



SPECIAL RELEASE

2018 Census of Philippine Business and Industry: Information and Communication

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The Census of Philippine Business and Industry (CPBI) is one of the designated statistical activities of the Philippine Statistics Authority (PSA), undertaken every five years, which aims to collect and generate information on the levels, structure, performance and trends of economic activities of the formal sector of the economy. The results of the CPBI serve as benchmark information in the measurement of national and regional economic growth. The 2018 CPBI is the 16th of the series of economic censuses in the country.

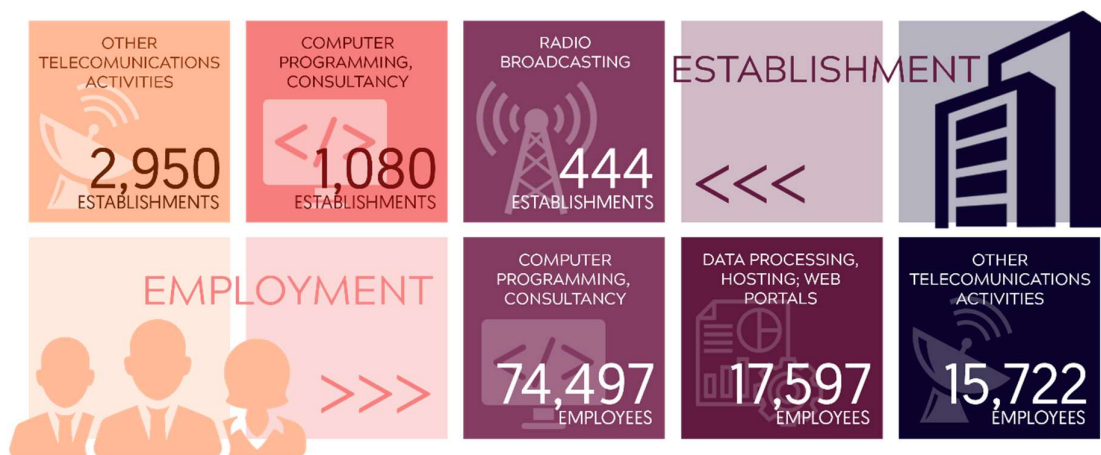
This Special Release explores the performance of the Information and Communication (IAC) sector in terms of the number of establishments engaged in IAC activities, employment generated (as of 15 November 2018), total income and expense, value added, subsidies granted by the government, and sales from e-commerce transactions.

Information and communication sector expands by 16.5 percent in 2018

- 📶 The results of the 2018 Census of Philippine Business and Industry (CPBI) showed that a total of 5,665 establishments in the formal sector of the economy were engaged in information and communication activities. This was 16.5 percent higher than the 4,862 recorded establishments in 2012.
- 📶 Other telecommunications activities that include provision of specialized telecommunications applications such as satellite tracking and radar station operations, provision of telephone and internet access facilities open to the public, and operation of satellite terminal stations account for 52.1 percent of the information and communication establishments in the country. This was followed by computer programming, consultancy and related activities such as designing systems software, software applications, databases, and webpages with 19.1 percent share.

- Workers engaged in information and communication activities increased by 19.5 percent from 144,770 in 2012 to 172,974 employees in 2018. Computer programming, consultancy and related activities generated the most employment accounting for more than 43.0 percent (74,497 workers) of the total national employment. Data processing, hosting and related activities; web portals had the second-most employees with 17,597 workers or 10.2 percent share. On the other hand, sound recording and music publishing activities had the least contribution to national employment with a minimal 0.3 percent share.

Figure 1. Top Information and Communication Industries by Number of Establishments and Total Employment, Philippines: 2018



Source: Philippine Statistics Authority

- One in four information and communication establishments were located in the National Capital Region (NCR) while Central and Western Visayas had 9.8 and 6.2 percent shares, respectively. Meanwhile, Cordillera Administrative Region recorded a 4.2 percent share to the total number of information and communication establishments.

