



## Did you know that...

### effective June 16, 2008, minimum wage workers in Region XII got P7.00 – P10.50 raise in daily basic wage to cope with rising prices?

As soaring crude prices continue to loom in the world market, the government is taking drastic steps to cushion its impact in the domestic economy and ease further difficulties to the general public. To mitigate rising prices of food, goods and services, minimum wage workers across the country were provided some relief by their regional wage boards by increasing workers' take home pay.

In Region XII starting last June 16, 2008, workers in the private sector received wage adjustments per Wage Order No. 15. Wage Order No. 15 issued by the Regional Tripartite Wages and Productivity Board-XII orders employers in Region XII to grant a P7.00 - P10.50 basic wage increase per day and an additional P3.00 - P5.00 COLA per day to their workers depending on the industry classification they belonged. The increase benefitted workers in Cotabato City, General Santos City, Tacurong City, Koronadal City, Kidapawan City, South Cotabato, Cotabato, Sarangani and Sultan Kudarat.

#### New Daily Minimum Wage Rate, Region XII Effective June 16, 2008

Industry/Sector	2007 Daily Min Wage	Wage Adjustment		New Daily Min Wage
		Basic wage	COLA	
Non-agriculture	229.50	10.50	5.00	245.00
Agriculture				
Plantation	212.00	10.00	3.00	225.00
Non-Plantation	209.00	8.00	3.00	220.00
Retail/Service				
<10 workers	215.00	7.00	3.00	225.00
>10 workers	209.00	7.00	3.00	219.00

Note: Wage adjustment under Wage Order No. RB XII-15.  
Source: RTWPB-XII

Under the new wage order, workers employed in non-agricultural establishments will receive P245.00/day or a 6.8 percent increase in their daily minimum wage. Plantation workers are expected to collect P225.00/day from P212.00/day. Their counterparts in non-plantation establishments will be paid P220.00/day or P11.00 more than their previous rate.

Workers in the retail and service establishments should have a raise of P10.00/day. Retail and service establishments employing more than 10 workers will have to pay P225.00/day per employee. Smaller establishments with less than 10 workers, on the other hand, should pay their employees P219.00/day.

#### Family Income versus Family Expenditures and Prices

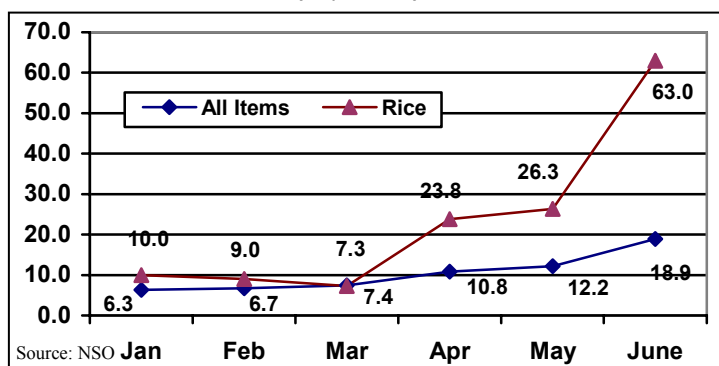
In 2006, a person residing in Region XII to be considered above the poverty line should net at least P39.00 daily or roughly P1,185.00 monthly. A family of five in Region XII with only one member of the family earning must therefore have a take home pay of about P5,924.00 monthly or roughly P195.00 daily to support

the food and other essential non-food needs of his/her family. This is according to Region XII's 2006 annual per capita threshold of P14,225. Based on the June 2008 inflation rate, the required daily income for a family of five in Region XII is estimated at P239.00.

This means that, if there is only one wage earner in the family, the new wage hike for the private sector workers in agriculture and those connected in the retail and service industry is barely enough to meet their families' daily food and other basic non-food necessities. Those in the non-agricultural sector, though earning a little more than their colleagues in other industries, had just about enough to make ends meet daily. The minimum wage hike, therefore, only cushioned the impact of rising daily cost of living in the country.

#### Inflation Rates, Region XII

January to June 2008  
(in percent)

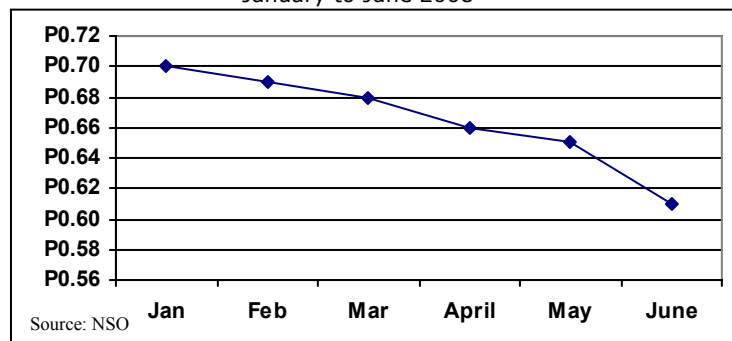


Source: NSO

Since January 2008, prices of commodity items in the region steadily rose from 6.3 percent to 7.4 percent two months later and then surged to 18.9 percent in June. Inflation, driven by soaring energy and food costs, is escalating cost of living. Rice, a staple in the daily Filipino meals, saw prices inflating by as much as 63.0 percent in June. Rice prices in the region was seen soaring starting April of this year due to the rice shortage affecting the whole country. The 2006 Family Income and Expenditures Survey (FIES) showed that about 48.0 percent of the family income are spent on daily food consumption. It means that for every P100.00 expense, P48.00 went to the food requirements of the family.

#### Purchasing Power of the Peso, Region XII

January to June 2008



Source: NSO

Purchasing power of the peso sharply dropped from P0.70 in January 2008 to P0.61 six months later.