



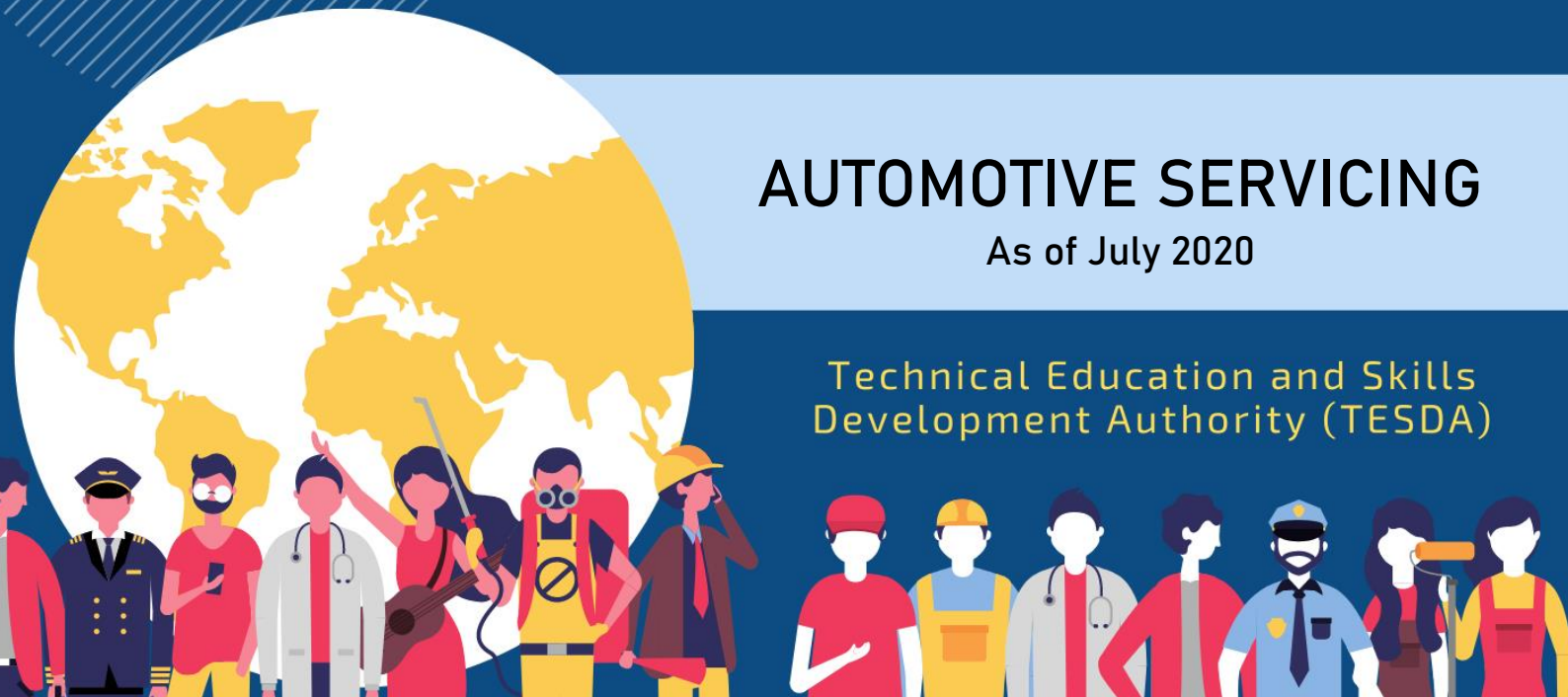
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# LABOR MARKET INTELLIGENCE REPORT

## AUTOMOTIVE SERVICING

As of July 2020

Technical Education and Skills Development Authority (TESDA)





# BACKGROUND

- Automotive sales in the Philippines in the last 5 years have generally been in an upward trend. It decreased only between 2017 and 2018, but sales slightly increased between 2018 and 2019.

Type	2015	2016	2017	2018	2019
Passenger Vehicles (Cars)	118,760	138,278	153,247	115,563	124,328
Commercial Vehicles (Vans, SUVs, MPVs, pick-ups, crossovers, trucks, and buses)	181,949	217,477	303,231	275,868	277,889
<b>TOTAL</b>	<b>300,709</b>	<b>355,755</b>	<b>456,478</b>	<b>391,431</b>	<b>402,217</b>

Source: Marklines

- Below is the data of the related industries from the 2017 Annual Survey of Philippine Business and Industry (ASPBI) in the Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles.

