



BUREAU OF  
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# LABSTAT

## Updates

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## WAGE RATES IN INDUSTRIES

### *A Look at Wholesale and Retail Trade; Repair of Motor Vehicles, Motorcycles and Personal and Household Goods (10th 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 wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods, 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).*

### BASIC PAY IN WHOLESALE AND RETAIL TRADE UP BY 8 PERCENT

About 9 percent of total wage and salary employment in 1999 were in wholesale and retail trade according to the Labor Force Survey of the National Statistics Office. During the year, the industry's share to total Gross Domestic Product stood at 14 percent.

Based on the OWS, average pay level in non-agricultural industries employing at least 50 workers increased from ₱ 5,534 in October 1997 to ₱ 6,238 in October 1999. (Table 1)

In wholesale and retail trade, basic pay averaged ₱ 5,944 in 1999, up by 8 percent from ₱ 5,510 in 1997.

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*\*Average basic pay or allowance mentioned in pages 1-3 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.*

## CASH ALLOWANCES DOWN IN 1999

Generally, average cash allowances did not vary substantially in non-agricultural industries, ranging only from ₱ 658 in October 1997 to ₱ 667 in 1999.

In wholesale and retail trade, however, cash allowances slumped to ₱ 480 in 1999 from ₱ 870 in 1997.

## HIGHER PAY FOR WORKERS IN TRADE ESTABLISHMENTS WITH FOREIGN EQUITY AND MULTINATIONALS

Differences in pay levels of trade establishments were seen to vary according to type of ownership and spread of operations.

In trade establishments with foreign equity, average basic pay was estimated at ₱ 10,385. This was 80 percent higher than the

average pay level in wholly Filipino-owned establishments at ₱ 5,756.

Wider pay disparities were noted across spread of operations where average basic pay in multinational firms (₱ 12,370) was more than twice that of non-multinational establishments (₱ 5,786). (*Table 2*)

## WORKERS IN ESTABLISHMENTS WITH FOREIGN EQUITY AND MULTINATIONALS GET MORE ALLOWANCES

Establishment practices in the granting of cash allowances differed across spread of operations and type of ownership.

At ₱ 1,127, cash allowances in establishments with foreign equity stood more than twice the cash allowance in wholly

Filipino-owned firms (₱ 452).

Across spread of operations, cash allowances averaged at its lowest at ₱ 448 for non-multinational firms and its highest at ₱ 1,244 for multinational establishments. (*Table 2*)

## ON NON-WAGE PAYMENTS

Average basic pay and allowance appeared to vary across certain establishment characteristics under study, such as ownership and whether multinational or not. Further worth looking into, however, are differences in the granting of

welfare benefits such as 13<sup>th</sup> month pay, transport allowance, Christmas bonus, representation allowance, incentive pay, mid-year bonus, productivity bonus, performance bonus, profit sharing bonus and 14<sup>th</sup>, 15<sup>th</sup> 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 Updates (Vol. 5 No. 6), May 2001.

### **BASIC PAY OF UNIONIZED WORKERS SLIGHTLY LOWER THAN THOSE OF NON-UNIONIZED WORKERS**

The right to unionize for mutual aid and protection is guaranteed under the Labor Code. In 1999, the average basic pay of unionized workers in trade establishments was ₱ 5,933. Elsewhere, pay averaged ₱ 5,951.

Cash allowances stood below ₱ 500 across trade establishments. Unionized workers received cash allowances averaging ₱ 453 while non-unionized workers were paid ₱ 499.

### **HIGHEST WAGE RATE FOR SALES SUPERVISORS ; LOWEST FOR SHOP SALESPERSONS AND DEMONSTRATORS**

Differences in average wage rates were noted across occupations and specific trade industries.

Among the covered supervisory occupations, sales supervisors in wholesale trade had the highest wage rate at ₱ 17,758. Meanwhile, their counterparts in retail trade were paid wage rates averaging only ₱ 8,566. (*Table 3*)

Accountants and auditors in wholesale trade also had higher wage rates at ₱ 16,318 compared to those in retail trade estimated at ₱ 9,633.

Among technical workers, technical and commercial sales representatives were covered with wage rates averaging ₱ 11,648.

Of the selected clerical occupations, cashiers in wholesale trade enjoyed the highest wage rate at ₱ 9,419. In retail trade, wage rates averaged ₱ 5,644 for the same occupation. Least paid clerical workers were stock clerks at ₱ 5,551.

Wage rates of shop salespersons and demonstrators, likewise, varied across specific industries. It ranged from ₱ 7,872 in wholesale trade to ₱ 5,122 in retail trade.

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**FOR INQUIRIES:**

Regarding this report contact **LABOR STANDARDS STATISTICS DIVISION** at 527-34-89/527-93-25

Regarding other statistics and technical services contact **BLES DATABANK** at 527-35-77

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

FAX 527-34-89 E mail: [lssd@manila-online.net](mailto:lssd@manila-online.net) or visit our website at <http://www.manila-online.net/bles>

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**TABLE 1 - MEDIAN MONTHLY BASIC PAY AND MONTHLY ALLOWANCES  
OF TIME-RATE WORKERS ON FULL-TIME BASIS IN WHOLESALE  
AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES  
AND PERSONAL AND HOUSEHOLD GOODS, 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 (₱)	Median Monthly Allowances <sup>1</sup> (₱)
<b>ALL NON-AGRICULTURAL INDUSTRIES</b>	6,238	667
<b>WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS</b>	5,944	480

- 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.*

<sup>1</sup> 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 WHOLESALE  
AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES  
AND PERSONAL AND HOUSEHOLD GOODS 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 (₱)	Median Monthly Allowances <sup>1</sup> (₱)
<b>WHOLESALE AND RETAIL TRADE; REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS</b>	5,944	480
<b>UNIONISM</b>		
Without Union	5,951	499
With Union	5,933	453
Without CBA	7,561	1,085
With CBA	5,900	421
<b>TYPE OF OWNERSHIP</b>		
Wholly Filipino	5,756	452
With Foreign Equity	10,385	1,127
<b>SPREAD OF OPERATIONS</b>		
Multinational	12,370	1,244
Not Multinational	5,786	448

<sup>1</sup> 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 CONSTRUCTION AND BY SELECTED  
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
<b>AVERAGE OF SELECTED OCCUPATIONS (Non-Agricultural)</b>	7,972 <sup>a</sup>
<b>WHOLESALE TRADE AND COMMISSION EXCEPT MOTOR VEHICLES AND MOTORCYCLES</b>	
Sales Supervisors	17,758
Accountants and Auditors	16,318
Technical and Commercial Sales Representatives	11,648
Accounting and Bookkeeping Clerks	9,012
Stock Clerks	7,403
Cashiers	9,419
Shop Salespersons and Demonstrators	7,872
<b>RETAIL TRADE, EXCEPT OF MOTOR VEHICLES AND MOTORCYCLES</b>	
Sales Supervisors	8,566
Accountants and Auditors	9,633
Accounting and Bookkeeping Clerks	6,298
Stock Clerks	5,551
Cashiers	5,644
Shop Salespersons and Demonstrators	5,122

**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.**

<sup>a</sup> **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.**

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