

Inter-regional Technical Forum

Skills for Trade, Employability and Inclusive Growth

Skills for Trade and Economic Diversification

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Malawi



- Small economy, dependant on primary agriculture production with Gross Domestic Product (GDP) estimated at US\$3.7 billion
- A widening trade imbalance widened from 12.1% of GDP in 2011 to 22.6% of GDP in 2014
- Narrow Economic and export bases with limited value addition
- National Export Strategy (NES, 2012) aims to broaden export base, increase productivity and enhance value addition
- Availability of Skills labour a challenge (NES, 2012) to realizing growth and export potential in priority export clusters



Applying the STED approach....

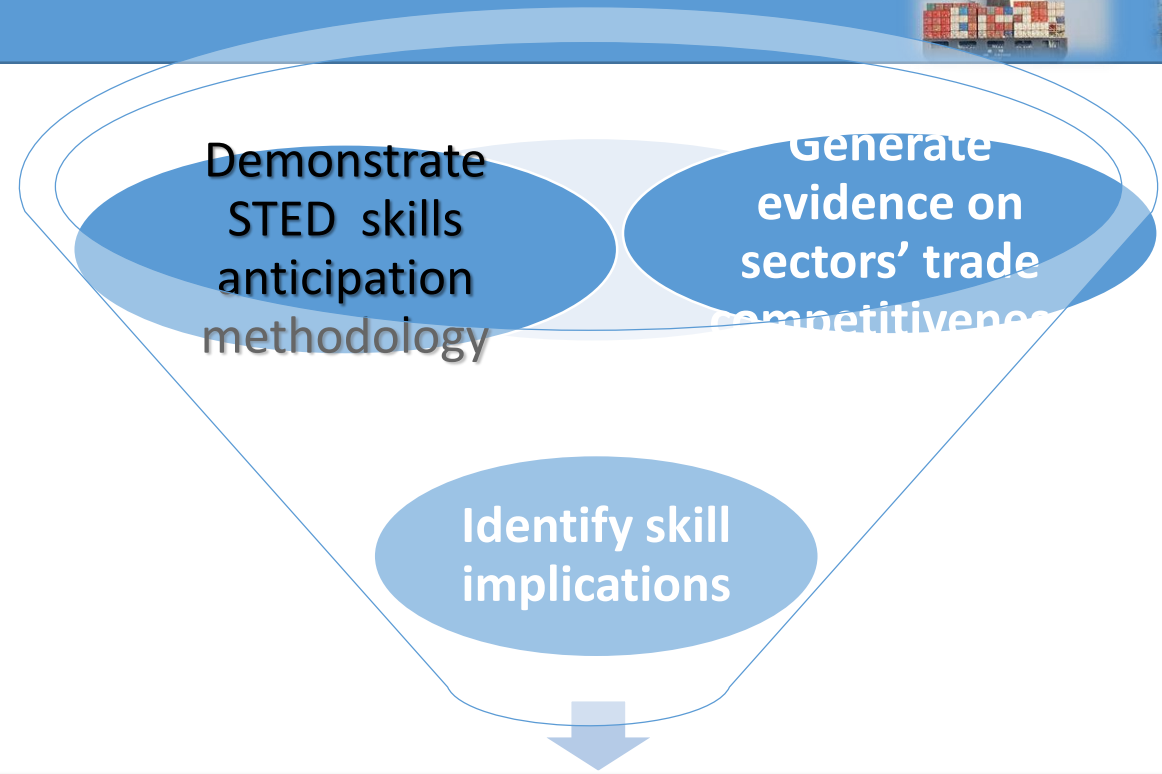


STED Research in Horticulture & Oilseeds Sectors

Why?



