

BASIC PAY AND ALLOWANCES IN MANUFACTURING (14th of an 18-Part Series on 2006 OWS)

This issue of the LABSTAT Updates on the results of the 2006 Occupational Wages Survey (OWS) highlights the monthly basic pay and allowances in manufacturing. For purposes of basic pay and allowances data, this major industry group covered 28 industry groups at the 3 or 4-digit levels of the Philippine Standard Industrial Classification.

The median basic pay in manufacturing were estimated at ₱7,683 and monthly allowances at ₱1,175. The monthly basic pay and allowances of the other industry groups covered in the OWS are posted on the BLES website.

Workers in the manufacture of coke, refined petroleum and other fuel products received the highest average monthly basic pay and allowances

In August 2006, the median¹ monthly basic pay of time-rate workers on full-time basis in manufacturing was estimated at ₱7,683. This was 4.4% lower than the all-industry average pay of ₱8,035.

Among the time-rate workers in the 28 manufacturing industry groups covered in the survey, those in the manufacture of coke, refined petroleum and other fuel products were paid the highest at ₱25,246. Other sub-industries with relatively high basic pay were: manufacture of cement (₱16,660); manufacture of beverages (₱13,580); manufacture of tobacco products (₱11,750); and manufacture of other transport equipment (₱10,494). Aside from these five manufacturing industry groups, there were 12 others with basic pay higher than the average basic pay for manufacturing establishments which ranged from ₱7,685 to ₱9,916. (Figure 1)

On the other hand, the basic pay of the rest of the manufacturing industries varied slightly. The lowest basic pay recorded in the manufacture and repair of furniture at ₱6,815 was about one-fourth of the average basic pay in manufacture of coke, refined petroleum and other fuel products.

Relative to the all-industry average of ₱1,278, the average monthly allowances (of workers given allowances) in manufacturing was 8.1% lower at ₱1,175. (Figure 2)

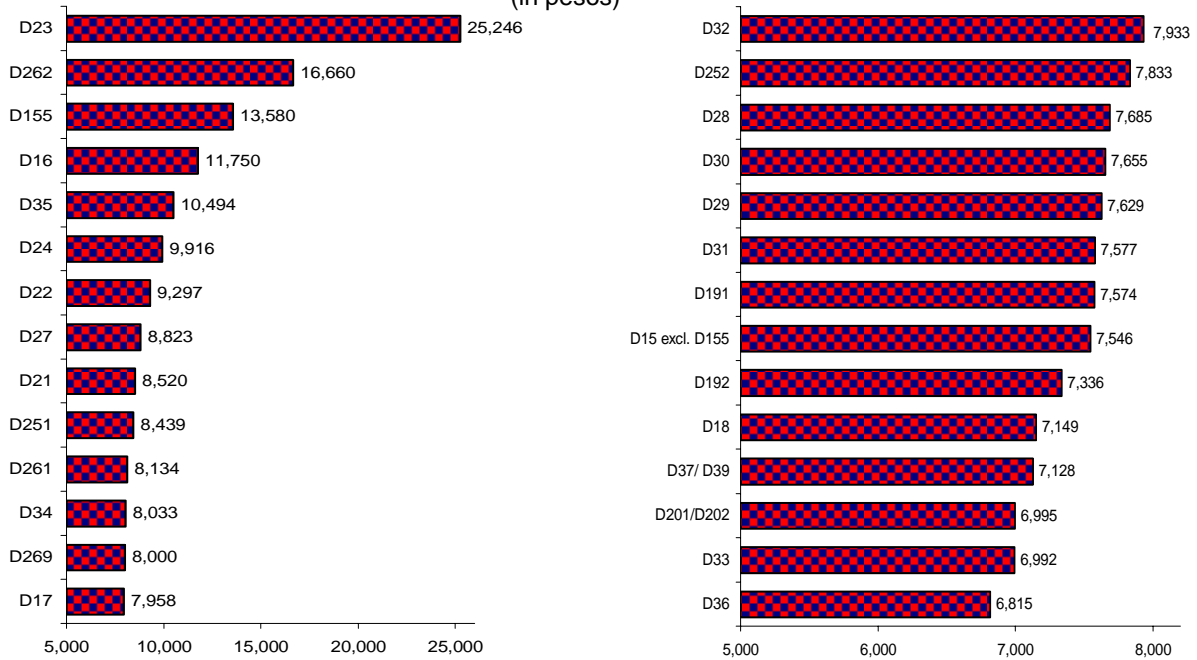
Manufacture of coke, refined petroleum and other fuel products also granted the highest monthly allowances at ₱5,098. This was followed closely by manufacture of machinery and equipment, n.e.c. at ₱5,005. The basic pay in these two industry groups were about 12 times higher than the lowest average basic pay in the major industry group.

Only nine manufacturing industry groups had monthly allowances lower than the average for manufacturing.

Establishments which granted allowances of less than ₱1,000 were: manufacture of motor vehicles, trailers and semi-trailers (₱852); manufacture of office, accounting and computing machinery (₱683); manufacture of tobacco products (₱633); and manufacture of wood and wood products, articles of bamboo, cane, rattan, cork and the like, plaiting materials except furniture (₱417).

