SPECIAL RELEASE

2020 Annual Survey of Philippine Business and Industry (ASPBI) – Economywide Preliminary Results
National Capital Region

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This Special Release presents the preliminary economywide results of the 2020 Annual Survey of Philippine Business and Industry (ASPBI) covering all establishments of the 18 sectors of the economy. The ASPBI is one of the designated statistical activities of the Philippine Statistics Authority (PSA). Data collected from the survey provide information on the levels, structure, performance, and trends of economic activities of the formal sector in the entire country. This special release highlighted data for the National Capital Region (NCR) for the years 2019 and 2020.

Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles dominates the economy in terms of the total number of establishments
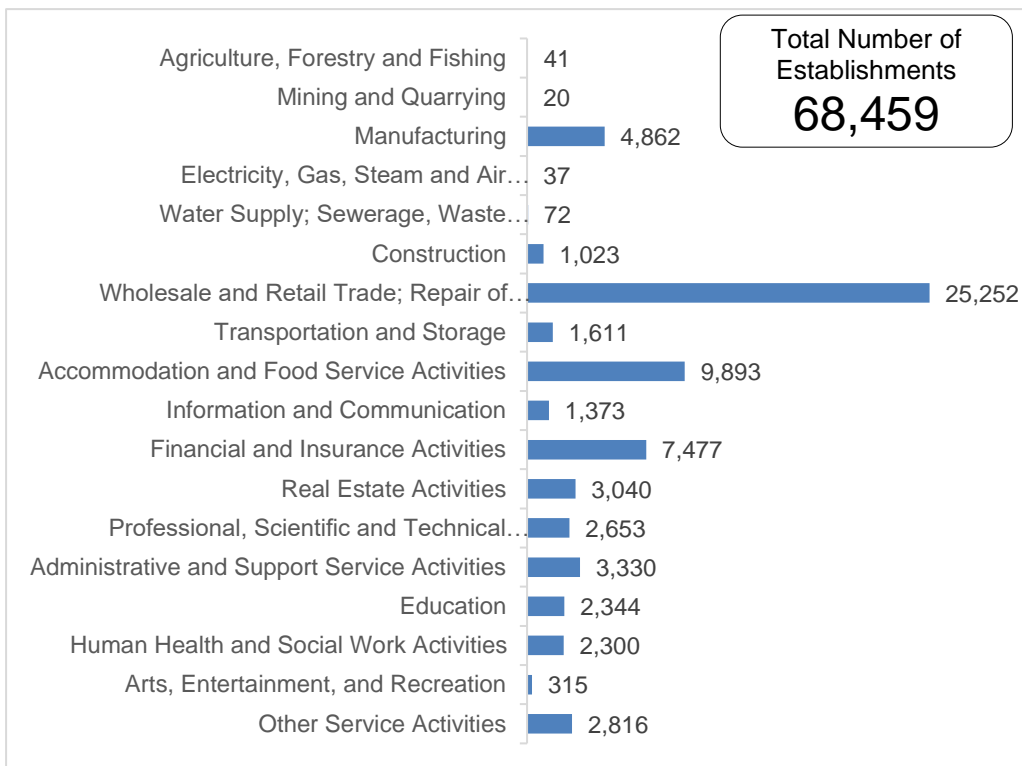
The preliminary result of the 2020 ASPBI showed that the NCR had a total of 68,459 establishments in the formal sector of the economy. The number of establishments in NCR was about 28.8 percent of the 238,023 total establishments at the national level in 2020.

Among sectors, Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles led in terms of number of establishments with 25,252 or 36.9 percent share to total establishments in NCR. This was followed by Accommodation and Food Service Activities with 9,893 (14.5%) and Financial and Insurance Activities with 7,477 (10.9%) establishments. On the other hand, Mining and Quarrying (20), Electricity, Gas, Steam and Air Conditioning Supply (37), and Agriculture, Forestry and Fishing (41) reported the least number of establishments in 2020. (Figure 1)

In comparison, the number of establishments in NCR was lower by 13.7 percent, or 10,883 establishments compared to the result of the 2019 ASPBI with 79,342 establishments. The Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles largely contributed to the decrease in the number of establishments in NCR with 3,604 establishments or about negative 12.5 percent from its 28,856 establishments in 2019. This was followed by Manufacturing which was down by 1,507 (-23.7%) to reach 4,862 from 6,369, and Accommodation and Food Service Activities with a decrease of 1,364 (-12.1%) from its 11,257 establishments in 2019.

