**DOF Economic Bulletin on Employment**

5 May 2015

         As of January 2015, the country was able to generate more than a million jobs year-on-year. By sectoral composition, services accounts for more than half of the country's total employment while that of industry is about 16%. The share of services to total employment has modestly inched up while that of agriculture declined. This declining share of agriculture is reflective of agriculture's declining share to GDP. Nevertheless, while agriculture currently accounts for 10% of GDP, it still responsible for nearly 30% of employment.  This implies that the productivity per worker in agriculture is 1/3 that of the wholeeconomy's.

         At the same time, the number of unemployed declined by more than 300,000 so that unemployment rate is now 6.6%, significantly down from 7.5% in the same quarter of last year.

         The quality of employment has also shown signs of improvement with the decline in the number of underemployed by more than half a million. With this, underemployment rate eased to 17.5%.

Table 1: Employment Statistics

|  |  |  |  |
| --- | --- | --- | --- |
|  | Jan-14 | Jan-15 | Change |
| Employed ('000) | 36,418 | 37,455 | 1,037 |
| Sector (%) |  |  |  |
| Agriculture | 30.1 | 29.5 | (0.6) |
| Industry | 15.9 | 15.9 | - |
| Services | 54.1 | 54.6 | 0.5 |
| Unemployed ('000) | 2,969 | 2,635 | (334.0) |
| Underemployed ('000) | 7,103 | 6,548 | (555.0) |
|  |  |  |  |
| Unemployment Rate | 7.5 | 6.6 | (0.9) |
| Underemployment Rate | 19.5 | 17.5 | (2.0) |
| Source: NSO |  |  |  |

DOF VIEW

         More employment should be generated especially by the industry sector. This calls for more investments in infrastructure to facilitate the flourishing of industrial activities.

         The declining share of agriculture to employment is inherently structural and is expected to continue. The productivity of agriculture should be increased, however. Agri-business should be encouraged and investments geared towards more value-adding activities. This is to foster the creation of more cottage industries that perform more processing, a graduation from mere production of raw materials.