

WAGE RATES IN INDUSTRIES A Look at Manufacturing (First of a Series)

The LABSTAT Update is a statistical update on the results of BLES establishment surveys, among others. It provides users with summary statistics and brief explanatory notes on employment, hours of work, wages and labor relations towards a clearer understanding of current labor market conditions.

This series presents the results of the 1999 Occupational Wages Survey (OWS). This survey collects data on the basic pay and allowances of time-rate workers on full time basis in selected occupations in selected non-agricultural establishments employing at least 50 persons. It inquires on the distribution of workers across basic pay and allowance intervals in the non-agricultural sector. New items of inquiry on establishment characteristics such as type of market catered, type of ownership and whether or not the establishment is a multinational were included in the 1999 round.

This issue takes a closer look at the manufacturing industry, particularly basic pay and allowances in specific industries and according to certain establishment characteristics and average wage rates for selected occupations.

The statistical series on the results of the 1997 OWS were published under the LABSTAT Digest (Vol. 1 Nos. 5 – 10 and. 12 - 19).

Average basic pay in manufacturing industries up by 13 percent in 1999



Minimum wage fixing and collective bargaining negotiations are among the interventions in the labor market that explain the trend in average wages. The series of minimum wage adjustments brought the range of lowest mandated daily basic pay in non-agriculture from ₱ 115 – ₱ 185 in 1997 to ₱ 117 – ₱ 223.50 in 1999. At the firm level, further wage increments are realized through bipartite negotiations between labor and management.

In October 1999, the average* monthly basic pay of time-rate workers on full-time basis in non-agricultural establishments increased by 13.0 percent to ₱ 6,238 from ₱ 5,534 in

1997. Despite a 12.0 percent increase in the average basic pay of workers in manufacturing industries, it remained lower than the all-industry level at ₱ 5,208 in October 1997 to ₱ 5,850 in October 1999.

Basic pay differentials were evident across specific industries. The highest average base pays were estimated at ₱ 15,412 in coke, refined petroleum and other fuel products manufacturing and at ₱ 10,940 in cement manufacturing. (Table 1)

Although basic pay in the rest of the industries averaged below ₱ 10,000, there were pays recorded at less

**Average basic pay or allowance mentioned in pages 1 – 4 refers to median basic pay or allowance i.e. that amount where half of the workers receive more than this amount while the other half receive less.*

than ₱ 5,000. Least paid were workers in wood, wood products and cork except furniture manufacturing at ₱ 4,554;

in the manufacture and repair of furniture at ₱ 4,826; and in the tanning and dressing of leather at ₱ 4,843.

Average allowance in manufacturing industries slipped by 5 percent in 1999

The amount of cash allowances of workers in non-agricultural establishments increased by only one percent from ₱ 658 in October 1997 to ₱ 667 in October 1999. In manufacturing establishments, however, average monthly allowances slipped by five percent from ₱ 506 to ₱ 480 during the same period.

Across specific manufacturing industries, monthly cash allowances averaged less than ₱ 500 in 13 out of 29 industries. (Table 1) These were found in establishments engaged in the manufacture of food products; beverages; textiles, wearing apparel; tanning and dressing of leather;

footwear; wood, wood products and cork except furniture; plastic products; other non-metallic mineral products; office, accounting and computing machinery; radio, television and communication equipment; medical, precision and optical instruments; and repair of furniture.

In contrast, highest monthly allowances were enjoyed by workers in coke, refined petroleum and other fuel products manufacturing at ₱ 3,122 as well as those in tobacco products manufacturing at ₱ 2,739. In the rest of the industries, monthly allowance averaged less than ₱ 1,700.

Minimal difference in basic pay between establishments of different types of ownership and whether multinational or not

Average basic pay and allowances are often perceived to be influenced by establishment characteristics such as ownership (wholly Filipino-owned or with foreign equity); market orientation (domestic or world market); and spread of operations (multinational or not).

Results of the 1999 OWS round, however, showed that average basic pay in manufacturing establishments do not vary considerably according to ownership and spread of operations. There was a narrow difference between the average basic pay of workers in wholly Filipino owned establishments (₱ 5,940) and establishments with foreign equity (₱ 5,791). (Table 2)

Basic pay levels, likewise, did not vary distinctly between multinational and non-multinational firms. Average basic pay in both types nearly equaled at ₱ 5,869 (multinationals) and ₱ 5,837 (non-multinational).

