

WAGE ORDER NO. CAR-21

PROVIDING FOR A MINIMUM WAGE INCREASE IN THE CORDILLERA ADMINISTRATIVE REGION

WHEREAS, the Regional Tripartite Wages and Productivity Board – Cordillera Administrative Region (CAR) is mandated under **Republic Act No. 6727, otherwise known as The Wage Rationalization Act**, to periodically assess wage rates and conduct continuing studies in the determination of the minimum wage applicable in the region or industry;

WHEREAS, the current Wage Order No. CAR-20 took effect on November 18, 2019;

WHEREAS, pursuant to *Section 3(A), Rule II of the Omnibus Rules in Minimum Wage Determination*, and in the absence of any petition for a minimum wage adjustment filed, the Board decided *motu proprio* to initiate wage review;

WHEREAS, after publication and due notice to all concerned stakeholders, the Board conducted public hearings in the following provinces:

Date	City/Province	Venue
April 19, 2022	Tabuk City, Kalinga	Golden Berries Hotel and Convention Center, Tabuk City, Kalinga
April 20, 2022	Mountain Province	Anayah's Riverside Hideaway, Bontoc, Mountain Province
April 26, 2022	Abra	Lucky's Restaurant, Bangued, Abra
April 28, 2022	Baguio City	Hotel Supreme, Baguio City

WHEREAS, the Trade Union Congress of the Philippines (TUCP) filed a Petition on May 6, 2022 praying for a *Four Hundred Ten Pesos (Php410.00)* wage hike for all minimum wage earners in CAR;

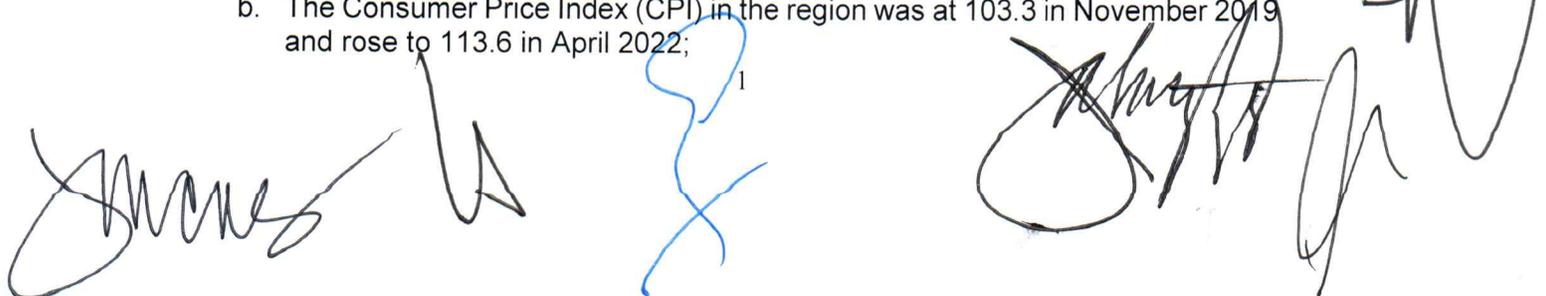
WHEREAS, the Board unanimously agreed to treat the said Petition as a position paper considering that at the time the same was filed, the Board had already initiated *motu proprio* wage review and all scheduled public hearings had already been conducted;

WHEREAS, a clarificatory hearing thereon was set on May 18, 2022, 10 o'clock in the morning in Baguio City, to serve as additional input to the Board;

WHEREAS, in determining the propriety of adjusting the current minimum wage rates in the region, the Board has to consider the various criteria under *Republic Act No. 6727*, as well as the Guidelines on the Two-Tiered Wage System;

WHEREAS, upon prudent consideration of the positions of labor and management, as well as the prevailing minimum wage levels in neighboring regions, the principle of wage simplification, and after thorough review and evaluation of the existing socio-economic conditions in the region, the following findings were established:

- a. The Gross Regional Domestic Product (GRDP) of CAR improved in 2021 with a growth rate of 7.5%;
- b. The Consumer Price Index (CPI) in the region was at 103.3 in November 2019 and rose to 113.6 in April 2022;



- c. The Poverty Threshold based on the latest available data provided by the Philippine Statistics Authority (PSA) for an average family size of five (5) in first semester 2021 in the amount of *Three Hundred Eighty-Four Pesos (Php384) per day*; and
- d. Other relevant data available to the Board.

