metadata and the statistical tables of the survey are posted at the PSA website.*

### ***Unskilled workers in ten regions received average daily wage rates higher than the minimum wage rates***

- The average daily wage rates of unskilled workers except janitors, messengers and freight handlers were compared with the highest daily minimum wage prescribed by the RTWPBs. This comparison was made as unskilled workers are considered the lowest paid in almost all industries.
- Unskilled workers in ten regions were paid the average daily wage rates higher than the prevailing highest regional minimum wage rates as of July 2014. These regions included the following: CAR (P347); Region I (P282); Region II (P272); Region III (P355); Region IV-A (P366); Region IV-B (P314); Region VI (P293); Region IX (P281); Region XI (P328); and Region XII (P353). (*Figure 1*)
- High wage rates in these regions can be attributed to the following factors: length of service of workers, bargaining negotiations, restructuring of pay scale in the establishments, among others.

- Meanwhile, average daily wage rates of unskilled workers in five regions were lower than the highest wage rates in the regions. Nevertheless, the averages in four of these (NCR - P462, Region VII - P335, Region X - P284

and Caraga - P260) were still within the range of the lowest to highest minimum wage rates in the region while one (Region V - P233) fell outside the wage band.



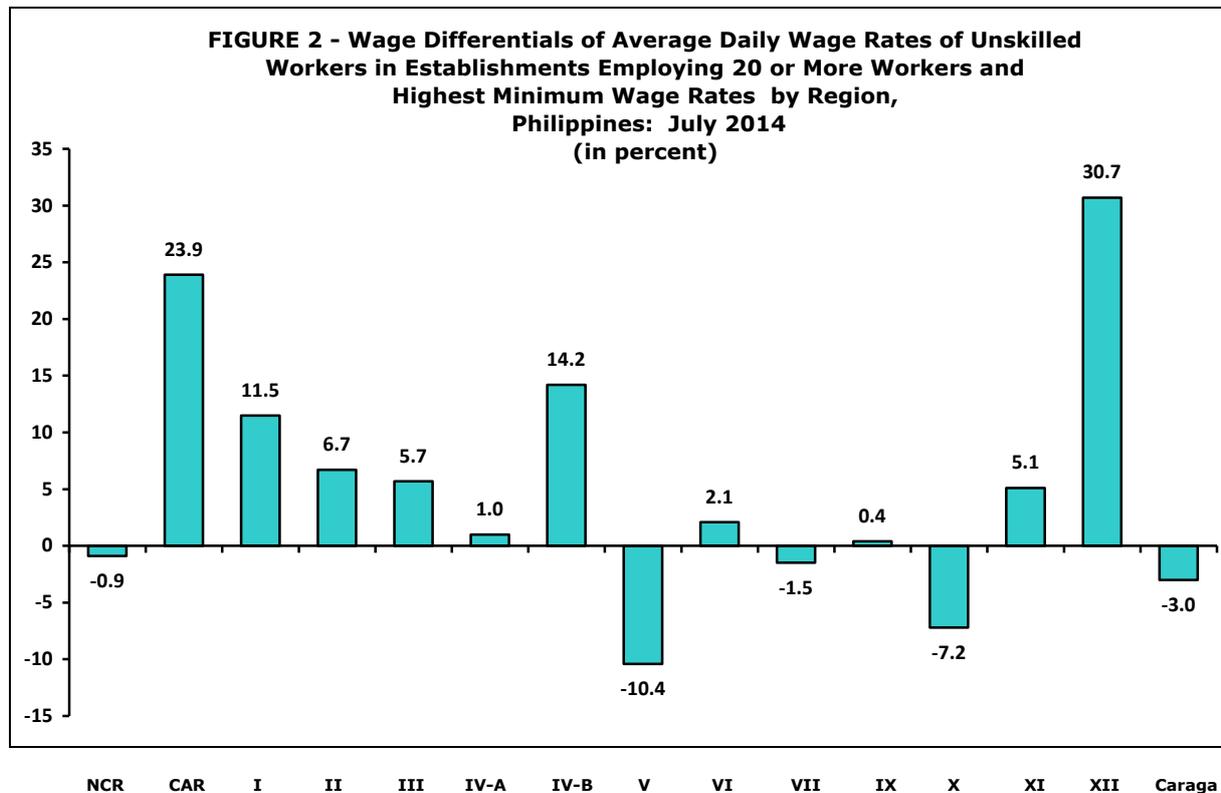
Notes: 1. Data for Region VIII and Autonomous Region in Muslim Mindanao were suppressed due to low response rates.

2. Average monthly wage rates of unskilled workers except janitors, messengers and freight handlers in establishments employing 20 or more workers were converted to its daily equivalent, i.e., (Wage Rate x 12)/313.

Sources of data: Philippine Statistics Authority, Occupational Wages Survey National Wages and Productivity Commission.

**Region XII posted the highest wage differentials of unskilled workers**

- Wage differentials, expressed in percent, were computed by comparing the average daily wage rate of unskilled workers relative to the corresponding highest minimum wage rate.
- Wage differentials in the regions with higher daily wage rates than the highest minimum wage rates ranged from 0.4% (Region IX) to 30.7% (Region XII). This means that the average daily wage rates of unskilled workers in Region XII were 30.7% higher than the prescribed highest minimum wage rates in the region. (Figure 2)
- On the other hand, regions with average daily wage rates of unskilled workers lower than their highest minimum wage rates were NCR (-0.9%), Region VII (-1.5%), Caraga (-3.0%), Region X (-7.2%), and Region V (-10.4%). This means that the average of Region V, for example, was lower by 10.4% than its highest minimum wage rate.



**Notes:** 1. Data for Region VIII and Autonomous Region in Muslim Mindanao were suppressed due to low response rates.  
 2. Wage differentials refer to the average daily wage rates relative to the highest minimum wage rates, expressed in percent.

Sources of basic data: Philippine Statistics Authority, Occupational Wages Survey  
 National Wages and Productivity Commission.

**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.

**FOR INQUIRIES**

Regarding this report, contact **LABOR STANDARDS AND RELATIONS STATISTICS DIVISION** at telephone no. 376-1921  
 Regarding other statistics, contact **KNOWLEDGE MANAGEMENT AND COMMUNICATION DIVISION** at 462-6600 local 834  
 Or visit our website at <http://www.labstat.psa.gov.ph>