However, considerable difference in basic pay levels, based on market orientation, was observed. Workers in establishments catering to domestic market had higher average basic pay at ₱ 6,400 relative to their counterparts in export-oriented establishments with basic pay averaging ₱ 5,697.

No marked difference in average monthly allowances among establishments of different types of ownership, market orientation and whether multinational or not

In October 1999, only 30.0 percent of time-rate workers on full-time basis in manufacturing industries received monthly cash (regular/guaranteed) allowances, in addition to their basic pay.

There was a narrow margin of difference in the average monthly allowance of these workers across establishments of different types of ownership, market orientation and whether multinational or not.

While average monthly allowance of workers in establishments

with foreign equity stood at ₱ 569, allowances of their counterparts in wholly Filipino-owned establishments did not lag far behind at ₱433. (Table 2).

In terms of market orientation, average allowances varied negligibly at ₱ 473 in export-oriented establishments and ₱ 497 in domestic market-oriented establishments.

Workers of multinational establishments, likewise, received slightly higher allowances (₱540) than their counterparts elsewhere (₱ 456).

Workers in unionized establishments had higher basic pay and allowance

Unionism is one of the basic rights of workers under the Labor Code, purpose of which is collective bargaining in pursuit of better working conditions and employment-related benefits.

In October 1999, the basic pay of unionized workers in manufacturing establishments stood at ₱ 6,585. This was higher by almost 20.0 percent than the basic pay of non-unionized workers estimated at ₱ 5,511. (Table 2)

Among unionized workers, those covered with collective bargaining agreements (CBA) had higher basic pay

at ₱ 6,624 relative to those without existing CBA at ₱ 5,298.

Regardless of whether or not an establishment is unionized, majority of workers in manufacturing industries (70.0%) did not receive monthly allowance.

Generally, workers in unionized establishments received more allowances averaging ₱ 576 relative to their counterparts in non-unionized establishments at ₱ 451. Unionized workers covered by CBAs received allowance averaging ₱ 576, while those without CBA coverage had an average allowance of ₱ 579.

On non-wage payments

Average basic pay and allowances do not appear to vary considerably across the establishment characteristics under study, i.e., ownership, market orientation and whether multinational or not. The apparent difference lies in the granting of welfare benefits such as 13th month pay, transport allowance, Christmas bonus, representation allowance,

incentive pay, mid-year bonus, productivity bonus, performance bonus, profit sharing bonus and 14th, 15th month pay. These are among the findings of the 1999 Industrial Relations at the Workplace Survey and details of which are discussed in the LABSTAT Update (Vol. 5 No. 6), May 2001.

Chemical engineers were highest paid workers; Wood processing plant operators were least paid

In October 1999, the average** monthly wage rate of selected occupations in non-agricultural industries was ₦ 7,972.



Across specific manufacturing industries, however, occupational wage rates varied widely. Of the production supervisors and general foremen covered in the survey, those in coke, refined petroleum and other fuel products manufacturing had the highest average wage rate of ₦ 29,808. Their counterparts in tanning and dressing of leather; manufacture of luggage, handbag and footwear had the least pay at ₦ 7,166. (Table 4)

Wage rate disparities among selected professional workers were even more pronounced. It spanned from as low as ₦ 8,738 for mechanical engineers (motor vehicles, trailers and semi-trailers manufacturing) to as high as ₦ 50,184 for chemical engineers

(coke, refined petroleum and other fuel products manufacturing).

Chemical engineering technicians in coke, refined petroleum and other fuel products were also the highest paid technicians and associate professionals at ₦ 25,311. In contrast, quality inspectors in the manufacture and repair of furniture had the lowest wage rate averaging ₦ 5,304.

Among production clerks, those in coke, refined petroleum and other fuel products manufacturing received as much as ₦ 25,672. Meanwhile, the average wage rate for comparable occupations in furniture manufacturing and repair only stood at ₦ 5,478.



Of the selected trade occupations, motor vehicle mechanics (motor vehicles, trailers and semi-trailers

***From hereon, the data refers to the average (mean) monthly wage rate (basic pay and allowances).*

manufacturing) enjoyed the highest wage rate at ₱ 9,558. Least paid were woodworking machine setters and setter operators in wood, wood products and cork except furniture (₱4,654).