- Export potential
- TVET level skills and important to the sector's competitiveness in international trade.
- Contribution to economic diversification
- Potential to generate employment
- Geographic
- Stakeholder engagement
- Policy synergies



- Increasing productivity and competitiveness of enterprises
- Improving employability of local people
- Expanding inclusiveness of economic growth

Expected Outcomes



1. Evidence base for strategic decision making

- ✓ **A Roadmap** for trade-related and industry focused skills development
- ✓ **A Call to Action** for Policy makers, Training Providers, Private sector & Dev. partners
- ✓ **A Resource Targeting Tool** for demand-led skills development

2. Enhanced national capacity for skills anticipation and social dialogue

- ✓ Capacity to use labour market information to direct skills development
- ✓ Foster Dialogue for skills development that is:-
 - more demand led,
 - trade-related
 - Employability focused

STED Research Structure



Preliminary
Research

Mar/ Apr 2015

Stakeholder
Consultations
On Sector
selection

Sectors --Oilseeds
Horticulture

May –Aug 2015

1. Desk Research
*on Sectors' context &
envisioning*

**2. Oilseeds sector
Enterprise Survey**

**3. Horticulture Enterprise
Survey**

4. Skills supply analysis

Sept – Nov 2015

**Synthesis &
Analysis**

*Draft STED
report*

Feb 2016

**Stakeholder Validation
of Findings, Conclusions
Recommendations**

Final STED Report

2016 →

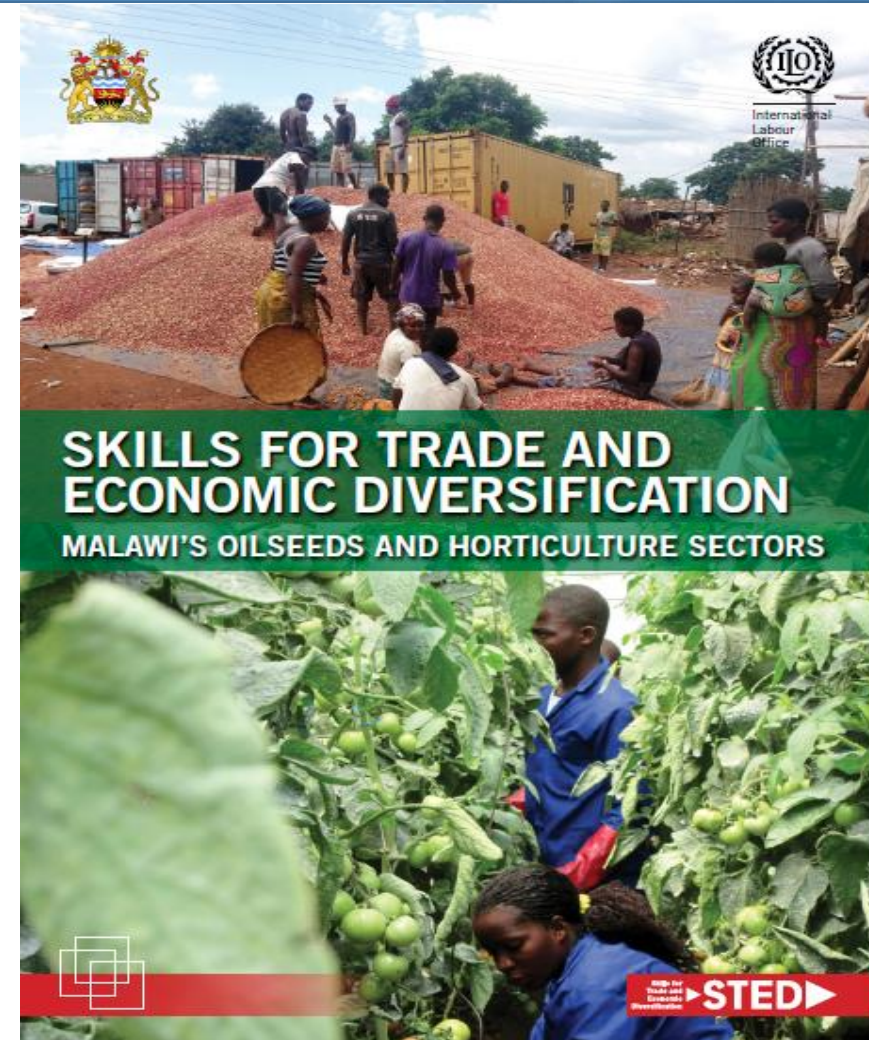
**Implementation
(WIL & Productivity
enhancement**