NOW THEREFORE, by virtue of the power and authority vested under RA No. 6727, RTWPB-CAR hereby issues this Wage Order.

Section 1. Amount of Increase. Upon effectivity of this Wage Order, minimum wage earners in the private sector in the Region shall receive the following increase in the basic wage per day:

- a. **THIRTY PESOS (Php 30.00) - Baguio City, La Trinidad and Tabuk City**
- b. **FORTY PESOS (Php 40.00) - Other areas in the region**

Effective January 1, 2023, minimum wage earners in the private sector in the Region shall receive **TWENTY PESOS (Php 20.00)** increase in the basic wage per day.

Section 2. New Minimum Wage Rates. The new daily minimum wage rates in Region – CAR shall be as follows:

Upon Effectivity:

Area	Current Minimum Wage Rates	Wage Increase	New Minimum Wage Rate
Baguio City, La Trinidad, & Tabuk City	Php 350.00	Php 30.00	Php 380.00
Other Areas in the Region	Php 340.00	Php 40.00	

Effective January 1, 2023, the new daily minimum wage rate in Region - CAR shall be as follows:

Area	Current Minimum Wage Rate	Wage Increase	New Minimum Wage Rate
Cordillera Administrative Region	P380.00	P20.00	P400.00

Section 3. Basis of Minimum Wage Rates. The minimum wage rates prescribed under this Order shall be for the normal working hours which shall not exceed eight (8) hours of work a day.

Section 4. Coverage. The wage increase prescribed herein shall apply to all minimum wage earners in the private sector within the region, regardless of their position, designation or status and irrespective of the method by which their wages are paid.

Section 5. Effects on Existing Wage Structure. Where the application of the wage rates prescribed in this Order results in distortions in the wage structure within an establishment, the same shall be corrected in accordance with the procedure provided for under Art. 124 of the Labor Code, as amended.

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Section 6. Exemptible Categories. The following establishments may apply for exemption from compliance with the present Wage Order, pursuant to Rule VII, Section 1 of the Omnibus Rules on Minimum Wage Determination:

- A. Retail/Service Establishments regularly employing not more than ten (10) workers; and
- B. Establishments adversely affected by natural calamities and/or human-induced disasters.

Section 7. Penal Provision. Any person, corporation, trust, firm, partnership, association or entity who refuses or fails to pay the prescribed increase shall be dealt with pursuant to the provisions of *Section 12 of RA No. 6727, as amended by RA No. 8188.*

Section 8. Effectivity. This Wage Order shall take effect after fifteen (15) days from its publication in a newspaper of general circulation.

APPROVED. This 23rd day of May, 2022.

Done in Baguio City, Philippines.



MILTON L. BALAGTEY
Workers' Sector



ALFONSO T. LAO
Employers' Sector

DISSIDENTING

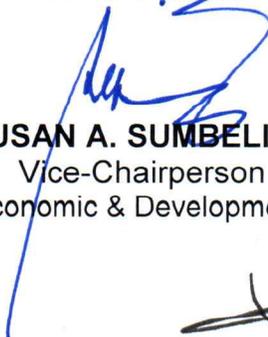


RENERIO C. LARDIZABAL, JR.
Workers' Sector

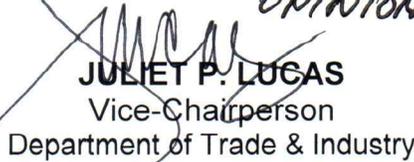


JUAN JOHNNY R. DE LA CRUZ
Employers' Sector

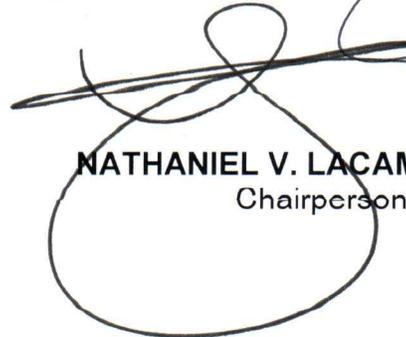
*WITH ATTACHED
MANIFESTO OF MY DISSENTING
OPINION AND VOTE.*



SUSAN A. SUMBELING
Vice-Chairperson
National Economic & Development Authority



JULIET P. LUCAS
Vice-Chairperson
Department of Trade & Industry



NATHANIEL V. LACAMBRA
Chairperson

Engr. ALFONSO T. LAO
JUAN JOHNNY R. DELA CRUZ, CPA
Management Representatives
RTWPB-CAR

