



UPDATE ON LAYOFFS 1995 - 1996

This report contains preliminary summary statistics on worker's layoff for the years 1995 and 1996. This update is based from the *Monthly Report on Employee's Terminations* submitted by employers/establishments to DOLE Regional Offices.

ESTABLISHMENT CLOSURES/RETRENCHMENTS

- ◇ A total of 1,240 establishments reported closures/retrenchments due to economic reasons in 1996 exceeding by 8.9 percent the 1,139 establishments resorting to closures/retrenchments in 1995.
- ◇ By type of retrenchment, the bulk of the reports or 833 were **establishments resorting to layoffs** of which 713 were **permanent layoffs** and 120 temporary layoffs. On a worse off situations were 365 establishments that ceased operations during the year, 292 of which were permanent closures and 73 temporary closures. On the other hand, some establishments resorted to job rotations/reduced working time to cope with the difficult situation.
- ◇ One-half (50.4% or 625) of establishments reporting closures/retrenchments were engaged in manufacturing. Among the hardest hit were those engaged in the manufacturing of **food (88), wearing apparel/garments (85), chemical and chemical products (70), wood and wood products (57), textiles (49) and electrical machinery, apparatus, appliances and supplies (44)**.
- ◇ Majority of the reporting establishments were based in the National Capital Region (686 or 55.3%), Region VII (173 or 14.0%) and **Region XI** (111 or 9.0%). A good number of them were **large-sized establishments** employing 100 workers and more (567 or 45.7%).

WORKERS AFFECTED

- ◇ Some 81,627 workers were displaced from their jobs due to economic reasons in 1996. This represents a 30.0 percent increase over the number of workers affected last year at 62,990. Classified according to the form of displacements, 55.2 percent or 45,106 lost their jobs permanently; 39.6

- percent or 32,319 were temporarily laid off; and 5.1 percent or 4,202 worked on rotation/reduced working time.
- ◇ Hardest hit by this year's employment cutbacks were three of the country's top export earning industries, namely: electrical machinery, apparatus and supplies (18,223); wearing apparel/ garment (11,397) and textile (9,959). Collectively, they accounted for nearly half (48.5% or 39,579) of total laidoff workers during the year. Heavy job losses were also noted in the following sub-sectors: food (4,100), wood and wood products (3,389) and chemical and chemical products (2,909). For the manufacturing sector as a whole, total displacement of workers was posted at 63,815, a 29.0 percent increment from 19.5 percent registered a year ago.
 - ◇ For the rest of the major sectoral groups, large increases in layoffs/retrenchments were observed in the community, social and personal services (1,760 to 3,828); and **mining and quarrying** (112 to 3,130).
 - ◇ The lion's share of the total workers laid off (84.4% or 68,860) were employed by large establishments with 100 or more workforce.
 - ◇ As to the reasons for layoffs/retrenchments, data showed an upsurge in the number of laid off workers due to lack of market/slump in demand. Specifically, the proportion of workers laid off for 1996 due to this reason rose substantially to 41.0 percent from 26.7 percent in 1995. Lack of capital (23.6%) and higher cost of production (13.2%) were the other two principal reasons for this year's terminations. Layoff due to company streamlining/redundancy was down from 14.4% to 12.0%.

FOR INQUIRIES:

Regarding this report contact **Employment and Manpower Statistics Division at 527-3419**

Regarding other statistics and technical services contact **BLES Databank at 527-3577**

Or write to BLES c/o **Databank, 3/F DOLE Bldg., Gen. Luna St., Intramuros, Manila 1002**

FAX **527-3579** E-mail: emsd@manila-online.net Website: <http://www.manila-online.net/bles>

**TABLE 1.0 - ESTABLISHMENTS RESORTING TO CLOSURE AND RETRENCHMENT AND
JOB ROTATION/REDUCED WORKTIME DUE TO ECONOMIC REASONS**
Philippines: 1995 and 1996
(Preliminary)

Indicator	Establishments Reporting		Workers Affected	
	1995	1996	1995	1996
TOTAL	1,139	1,240	62,990	81,627
1. Establishments resorting to closure	177	365	29,634	43,880
Permanent	140	292	17,098	21,071
Temporary	37	73	12,536	22,809
2. Establishments resorting to layoffs	902	833	26,084	33,545
Permanent	782	713	18,814	24,035
Temporary	120	120	7,270	9,510
3. Establishments resorting to job rotation/reduced worktime	60	42	7,272	4,202

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices.

