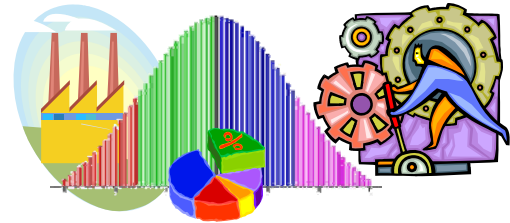


2006 SURVEY OF EMPLOYMENT IN NON-AGRICULTURAL ESTABLISHMENTS (First of a Series on 2006 BITS)



This LABSTAT is the first in the series of reports based on statistics culled from the results of the 2006 BLES Integrated Survey of Establishment (BITS). The BITS is a nationwide sample survey covering 7,630 non-agricultural establishments with at least 20 workers. This issue presents estimates on employment level, growth rate and distribution across the twelve (12) major industry groups covered in the survey.

OVERVIEW

Statistics in this report presents a snapshot of the estimated number of persons engaged by the establishments as of June 2006. As used in this survey, the term “total employment” refers to the sum of total establishment employment as of the payroll period June 2006.

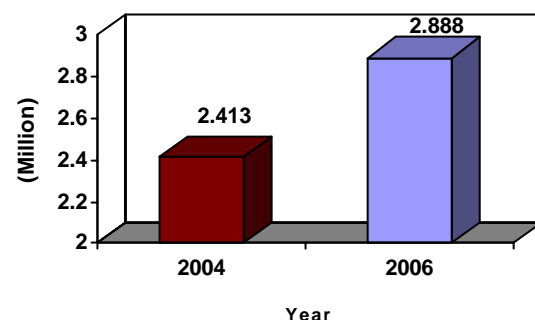
Specifically, the term *employment* is defined in this survey as the number of persons who worked or received pay from the establishments including those working away from the establishment but paid by and under its control (e.g., bus drivers). The former includes working owners without regular pay and unpaid workers while the latter includes all paid employees (salaried directors, managers and executives, regular and non-regular workers, probationary, casual, contractual/project-based, seasonal and paid apprentices/learners) including persons on paid vacation, paid leaves and those on strike.

SURVEY RESULTS

Total Employment

- Total employment in non-agricultural establishments with 20 or more employed workers was estimated at 2.888 million as of the payroll period June 30, 2006. (Figure 1)
- This figure represents an increase of almost half a million employed persons (+475,000) or a growth rate of 19.7% over the employment estimates reported in the 2004 BITS.

FIGURE 1 - Total Employment in Non-Agricultural Establishments with 20 or More Workers, Philippines: 2004 and 2006 (June)



Source of data: BLES, BITS.

- Of the total employed, 43.2% (1.247 million) were engaged in the industry sector and 56.8% (1.641 million) in the service sector.

Employment Distribution by Major Industry Groups

- The bulk of the total employment was accounted mainly by three (3) sub-sectors/industries. These include manufacturing which employed more than one-third (36.7% or 1.059 million) of the total workforce and is viewed as the backbone of the industry sector. (*Figure 2*)
- Real estate, renting and business services ranked far second (17.0% or 491,300) followed by wholesale and retail trade (12.5% or 360,400).
- The rest of the employed were spread thinly across the other nine (9) sub-sectors/industries.
- The smallest employment size was reported in mining and quarrying at only 14,000 or less than one percent (0.5%) of total employment. The other sub-sectors/industries with less than

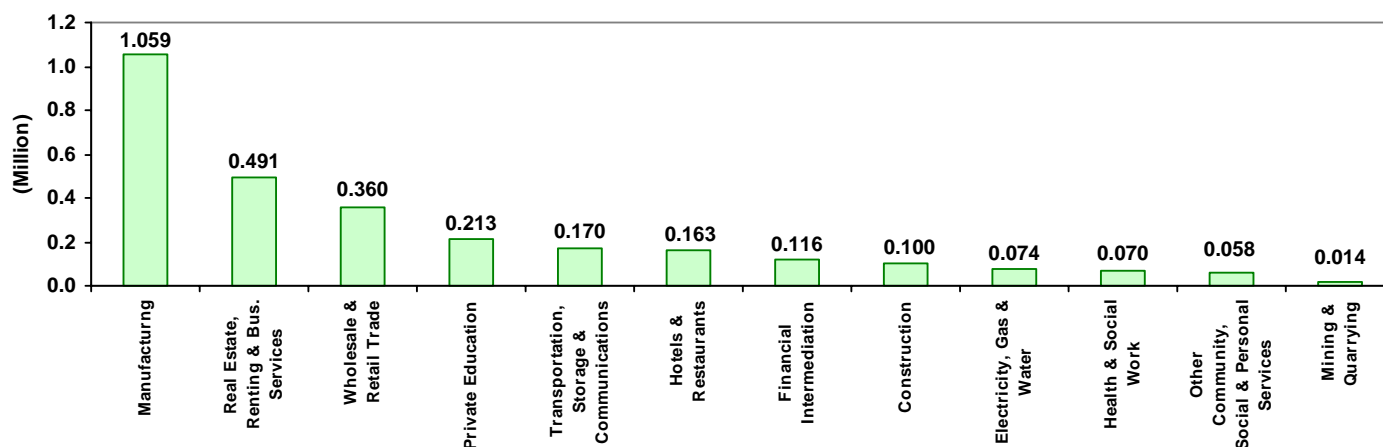
100,000 employed persons were electricity, gas and water (73,700 or 2.6%), construction (99,700 or 3.0%), health and social work (69,600 or 2.4%) and other community, social and personal services (58,000 or 2.0%).

