# Labor Market Profile

# THE PHILIPPINE LABOR MARKET
## 2 0 1 8

The country's fourth quarter 2018 Gross Domestic Product (GDP) slightly declined to 6.1% from 6.5% in 2017, resulting in the 6.2 percent full-year growth for 2018. The economic growth can be mainly attributed to the following sectors: Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods; and Other Services.

Unemployment rate decreased by 0.4 percentage points (-140,000) from 5.7% in 2017 to 5.3% in 2018, which is within the target of the Philippine Development Plan (PDP) set at 4.7%-5.3%. Moreover, the youth unemployment continues to improve as it decrease by 1.0 percentage point year-on-year (from 13.4% in 2017 to 14.4% in 2018). Underemployment rate, on the other hand, slightly increased to 16.4% compared to 16.1% recorded in 2017.

## 📊 THE PHILIPPINE ECONOMY

The Philippine Statistics Authority (PSA) reported that the country's fourth quarter GDP slowed down to 6.1% compared to 6.5% recorded over the same period last year.

In a PSA statement issued on 24 January 2019, The main drivers of growth for the quarter were Construction; Trade and Repair of Motor Vehicles, Motorcycles, Personal and Household Goods; and Other Services.

Among the major economic sectors, Industry had the fastest growth with 6.9%, followed by Services (6.3%), and Agriculture (1.7%).

In terms of employment figures, the highest growth rate recorded in 2018 among the subsectors of the Industry sector came from Electricity, Gas, Steam and Air-conditioning Supply with 10% growth rate (+8,000) and Construction, which is up by 9.3%

(+328,000) from 3.537 million to 3.865 million workers (see Table 1). As to the subsectors of the Services sector, the highest growth rate is at 100% (+2,000) from the Activities of extraterritorial organizations and bodies sector, followed by the Arts, Entertainment and Recreation with 11.7% growth rate (+38,000), and Professional, scientific and technical activities sector at 10.9% (+27,000).

**Table 1. Employed Persons by Major Industry Group, Philippines: 2017 vs 2018**
**(In thousands except rates)**

| MAJOR INDUSTRY GROUPS | 2017 | 2018 | INCREMENT (2017 vs 2018) | GROWTH RATE |
|---|---|---|---|---|
| **ALL INDUSTRIES** | **40,334** | **41,160** | **826** | **2.0%** |
| **Agriculture** | **10,261** | **10,001** | **-260** | **-2.5%** |
| Agriculture, Hunting and Forestry | 9,066 | 8,875 | -191 | -2.1% |
| Fishing and Aquaculture | 1,194 | 1,127 | -67 | -5.6% |
| **Industry** | **7,370** | **7,845** | **475** | **6.4%** |
| Mining and Quarrying | 203 | 206 | 3 | 1.5% |
| Manufacturing | 3,481 | 3,626 | 145 | 4.2% |
| Electricity, Gas, Steam and Air Conditioning Supply | 80 | 88 | 8 | 10.0% |
| Water Supply; Sewerage, Waste Management and Remediation Activities | 69 | 61 | -8 | -11.6% |
| Construction | 3,537 | 3,865 | 328 | 9.3% |
| **Services** | **22,703** | **23,313** | **610** | **2.7%** |
| Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles | 7,900 | 7,993 | 93 | 1.2% |
| Transportation and Storage | 3,127 | 3,221 | 94 | 3.0% |
| Accommodation and Food Service Activities | 1,740 | 1,729 | -11 | -0.6% |
| Information and Communication | 397 | 404 | 7 | 1.8% |
| Financial and Insurance Activities | 506 | 541 | 35 | 6.9% |
| Real Estate Activities | 186 | 204 | 18 | 9.7% |
| Professional, Scientific and Technical Activities | 247 | 274 | 27 | 10.9% |
| Administrative and Support Service Activities | 1,475 | 1,585 | 110 | 7.5% |
| Public Administration and Defense; Compulsory Social Security | 2,408 | 2,560 | 152 | 6.3% |
| Education | 1,204 | 1,195 | -9 | -0.7% |
| Human Health and Social Work Activities | 484 | 517 | 33 | 6.8% |
| Arts, Entertainment and Recreation | 325 | 363 | 38 | 11.7% |
| Other Service Activities | 2,701 | 2,724 | 23 | 0.9% |
| Activities of Households as Employers; Undifferentiated Goods and Service-producing Activities of Households for Own Use | - | - | - | - |
| Activities of Extraterritorial Organizations and Bodies | 2 | 4 | 2 | 100.0% |