Figure 1. Number of Establishments by Sector, NCR: 2020

Sector	Number of Establishments
Agriculture, Forestry and Fishing	41
Mining and Quarrying	20
Manufacturing	4,862
Electricity, Gas, Steam and Air…	37
Water Supply; Sewerage, Waste…	72
Construction	1,023
Wholesale and Retail Trade; Repair of…	25,252
Transportation and Storage	1,611
Accommodation and Food Service Activities	9,893
Information and Communication	1,373
Financial and Insurance Activities	7,477
Real Estate Activities	3,040
Professional, Scientific and Technical…	2,653
Administrative and Support Service Activities	3,330
Education	2,344
Human Health and Social Work Activities	2,300
Arts, Entertainment, and Recreation	315
Other Service Activities	2,816

Total Number of Establishments
68,459

Source: Philippine Statistics Authority, 2020 ASPBI (Preliminary Results)

Administrative and Support Service Activities employ the highest number of workers

The total employment in NCR reached 2,447,934 in 2020 which was about 39.8 percent of the total employment of the entire country. Compared to 2019, the total employment in NCR was lower by 602,583 (-19.8%) from the 3,050,517 total employment. Of the 2,447,934 total employment in 2020, 99.3 percent were considered paid employees while the rests were working owners and unpaid workers.

Among 18 economic sectors, the Administrative and Support Service Activities employed the highest number of workers reaching 711,319 which was about 29.1 percent of the total employment in the region in 2020. The total employment of this sector was lower by 118,699 employees (-14.3%) compared to the 2019 record of 830,018. Other sectors that registered the highest share of total employment were Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (14.7%), Manufacturing (10.0%), Financial and Insurance Activities, and Construction with both 7.1%. The combined total employment from these five economic sectors comprised around 67.9 percent of the total employment in NCR in 2020. (Figure 2)

