



# SPECIAL RELEASE

## 2022 Annual Survey of Philippine Business and Industry (ASPBI): Manufacturing (Preliminary Results)

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*The Annual Survey of Philippine Business and Industry (ASPBI), one of the designated statistical activities of the Philippine Statistics Authority (PSA), generates essential statistics for economic planning and analysis. It is specifically designed to collect and generate information on the levels, structure, performance, and trends of economic activities of the formal sector of the country's economy.*

*The 2022 ASPBI is the 50<sup>th</sup> in the series of annual surveys of establishments in the country. It was conducted nationwide in April 2023 with 2022 as reference period.*

*This Special Release discusses the performance of the Manufacturing Sector. Some of the industries that comprise the sector include manufacture of electronic components, manufacture of other food products, manufacture of motor vehicles, manufacture of refined petroleum products, and manufacture of beverages.*

### Establishments engaged in manufacturing decline in 2022

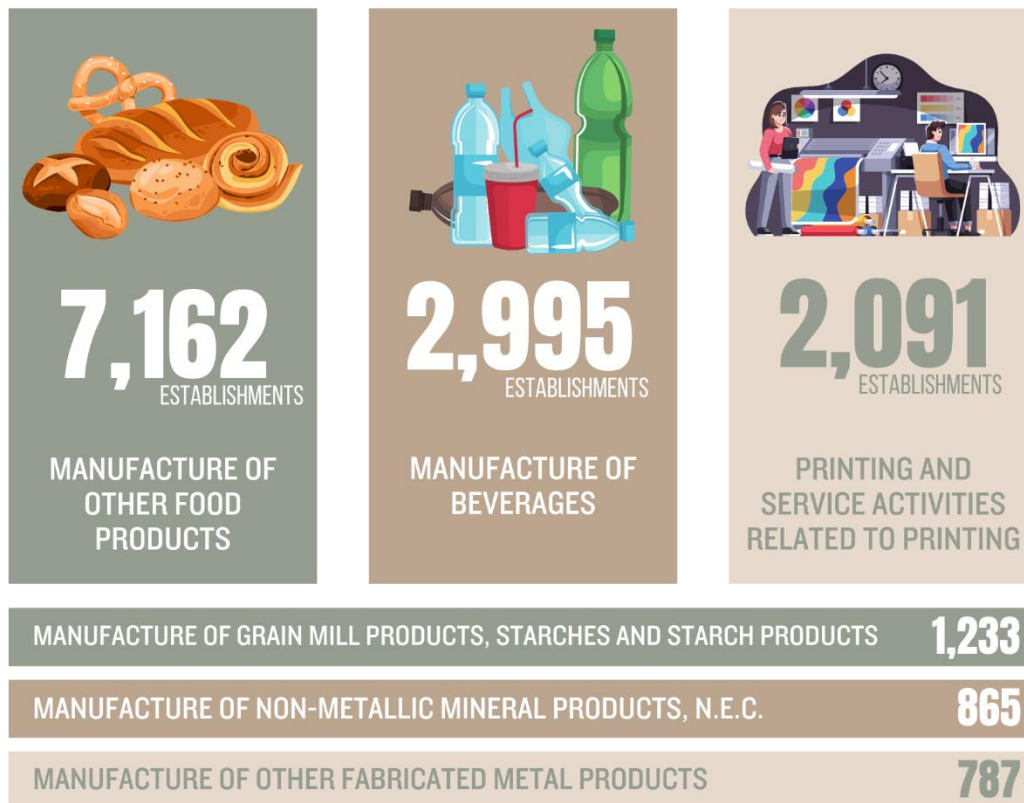
The preliminary results of the 2022 Annual Survey of Philippine Business and Industry (ASPBI) showed that a total of 23,361 establishments in the formal sector were engaged in manufacturing. This was 7.3% lower than the 25,279 recorded establishments in 2021. Manufacturing includes physical or chemical transformation of materials, substances, or components into new products. The raw materials are products of agriculture, forestry, fishing, mining or quarrying as well as products of other manufacturing activities. Substantial alteration, renovation or reconstruction of goods is generally considered as manufacturing.

Among the industries comprising the sector, the manufacture of other food products, which include manufacture of bakery products, sugar, cocoa, chocolate and sugar confectionery, macaroni, noodles, couscous and similar farinaceous products, prepared meals and dishes, food supplements from herbs and other plants, and coffee roasting and processing, recorded the highest number of establishments with 7,162 or 30.7% of the sector. This was followed by



manufacture of beverages with 2,995 establishments (12.8%) and printing and service activities related to printing with 2,091 establishments (9.0%).