Among plant and machine operators and assemblers, petroleum

refining plant operators (coke, refined petroleum products manufacturing) enjoyed the highest average wage rate at ₱ 25,055. Wood processing plant operators (wood, wood products and cork except furniture manufacturing) earned the lowest wage rate averaging only ₱4,353.

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Table 1 - Median Monthly Basic Pay and Monthly Allowances of Time-Rate Workers on Full-time Basis by Specific Manufacturing Industry, Philippines: October 1999

(Non-agricultural establishments employing 50 and over. **Median** refers to the amount where half of the workers receive more while the other half receive less.)

INDUSTRY	Median Monthly Basic Pay (P)	Median Monthly Allowances¹ (P)
ALL NON-AGRICULTURAL INDUSTRIES	6,238	667
MANUFACTURING	5,850	480
Manufacture of Food Products	6,174	450
Manufacture of Beverages	8,668	499
Manufacture of Tobacco Products	7,918	2,739
Manufacture of Textiles	5,790	385
Manufacture of Wearing Apparel	5,473	437
Tanning and Dressing of Leather	4,843	400
Manufacture of Footwear	5,473	326
Manufacture of Articles of Bamboo, Cane, Rattan and the Like	5,374	825
Manufacture of Wood, Wood Products and Cork except Furniture	4,554	379
Manufacture of Paper & Paper Products	6,089	633
Publishing, Printing & Reproduction of Recorded Media	7,483	655
Manufacture of Coke, Refined Petroleum & Other Fuel Products	15,412	3,122
Manufacture of Chemicals & Chemical Products	8,752	1,169
Manufacture of Rubber Products	6,620	832
Manufacture of Plastic Products	6,014	444
Manufacture of Glass & Glass Products	8,989	1,056
Manufacture of Cement	10,940	1,614
Manufacture of Other Non-Metallic Mineral Products	5,799	484
Manufacture of Basic Metals	7,419	1,221
Manufacture of Fabricated Metal Products	5,961	1,124
Manufacture of Machinery & Equipment	6,379	722
Manufacture of Office, Accounting & Computing Machinery	5,632	343
Manufacture of Electrical Machinery & Apparatus	5,984	1,009
Manufacture of Radio, TV & Communication Equipment	5,458	395
Manufacture of Medical, Precision & Optical Instruments	5,661	475
Manufacture of Motor Vehicles, Trailers and Semi-Trailers	7,956	824
Manufacture of Other Transport Equipment	6,674	724
Manufacture and Repair of Furniture	4,826	470
Manufacturing, N.E.C.	5,480	671

Notes: 1. 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.

2. 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.

¹ Refer only to those workers given regular/guaranteed cash allowances.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.

**Table 2 - Median Monthly Basic Pay and Monthly Allowances
of Time-Rate Workers on Full Time Basis in Manufacturing Industry by Unionism, Type of
Ownership, Type of Market, and Spread of Operations,
Philippines: October 1999**

(Non-agricultural establishments employing 50 and over. **Median** refers to the amount where half of the workers receive more while the other half receive less.)

Establishment Characteristics	Median Monthly Basic Pay (P)	Median Monthly Allowances ¹ (P)
MANUFACTURING	5,850	480
UNIONISM		
Without Union	5,511	451
With Union	6,585	576
Without CBA	5,298	579
With CBA	6,624	576
TYPE OF OWNERSHIP		
Wholly Filipino	5,940	433
With Foreign Equity	5,791	569
TYPE OF MARKET		
Domestic Market Only	6,400	497
Engaged in Export	5,697	473
SPREAD OF OPERATIONS		
Multinational	5,869	540
Not Multinational	5,837	456

Notes: 1. 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.

2. 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.

¹ *Refer only to those workers given regular/guaranteed cash allowances.*

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey.

**Table 3 - Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis
in Selected Manufacturing Industries and Occupations,
Philippines: October 1999**

(Non-agricultural establishments employing 50 and over. **Wage rates** are defined
as including basic pay and regular/guaranteed cash allowances.)