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Figure 2. Percentage Distribution of Total Employment by Sector, NCR: 2020
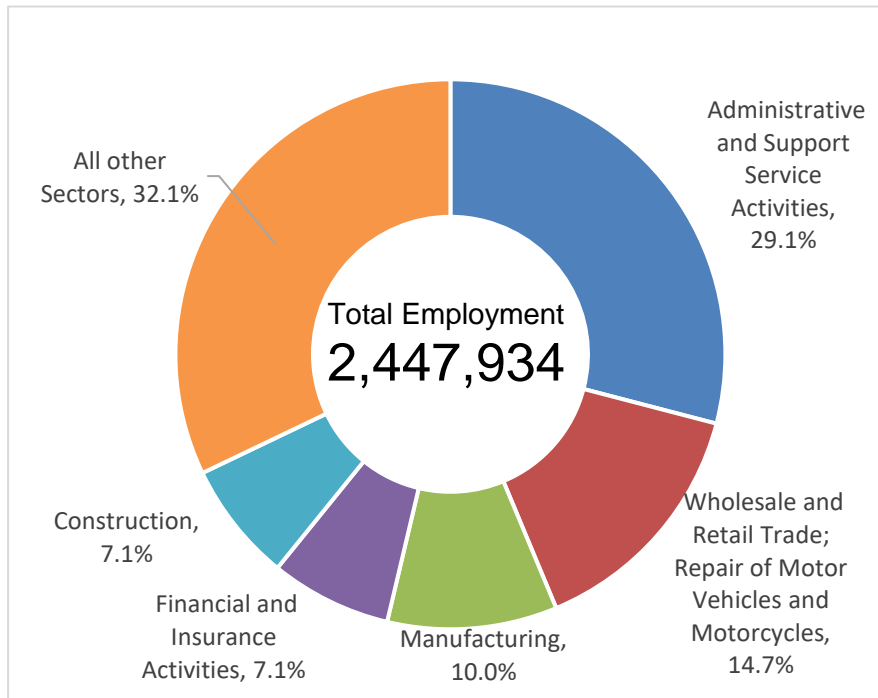
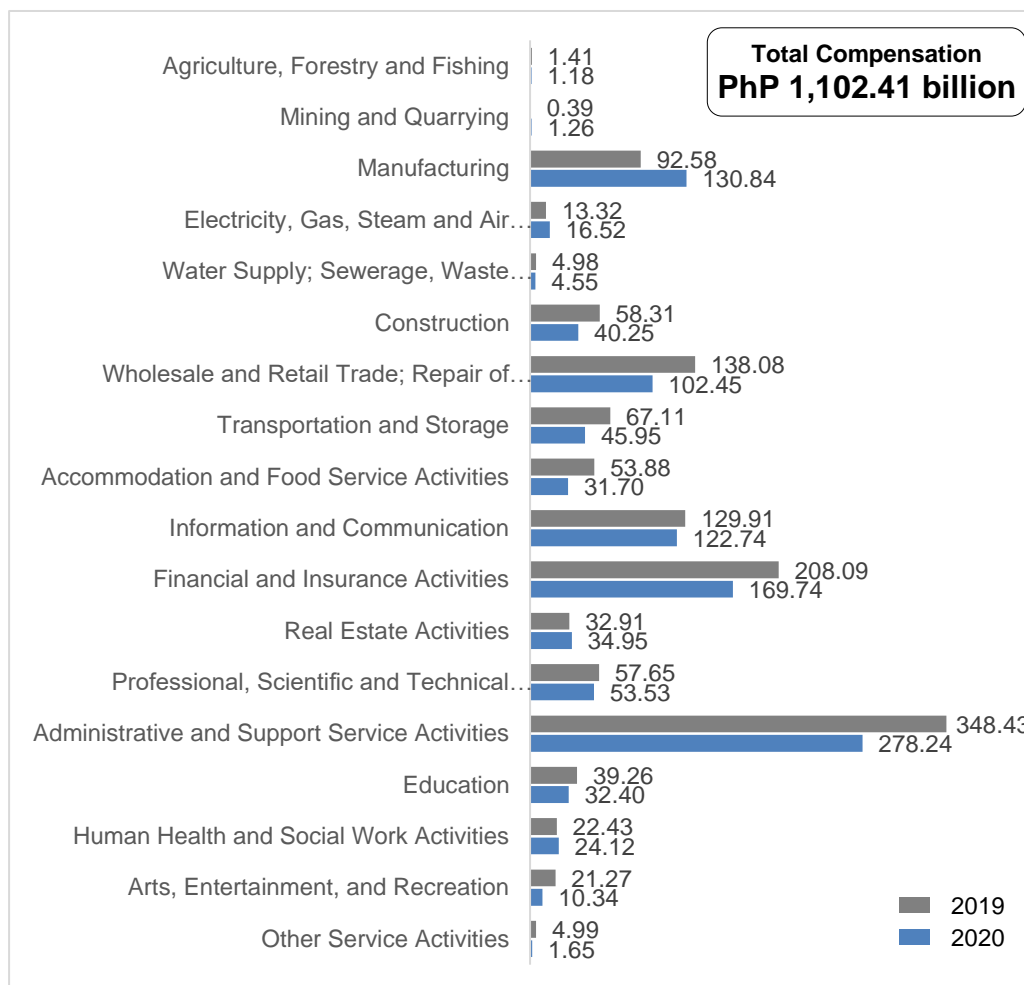*Source: Philippine Statistics Authority, 2020 ASPBI (Preliminary Results)*

Mining and Quarrying more than triple its total compensation in 2020

In 2020, the total compensation paid by establishments in NCR amounted to PhP 1.10 trillion which was about 56.6 percent of the total compensation paid by all establishments in the entire country. Compared to 2019, the total compensation paid in 2020 was lower by PhP 192.59 billion (-14.9%) from its previous record of almost PhP 1.30 trillion.

