



SMX CONVENTION CENTER – MALL OF ASIA
JANUARY 29, 30, 31 & FEBRUARY 5, 2008

Plenary Session: Impact of Oil Crisis on the Labor Sector

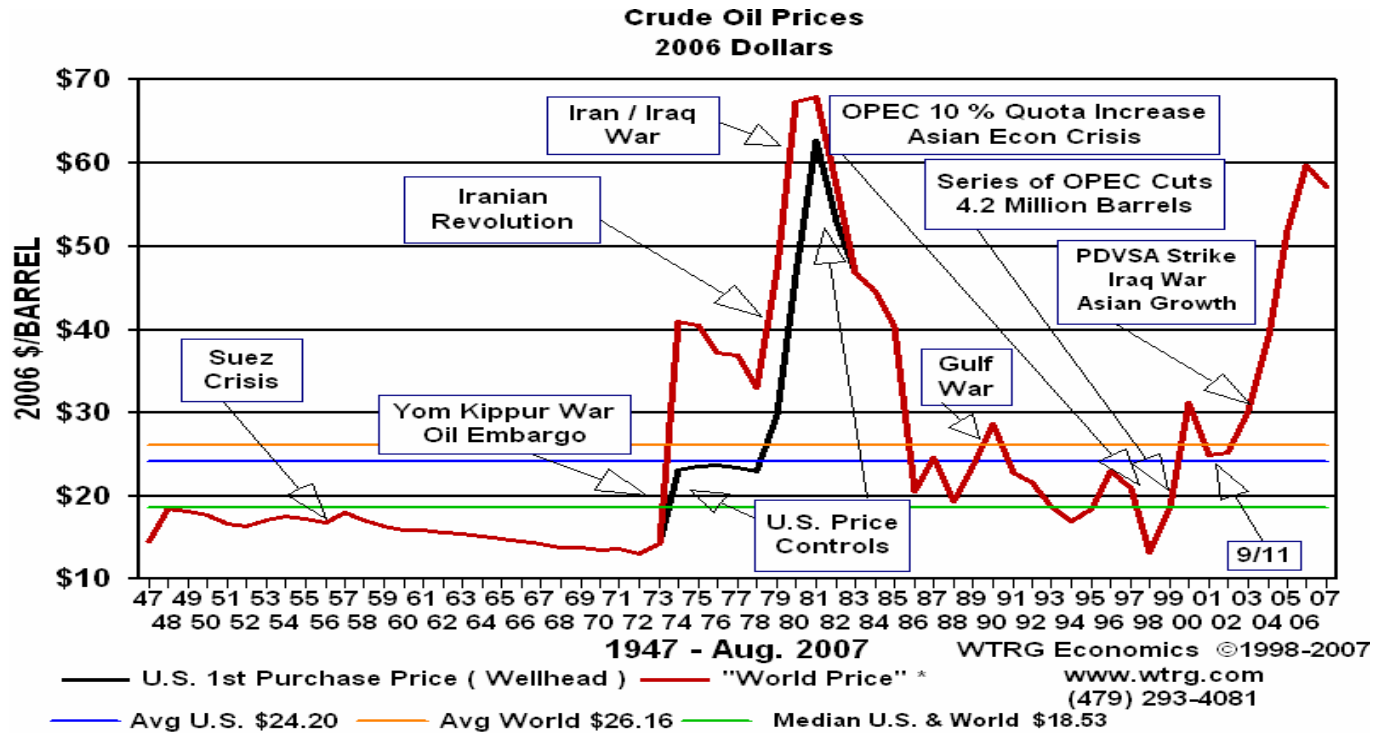
Prepared by COURAGE (Confederation for
Unity, Recognition and Advancement of
Government Employees)

January 29, 2008

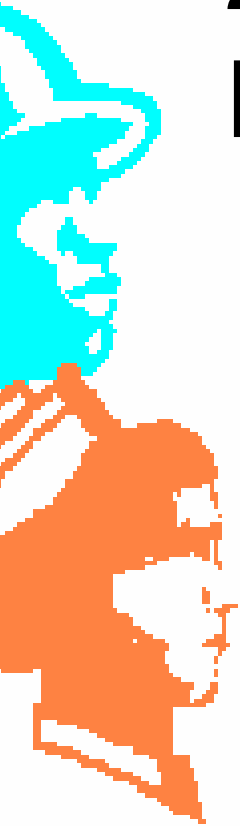


COURAGE

1. Current Situation of Increasing Oil and oil products prices



Using current values, oil prices have already reached and even surpassed its highest levels comparable to the time of the oil crisis of the 1970s.