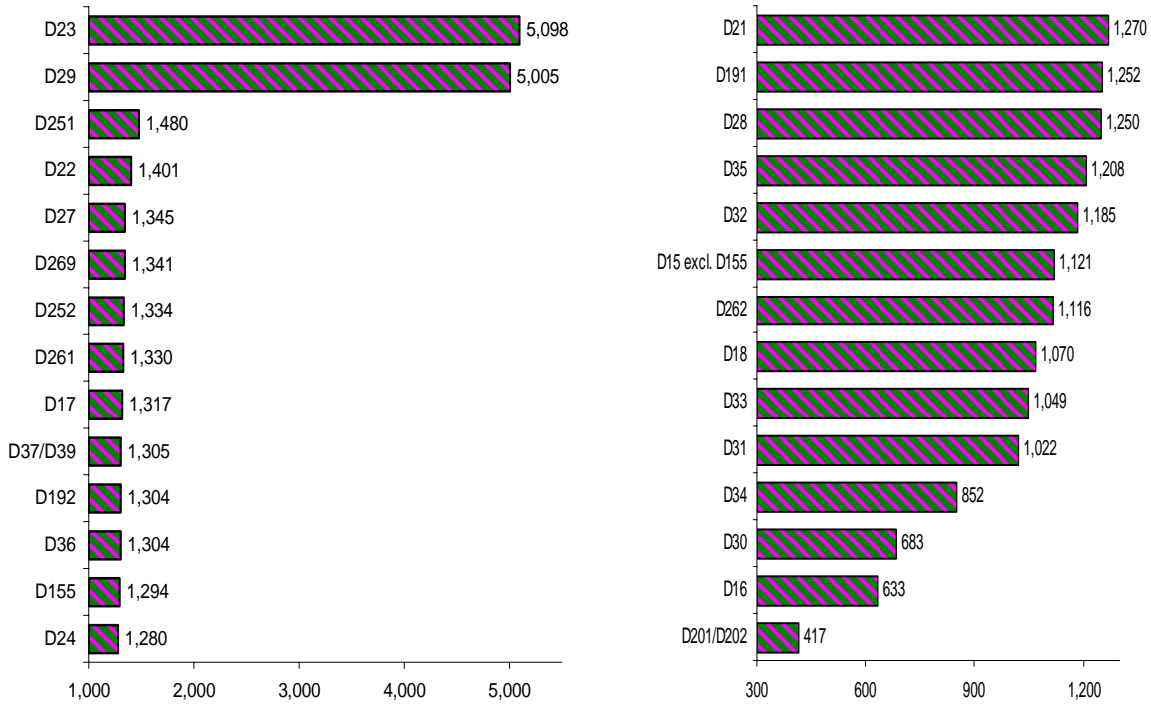
¹ The terms "average" and "median" are used interchangeably in the analysis of basic pay and allowance.

FIGURE 1 - MEDIAN MONTHLY BASIC PAY OF TIME-RATE WORKERS ON FULL-TIME BASIS IN MANUFACTURING, PHILIPPINES: AUGUST 2006
(in pesos)



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

FIGURE 2 - MEDIAN MONTHLY ALLOWANCES OF TIME-RATE WORKERS ON FULL-TIME BASIS IN MANUFACTURING, PHILIPPINES: AUGUST 2006
(in pesos)



Note: Data pertain only to workers given allowances.

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

Industries in Manufacturing

D15 excl. D155 - Food Products except Beverages	D21 - Paper and Paper Products	D29 - Machinery and Equipment, n.e.c.
D155 - Beverages	D22 - Publishing, Printing and Reproduction of Recorded Media	D30 - Office, Accounting and Computing Machinery
D16 - Tobacco Products	D23 - Coke, Refined Petroleum and Other Fuel Products	D31 - Electrical Machinery and Apparatus, n.e.c.
D17 - Textiles	D24 - Chemicals and Chemical Products	D32 - Radio, Television and Communication Equipment and Apparatus
D18 - Wearing Apparel	D251 - Rubber Products	D33 - Medical, Precision and Optical Instruments, Watches and Clocks
D191 - Tanning and Dressing; of Leather; Manufacture of Luggage and Handbags	D252 - Plastic Products	D34 - Motor Vehicles, Trailers and Semi-Trailers
D192 - Footwear	D261 - Glass and Glass Products	D35 - Other Transport Equipment
D201/202 - Wood and Wood Products, Articles of Bamboo, Cane, Rattan, Cork and the Like; Manufacture of Plaiting Materials except Furniture	D262 - Cement	D36 - Repair of Furniture
	D269 - Other Non-Metallic Mineral Products, n.e.c.	D37/D39 - Recycling; Manufacturing, .n.e..c.
	D27 - Basic Metals	
	D28 - Fabricated Metal Products, Except Machinery and Equipment	

Definition of Terms:

- o **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.
- o **Allowances** refer to regular/guaranteed cash payments. These include cost of 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.
- o **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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