The Administrative and Support Service Activities recorded the largest share of total compensation paid in 2020 amounting to PhP 278.24 billion (25.2%) as well as the biggest decrease of PhP 70.19 billion (-20.1%) compared to 2019 total compensation of PhP 348.43 billion. Similarly, the Financial and Insurance Activities came next with PhP 169.74 billion or 15.4% of the total compensation in 2020 and a decrease of PhP 38.36 billion (-18.4%) from its PhP 208.09 billion records in 2019. The third sector with the highest share in total compensation was Manufacturing with PhP 130.84 billion or 11.9% of the total compensation in 2020 with an increase of PhP38.26 billion (41.4%) from its 2019 record of PhP 92.58 billion.

Similar to Manufacturing, four more economic sectors registered an increase in total compensation with Mining and Quarrying having the highest growth rate of 225.1 percent. This tripled its total compensation from PhP 387.62 million in 2019 to PhP1.26 billion in 2020. Other economic sectors that registered an increase in total compensation were Electricity, Gas, Steam and Air Conditioning Supply with a 24.0 percent increase, Human Health and Social Work Activities (7.5%), and Real Estate Activities (6.2%). (Figure 3)

Figure 3. Total Compensation by Sector, NCR: 2019 and 2020
(in billion pesos)

Sector	2019	2020
Agriculture, Forestry and Fishing	1.41	1.18
Mining and Quarrying	0.39	1.26
Manufacturing	92.58	130.84
Electricity, Gas, Steam and Air…	13.32	16.52
Water Supply; Sewerage, Waste…	4.98	4.55
Construction	58.31	40.25
Wholesale and Retail Trade; Repair of…	138.08	102.45
Transportation and Storage	67.11	45.95
Accommodation and Food Service Activities	53.88	31.70
Information and Communication	129.91	122.74
Financial and Insurance Activities	208.09	169.74
Real Estate Activities	32.91	34.95
Professional, Scientific and Technical…	57.65	53.53
Administrative and Support Service Activities	348.43	278.24
Education	39.26	32.40
Human Health and Social Work Activities	22.43	24.12
Arts, Entertainment, and Recreation	21.27	10.34
Other Service Activities	4.99	1.65

Total Compensation
PhP 1,102.41 billion

Note: Details may not add-up to total due to rounding
Source: 2020 ASPBI (Preliminary Results)
*   2019 ASPBI (Final Results)*
*   Philippine Statistics Authority*

Electricity, Gas, Steam and Air Conditioning Supply pays the highest average annual compensation
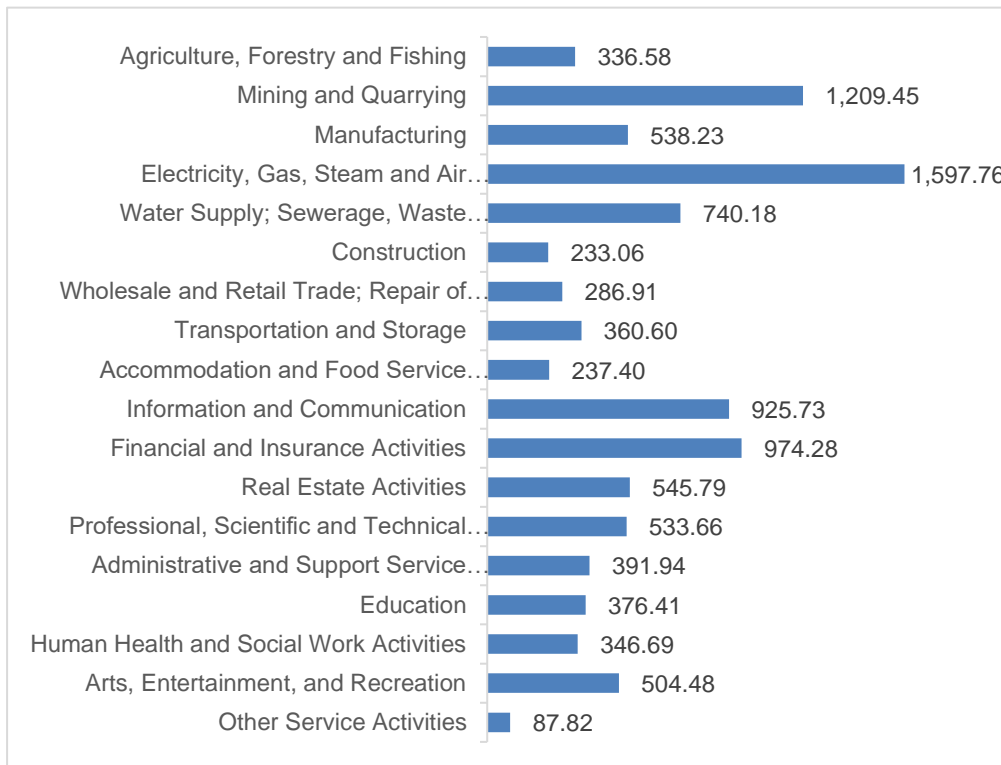
The average annual compensation per paid employee in NCR was reported at PhP 453.51 thousand in 2020 which recorded an increase of 6.4 percent from PhP 426.36 thousand in 2019.