*Source:* *Labor Force Survey, PSA*
*Notes:* *1 Details may not add up due to rounding*
*2 Industry Classification is based on the 2009 Philippine Standard Industry Classification (PSIC)*
*3 Starting April 2016 round, the LFS adopted the 2013 Master Sample Design as well as the population projections based on the 2010 Census of Population and Housing (2010 CPH) while previous survey rounds were derivedn using the 2000 CPH population projections*
*4 January 2016 data reflected were based on the 2010 CPH population projections to compute for the annualized data for 2016*
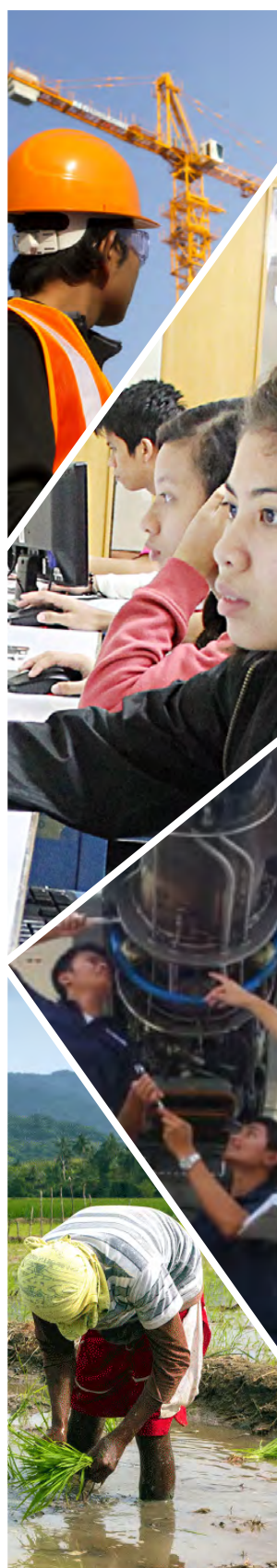
# LABOR AND EMPLOYMENT SITUATION

In 2018, the Philippine labor market is in a steady state managing to keep the unemployment rate at 5.3%, which significantly decreased from the 5.7% recorded over the same period last year, and is still within the target of the Philippine Development Plan set at 4.7%-5.3%.

The 2018 Labor Force Survey annual estimates shows that the country's total labor force improved to 43.461 million from 42.775 million over the same period (see Table 2). However, a decrease in the labor force participation rate from 61.2% in 2017 to 60.9% in 2018 was observed. This may be attributed to the lower labor force of youth and women.

Decent gains were also observed. Unemployment rate decreased by 0.4 percentage points (-140,000) from 5.7% in 2017 to 5.3% in 2018. Moreover, the youth unemployment continues to improve as it decreased by 1.0 percentage point year-on-year (from 13.4% in 2017 to 14.4% in 2018). On the other hand, underemployment rate slightly increased to 16.4% compared to 16.1% underemployment rate recorded in the previous year.

## Labor Supply and Demand Situation

**Demand.** Labor demand in this report focuses on company vacancies with the number of available skills for hire, thus, the interplay of employer demand and supply of manpower must be examined.

A total of 65,384 job vacancies were posted on the PhilJobNet (PJN) in 2018 (see Fig. 1). Most of the vacancies are Clerks (23% or 15,253), Professionals (19% or 12,266), Shop and Market Sales Workers (15% 10,029), and Laborers and Unskilled Workers (13% or 8,606). It can be noted that local vacancies (91.5%) were dominant compared to overseas (8.5%).

In terms of industry, majority of the job vacancies are under the Real Estate, Renting, and Business Activities (60% or 39,427). The following industries also cover a significant share of job vacancy postings: (1) Wholesale and Retail Trade, Repair of Motor Vehicles, Motorcycles and Personal and Household Goods with 10% share or 6,382; (2) Transport, Storage, and Communications (8% or 4,944); and (3) Financial Intermediation (5% or 3,213).