**TABLE 2.0 - ESTABLISHMENTS RESORTING TO CLOSURE AND RETRENCHMENT AND
JOB ROTATION/REDUCED WORKTIME DUE TO ECONOMIC REASONS BY REGION**

*Philippines: 1996
(Preliminary)*

Indicator	PHILIPPINES	Region														
		NCR	CAR	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	Caraga
TOTAL	1,240	686	9	15	11	55	63	9	65	173	0	7	28	111	0	8
1. Establishments resorting to closure	365	215	3	2	3	27	17	0	13	51	0	0	10	21	0	3
Permanent	292	184	2	2	2	15	15	-	13	33	-	-	10	15	-	1
Temporary	72	31	1	-	1	12	2	-	-	18	-	-	-	6	-	2
2. Establishments resorting to layoffs	833	436	5	13	8	28	43	9	52	119	0	7	18	90	0	5
Permanent	713	366	5	11	5	24	41	9	48	104	-	1	15	81	-	3
Temporary	120	70	-	2	3	4	2	-	4	15	-	6	3	9	-	2
3. Establishments resorting to job rotation/reduced worktime	42	35	1	-	0	0	3	0	0	3	0	0	0	0	0	0

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices.

**TABLE 2.1 - WORKERS AFFECTED BY ESTABLISHMENTS SHUTDOWN / RETRENCHMENT AND
JOB ROTATION / REDUCED WORKTIME DUE TO ECONOMIC REASONS BY REGION**
Philippines: 1996
(Preliminary)

Indicator	PHILIPPINES	Region														
		NCR	CAR	I	II	III	IV	V	VI	VII	VIII	IX	X	XI	XII	caraga
TOTAL	81,627	45,267	2,306	949	434	3,484	4,354	25	2,289	17,353	-	789	1,176	2,874	-	327
1. Establishments resorting to closure	43,880	20,647	1,135	880	135	2,540	1,027	-	603	15,096	-	-	874	724	-	219
Permanent	21,071	14,272	415	880	19	969	940	-	603	1,432	-	-	874	598	-	69
Temporary	22,809	6,375	720	-	116	1,571	87	-	-	13,664	-	-	-	126	-	150
2. Establishments resorting to layoffs	33,545	21,497	868	69	299	944	2,703	25	1,686	2,105	-	789	302	2,150	-	108
Permanent	24,035	15,835	868	55	51	905	2,220	25	616	1,612	-	15	127	1,682	-	24
Temporary	9,510	5,662	-	14	248	39	483	-	1,070	493	-	774	175	468	-	84
3. Establishments resorting to job rotation/reduced worktime	4,202	3,123	303	-	-	-	624	-	-	152	-	-	-	-	-	-

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices.

**TABLE 3.0 – ESTABLISHMENTS RESORTING TO CLOSURE, RETRENCHMENT AND JOB ROTATION / REDUCED
WORKTIME DUE TO ECONOMIC REASONS BY INDUSTRY, PHILIPPINES: 1996
(Preliminary)**

Indicator	TOTAL	Industry								
		Agriculture, Fishery and Forestry	Mining and Quarrying	Manufacturing	Electricity, Gas and Water	Construction	Wholesale and Retail Trade	Transportation, Storage and Communication	Financing, Insurance, Real Estate and Business Svcs.	Community, Social and Personal Svcs.
TOTAL	1,240	132	15	625	1	24	131	72	90	150
1. Establishments resorting to closure	365	31	3	181	-	4	48	16	19	63
Permanent	292	25	2	128	-	1	45	15	18	58
Temporary	23	6	1	53	-	3	3	1	1	5
2. Establishments resorting to layoffs	833	101	11	411	1	20	79	55	70	85
Permanent	713	85	8	337	1	14	75	48	65	80
Temporary	120	16	3	74	-	6	4	7	5	5
4. Establishments resorting to job rotation/reduced worktime	42	-	1	33	-	-	4	1	1	2

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices.