Among economic sectors, Electricity, Gas, Steam and Air Conditioning Supply paid the highest average annual compensation of PhP 1.60 million followed by Mining and Quarrying with PhP 1.21 million and Financial and Insurance Activities with PhP 974.28 thousand. (Figure 4)

Meanwhile, Mining and Quarrying reported the highest increase in average annual compensation with 378.6 percent from its PhP 252.69 thousand in 2019. This was followed by Manufacturing which registered a 100.8 percent increase from PhP 268.02 thousand in 2019 to PhP 538.23 thousand in 2020 and Agriculture, Forestry and Fishing

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with a 93.6 percent increase or from PhP 173.84 thousand in 2019 to PhP 336.58 thousand in 2020.

Figure 4. Average Annual Compensation per Paid Employee by Sector, NCR: 2020
(in thousand pesos)

Sector	Value
Agriculture, Forestry and Fishing	336.58
Mining and Quarrying	1,209.45
Manufacturing	538.23
Electricity, Gas, Steam and Air…	1,597.76
Water Supply; Sewerage, Waste…	740.18
Construction	233.06
Wholesale and Retail Trade; Repair of…	286.91
Transportation and Storage	360.60
Accommodation and Food Service…	237.40
Information and Communication	925.73
Financial and Insurance Activities	974.28
Real Estate Activities	545.79
Professional, Scientific and Technical…	533.66
Administrative and Support Service…	391.94
Education	376.41
Human Health and Social Work Activities	346.69
Arts, Entertainment, and Recreation	504.48
Other Service Activities	87.82

Source: Philippine Statistics Authority, 2020 ASPBI (Preliminary Results)

Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles contributes the biggest share in terms of revenue and expense

The total revenue generated by the establishments reached PhP 8.22 trillion while the total expense incurred amounted to PhP 7.39 trillion in 2020. Both revenue and expense registered a negative growth rate of -26.2 percent and -21.7 percent compared to their 2019 figures of PhP 11.14 trillion and PhP 9.44 trillion, respectively.

Across economic sectors, Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles contributed the biggest share to total revenue with PhP 2.01 trillion (24.4%) and to total expense with PhP 1.90 trillion (25.7%). The total revenue generated by this sector was lower by -35.5 percent compared to its 2019 figure of PhP 3.12 trillion. Similarly, its total expense was also lower by -35.7 percent compared to PhP 2.95 trillion in 2019.