Two major job fairs were conducted by the Department of Labor and Employment (DOLE) in the first quarter of 2018 namely, the Labor

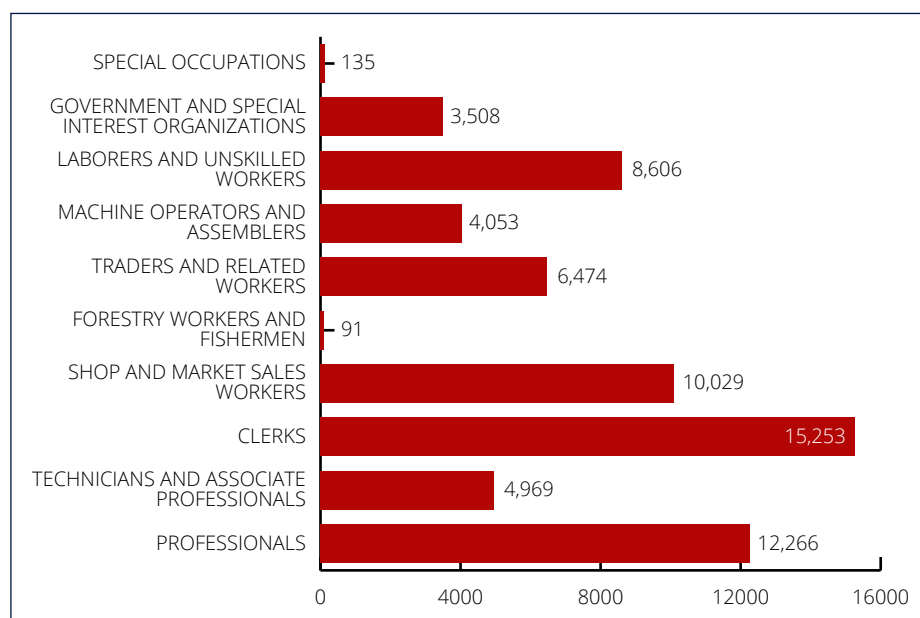**Table 2. Key Employment Indicators, Philippines: 2010-2018**
**(in thousands)**

| INDICATOR | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018p |
|---|---|---|---|---|---|---|---|---|---|
| HOUSEHOLD POPULATION (15 YEARS OLD AND OVER) | 60,717 | 61,882 | 62,985 | 61,176 | 64,033 | 64,936 | 68,311 | 69,891 | 71,339 |
| LABOR FORCE ('000) | 38,893 | 40,006 | 40,426 | 39,088 | 41,379 | 41,343 | 43,361 | 42,775 | 43,461 |
| EMPLOYED PERSONS ('000) | 36,035 | 37,192 | 37,600 | 36,286 | 38,651 | 38,741 | 40,998 | 40,334 | 41,160 |
| UNEMPLOYED PERSONS ('000) | 2,859 | 2,814 | 2,826 | 2,801 | 2,728 | 2,602 | 2,363 | 2,441 | 2,301 |
| UNDEREMPLOYED PERSONS ('000) | 6,762 | 7,163 | 7,514 | 6,912 | 7,118 | 7,180 | 7,513 | 6,506 | 6,506 |
| LABOR FORCE PARTICIPATION RATE (%) | 64.1 | 64.6 | 64.2 | 63.9 | 64.6 | 63.7 | 63.5 | 61.2 | 60.9 |
| EMPLOYMENT RATE (%) | 92.6 | 93.0 | 92.9 | 92.9 | 93.4 | 93.7 | 94.5 | 94.3 | 94.7 |
| UNEMPLOYMENT RATE (%) | 7.4 | 7.0 | 7.1 | 7.1 | 6.6 | 6.3 | 5.5 | 5.7 | 5.3 |
| UNDEREMPLOYMENT RATE (%) | 18.8 | 19.3 | 20.0 | 19.3 | 18.4 | 18.5 | 18.3 | 16.1 | 16.4 |
| YOUTH UNEMPLOYMENT RATE (%) | 17.6 | 16.3 | 16.2 | 16.2 | 16.1 | 15.3 | 13.5 | 14.4 | 13.4 |

*Source:      Labor Force Survey, PSA*

Day and Independence Day Trabaho, Negosyo, Kabuhayan (TNK) Job and Business Fairs. Out of the 38, 981 registered applicants, 4,702 or 12% were hired on the spot during the Labor Day Job Fair. On the other hand, the Independence Day Job Fair recorded a total of 19,433 registered applicants with 2,197 (11%) hired on the spot applicants.

As of October 2018 Public Employment Service Office (PESO) data, there were 1,956,938 qualified applicants for placement. Out of which, 1,694,223 (86%) qualified applicants were placed during said period.

