



# SPECIAL RELEASE

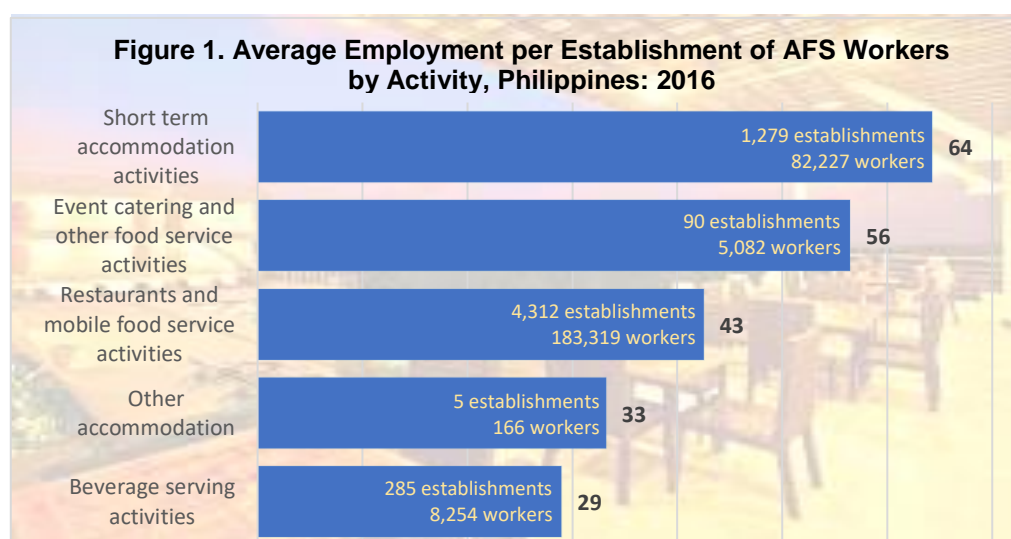
## 2016 Accommodation and Food Service Establishments\*

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### Employment in accommodation and food service establishments up by 3.9%

- The registered number of workers in the accommodation and food service (AFS) sector was 279,048 employed in 5,971 establishments in the country. This is an increase of 3.9 percent from the employed 268,655 from 5,492 businesses in 2015.
- Almost all those employed in the AFS sector were paid employees with 99.4 percent share in 2016. Although the share declined by 0.1 percentage point from 99.5 percent in 2015, the number of paid workers increased by 10,128 during the period.



Source: Philippine Statistics Authority

- Two in three workers (65.7 percent) in the AFS sector were employed in restaurants and mobile food establishments with a total employment of 183,319 in 4,312 establishments in 2016. This was followed by employment in the short-term accommodation activities with 82,227 workers from 1,279 businesses (Figure 1).

\* Preliminary data for establishments with total employment 20 and over from the 2016 Annual Survey of Philippine Business & Industry (ASPBI).

- Workers in beverage serving activities comprised 3.0 percent, event catering and other food services with 1.8 percent and other accommodation services with 0.1 percent.
- Short term accommodation activities had the highest number of workers per establishment with an average of 64 employees per establishment in 2016, followed by event catering and other food service with 56 employees per establishment. On the other hand, beverage serving activities have the least number of workers per establishment with an average of 29 employees.
- MIMAROPA employed the most with an average of 53 workers per AFS establishment. CAR and Western and Central Visayas followed with an average of 52 and 51 workers per establishment, respectively.

### Total compensation of AFS workers at PHP 53.1 billion

- AFS establishments had a total expense of PHP312.3 billion in 2016, an increase of 11.8 percent from PHP279.2 billion in 2015. Compensation of workers shared 17.0 percent in the total expense while the rest were spent for other costs such as taxes, job contracts, goods, fees and other operational expenses.

- CAR had the highest portion of compensation from total expenses of AFS establishments, with PHP658.7 million compensation out of PHP3.1 billion total cost or 21.8 percent share. Other regions with compensation share from total expense higher than the national figure were MIMAROPA (19.2 percent), Western Visayas (18.5 percent), CALABARZON (18.4 percent), Central Visayas (18.2 percent), Negros Island (18.0 percent), NCR (17.3 percent) and Bicol region (17.2 percent).
- In 2016, the national average annual compensation per worker in the AFS industry was PHP191,375 or about PHP16,000 per month. The previous year, annual average was PHP170,475 or monthly average of PHP14,206.