**Figure 1. Top Manufacturing Industries by Number of Establishments, Philippines: 2022**



Source: 2022 Annual Survey of Philippine Business and Industry, Philippine Statistics Authority

Across regions, most of the establishments engaged in manufacturing were located in the National Capital Region (NCR) with 4,364 establishments. Further, nearby regions CALABARZON and Central Luzon had 16.9% and 11.3% shares, respectively. On the other hand, the Cordillera Administrative Region (CAR) and the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM) contributed the least to the total number of sector establishments with a combined 2.1% share.

### **Manufacture of other food products and of electronic components industries hire more than 200,000 workers**

In 2022, a total of 1,195,082 workers were employed in the manufacturing sector in the Philippines – a 2.0% increase from the 1,172,195 employees recorded in the previous year. Majority of this workforce were paid employees while the remaining 0.7% were working owners and unpaid workers.

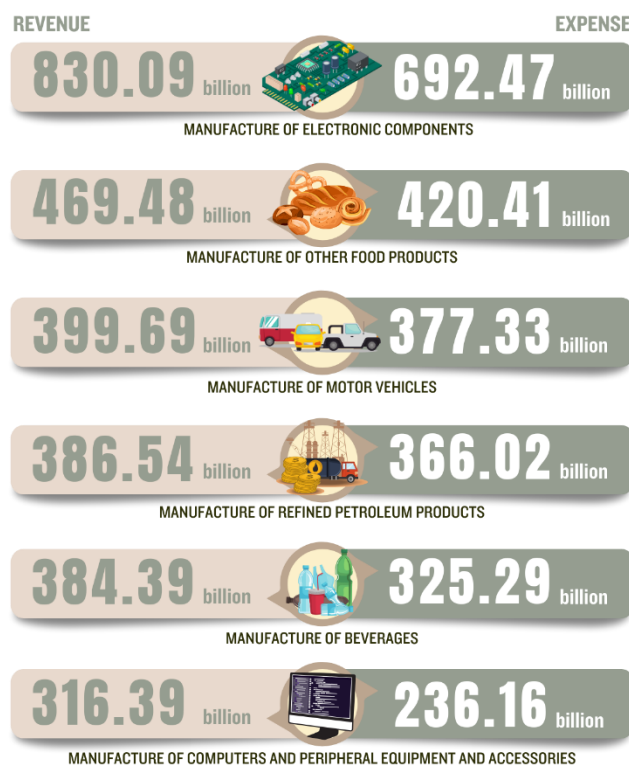
Among industry groups, Manufacture of electronic components generated the most employment with 12.9% of the total national sector employment, equivalent to 153,865 workers. Manufacture of other food products followed with 126,181 workers or 10.6% share. These two industries combine for 23.4% of the total manufacturing employment in the country. On the other hand, manufacture of musical instruments had the least contribution to the employment generated by the sector in the Philippines with 0.003%.

By region, CALABARZON had the highest employment with 527,508 workers, almost half of the total sector employment in the country. NCR followed with 188,768 workers, Central Luzon with 168,939 workers, Central Visayas with 135,030 workers, and Davao Region with 29,709 workers. These five regions comprised 87.9% of the total employment generated by the manufacturing sector. On the other hand, there were only 5,996 manufacturing workers in CAR.

In terms of ratio, the manufacturing sector posted an average employment of 51 workers per establishment. This was 10.3% higher than the previous year's average employment.

Manufacture of computers and peripheral equipment and accessories, posted the highest average employment with 1,560 workers per establishment among all other manufacturing industries. Region-wise, CALABARZON recorded the highest average employment with 134 workers per establishment. This was followed by Central Luzon with an average employment of 64 per establishment, Central Visayas with 56, and NCR with 43.

**Figure 2. Top Manufacturing Industries by Annual Revenue and Expense, Philippines: 2022 (In Philippine Pesos)**



Source: 2022 Annual Survey of Philippine Business and Industry, Philippine Statistics Authority

## **Income of manufacturing industries exceeds expenses by more than 800 billion**

Establishments engaged in manufacturing generated a total revenue of PhP7.03 trillion in 2022, which was 28.5% higher than the recorded total revenue in 2021 of PhP5.47 trillion.