Industry Description	Number of Establishments	Total Employment	Average Annual Compensation per Employee
Sale of motor vehicles	1,060	35,463	200,880
Maintenance and repair of motor vehicles	2,020	15,015	115,875
Sale of motor vehicle parts and accessories	3,340	27,630	149,521

- There have also been an increasing adoption of electric vehicles (EVs). In the Philippines, these are mostly electric motorcycles and electric tricycles ('e-trikes') based on the 2017 data of the Land Transportation Office. Technicians and mechanics will be needed for the repair and maintenance of these types of vehicles.
- In an interview of Mr. Rommel Gutierrez, President of the Chamber of Automotive Manufacturers of the Philippines, Inc. (CAMPI), car sales slumped by 51.1% to 69,463 units from January to May 2020, compared to 142,185 units sold during the same period last year. Some industry players also estimate a drop in sales.<sup>1</sup>

# BACKGROUND



- Because of the anticipated drop in sales due to the COVID-19 pandemic, some dealerships will focus on services just to keep cash flowing in. Car companies can also focus on the second hand business in the short term, as there may be people who need cars but may not be able to afford brand new ones. With these foci, automotive servicing will be of critical importance in sustaining the industry.<sup>2</sup>
- The COVID-19 pandemic has allowed car manufacturers to innovate in reaching customers through the use of digital tools in their dealerships. An example is Toyota Motor Philippines (TMP) which introduced digital tools for service maintenance booking and an online car showroom. Honda Cars Philippines also plans to launch an online dealership platform.<sup>3</sup>
- HUMAN RESOURCE REQUIREMENTS:
  - Below are the occupations/job titles where graduates/certified in Automotive Servicing courses can be employed:

Occupation	Description
Automotive Master Mechanics	Repair automobiles, trucks, buses, and other vehicles. Master mechanics repair virtually any part on the vehicle or specialize in the transmission system.
Automotive Specialty Technicians	Repair only one system or component on a vehicle, such as brakes, suspension, or radiator.
First-Line Supervisors of Mechanics, Installers, and Repairers	Directly supervise and coordinate the activities of mechanics, installers, and repairers
EV Electrical Service Technician	Maintenance and repair of EV electrical systems
EV Mechanical Service Technician	Maintenance and repair of EV mechanical systems

Source: O\*NET Online; Philippine Electric Vehicle Policy Analysis Report

<sup>1</sup> <https://www.bworldonline.com/car-sales-plunge-during-lockdown/>

<sup>2</sup> <https://www.philstar.com/business/2020/05/14/2013782/will-automotive-industry-rev-again>

<sup>3</sup> <https://www.bworldonline.com/car-sales-plunge-during-lockdown/>



# TVET CAPACITY

- Training Regulations as of December 2019
  - Automotive Servicing NC I
  - Automotive Servicing NC II
  - Automotive Servicing NC III
  - Automotive Servicing NC IV

- Enrolled, Graduates, Assessed and Certified: 2019

Qualification	Enrolled	Graduates	Assessed	Certified
Automotive Servicing I	19,137	14,947	33,680	31,093
Automotive Servicing NC II	13,041	11,371	28,962	27,003
Automotive Servicing NC III	201	203	1,056	987
Automotive Servicing NC IV	67	177	691	561

Source: TESDA-Certification Office

- Registered Programs and TVIs as of December: 2019

Qualification	No. of Registered Programs	No. of TVIs
Automotive Servicing I	299	281
Automotive Servicing NC II	340	320
Automotive Servicing NC III	11	10
Automotive Servicing NC IV	4	4

Source: TESDA-Certification Office

- NTTC Holders: CY 2019

Qualification	No. of NTTC Holders
Automotive Servicing NC II	819
Automotive Servicing NC III	107
Automotive Servicing NC IV	49

Source: TESDA-Certification Office

- Assessment Centers (AC) and Competency Assessors (CA): CY 2019

Qualification	No. of AC	No. of CA
Automotive Servicing I	200	370
Automotive Servicing NC II	223	397
Automotive Servicing NC III	11	22
Automotive Servicing NC IV	9	12

Source: TESDA-Certification Office

# CONCLUSION AND RECOMMENDATIONS



- Technicians and mechanics will be needed for the servicing, repair and maintenance of vehicles, whether they are Internal Combustion Engine (ICE)/conventional or EV. However, the competencies needed for these jobs should consider the changes/developments in automotive technologies.
- With the industry expecting lower sales, and with the move to focus on providing services and seizing the opportunities in the second hand car market, they seem to suggest that there will be demand for workers who can perform the repair and maintenance of cars. Because of this anticipated employment opportunity in the industry, there can possibly be more demand for courses in Automotive Servicing.



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