**Figure 1. PhilJobNet Job Vacancy Postings: Percentage Distribution by Occupation January to December 2018**



| Occupation | Value |
|---|---|
| SPECIAL OCCUPATIONS | 135 |
| GOVERNMENT AND SPECIAL INTEREST ORGANIZATIONS | 3,508 |
| LABORERS AND UNSKILLED WORKERS | 8,606 |
| MACHINE OPERATORS AND ASSEMBLERS | 4,053 |
| TRADERS AND RELATED WORKERS | 6,474 |
| FORESTRY WORKERS AND FISHERMEN | 91 |
| SHOP AND MARKET SALES WORKERS | 10,029 |
| CLERKS | 15,253 |
| TECHNICIANS AND ASSOCIATE PROFESSIONALS | 4,969 |
| PROFESSIONALS | 12,266 |

*Source:      PhilJobNet*

**Supply.** Labor supply in this report focuses on graduates in formal education and training institutions, registered professions and skills in the barangay level.

Per enrolment data from the Commission on Higher Education (CHED), Business Administration and Related Disciplines had the highest number of enrollees both in 2017 and 2018 followed by Education and Teacher Training, Engineering and Technology, and Information Technology (see Table 3).

Relatively few enrollees were, however, observed in Home Economics, and Trade, Craft and Industrial Disciplines. A range of 11%-25% dropout rate was observed. Fine and Applied Arts held the highest rate of dropout.
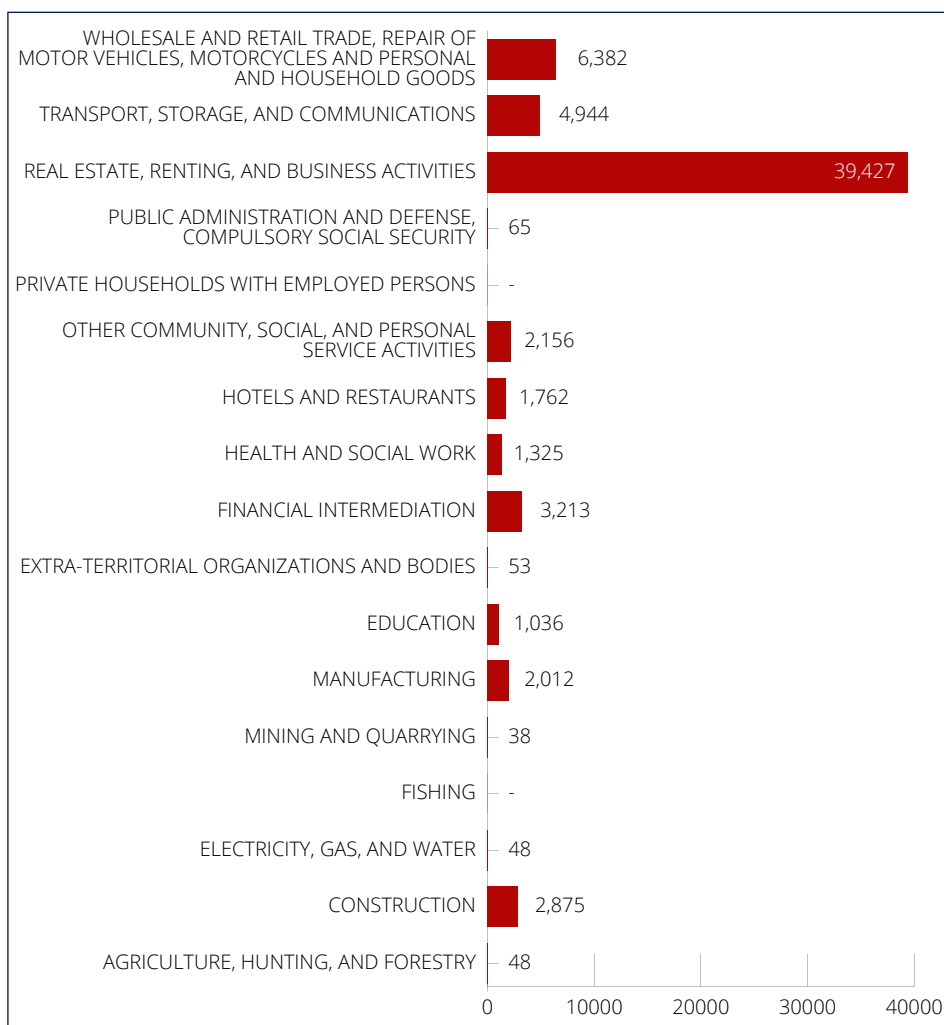
Highest number of graduates for A.Y. 2017 can be found in Business Administration and Related disciplines (202,895) followed by Education and Teacher Training (138,496) and Engineering and Technology (82,794). The lowest number of graduates was also observed in the fields with few enrollees.