**TABLE 3.2 - ESTABLISHMENTS RESORTING TO SHUTDOWN / RETRENCHMENT DUE TO
ECONOMIC REASONS AND WORKERS AFFECTED BY INDUSTRY
PHILIPPINES: 1995-1996
(Preliminary)**

Major/Minor Industry Group	Establishments Reporting		Workers Affected	
	1995	1996	1995	1996
ALL INDUSTRIES	1,139	1,240	62,990	81,627
Agriculture, Fishery and Forestry	89	132	6,184	4,024
Coconut	1	0	1	-
Sugar	2	2	60	46
Fruits	44	35	4,709	349
Rubber	2	2	39	285
Fishery	27	46	1,128	1,256
Livestock	5	23	50	697
Others	8	24	197	1,391
Mining and Quarrying	5	15	112	3,130
Manufacturing	583	625	49,488	63,815
Food	70	88	3,193	4,100
Beverage	55	29	921	1,029
Tobacco	2	4	13	1,183
Textile	50	49	10,007	9,959
Wearing apparel/garment	80	85	15,648	11,397
Leather and leather products	5	4	1,345	574
Footwear	4	3	269	776
Wood and wood products	38	57	3,652	3,389
Paper and paper products	5	11	84	458
Printing, publishing and other allied	13	23	148	745
Chemical and chemical products	71	70	1,039	2,909
Petroleum and coal products	4	3	65	11
Rubber products	3	10	248	566
Plastic products	9	8	418	470
Iron steel basic industries	19	13	743	467
Non-ferrous basic industries	3	1	162	43
Fabricated metal products	10	13	491	1,071
Machinery	12	11	229	1,500
Electrical machinery, apparatus, appliances and supplies				
Transport equipment	7	9	184	498
Professional and scientific and measuring and controlling equipment/furniture & fixtures made of metal including repair	8	5	648	134
Other manufacturing industries	92	85	4,123	4,844
Electricity, Gas and Water	4	1	23	4
Construction	30	24	937	1,236
Wholesale and Retail Trade	130	131	1,565	2,367
Transportation, Storage and Communication	82	72	2,020	1,421
Financing, Insurance, Real Estate and Business Services	106	90	871	1,802
Community, Social and Personal Services	10	150	1,760	3,828

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices.

TABLE 4.0 - ESTABLISHMENTS RESORTING TO CLOSURE, RETRENCHMENT AND JOB ROTATION / REDUCED WORKTIME DUE TO ECONOMIC REASONS BY EMPLOYMENT SIZE, PHILIPPINES: 1996
(Preliminary)

Indicator	TOTAL	Employment Size				
		<10	10 - 19	20 - 49	50 - 99	100 and over
TOTAL	1,240	129	93	225	226	567
1. Establishments resorting to closure	365	64	43	92	68	98
Permanent	292	58	39	81	50	64
Temporary	73	6	4	11	18	34
2. Establishments resorting to layoffs	833	62	47	126	148	450
Permanent	713	60	41	107	131	374
Temporary	120	2	6	19	17	76
5. Establishments resorting to job rotation / reduced worktime	42	3	3	7	10	19

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices

TABLE 5.0 - ESTABLISHMENTS RESORTING TO CLOSURE, RETRENCHMENT AND JOB ROTATION / REDUCED WORKTIME AND WORKERS AFFECTED DUE TO ECONOMIC REASONS BY REASON OF RETRENCHMENT, PHILIPPINES: 1995 - 1996
(Preliminary)

Indicator	Establishments Reporting		Workers Affected	
	1995	1996	1995	1996
ALL REASONS	1,139	1,240	62,990	81,627
Lack of raw materials	73	86	8,023	7,884
High production cost (of materials, labor, etc.)	220	231	19,668	10,795
Lack of market / slump in demand	207	253	16,800	33,450
Lack of capital	147	299	8,624	19,244
Streamlining / Redundancy	478	360	9,055	9,790
Others	14	11	820	464

Source of data: Employer's Monthly Report on Employee's Termination submitted by establishments to DOLE Regional Offices.