- The distribution of employment across sub-sectors/industries was almost unchanged from the pattern observed in 2004.

Sectoral Employment Growth

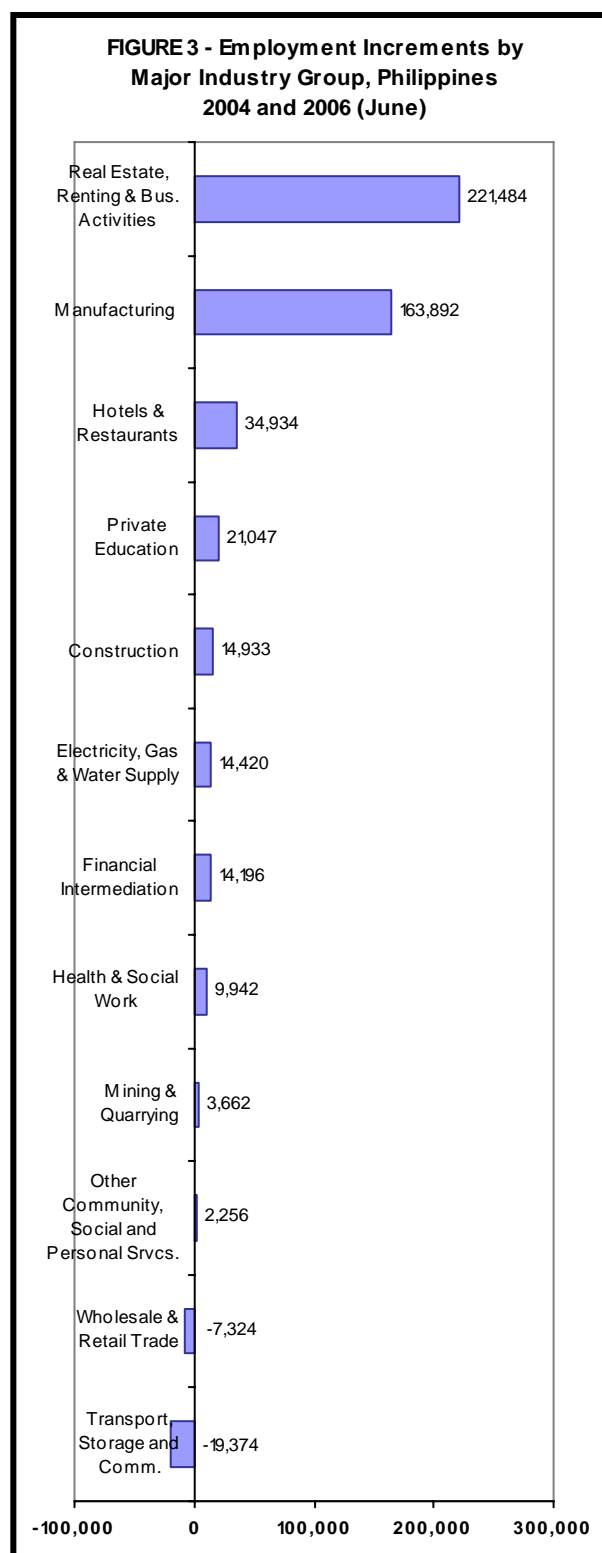
- Growth in employment was higher in the service sector (20.3%) than in the industry sector (18.8%). (*Figure 3*)
- Gains in employment occurred in all sub-sectors/industries except in wholesale and retail trade and transport, storage and communications.
- The biggest employment gain came from the real estate, renting and business services (+221,500). Employment level in this industry increased by nearly two-folds or a growth rate of 82.1% over the two-year period and now ranked second to manufacturing in terms of employment.

FIGURE 2 - Employment in Non-Agricultural Establishments with 20 or More Workers by Major Industry Group, Philippines: June 2006



Source of data: BLES, BITS.

- Growth in this sub-sector was fueled mainly by the rapid expansion in business process outsourcing (BPO) and call center industries and the rising demand for real estates mainly from OFWs.
- Manufacturing contributed the second largest gain (+163,900) as it grew by 18.3% over the two-year period.
- Other major contributors were: hotels and restaurants (+34,900), private education (+21,000), construction (+14,000), electricity, gas and water supply (+14,400) and financial intermediation (+14,200).
- Reduction in employment was recorded in wholesale and retail trade (-7,300) and transport, storage and communications (-19,400).



Source of data: BLES, BITS.

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