A total of 1,139,714 new registrants were recorded in the Skills Registry System (SRS) for 2018 (see Fig. 3). Most of the registered applicants in SRS came from the 20-24 (35% or 393,750) age bracket, followed by applicants aging from 25-34 (28% or 318,565) and applicants within the 15-19 (17% or 190,753) bracket.

The number of female (55% or 622,469) applicants were relatively higher than the number of male (45% or 517,245) applicants for 2018.

For 2018, Office Clerk topped the list of preferred occupation of the registered applicants on the SRS, tallying 71,430 or 6% of the total (see Fig. 4). Service Crew (52,502)

**Figure 2. PhilJobNet Job Vacancy Postings: Percentage Distribution by Industry January to December 2018**



| Industry | Value |
| --- | --- |
| WHOLESALE AND RETAIL TRADE, REPAIR OF MOTOR VEHICLES, MOTORCYCLES AND PERSONAL AND HOUSEHOLD GOODS | 6,382 |
| TRANSPORT, STORAGE, AND COMMUNICATIONS | 4,944 |
| REAL ESTATE, RENTING, AND BUSINESS ACTIVITIES | 39,427 |
| PUBLIC ADMINISTRATION AND DEFENSE, COMPULSORY SOCIAL SECURITY | 65 |
| PRIVATE HOUSEHOLDS WITH EMPLOYED PERSONS | - |
| OTHER COMMUNITY, SOCIAL, AND PERSONAL SERVICE ACTIVITIES | 2,156 |
| HOTELS AND RESTAURANTS | 1,762 |
| HEALTH AND SOCIAL WORK | 1,325 |
| FINANCIAL INTERMEDIATION | 3,213 |
| EXTRA-TERRITORIAL ORGANIZATIONS AND BODIES | 53 |
| EDUCATION | 1,036 |
| MANUFACTURING | 2,012 |
| MINING AND QUARRYING | 38 |
| FISHING | - |
| ELECTRICITY, GAS, AND WATER | 48 |
| CONSTRUCTION | 2,875 |
| AGRICULTURE, HUNTING, AND FORESTRY | 48 |

Source:        PhilJobNet

**Table 3. Higher Education Institution Enrolment and Graduates: Total Number by Academic Discipline Group**

| DISCIPLINE GROUP | ENROLLEES (2016-2017) | GRADUATES (2016-2017) | DROP OUT RATE (%) | ENROLLEES (2017-2018) |
| --- | --- | --- | --- | --- |
| AGRI., FORESTRY, FISHERIES, VET MED | 127,287 | 24,210 | 19.02 | 100,922 |
| ARCHITECTURAL & TOWN PLANNING | 40,238 | 4,828 | 12.00 | 33,439 |
| BUSINESS ADMINISTRATION | 921,324 | 202,895 | 22.02 | 775,805 |
| EDUCATION AND TEACHER TRAINING | 740,713 | 138,496 | 18.70 | 639,063 |
| ENGINEERING AND TECHNOLOGY | 448,550 | 82,794 | 18.46 | 370,710 |
| FINE AND APPLIED ARTS | 16,324 | 4,100 | 25.12 | 16,355 |
| GENERAL | 7,614 | 1,468 | 19.28 | 4,869 |
| HOME ECONOMICS | 5,960 | 1,236 | 20.74 | 4,876 |
| HUMANITIES | 40,753 | 6,877 | 16.87 | 36,332 |
| INFORMATION TECHNOLOGY | 398,765 | 73,646 | 18.47 | 315,694 |
| LAW AND JURISPRUDENCE | 23,239 | 2,613 | 11.24 | 23,422 |
| MARITIME | 119,387 | 21,561 | 18.06 | 82,205 |
| MASS COMM. & DOCUMENTATION | 36,527 | 8,230 | 22.53 | 29,114 |
| MATHEMATICS | 14,109 | 3,034 | 21.50 | 11,814 |
| MEDICAL AND ALLIED | 203,561 | 43,012 | 21.13 | 176,532 |
| NATURAL SCIENCE | 34,923 | 7,160 | 20.50 | 29,307 |
| OTHER DISCIPLINES | 212,709 | 37,799 | 17.77 | 171,399 |
| RELIGION AND THEOLOGY | 8,351 | 1,746 | 20.91 | 7,628 |
| SERVICE TRADES | 73,905 | 15,205 | 20.57 | 55,671 |
| SOCIAL & BEHAVIORAL SCIENCE | 114,834 | 22,324 | 19.44 | 96,428 |
| TRADE, CRAFT AND INDUSTRIAL | 411 | 93 | 22.63 | 218 |
| | 3,589,484 | 703,327 | -- | 2,981,803 |