**Figure 2. Average Monthly Compensation of AFS Workers by Activity, Philippines: 2016**



Source: Philippine Statistics Authority

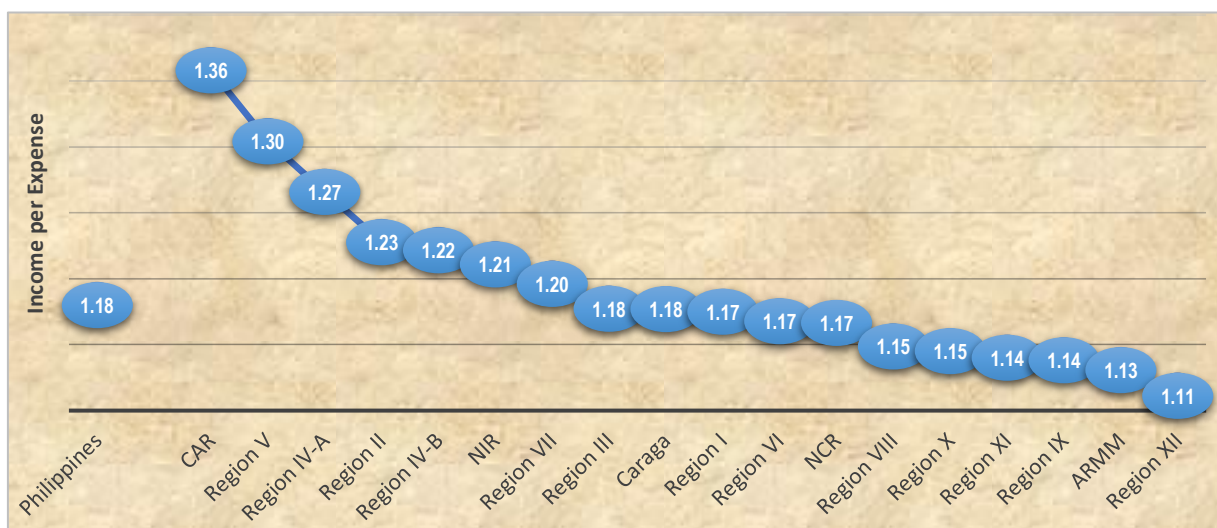
- The average annual compensation per AFS worker in CAR slightly lowered by 0.6 percent, from PHP114,498 in 2015 to PHP113,755 or monthly average of PHP9,480 in 2016.

- AFS workers in NCR had the highest mean annual compensation of PHP276,864 or a monthly average compensation of PHP23,072. The lowest was in ARMM with PHP57,639 per year, or PHP4,803 monthly average per worker.
- Workers in short term accommodation activities have better mean compensation than other AFS activities, with PHP218,771 annually or PHP18,232 monthly (Figure 2). Workers in other accommodation activities had the lowest annual compensation of PHP80,964 or PHP 6,747 monthly.

### Income per expense of CAR AFS establishments is 1.36

- Income generated from accommodation and food services reached PHP368.3 billion, an increase of 10.9 percent from PHP332.0 billion in 2015. Two-thirds of the income (65.7 percent) were derived from restaurants and mobile food service activities and 30.5 percent from short-term accommodation services.
- AFS establishments in NCR contributed 49.6 percent to the total national income of the industry, sharing PHP182.8 billion. The rest of the regions shared the other half of AFS income generated in 2016. CAR establishments earned PHP4.3 billion or 1.2 percent of the total.
- The income per expense of all AFS establishments registered at 1.18 in 2016. This means there is 18 percent revenue of these establishments net of all its expenses in the production and delivery of services. This was lower than the figure a year ago with 1.19 income per expense.
- Event catering and other food service had an income per expense ratio of 1.25 while short term accommodation activities resulted to an income per expense of 1.21. Other accommodation activities had the least income per expense ratio of 1.05.

**Figure 3. Income per Expense of AFS Establishments by Area/Region, Philippines: 2016**



Source: Philippine Statistics Authority

- Among regions, CAR had the highest income per expense ratio of 1.36 (Figure 3). This was an improvement from its figure in 2015 of 1.23 income per expense. Regions with higher ratio than the national also include Bicol (1.30), Calabarzon (1.27), Cagayan Valley (1.23), Mimaropa (1.22), Negros Island (1.21) and Central Visayas (1.20).