Stakeholder Consultations

STED Research Outcomes



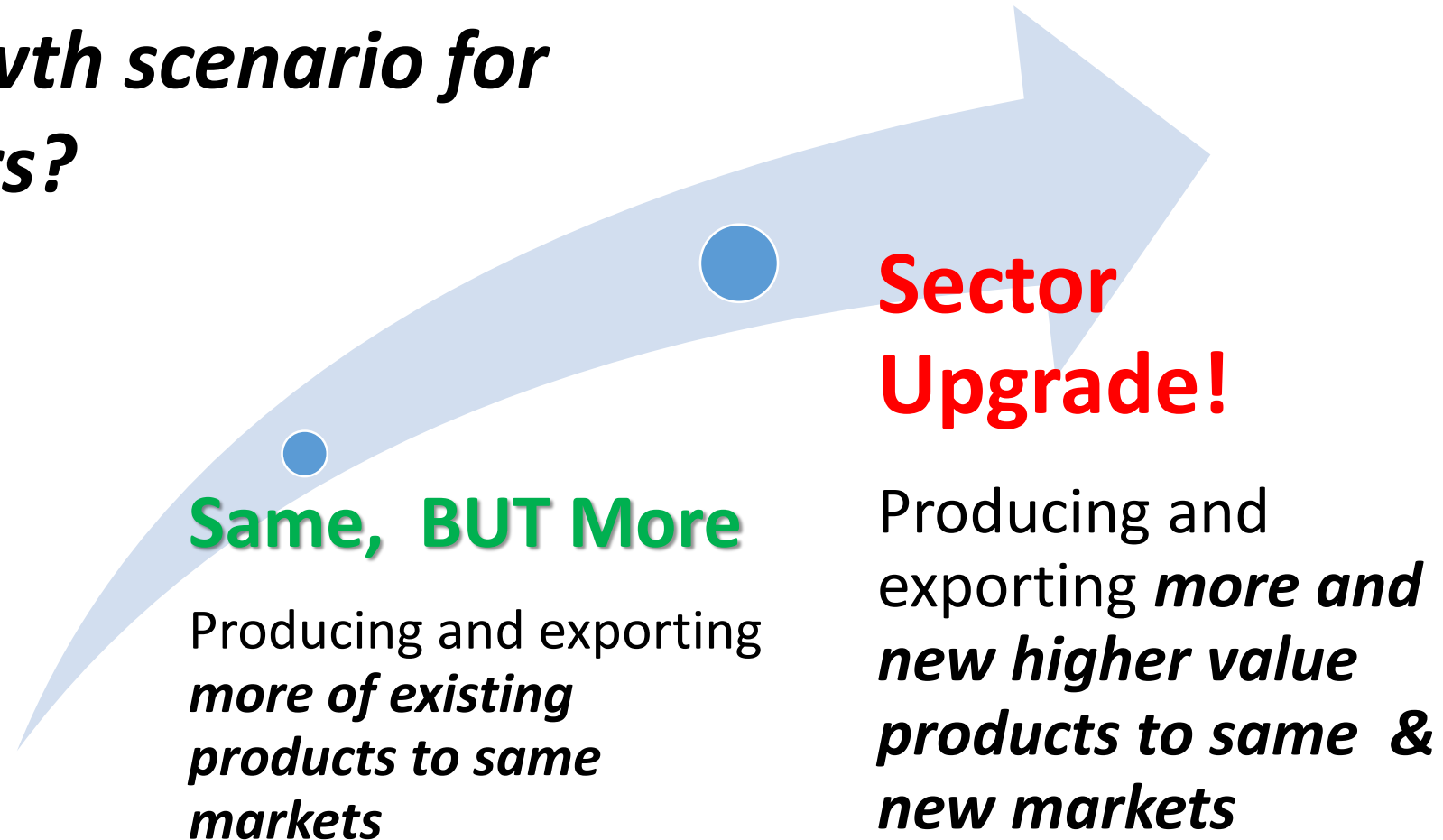
Findings
Recommendations



Sector Envisioning



Preferred growth scenario for the two sectors?



Sequential and incremental approach, ensuring adequate supply of high quality local raw materials for processing

Translating the Vision ...



Raise **Oilseed sector's** contribution to exports from 5.63% in 2014 (NSO) to around 15% in 2022



Oil seeds exports increase from \$79.6 million in 2014 to \$599 million in 2022.

Raise **Horticulture sector's** contribution to exports from 0.52% in 2014 (NSO) to around 1.4% in 2022



Horticulture exports increase from \$7.4 million in 2014 to \$55.5 million in 2022

Vision Anchors...



Shift focus from domestic to export markets

- Scale up production and improve quality
- Re-orient industry towards exports

Stabilize supply to sustain growth path

- Stabilize fluctuating supply to regional markets and build on growing local market
- Implement existing plans to enter new markets

Exploit and build on existing competitive advantage

- Take advantage of proximity to regional markets
- Take advantage of LDC status & existing preferential trade arrangement



Overview of findings



- **Skills gaps**

- Quality of graduates
- Filling in vacancies
- Production
- Handling (cleaning and grading)
- Marketing

- **Enabling Environment**

- Inadequate Business Development Service Providers
- Poor access to technical assistance by producers -low productivity
- Inefficient production techniques.

- (66.7%) of enterprises regard Business environment as an important factor for penetrating the Common Market for Eastern And Southern Africa (COMESA)
- No certification of local products for export
- High transportation costs

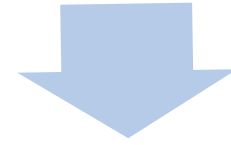
- **Business capability**

- Supply: Inconsistent supply
- Product development low value and range
- Logistics and supply chain management