Compensation expenses of information and communication sector up by 76 percent

- The information and communication sector spent a total of PhP 131.0 billion to compensate its 170,864 paid employees in 2018. This was a 75.7 percent increase from the PhP 74.5 billion worth of compensation expended to 142,701 workers engaged in information and communication activities in 2012.

☎ Firms engaged in computer programming, consultancy and related activities spent the most in the information and communication sector in terms of compensation to its employees. The industry disbursed PhP 52.4 billion to its workers in 2018. This was followed by establishments involved with wireless telecommunications activities with PhP 21.7 billion compensation and television programming and broadcasting activities with PhP 19.3 billion.

☎ Establishments in CAR disbursed a total of PhP 307.7 million to information and communication employees in 2018. This led to an average annual compensation of PhP 201,404 per employee. Information and communication firms in NCR spent the most for the compensation of its employees at PhP 114.6 billion.

Figure 2. Top Information and Communication Industries by Average Employment per Establishment, Philippines: 2018



Source: Philippine Statistics Authority

Income of information and communication establishments exceed expenses by more than 110 billion

☎ Information and communication industries generated a total revenue of PhP 680.4 billion in 2018, reflecting a 46.2 percent increase from the PhP 465.3 billion-revenue of the sector in 2012.

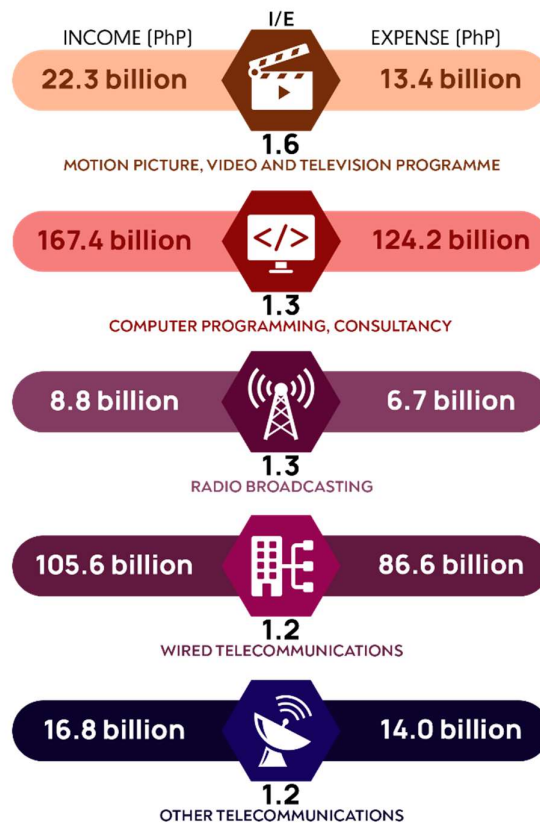
☎ Majority (PhP 604.4 billion) of the total national income of information and communication establishments were from NCR. Entities from Central Visayas generated the second-most revenue in the country with PhP 29.3 billion, followed by Central Luzon with PhP 15.9 billion and Northern Mindanao with PhP 6.5 billion.

☎ Wireless telecommunications activities industry contributed the highest income to the total national income with 33.3 percent share or PhP 226.9 billion. Income

from computer programming, consultancy and related activities came next with PhP 167.4 billion (24.6 percent) and wired telecommunications activities with PhP 105.6 billion (15.5 percent).

- ☰ Expenditures of information and communication entities reached PhP 566.3 billion in 2018, a 55.7 percent increase from 2012's costs of PhP 363.7 billion. The amount spent for the compensation of employees only comprised 23.1 percent of the sector's total spending.
- ☰ The top industry income-earners in information and communication establishments were also the main contributors to the sector's expenses: wireless telecommunications activities spent PhP 198.3 billion (35.0 percent) and computer programming, consultancy and related activities with PhP 124.2 billion (21.9 percent).
- ☰ Information and communication businesses situated in NCR (PhP 511.3 billion or 90.3 percent), Central Visayas (PhP 18.4 billion or 3.2 percent), and Central Luzon (PhP 13.2 billion or 2.3 percent) were the top spenders in 2018.