Almost a fifth of the total sector income was contributed by establishments engaged in the manufacture of electronic components, and the manufacture of other food products with a combined revenue of PhP1.30 trillion. Further, reflecting the national trend, the income generated by Manufacture of electronic components establishments grew by 15.4% while income of the Manufacture of other food products expanded by 9.5%. The third top-earners were establishments that manufacture motor vehicles with PhP399.69 billion (5.7%). The manufacture of refined petroleum products followed and accounted for 5.5% (PhP386.54 billion) of the total revenue of the sector. Meanwhile, establishments related to the manufacture of musical instruments contributed less than a percent to the income of manufacturing entities in the country with PhP12.61 million.

Across regions, other service establishments situated in CALABARZON generated the most income accounting for 45.1% of the total sector revenue with PhP3.17 trillion. This was followed by Central Luzon with a PhP1.19 trillion revenue. On the other hand, the regions with the least contributions to the income of the manufacturing sector include BARMM with PhP5.66 billion, Cagayan Valley with PhP22.40 billion, and MIMAROPA Region with PhP29.24 billion. Together, these three regions accounted for 0.8 % of the total income of the sector. Meanwhile, the manufacturing industries in Cordillera generated an income amounting to PhP212.30 billion in 2022.

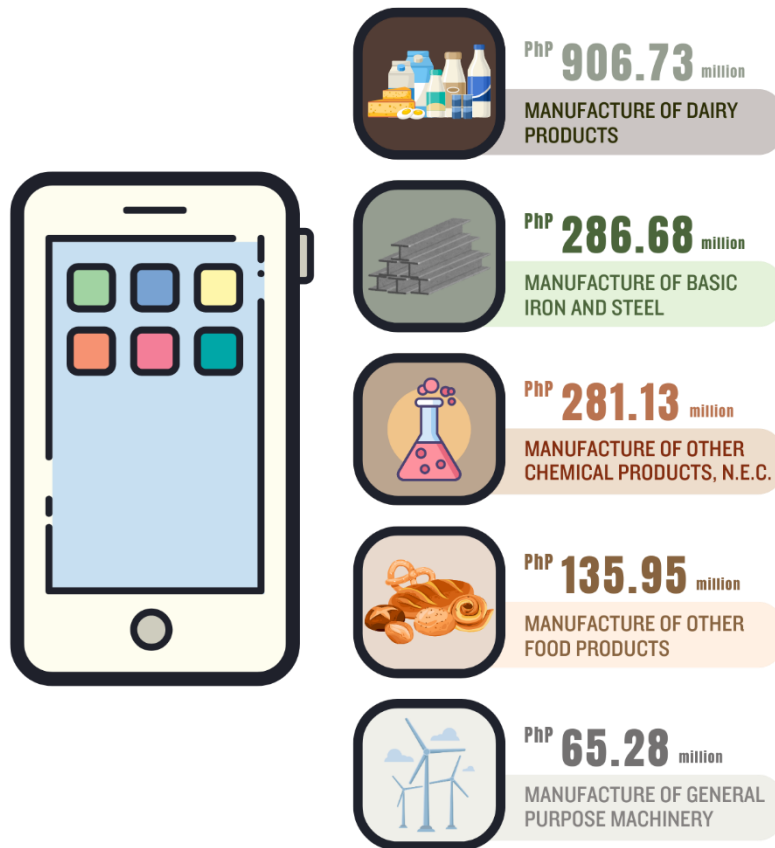
In terms of expenditure, establishments engaged in the manufacture of electronic components spent PhP692.47 billion on compensation and other expenses in 2022, a 7.7% increase from the previous year's costs of PhP642.97 billion. In addition, the amount spent for the compensation of employees comprised 9.2% of the sector's total spending, lower than the amount released by institutions for the wages of their workers in 2021.

The industry top income-earners in other service activities were also the main contributors to the sector's expenses – manufacture of electronic components spent PhP692.47 billion (11.2%); manufacture of other food products released PhP420.41 billion (6.8%); and manufacture of motor vehicles expended PhP377.33 billion (6.1%). Region-wise, businesses located in CALABARZON (PhP 2.90 trillion), Central Luzon (PhP976.27 billion), and NCR (PhP863.24 billion) were the top spenders in 2022.

## **Online sale of manufactured products boosts sector by two billion**

The total sales from e-commerce transactions for the manufacturing sector amounted to PhP2.15 billion in 2022. This translated to a decrease of 87.5% from the recorded sales from e-commerce transactions in 2021 at PhP17.21 billion.