Source:        CHED Administrative Data | 2017 enrollment data as of 10 April 2017 / 2017 & 2018 graduate data as of 08 June 2018

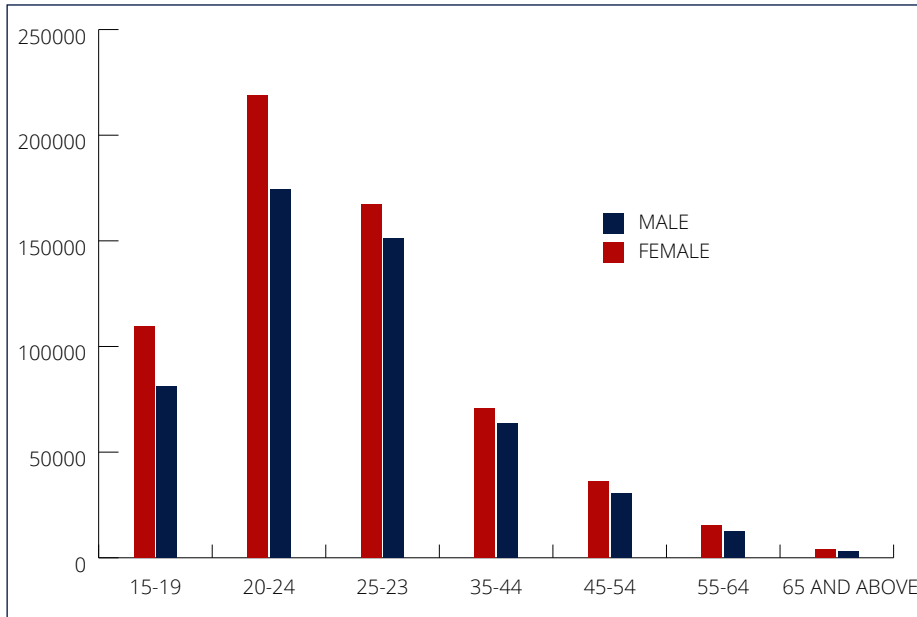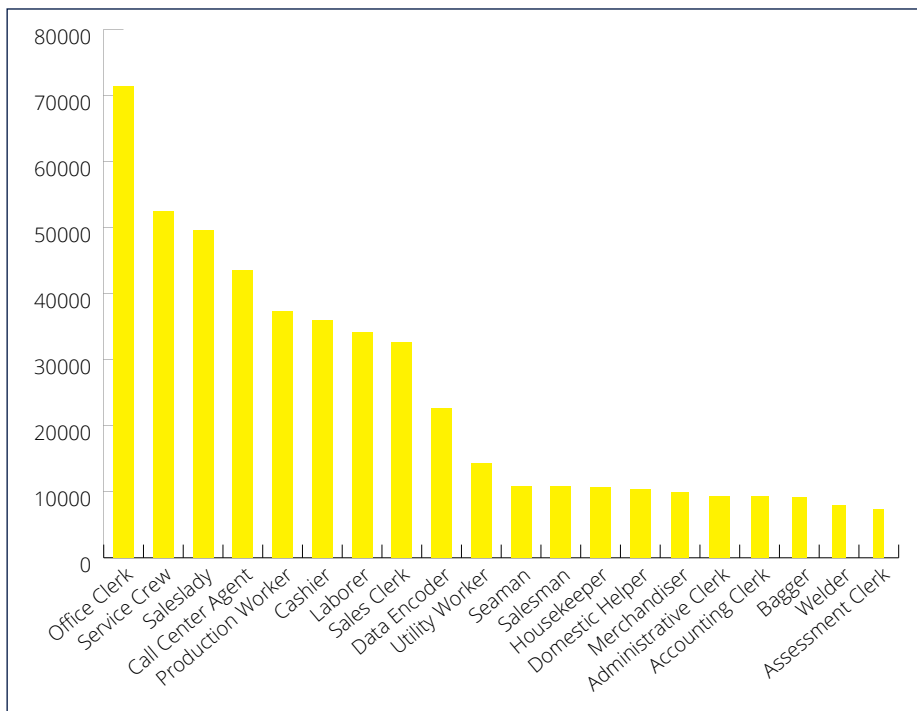**Figure 3. SRS Registered Applicants: Total Number by Sex and Age Group, Philippines: 2018**



