



PROFILE OF EMPLOYMENT IN ESTABLISHMENTS WITH FOREIGN EQUITY: 1995 - 1996

The data presented in this report were generated from the Survey of Specific Groups of Workers (SSGW) conducted annually by the Bureau of Labor and Employment Statistics. The SSGW covered establishments with at least ten workers in all sectors of the economy. Part of the survey objectives is to capture employment in establishments with foreign equity. Specifically, this report deals on the economic characteristics of establishments with foreign equity, their level and pattern of employment, extent of unionism and collective bargaining agreement and employment of specific groups of workers.

Characteristics of Establishments with Foreign Equity

Foreign capital investments in local establishments improved in 1996 as the number of establishments with foreign equity increased to 3,000 from the previous year's 2,800. This occurred despite the slight decrease in the number of establishments with at least ten workers in 1996.

In proportion to total establishments with foreign equity, the manufacturing sector recorded the biggest share of investments in 1996 accounting for about one-third (33.3%). This is slightly lower than 35.7 percent reported in 1995. Foreign equity likewise flowed into financing, insurance, real estate and business services with establishment shares of 25.0 percent and 30.0 percent in 1995 and 1996, respectively and in wholesale and retail trade (25.0% in 1995 and 23.3% in 1996).

In relation to respective industry group, a concentration of foreign investments was reported in financing, insurance, real estate and business services registering 18.4 percent share in 1996 from previous year's 14.0 percent. Transportation, storage and communication, which posted the largest share in 1995, experienced a sharp decline in foreign equity acquisitions from 15.4 percent to 7.7 percent in 1996. On the other hand, the manufacturing sector's share of foreign capital remained almost unchanged with 11.0 percent recorded this year from 10.8 percent share a year ago.



Survey results showed the uneven distribution of foreign capital investments among regions with the National Capital Region (NCR) receiving the bulk of foreign equity. The NCR accounted for more than 60.0 percent of the total establishments vested with foreign equity in 1995 and 1996. The rest was shared by other regions outside NCR.

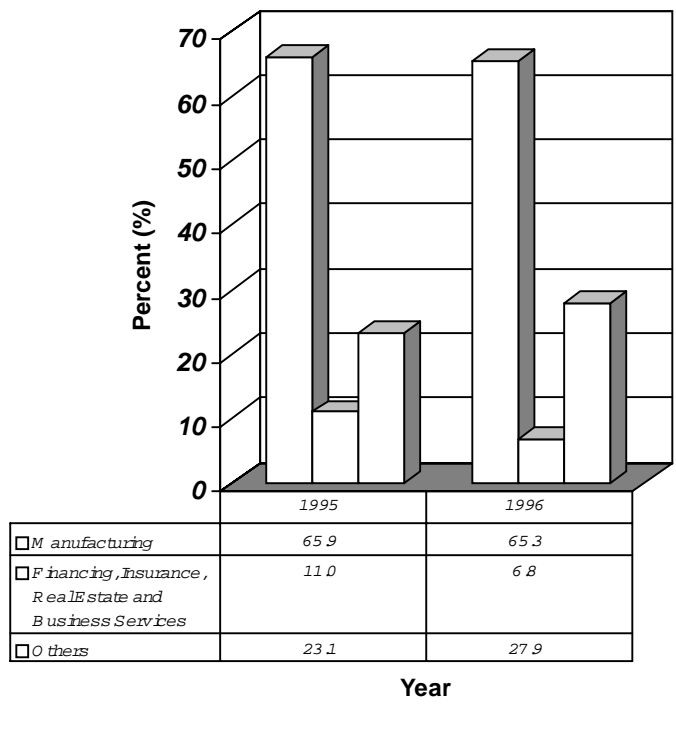
Level and Pattern of Employment

In 1996, foreign capital investments boosted the employment generation in the formal sector of the economy. Of the 2.606 million total workforce in establishments employing ten or more workers, more than half a million or 528,000 were employed in establishments with foreign equity. This figure represents a 1.2 percent reduction from the 580,000 reported employment last year.

The bulk of employment in establishments with foreign equity during the same period was recorded in the manufacturing sector (65.3 percent of the total workers). A far second was financing, insurance, real estate and business services posting a 6.8 percent share closely followed by wholesale and retail trade with almost 6.0 percent share.

The National Capital Region which stood out as the most preferred area for foreign investments, claimed more than half of the total number of workers employed in establishments with foreign equity (60.5% in 1995 and 59.8% in 1996). The remaining shares of 39.5 percent and 40.2 percent for the same period were thinly distributed among the other thirteen (13) regions of the country.

PERCENT DISTRIBUTION OF EMPLOYMENT IN ESTABLISHMENTS WITH FOREIGN EQUITY BY INDUSTRY GROUP, PHILIPPINES: 1995-1996



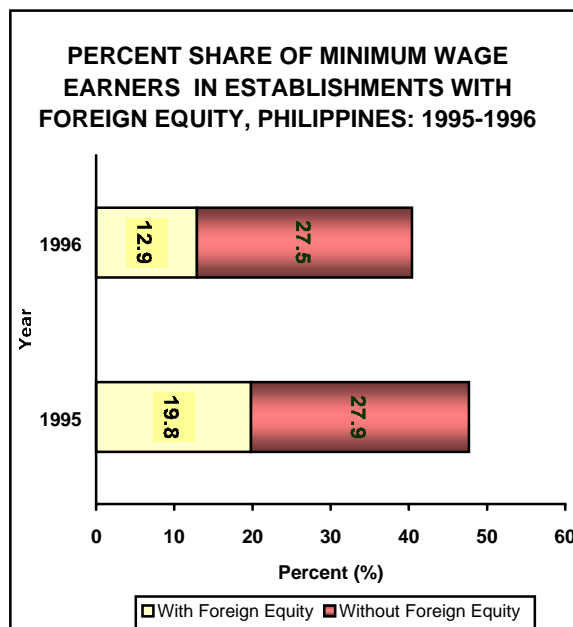
Employment by Specific Groups of Workers

In proportion to respective total employment, more women were employed in establishments with foreign equity (51.9%) than those firms without foreign equity (34.4%) in 1995. However in 1996, it declined to 43.4 percent in establishments with foreign equity while those establishments without foreign equity remained about the same at 35.8 percent.