On the other hand, the Other Service Activities sector had the lowest contribution to the total revenue and total expense amounting to PhP 4.53 billion (0.06%) and PhP 4.63 billion (0.06%), respectively. (Figure 5)

Figure 4. Revenue and Expense by Sector, NCR: 2020
(in billion pesos)
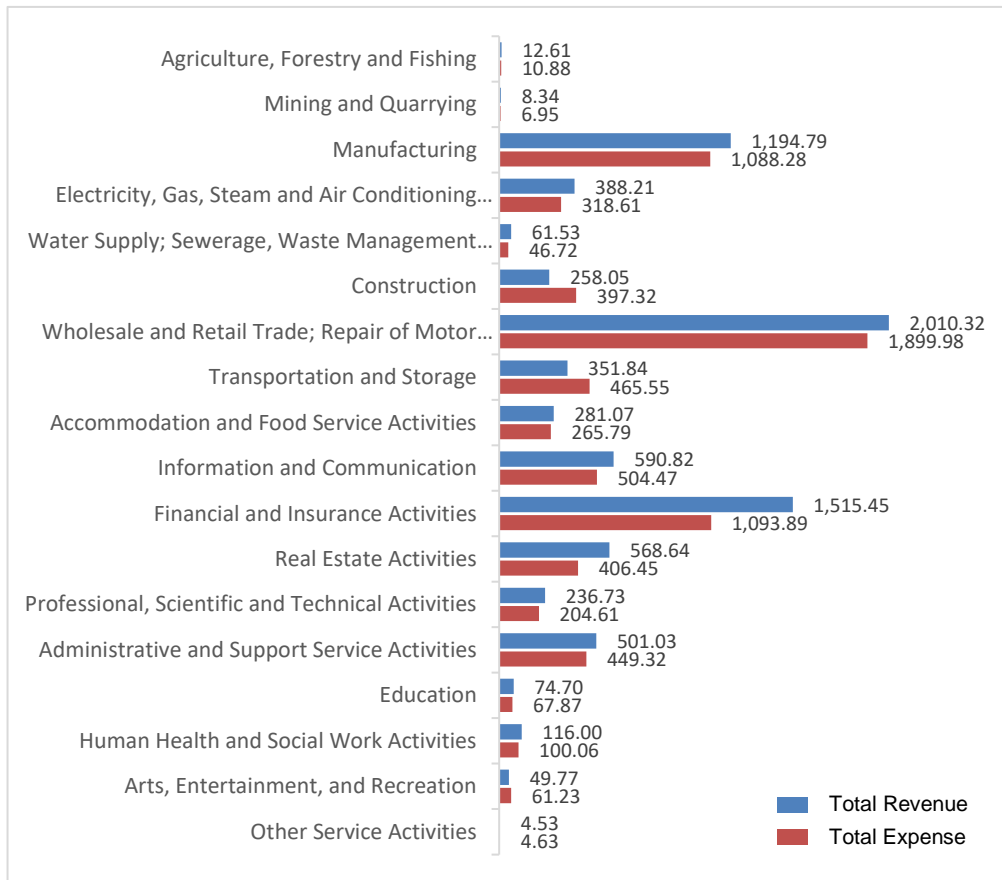
Note: Details may not add-up to total due to rounding
Source: Philippine Statistics Authority, 2020 ASPBI (Preliminary Results)

Real Estate Activities generates the highest revenue per peso expense

The revenue per peso expense ratio for all establishments in NCR stood at 1.11 in 2020. This means that for every peso spent by the establishment in the operation of its business, a corresponding revenue of PhP 1.11 was generated.

Of the 18 economic sectors, ten had registered higher than the 1.11 revenue per peso expense ratio of the region. Among these sectors, Real Estate Activities generated the highest revenue per peso expense ratio of 1.40 followed by Financial and Insurance Activities (1.39) and Water Supply; Sewerage, Waste Management and Remediation Activities (1.32). On the other hand, the Construction sector recorded the least revenue per peso expense ratio of 0.65.

Transportation and Storage leads in Sales from E-Commerce Transactions

E-commerce refers to the sale or purchase of goods or services whether between businesses, households, individuals, government, and other public or private organizations, conducted over the internet. The goods or services are ordered online,

but the payment and the ultimate delivery of goods or services do not have to be conducted online.

Total sales from e-commerce transactions in 2020 in NCR were estimated at PhP 88.82 billion. The Transportation and Storage sector recorded the largest sales through e-commerce transactions amounting to PhP 40.10 billion or 45.1 percent of the total e-commerce sales. This was followed by the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles sector with PhP 29.44 billion (33.1%) and Administrative and Support Service Activities sector with PhP 15.07 billion (17.0%).