### **Labor productivity in NCR reaches PHP675 million per worker**

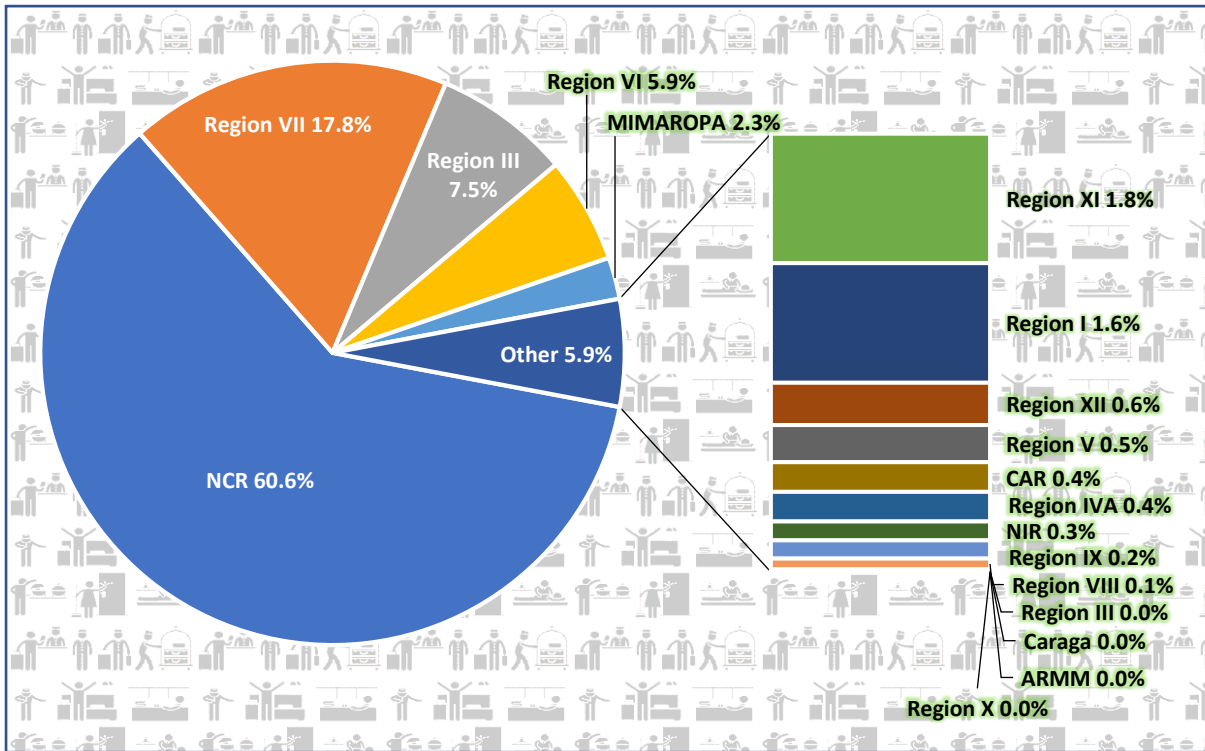
- Value added of AFS establishments was pegged at PHP135.2 billion, an increase of 9.3 percent from 2015. Restaurant and mobile food service shared the large fraction of value added with 56.6 percent or PHP76.5 billion while short term accommodation activities contributed 40.1 percent or PHP54.2 billion.
- NCR establishments contributed 58.5 percent to the total value added of AFS businesses in the country with PHP79.1 billion. This was followed by Central Visayas (8.8 percent) and Central Luzon (6.8 percent).
- The value added per total employment of the AFS industry hiked by 5.3 percent from PHP460,289 in 2015 to PHP484,469 in 2016. These measured the labor productivity of the establishments.
- Higher productivity was seen in short term accommodation and event catering and other food services, with PHP659,440 and PHP509,469 per employee, respectively. Restaurants and mobile food services closely followed with estimated labor productivity of PHP417,531. Meanwhile, beverage serving and other accommodation activities had labor productivity of PHP219,079 and PHP166,976, respectively.
- With highest generated income, NCR establishments had labor productivity of PHP675,642 despite being labor intensive in the AFS industry. Least labor productivity was estimated in ARMM and Zamboanga Peninsula with PHP169,779 and PHP180,115 per worker, respectively.