Industry and Occupations	Average Monthly Wage Rates
AVERAGE OF SELECTED OCCUPATIONS (Non-Agricultural)	7,972^a
MANUFACTURE OF FOOD PRODUCTS AND BEVERAGES	
Production Supervisors and General Foremen	12,526
Food Technologist	10,156
Chemical Engineering Technicians	8,250
Quality Inspectors	8,656
Production Clerks	6,791
Food Processing and Related Trades Workers	6,298
Food and Related Products Machine Operators	8,529
MANUFACTURE OF TEXTILES	
Production Supervisors and General Foremen	8,925
Quality Inspectors	5,669
Fiber Preparers	5,335
Weavers, Knitters and Related Workers	5,386
Fiber Preparing, Spinning and Winding Machine Operators	5,568
Weaving and Knitting Machine Operators	5,825
Bleaching, Dyeing and Cleaning Machine Operators	6,024
MANUFACTURE OF WEARING APPAREL	
Production Supervisors and General Foremen	8,136
Quality Inspectors	5,638
Production Clerks	6,202
Tailors, Dressmakers and Hatters	5,422
Textile, Leather and Related Pattern Makers and Cutters	5,635
Sewers, Embroiderers and Related Workers	5,192
Sewing Machine Operators	5,724
TANNING AND DRESSING OF LEATHER; MANUFACTURE OF LUGGAGE, HANDBAGS AND FOOTWEAR	
Production Supervisors and General Foremen	7,166
Quality Inspectors	5,325
Production Clerks	6,118
Tanners	5,402
Shoemakers and Related Workers	5,093
Leather Preparing Machine Operators	6,456
Shoemaking and Related Machine Operators	5,192
MANUFACTURE OF WOOD, WOOD PRODUCTS EXCEPT FURNITURE	
Production Supervisors and General Foremen	7,502
Production Clerks	6,042
Wood Treaters	4,974
Woodworking-Machine Setters and Setter-Operators	4,654
Wood Processing Plant Operators	4,353
Wood Products Machine Operators	4,749
Wood and Related Products Assemblers	4,378

^a The data refers to the average monthly wage rate across the selected occupations in selected non-agricultural industries and not to the average monthly wage rate across all occupations in all non-agricultural industries.

**Table 3 - Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis
in Selected Manufacturing Industries and Occupations,
Philippines: October 1999 (Cont'd.)**

(Non-agricultural establishments employing 50 and over. **Wage rates** are defined
as including basic pay and regular/guaranteed cash allowances.)

Industry and Occupations	Average Monthly Wage Rates
MANUFACTURE OF PAPER AND PAPER PRODUCTS	
Production Supervisors and General Foremen	9,942
Mechanical Engineers	9,142
Mechanical Engineering Technicians	7,939
Production Clerks	7,130
Paper Pulp Plant Operators	7,809
Papermaking Plant Operators	6,340
Paperboard and Related Products Assemblers	5,411
PUBLISHING AND PRINTING	
Production Supervisors and General Foremen	11,684
Mechanical Engineers	11,402
Compositors, Typesetters and Related Workers	7,613
Stereotypers and Electrotypers	7,893
Printing Engravers and Etchers	6,698
Bookbinders and Related Workers	5,529
Pressman Letterpress and Related Workers	7,718
MANUFACTURE OF COKE, REFINED PETROLUEM AND OTHER FUEL PRODUCTS	
Production Supervisors and General Foremen	29,808
Chemical Engineers	50,184
Chemical Engineering Technicians	25,311
Production Clerks	25,672
Chemical-Filtering and Separating Equipment Operators	6,266
Petroleum Refining Plant Operators	25,055
Coke Production Plant Operators	7,016
MANUFACTURE OF CHEMICALS AND CHEMICAL PRODUCTS	
Production Supervisors and General Foremen	13,471
Chemical Engineers	13,893
Chemical Engineering Technicians	12,910
Crushing, Grinding and Chemical-Mixing Machinery Operators	9,684
Chemical Heat-Treating Plant Operators	7,382
Chemical-Filtering and Separating Equipment Operators	7,102
Pharmaceutical and Toiletry Products Machine Operators	8,679
MANUFACTURE OF RUBBER AND PLASTIC PRODUCTS	
Production Supervisors and General Foremen	10,065
Chemical Engineers	12,146
Chemical Engineering Technicians	7,375
Quality Inspectors	6,795
Production Clerks	6,352
Rubber Products Machine Operators	6,999
Plastic Products Machine Operators	6,438

**Table 3 - Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis
in Selected Manufacturing Industries and Occupations,
Philippines: October 1999 (Cont'd.)**

(Non-agricultural establishments employing 50 and over. **Wage rates** are defined
as including basic pay and regular/guaranteed cash allowances.)