Other sectors with sales from e-commerce transactions in 2020 were:
- Manufacturing, PhP 0.05 billion
- Accommodation and Food Service Activities, PhP 2.02 billion
- Information and Communication, PhP 0.24 billion
- Financial and Insurance Activities, PhP 1.84 billion
- Education, PhP 0.05 billion
- Arts, Entertainment, and Recreation, less than PhP 0.01 billion

PACIANO B. DIZON
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TECHNICAL NOTES

I. Introduction

The ASPBI is one of the designated statistical activities of the Philippine Statistics Authority (PSA). Data collected from the survey provide information on the levels, structure, performance, and trends of economic activities of the formal sector in the entire country for the year 2020.

The conduct of the 2020 ASPBI is authorized under Republic Act No. 10625 known as the Philippine Statistical Act of 2013 which mandates reorganizing and strengthening of the Philippine Statistical System (PSS), its agencies and instrumentalities.

II. Data collection and Processing

The survey was conducted nationwide in 2021 with the year 2020 as the reference period, except for employment whose reference period is as of 15 November 2020.

Sample establishments were given various options in accomplishing the survey questionnaire. These were the following:
- online questionnaire available at https://aspbi.psa.gov.ph;
- electronic copy of the questionnaire either in portable document format (.pdf) or Excel (.xlsx) file format; and
- printed copy of the questionnaire.

The Establishment Data Management System (EDMS) was utilized in the decentralized processing of 2020 ASPBI questionnaires in the provinces.

Data are presented by industry group or 3-digit classification as classified under the 2009 Philippine Standard Industrial Classification (PSIC).

III. Taxonomy of Establishments

An establishment is defined as an economic unit under a single ownership or control which engages 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. 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 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.

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.

Geographic Classification refers to the grouping of establishments by geographic area using the Philippine Standard Geographic Code (PSGC) classification. The PSGC contains the latest

updates on the official number of regions, provinces, cities, municipalities, and barangays in the Philippines. The PSGC as of 31 December 2020 was used for the 2020 ASPBI.

IV. Scope and Coverage

The 2020 ASPBI covered establishments engaged in 18 economic sectors classified under the 2009 PSIC, namely:

1. Agriculture, Forestry and Fishing (A)
2. Mining and Quarrying (B)
3. Manufacturing (C)
4. Electricity, Gas, Steam, and Air Conditioning Supply (D)
5. Water Supply; Sewerage, Waste Management and Remediation Activities (E)
6. Construction (F)
7. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles (G)
8. Transportation and Storage (H)
9. Accommodation and Food Service Activities (I)
10. Information and Communication (J)
11. Financial and Insurance Activities (K)
12. Real Estate Activities (L)
13. Professional, Scientific and Technical Activities (M)
14. Administrative and Support Service Activities (N)
15. Education (P)
16. Human Health and Social Work Activities (Q)
17. Arts, Entertainment and Recreation (R)
18. Other Service Activities (S)

The survey was confined to the formal sector of the economy, which consists of the following:

1. Corporations and partnership
2. Cooperatives and foundations
3. Single proprietorship with employment of 10 and over
4. Single proprietorships with branches

Hence, the 2020 ASPBI covered only the following economic units:

1. All establishments with total employment (TE) of 10 or more; and
2. All establishments with TE of less than 10, except those establishments with Legal Organization = 1 (single proprietorship) and Economic Organization = 1 (single establishment), that are engaged in economic activities classified according to the 2009 Philippine Standard Industrial Classification.

V. Sampling Design

The 2020 ASPBI uses stratified systematic sampling design with 3-digit or 5-digit PSIC as the first stratification variable, depending on the sector, and total employment, which is classified into Micro, Small, Medium establishments (MSME), as the second stratification variable.

Stratified systematic sampling is a process of dividing the population into homogeneous groups, called ***strata***, and then selecting independent samples in each stratum systematically. This method ensures that all important subgroups of the population are represented in the sample and increases precision of "overall" survey estimates.

Domain

The geographic domain of the 2020 ASPBI is region. The industry domain/stratum is 3-digit or 5-digit industry classification, and the employment domain/stratum is the MSME classification.