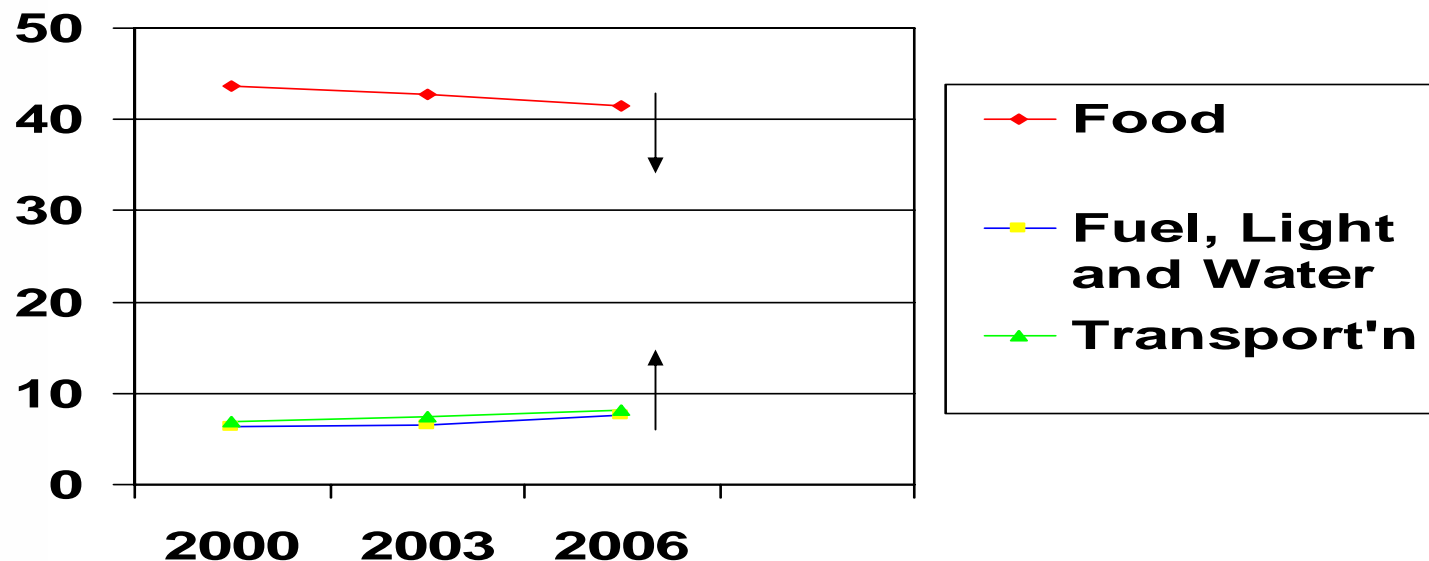
2. How has this impacted on Filipino workers and employees?

- Due to the drastic climb of the price of oil products, the NSO has estimated that using 2001 levels, prices of commodities have risen by an average of 32.8%
- Meanwhile, salaries have only increased by 18.6% during the same period



2.1 Increasing Expenditures for Items Directly Affected by Oil Price Increase

Percentage Distribution of Total Expenditure of Food, Fuel and Transportation



Food expenditure has been decreasing but fuel/light/water and transportation which are directly affected by the oil price increase has been on an upward trend.

Reference: The Family Income and Expenditure Survey (FIES) of the NSO (2000, '03 and '06)



COURAGE

2.2 Decreasing Real Income (P at 2000 prices)

	2000			2003		
	Income	Expend.	Savings	Income	Expend.	Savings
1 st Decile	24,506	26,463	(1,957)	23,258	25,121	(1,864)
2 nd Decile	39,620	40,537	(917)	37,218	38,274	(1,056)
3 rd Decile	51,250	50,795	455	48,377	48,415	(38)
10 th Decile	556,277	399,678	156,599	479,645	345,510	134,135
Average	145,121	118,839	26,282	130,594	109,294	21,300

Reference: 2003 Family Income and Expenditure Survey (FIES), NSO

2.2 Decreasing Real Income (P at current rates)

	2003			2006		
	Income	Expend.	Savings	Income	Expend.	Savings
1 st Decile	27,000	29,000	(2,000)	32,000	35,000	(3,000)
2 nd Decile	43,000	44,000	(1,000)	51,000	52,000	(2,000)
3 rd Decile	56,000	56,000	0	65,000	66,000	0
10 th Decile	537,000	385,000	151,000	617,000	461,000	156,000
Average	148,000	124,000	24,000	172,000	147,000	25,000

Reference: 2006 Family Income and Expenditure Survey (FIES), Preliminary Results

2.3 Jobs Are Being Lost

	'00	'01	'02	'03	'04	'05	'06	'07
Un-employment	9.3	11.4	10.3	10.6	11.0	11.3	8.1*	7.1*
Under-employment	21.2	16.9	15.9	16.1	17.5	16.1	21.1	21.5

*Change in definition of 'unemployment', now defined as persons who are 15 years old and over as of their last birthday and are reported as (1) without work; AND (2) currently available for work; AND (3) seeking work OR not seeking work due to valid reasons

Source: Labor Force Survey Income and Employment Statistics Division
Household Statistics Department, National Statistics Office, Republic of the
Philippines



COURAGE

3.0 Proposed Solutions

Since the oil crisis has a bigger and deleterious effect on Juan and Maria Dela Cruz than the Government, we propose the following:

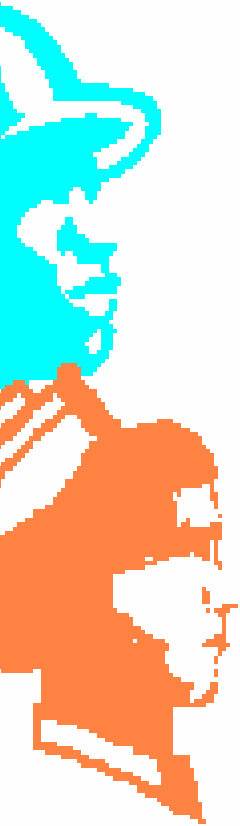
1. Short-term/Immediate

- Control oil prices and reduce taxes. Repeal R-Vat on oil and petroleum products and not simply a 1% reduction on oil tariffs. Socially sensitive products such as diesel, LPG and kerosene should be stabilized and subject to price controls

2. Medium and Long-Term

- Develop a strong national oil and energy industry owned and controlled by Filipinos.
- Repeal EPIRA and Oil Deregulation Law and nationalize the oil and energy industry with the end-view of developing a self-sufficient, sustainable, renewable and indigenous energy sector.





Thank you!