- Management of quality and standards
- Supply chain management

Research Findings



Sectors largely underdeveloped, serving domestic market and to a lesser extent exports to regional markets



Access to wider export markets requires

- Increased productivity and Consistent raw materials supply
- New products that meet international standards
- Improvement in logistics and better market access
- More exposure to international standards and markets
- More effective linkages across value chain

General Sector Business Capability Gaps



Supply: Inconsistent supply

- Weak linkages between farmers, aggregators and end markets
- Weak extension support system
- Limited mechanisation
- Low production and productivity levels

Product development: Low value products and range

- Limited knowledge of market requirements (products, pricing & quality)
- Limited understanding end user needs (80%)
- Poor grading, packaging and storage capacities
- R&D and innovation (100%)

STED Research Recommendations



Short Term
0-2 years



Medium
Term
2-5 years



Long Term
> 5 years

- Industry Guest lecturers
- International Lecturers
- **Workplace based Learning**
- Enhance Dialogue- Industry + TPs

- Curriculum Review & Re-orientation
- **Partnerships with Industry in skill training delivery**
- **Partnerships with international Institutions**
- Introduction of new informal courses

- Upgrade Qualifications of Staff
- Modernize training equipment & Laboratories
- Introduce sandwich Programs
- **Institutionalize demand led apprenticeships**

Skill levels required



Both Oilseeds and Horticulture sectors require expertise at

- a) Artisanal/operative level
- b) Technician/ technologist level
- c) Management and profession level

Effective value addition will require build up of sufficient skills levels in both quality and quantity at artisanal level, followed by technician levels



***Thank you
for
your
attention
(Arkoun
Zikomo)***