Industry and Occupations	Average Monthly Wage Rates
MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	
Production Supervisors and General Foremen	12,760
Mechanical Engineers	12,957
Quality Inspectors	9,303
Production Clerks	8,656
Potters, Glass-Makers and Related Trades	5,769
Glass, Ceramics and Related Plant Operators	6,493
Cement and Other Mineral Products Machine Operators	8,185
MANUFACTURE OF OTHER NON-METALLIC MINERAL PRODUCTS	
Production Supervisors and General Foremen	12,760
Mechanical Engineers	12,957
Quality Inspectors	9,303
Production Clerks	8,656
Potters, Glass-Makers and Related Trades	5,769
Glass, Ceramics and Related Plant Operators	6,493
Cement and Other Mineral Products Machine Operators	8,185
MANUFACTURE OF BASIC METALS	
Production Supervisors and General Foremen	14,155
Metal Molders and Core Makers	6,007
Sheet Metal Workers	7,759
Ore and Metal Furnace Operators	7,317
Metal Melters, Casters and Rolling-Mill Operators	8,874
Metal Heat Treating Plant Operators	7,056
Metal Drawers and Extruders	6,493
MANUFACTURE OF FABRICATED METAL PRODUCTS, EXCEPT MACHINERY AND EQUIPMENT	
Production Supervisors and General Foremen	12,825
Quality Inspectors	7,625
Welders and Flamecutters	7,242
Structural Metal Preparers	5,176
Blacksmiths, Hammersmiths and Forging Press Operators	5,907
Machine-Tool Setters and Setter-Operators	7,911
Machine Tool Operators	8,893
MANUFACTURE OF MACHINERY AND EQUIPMENT	
Production Supervisors and General Foremen	10,929
Quality Inspectors	7,641
Production Clerks	6,879
Welders and Flamecutters	7,334
Tool Makers and Related Workers	6,225
Agricultural or Industrial Machinery Mechanics and Fitters	7,001
Mechanical Machinery Assemblers	6,623

**Table 3 - Average Monthly Wage Rates of Time-Rate Workers on Full-Time Basis
in Selected Manufacturing Industries and Occupations,
Philippines: October 1999 (Cont'd.)**

(Non-agricultural establishments employing 50 and over. **Wage rates** are defined
as including basic pay and regular/guaranteed cash allowances.)

Industry and Occupations	Average Monthly Wage Rates
MANUFACTURE OF ELECTRICAL MACHINERY AND APPARATUS	
Production Supervisors and General Foremen	9,697
Electrical Engineers	14,405
Electrical Engineering Technicians	10,222
Quality Inspectors	6,958
Production Clerks	6,862
Electrical Mechanics and Fitters	6,340
Electrical Equipment Assemblers	6,081
MANUFACTURE OF RADIO, TELEVISION AND COMMUNICATION EQUIPMENT AND APPARATUS	
Production Supervisors and General Foremen	11,079
Electronics and Telecommunications Engineers	10,289
Electronics and Telecommunications Engineering Technicians	7,337
Quality Inspectors	6,222
Production Clerks	7,224
Electronic Fitters	4,799
Electronic Equipment Assemblers	7,195
MANUFACTURE OF MOTOR VEHICLES, TRAILERS AND SEMI-TRAILERS	
Production Supervisors and General Foremen	12,711
Mechanical Engineers	8,738
Mechanical Engineering Technicians	8,267
Quality Inspectors	10,125
Sheet-Metal Workers	7,813
Motor Vehicle Mechanics and Related Trades Workers	9,558
Mechanical Machinery Assemblers	8,845
BUILDING AND REPAIRING OF SHIPS AND BOATS	
Production Supervisors and General Foremen	9,767
Marine Engineers	11,015
Quality Inspectors	8,553
Production Clerks	6,479
Structural Metal Preparers, Erectors and Related Workers	6,369
Riggers and Cable Splicers	8,119
Marine Crafts Mechanics	5,940
MANUFACTURE AND REPAIR OF FURNITURE	
Production Supervisors and General Foremen	7,389
Quality Inspectors	5,304
Production Clerks	5,478
Cabinet Makers and Related Workers	4,937
Rattan, Bamboo and Other Wicker Furniture Workers	4,560
Upholsterers and Related Workers	4,939
Wood Products Machine Operators	4,686

Notes: 1. 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.

2. 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.

Source of data: Bureau of Labor and Employment Statistics, 1999 Occupational Wages Survey