Unit of Enumeration

The unit of enumeration for the 2020 ASPBI is the establishment.

Sampling Frame of Establishments

The sampling frame for the 2020 ASPBI was extracted from the preliminary 2020 List of Establishments (LE) as of 06 January 2021. This frame was used to draw the sample establishments for the survey. The preliminary 2020 LE showed that there were 1,000,440 establishments in operation in the country of which 336,205 establishments comprised the sampling frame or the establishments that are within the scope and coverage of the 2020 ASPBI.

Estimation Procedure

1) Estimation of Survey Weights

Base Weight

The base weight is the inverse of the probability of selection. For the ASPBI, the base weight for each domain is given by:

$$w_{hk} = \frac{N_h}{n_h}$$

where:

w_{hk} = weight of the kth establishment in the hth stratum
N_h = total no. of establishments in the hth stratum
n_h = total no. of sample establishments in the hth stratum
h = refers to the industry-employment stratum

Adjustment Factor

To take into account the non-responding sample establishments, the adjustment factor by region and industry domain is as follows:

$$A_s = \frac{\sum_{k=1}^{n} w_{hk} X_{1k}}{\sum_{k=1}^{n} w_{hk} X_{2k}}$$

where:

A_s = adjustment factor for industry domain s
X_{1k} = eligibility status of the kth sample establishment (1 if eligible, 0 otherwise)
X_{2k} = responding status of the kth sample establishment (1 if responding, 0 otherwise)

Final Weight

The final weight is the product of the base weight and adjustment factor. That is,

$$w'_{hk} = w_{hk} A_s$$

where:

w'_{hk} = final weight of the kth sample establishment in stratum h
w_{hk} = weight of the kth establishment in the hth stratum
A_s = adjustment factor for industry domain s

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2) Estimation of Total

Total by Industry-Employment Stratum

The estimator for the total of a characteristic in each industry-employment stratum in a region (geographic domain) is given by:

$$\hat{Y}_h = \sum_{k=1}^{n_h} w'_{hk} y_{hk}$$

where:

y_{hk} = value of the kth sample establishment in stratum h
w'_{hk} = final weight of the kth sample establishment in stratum h

Total by Industry Stratum and Domain

The estimator for the total of a characteristic in each industry stratum in each regional domain is given by:

$$\hat{Y}_{ir} = \sum_{h=1}^{h_i} \sum_{k=1}^{n_h} w'_{hk} y_{hk}$$

where:

h_i = number of employment strata for industryvstratum i

Total by Employment Stratum and Domain

The estimator for the total of a characteristic in each employment stratum in each regional domain is given by:

$$\hat{Y}_{jr} = \sum_{h=1}^{h_j} \sum_{k=1}^{n_h} w'_{hk} y_{hk}$$

where:

hj = number of industry strata for employment stratum j
r = subscript for geographic domain r

Total by Geographic Domain

The estimator for the total of a characteristic in each geographic domain is given by:

$$\widehat{Y}_r = \sum_{i=1}^{I} \widehat{Y}_{ir}$$

or

$$\widehat{Y}_r = \sum_{j=1}^{J} \widehat{Y}_{jr}$$

where:

I = total number of industry strata in geographic domain r

J = total number of employment strata in geographic domain r

Total by Industry Stratum (National)

The estimator for the national total of a characteristic in each industry domain/stratum is given by:

$$\widehat{Y}_i = \sum_{r=1}^{R} \widehat{Y}_{ir}$$

where:

R = total number of regions

Total by Employment Stratum (National)

The estimator for the national total of a characteristic in each employment domain/stratum is given by:

$$\widehat{Y}_j = \sum_{r=1}^{R} \widehat{Y}_{jr}$$

National Total

The estimator for the national total of a characteristic is given by:

$$\hat{Y} = \sum_{i=1}^{I} \hat{Y}_i$$

or

$$\hat{Y} = \sum_{j=1}^{J} \hat{Y}_j$$

VI. Concepts and Definitions of Terms

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.

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.

Expense is the 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.

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.

Revenue is the 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.

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.

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