### **Sales from E-Commerce in AFS industry at PHP5.6 billion**

- Sales via the internet boosted the AFS industry with PHP5.6 billion receipts in 2016. This was an increase of 14.9 percent from the PHP4.9 billion sales from e-commerce of previous year.
- Online bookings with businesses in short-term accommodation activities boosted the electronic sales by PHP5.5 billion or 97.9 percent of the total e-commerce sales of AFS. Restaurants and mobile food services also contributed PHP119.3 million, while other AFS activities did not report any online sale transactions.
- Electronic transactions were dominant in NCR establishments, contributing a total of PHP 3.4 billion sales in 2016. This comprised 60.6 percent of the total e-commerce sales of all AFS establishments (Figure 4). Central Visayas and CALABARZON regions also contributed PHP993.4 million and PHP419.7 million, respectively.

- CAR booked PHP22.4 million online transactions contributing only 0.4 percent to total e-commerce sales (Figure 4). Northern Mindanao, Caraga and ARMM did not report any online transactions.

**Figure 4. Percentage Distribution of E-Commerce Sales of AFS Establishments by Region, Philippines: 2016**



Source: Philippine Statistics Authority

**VILLAFE P. ALIBUYOG**  
Regional Director

## Technical Notes

**Establishment** is an economic unit under a single ownership and control, i. e. under a single entity, engaged in one or predominantly one kind of economic activity at a single fixed location.

**Economic activity** is the establishment's source of income. If the establishment is engaged in several activities, its main economic activity is that which earns the biggest income or revenue.

**Total employment** is the number of persons who worked in for the establishment as of November 15, 2016.

**Paid employees** are all persons working in the establishment and receiving pay, as well as those working away from the establishment paid by and under the control of the establishment. Included are all employees on sick leave, paid vacation or holiday. Excluded are consultants, home workers, receiving pure commissions only, and workers on indefinite leave.

**Compensation** is the sum of salaries and wages, separation/retirement/terminal pay, gratuities, and payments made by the employer in behalf of the employees such as contribution to SSS/GSIS, ECC, PhilHealth, Pag-ibig, etc.

**Salaries and wages** are payments in cash or in kind to all employees, prior to deductions for employee's contributions to SSS/GSIS, withholding tax, etc. Included are total basic pay, overtime pay and other benefits.

**Income or Revenue** refers to cash received and receivables for goods/products and by-products sold and services rendered. Valuation is at producer prices (ex-establishment) net of discounts and allowances, including duties and taxes but excluding subsidies.

**E-commerce** refers to the selling of products or services over electronic systems such as Internet Protocol-based networks and other computer networks. Electronic Data Interchange (EDI) network, or other on-line system. Excluded are orders received from telephone, facsimile and e-mails.

**Expense** refers to cost incurred by the establishment during the year whether paid or payable. This is treated on a consumed basis. Valuation is at purchaser price including taxes and other charges, net of rebates, returns and allowances. Goods and services received by the establishment from other establishments of the same enterprise are valued as though purchased.

**Value added** is gross output less intermediate input. *Gross output* for Accommodation and Food Service Activities sector is the sum of the total income (less interest income, rent income from land, dividend income, royalty income and franchise income), capital expenditures of fixed assets produced on own account and change in inventories. *Intermediate input* is equal to the sum of the following expense items: materials and supplies purchased; fuels, lubricants, oils and greases purchased; electricity purchased, water purchased; industrial services done by others; non-industrial services done by others; goods purchased for resale; research and development expense; environmental protection expense; royalty fee; franchise fee; payouts and other expense.

**Gross addition to tangible fixed assets** is equal to capital expenditures less sale of fixed assets, including land.

**Change in inventories** is equivalent to the value of inventories at the end of the year less the value of inventories at the beginning of the year.

**Inventories** refer to the stock of goods owned by and under the control of the establishment as of a fixed date, regardless of where the stocks are located. Valuation is at current replacement cost in purchaser prices. Replacement cost is the cost of an item in terms of its present price rather than its original cost.

**Subsidies** are all special grants in the form of financial assistance or tax exemption or tax privilege given by the government to aid and develop an industry.