Figure 3. SRS Registered Applicants: Total Number by Sex and Age Group, Philippines: 2018

Legend: MALE, FEMALE

Age groups: 15-19, 20-24, 25-23, 35-44, 45-54, 55-64, 65 AND ABOVE

**Figure 4. SRS Registered Applicants: Top 20 Preferred Positions, Philippines: 2018**



Figure 4. SRS Registered Applicants: Top 20 Preferred Positions, Philippines: 2018

Positions: Office Clerk, Service Crew, Saleslady, Call Center Agent, Production Worker, Cashier, Laborer, Sales Clerk, Data Encoder, Utility Worker, Seaman, Salesman, Housekeeper, Domestic Helper, Merchandiser, Administrative Clerk, Accounting Clerk, Bagger, Welder, Assessment Clerk

was also one of the most preferred occupations followed by Saleslady (49,624) and Call Center Agent (43,512).

For 2016, a total of 202,212 professionals were issued new licenses from the Professional Regulation Commission (PRC). The top three (3) professions with new registrants are: (1) Professional Teacher at 47%, (2) Nurse at 8%; and (3) Criminologist at 7% (see Table 4).

For 2017, Technical Education and Skills Development Authority (TESDA) has issued certification to a total of 1,308,277 skilled workers out of the 1,407,897 assessed applicants for the year (see Table 5). The National Capital Region (NCR) has the highest number of certified skilled workers at 407,635 (31%) followed by Region IV-A with 172,480 (13%) and Region III with 110,990 (8%).

**Table 4. Newly-Registered Professionals by Profession, Philippines: 2016**

| | PROFESSION | NO. |
|---|---|---|
| 1 | AERONAUTICAL ENGINEER | 167 |
| 2 | AGRICULTURAL ENGINEER | 404 |
| 3 | AGRICULTURIST | 1,822 |
| 4 | ARCHITECT | 2,476 |
| 5 | CERTIFIED PUBLIC ACCOUNTANT | 8,254 |
| 6 | CHEMICAL ENGINEER | 820 |
| 7 | CHEMIST | 637 |
| | CHEMICAL TECHNICIAN | 128 |
| 8 | CIVIL ENGINEER | 7,312 |
| 9 | CRIMINOLOGIST | 14,171 |
| 10 | CUSTOMS BROKER | 993 |
| 11 | DENTIST | 785 |
| | DENTAL HYGIENIST | 0 |
| | DENTAL TECHNOLOGIST | 34 |
| 12 | REGISTERED ELECTRICAL ENGINEER | 3,737 |
| | REGISTERED MASTER ELECTRICIAN | 3,797 |
| | PROFESSIONAL ELECTRICAL ENGINEER | 59 |
| | ASSISTANT ELECTRICAL ENGINEER | 0 |
| | ASSOCIATE ELECTRICAL ENGINEER | 0 |
| | MASTER ELECTRICIAN | 0 |
| 13 | ELECTRONICS ENGINEER | 2,762 |
| | PROF. ELECTRONICS COMM. ENGINEER | 86 |
| | ELECTRONICS TECHNICIAN | 2,944 |
| 14 | ENVIRONMENTAL PLANNER | 536 |
| 15 | FISHERIES | 393 |
| 16 | FORESTER | 545 |
| 17 | GEODETIC ENGINEER | 231 |
| | JUNIOR GEODETIC ENGINEER | 0 |
| | GEODETIC ENGINEER AIDE | 0 |
| 18 | GEOLOGIST | 281 |
| | GEOLOGIC AIDE | 0 |
| 19 | GUIDANCE COUNSELOR | 239 |
| 20 | INTERIOR DESIGNER | 210 |
| 21 | LANDSCAPE ARCHITECT | 50 |
| 22 | LIBRARIAN | 697 |
| 23 | MASTER PLUMBER | 1,304 |
| 24 | MECHANICAL ENGINEER | 4,024 |
| | PROF. MECHANICAL ENGINEER | 201 |
| | MECHANICAL PLANT ENGINEER | 0 |
| | CERTIFIED PLANT MECHANIC | 70 |
| | AIR CONDITION &. REF SPECIALIST | 0 |
| 25 | MEDICAL TECHNOLOGIST | 6,006 |
| | MEDICAL LABORATORY TECHNOLOGIST | 96 |
| 26 | METALLURGICAL ENGINEER | 71 |
| | METALLURGICAL PLANT FOREMAN | 0 |
| 27 | MIDWIFE | 2,727 |
| 28 | MINING ENGINEER | 208 |
| | CERTIFIED MINE FOREMAN | 0 |
| | CERTIFIED MILL FOREMAN | 0 |
| | CERTIFIED QUARRY FOREMAN | 0 |
| 29 | NAVAL ARCHITECT | 1 |
| 30 | NURSE | 16,208 |
| 31 | NUTRITIONIST-DIETITIAN | 222 |
| | DIETITIAN | 0 |
| 32 | OPTOMETRIST | 1 |
| | OCULAR PHARMACOLOGIST | 10 |
| 33 | PHARMACIST | 3,065 |
| | CHINESE DRUGGIST | 0 |
| 34 | PHYSICIAN | 3,370 |
| 35 | PHYSICAL THERAPIST | 1,348 |
| | OCCUPATIONAL THERAPIST | 172 |
| | PHYSICAL THERAPIST TECHNICIAN | 0 |
| | OCCUPATIONAL THERAPIST TECHNICIAN | 0 |
| 36 | PROFESSIONAL TEACHERS | 94,483 |
| 37 | PSYCHOLOGIST | 116 |
| | PSYCHOMETRICIAN | 3,797 |
| 38 | RADIOLOGIC TECHNOLOGIST | 1,638 |
| | X-RAY TECHNOLOGIST | 67 |
| 39 | REAL ESTATE APPRAISER | 1,357 |
| | REAL ESTATE BROKER | 5,271 |
| | REAL ESTATE CONSULTANT | 44 |
| 40 | RESPIRATORY THERAPIST | 643 |
| 41 | SANITARY ENGINEER | 115 |
| 42 | SOCIAL WORKER | 684 |
| 43 | SUGAR TECHNOLOGIST | 0 |
| 44 | VETERINARIAN | 323 |
| | **GRAND TOTAL** | **202,212** |