**Figure 3. Top Manufacturing Industries by E-Commerce Sales, Philippines: 2022 (In Philippine Pesos)**



Source: 2022 Annual Survey of Philippine Business and Industry, Philippine Statistics Authority

Among industry groups, manufacture of dairy products generated the highest e-commerce sales of PhP906.73 million or 42.3% of the total e-commerce sales for the sector in 2022. Manufacture of basic iron and steel followed with PhP286.68 million, manufacture of other chemical products, not elsewhere classified with PhP281.13 million.

Fourteen regions were able to generate sales from e-commerce transactions in 2022. Of these, NCR recorded the highest e-commerce sales of PhP1.79 billion, followed by CALABARZON and Central Luzon with PhP176.92 million and PhP43.40 million, respectively. Meanwhile, sales amounting to PhP244 thousand was generated from online transactions in CAR.

**Manufacture of batteries and accumulators generates the highest revenue per expense ratio**

By revenue per expense ratio, manufacturing posted an acceleration of 1.5% from a 1.12 ratio in 2021 to a 1.13 ratio in 2022. This means that for every peso spent in 2022, manufacturing industries earned PhP1.13 of income.

Manufacture of batteries and accumulators recorded the highest revenue per expense ratio of 2.63, followed by manufacture of pharmaceuticals, medicinal chemical and botanical products with a revenue per expense ratio of 1.41, and repair of fabricated metal products, machinery and equipment with a 1.36 ratio.

All regions recorded income per expense ration that were higher than the national ratio (1.13) except for Ilocos Region (1.11), NCR (1.10), CALABARZON (1.09), Central Visayas (1.08), and Eastern Visayas (0.99). CAR manufacturing establishments posted a revenue per expense ratio of 1.43, the second highest next to Cagayan Valley (1.50).

### **Annual wage of paid employees increases by 5%, on the average**

The annual average earnings of paid employees in the manufacturing sector increased by 5.2% from an average annual compensation of PhP310,462 in 2021 to PhP326,495 in 2022.

Among industry groups, manufacture of refined petroleum products recorded the highest average annual compensation per paid employee with PhP1.06 million. This was followed by manufacture of pharmaceuticals, medicinal chemical and botanical products, and manufacture of dairy products with PhP976,127 and PhP778,544, respectively. On the other hand, custom tailoring and dressmaking posted the lowest average annual compensation per paid worker at PhP83,915.

Among regions, CAR had the highest average annual compensation per paid employee with PhP624,777. SOCCSKSARGEN followed with PhP394,027 and CALABARZON with PhP368,778.

### **VILLAFE P. ALIBUYOG**

Regional Director

<b>Designation</b>	<b>Initials</b>	<b>Date</b>
CSS	AFRBJ	13 January 2025
SSS	WBM	
SS II	KAMC	

## 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. An establishment is categorized by its economic organization, legal organization, industrial classification, employment size, and geographic location.

**Economic Organization** refers to the organizational structure or role of the establishment in the organization. An establishment may be a single establishment, branch, establishment, and main office with branches elsewhere, main office only, or an ancillary unit other than the main office.

**Legal Organization** refers to the legal form of the economic entity which owns the establishment in the organization. An establishment may be a single proprietorship, partnership, government corporation, stock corporation, non-stock corporation, or cooperative.

**Industrial classification** of an economic unit was determined by the activity from which it derives its major income or revenue. The 2009 Philippine Standard Industrial Code (PSIC) which was approved for adoption by government agencies and instrumentalities through PSA Resolution No. 01 Series of 2017-158 signed on 14 February 2017, was utilized to classify economic units according to their economic activities.

**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.

**Size** of an establishment is determined by its total employment as of the time of visit during the latest Updating of the List of Establishments.

**Total Employment (TE)** refers to the total number of persons who work in or for the establishment. This includes paid employees, working owners, unpaid workers, and all employees who work full-time or part-time including seasonal workers. Also included are persons on short-term leave such as those on sick, vacation or annual leaves, and on strike.

**Economic activity** refers to the grouping of establishments by geographic area using the Philippine Standard Geographic Code (RSGC) classification. The PSGC contains the latest updates on the official number of regions, provinces, cities, municipalities, and barangays in the Philippines.

**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.

**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.

**Compensation** is the sum of salaries and wages, separation/retirement/terminal pay, gratuities and payments made by the employer on 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 transaction** is the sale or purchase of goods or services, whether between businesses, households, individuals, governments, and other public or private organizations, conducted over the Internet. The goods and services are ordered over the Internet but, the payment and the ultimate delivery of the good or service may be conducted on or offline.

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