On the other hand, establishments with foreign equity consistently showed preference for young workers belonging to 15-24 age bracket. In 1995, they accounted for 19.1 percent of its total workforce as against 11.7 percent in establishments without foreign equity. For 1996, 14.2 percent of young workers rendered services in firms with foreign equity holdings while only 10.7 percent in non-foreign equity establishments.

Compared to 27.9 percent of workers receiving minimum wage rates in establishments without foreign equity in 1995, only 19.8 percent were paid the exact minimum wage in companies with foreign equity. This implies that foreign investors offered higher salaries than the local employers. This proportion dropped to 12.9 percent in the succeeding year as against the seemingly unchanged ratio of minimum wage earners (27.5 percent) in the locally owned establishments.

For both periods, unionism was more acceptable in establishments with foreign equity where almost half of its total workers (46.9% in 1995 and 45.1% in 1996) were reported to be members of labor organizations. In contrast, less than one fourth of the total employment in establishments without foreign equity were unionized workers.



Correspondingly, the number of workers covered by collective bargaining agreement (CBA) was higher in establishments with foreign equity (47.9% in 1995 and 46.0% in 1996) than without foreign equity (23.3% in 1995 and 23.4% in 1996).

FOR INQUIRIES:

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**TABLE 1 - NUMBER OF ESTABLISHMENTS WITH AND WITHOUT FOREIGN EQUITY
PHILIPPINES: 1995-1996**

Indicator	1995			1996		
	Total	With Foreign Equity	Without Foreign Equity	Total	With Foreign Equity	Without Foreign Equity
All Industries	35,700	2,800	32,900	35,200	3,000	32,200
<i>Agriculture, Fishery and Forestry Industry</i>	700	*	*	600	*	600
Mining and Quarrying	200	*	*	200	*	200
Manufacturing	9,300	1,000	8,300	9,100	1,000	8,100
Electricity, Gas and Water	300	*	*	300	*	300
Construction	800	*	*	800	*	800
<i>Services</i>						
Wholesale and Retail Trade	8,500	700	7,800	8,400	700	7,700
Transportation, Storage and Communication	1,300	200	1,100	1,300	100	1,200
Financing, Insurance, Real Estate and Business Services	5,000	700	4,300	4,900	900	4,000
Community, Social and and Personal Services	9,600	200	9,400	9,600	300	9,300
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All Regions	35,700	2,800	32,900	35,200	3,000	32,200
NCR	17,800	1,900	15,900	17,900	1,900	16,000
Region III	2,300	100	2,200	2,200	200	2,000
Region IV	3,300	200	3,100	3,400	200	3,200
Region VI	2,100	100	2,000	2,100	100	2,000
Region VII	2,100	200	1,900	2,100	200	1,900
Region X	1,400	100	1,300	1,200	100	1,100
Region XI	2,100	100	2,000	2,000	200	1,800
Other Regions	4,600	100	4,500	4,300	100	4,200
Selected Specific Groups of Workers						
Female Workers	34,200	2,800	31,400	33,700	2,900	30,800
Minimum Wage Earners	35,700	2,800	32,900	20,900	1,000	19,900
Young Workers	32,700	2,500	30,200	16,600	1,800	14,800
Unionized Workers	35,700	2,900	32,800	6,000	1,400	4,600
Workers Covered by CBA	35,700	2,500	33,200	5,600	1,400	4,200

Note: Details may not add up to totals due to rounding of figures.

* Less than 50.

**TABLE 2 - NUMBER OF WORKERS IN ESTABLISHMENTS WITH AND WITHOUT FOREIGN EQUITY
PHILIPPINES: 1995-1996
(In thousands)**

Indicator	1995			1996		
	Total	With Foreign Equity	Without Foreign Equity	Total	With Foreign Equity	Without Foreign Equity
All Industries	2,692	580	2,112	2,606	528	2,078
<i>Agriculture, Fishery and Forestry Industry</i>	143	30	113	143	23	120
Mining and Quarrying	39	6	33	27	5	22
Manufacturing	964	382	582	881	345	536
Electricity, Gas and Water	68	2	66	65	2	63
Construction	103	8	95	159	31	128
<i>Services</i>						
Wholesale and Retail Trade	336	40	296	314	31	283
Transportation, Storage and Communication	131	21	110	173	19	154
Financing, Insurance, Real Estate and Business Services	355	64	291	308	36	272
Community, Social and and Personal Services	553	27	526	536	16	520
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All Region	2,692	580	2,112	2,606	528	2,078
NCR	1,566	351	1,215	1,461	316	1,145
Region III	97	12	85	97	10	87
Region IV	292	101	191	272	39	233
Region VI	139	10	129	152	13	139
Region VII	156	37	119	168	35	133
Region X	67	8	59	80	22	58
Region XI	154	41	113	167	35	132
Other Regions	221	20	201	209	58	151
Selected Specific Groups of Workers						
Female	1,028	301	727	973	229	744
Minimum Wage Earners	705	115	590	640	68	572
Young Workers	358	111	247	297	75	222
Unionized Workers	744	272	472	726	238	488
Workers Covered by CBA	771	278	493	729	243	486