**Table 5. Number of Assessed and Certified Skilled Workers by Region: 2017**

| REGION | ASSESSED | CERTIFIED |
|---|---|---|
| NCR | 416,121 | 407,635 |
| CAR | 37,392 | 33,881 |
| REGION I | 85,741 | 79,032 |
| REGION II | 35,243 | 32,530 |
| REGION III | 120,631 | 110,990 |
| REGION IV-A | 189,307 | 172,480 |
| REGION IV-B | 54,129 | 50,649 |
| REGION V | 70,646 | 58,567 |
| REGION VI | 65,340 | 59,464 |
| REGION VII | 75,755 | 71,011 |
| REGION VIII | 51,335 | 45,400 |
| REGION IX | 38,710 | 34,941 |
| REGION X | 36,410 | 33,576 |
| REGION XI | 57,906 | 54,024 |
| REGION XII | 46,178 | 41,318 |
| CARAGA | 22,551 | 18,950 |
| ARMM | 4,502 | 3,829 |
| TOTAL | 1,407,897 | 1,308,277 |
| **CERTIFICATION RATE: 93%** | | |

Source:     TESDA Administrative Data, 2017 Executive Report
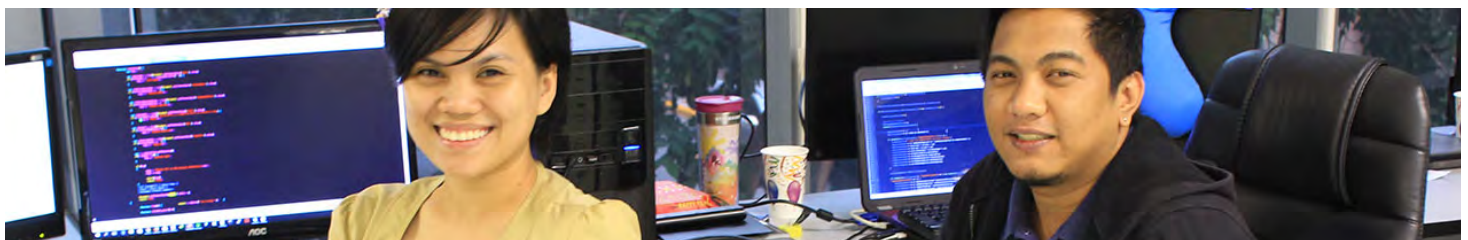


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*The LABOR MARKET PROFILE, or LMP, is an annual publication of the Department of Labor and Employment - Bureau of Local Employment presenting the overall scenario of the Philippine labor market using primary and secondary sources of labor market infromation, or LMI, from national surveys and administrative data.*