Figure 3. Top Information and Communication Industries by Income per Expense, Annual Income and Expense, Philippines: 2018



Source: Philippine Statistics Authority

- ☞ In CAR, radio broadcasting, other telecommunications activities, and television programming and broadcasting activities recorded the most revenues in 2018 with PhP 253.8 million, PhP 220.5 million, and PhP 204.3 million earnings, respectively. On the other hand, industries with the highest expenditures in the region were radio broadcasting (PhP 195.4 million), television programming and broadcasting activities (PhP 194.6 million), and other telecommunications activities (PhP 109.2 million).
- ☞ Motion picture, video and television programme activities earned the greatest gain with an income per expense ratio of 1.6. This was followed by radio broadcasting and computer programming, consultancy and related activities both having 1.3 income per expense ratio, respectively.
- ☞ On the other hand, satellite telecommunications activities incurred the least income per expense ratio of 0.9 in 2018. Software publishing had the second least I/E ratio of 1.0.
- ☞ Among all regions, only Central Visayas (1.6), Caraga (1.5), Northern Mindanao (1.5), Ilocos Region (1.4), MIMAROPA (1.4), CALABARZON (1.3), and CAR (1.3) had income per expense rates higher than the national rate (1.2). Meanwhile, NCR, Cagayan Valley, Central Luzon, Western Visayas, Davao Region, and SOCCSKSARGEN regions' income per expense were at par with the national figure.

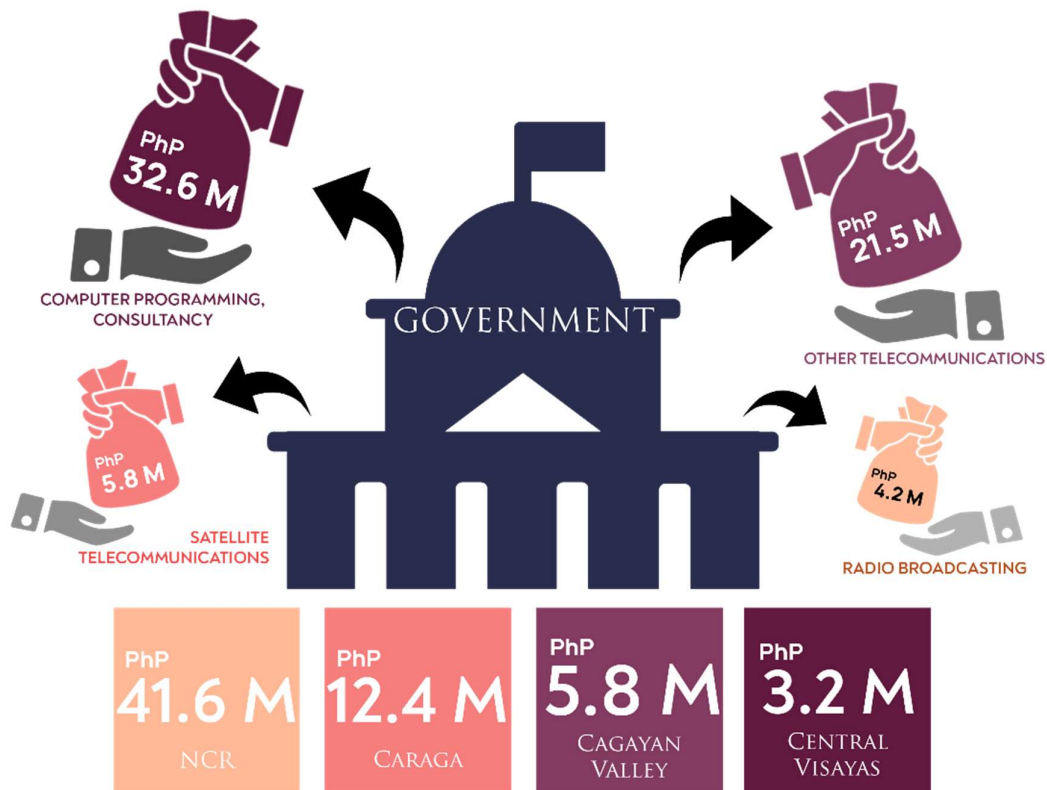
2018 value added of IAC industries surpasses PhP 300 billion