Last Wage Order: No. RB-CAR-20 Effectivity Date November 18, 2019

Baguio City; La Trinidad, Benguet & Tabuk City, Kalinga = PhP 350.00
All Other Areas in CAR = PhP 340.00

MOTU PROPRIO REVIEW

Notice of Public Hearings published on April 03, 2022 on the Herald Express as follows:

Apayao & Kalinga – April 19, 2022 9:00AM

Ifugao & Mt. Province – April 20, 2022 9:00AM

Abra – April 26, 2022 9:00AM

Baguio City & Benguet – April 28, 2022 2:00PM

The World Health Organization declared the Covid-19 outbreak a pandemic on 11 March 2020. President Rodrigo Duterte on 10 March 2020 initially ordered a “lockdown” of the entire Metro Manila region from 15 March to 14 April 2020 due to the pandemic. A month or two later, almost the entire country was already placed on “lockdown”. Most business establishments have no recourse but to close down or shutdown operations either partially or completely. The economic dilemma set in not only in our country but in the entire community of nations. A lot of business enterprises started to fold and permanently closedown specially the Micro, Small and Medium Enterprises or MSMEs. Those who struggled to survive were faced with piled up costs like rentals, safety and security measures, taxes, employee benefits, customized workplace, etc. with meager or no earnings at all. For two (2) years business establishments were on a “close-open” situation. Only barely two months ago that they were allowed to slowly open up but still far from “business as usual”.

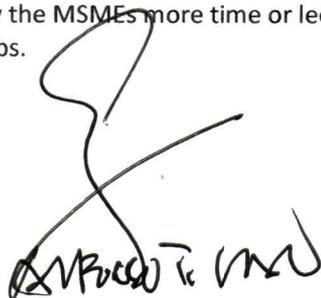
During those trying times, government acted swiftly and provided needed support to some displaced workers. Several tranches of support were released to augment their income.

And when we are almost ready to rise up yet another global economic disruption unfolded last 24 February 2022 when Russia invaded Ukraine. Again, government interceded and provided some subsidies to our mass transportation sector and averted fare hike up to now. Meanwhile, enterprises are severely experiencing the high cost of fuel. Shipping and delivery costs have tremendously hiked up and threatening to disrupt the supply chain. Also, enterprises need more capital to stock up inventories.

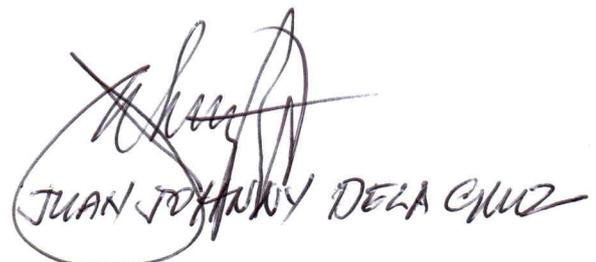
There are so much uncertainties besetting our economy in the coming months. While we are still battling the pandemic, we are also expecting a major impact of the Russia-Ukraine conflict.

MSMEs completely understands the plight of our partner-workers but both are now in dire need of succor. Our mandate is only to set the minimum wage which if we raise would only benefit the fewer workers in the formal sector and would greatly affect or disadvantageous to the greater number of those in the informal sector.

Based on the foregoing, we earnestly believe that a wage hike at this time is not appropriate and therefore we respectfully recommend a **STATUS QUO**. Let us vouchsafe our enterprises most specially the MSMEs more time or leeway to stabilize their operations in order to save and provide more jobs.



ALFONSO T. LAO



JUAN JOHNNY R. DELA CRUZ