- ☞ Value added realized by information and communication establishments in 2018 was PhP 356.3 billion. This figure increased by almost 60 percent relative to the value added recorded by the sector in 2012.
- ☞ Industry-wise, wireless telecommunications activities registered the highest value added with PhP 113.1 billion or 31.7 percent contribution to the total output of the IAC sector. This was followed by computer programming, consultancy and related activities with PhP 101.0 billion (28.3 percent) and wired telecommunications activities with PhP 61.6 billion (17.3 percent). Conversely, sound recording and music publishing activities contributed the least to the total sector production with PhP 412.2 million that translates to 0.1 percent of the total value added of information and communication sector.
- ☞ Across regions, NCR (PhP 313.4 billion), Central Visayas (PhP 21.0 billion), and Central Luzon (PhP 5.5 billion) had the most value added in 2018. CAR

establishments engaged in information and communication activities reported PhP 642.9 million.

Subsidies increase by more than 200-fold

Figure 4. Subsidies Granted by the Government to Information and Communication Industries and Regions, Philippines: 2018



Source: Philippine Statistics Authority

- ☞ The total subsidies received by the information and communication sector amounted to PhP 67.4 million in 2018. This was 20,399.1 percent higher than the PhP 329 thousand worth of subsidies granted by the government in 2012.
- ☞ Computer programming, consultancy and related activities (PhP 32.6 million), other telecommunications activities (PhP 21.5 million), satellite telecommunications activities (PhP 5.8 million), radio broadcasting (PhP 4.2 million), and motion picture, video and television programme activities (PhP 3.3 million).

million) comprised the industries that received subsidies from the government in 2018.

- ☎ Among all regions, NCR (PhP 41.6 million), Caraga (PhP 12.4 million), Cagayan Valley (PhP 5.8 million), Central Visayas (PhP 3.2 million), Eastern Visayas (PhP 2.2 million), Ilocos Region (PhP 2.0 million), and Zamboanga Peninsula (PhP 135 thousand) were the only recipients of government grants.

IAC establishments earn more than PhP 1.5 billion from e-commerce

- ☎ E-commerce transactions in information and communication establishments generated sales amounting to PhP 1.7 billion in 2018. This was a huge increase from the PhP 289.0 million worth of goods and services sold by IAC businesses online in 2012.

Figure 5. Top Information and Communication Industries by Sales from E-commerce Transactions, Philippines: 2018



Source: Philippine Statistics Authority

- ☎ Across industries, computer programming, consultancy and related activities accounted for 90.6 percent (PhP 1.5 billion) of the total sales from e-commerce transactions of the sector. Sound recording and music publishing activities

(PhP 59.7 million), data processing, hosting and related activities; web portals (PhP 31.5 million), satellite communications activities (PhP 22.5 million), radio broadcasting (PhP 16.6 million), publishing of books, periodicals and other publishing activities (PhP 14.1 million), and wireless telecommunications activities (PhP 11.8 million) comprise the remaining 9.4 percent of the total sales from e-commerce transactions.

- ☞ Among the regions, NCR (PhP 1.2 billion), SOCCSKSARGEN (PhP 347.0 million), and Central Visayas (PhP 77.0 million) generated the most sales from e-commerce transactions in 2018.

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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 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 online 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 a 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. Computation of gross output for financial and insurance activities sector varies per industry as presented below:

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 *less* rent expense for land; research and development expense; environmental protection expense; royalty fee; franchise fee; foreign exchange losses 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 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.
