



STED Enterprise Survey – Horticulture Sector

Preliminary Research Findings

Skills for Trade and Economic Diversification (STED) Project



STED Enterprise Survey – Horticulture Sector

- This initial draft report provides preliminary findings from an enterprise survey conducted in the horticulture sector in Malawi whose was to understand the general structure, business challenges and skills needs of the enterprises in the sector and to get an insight into the employers' perception of the skills levels, competencies and employability of graduates from the training system in Malawi in relation to the sector's major skill (export) requirements.



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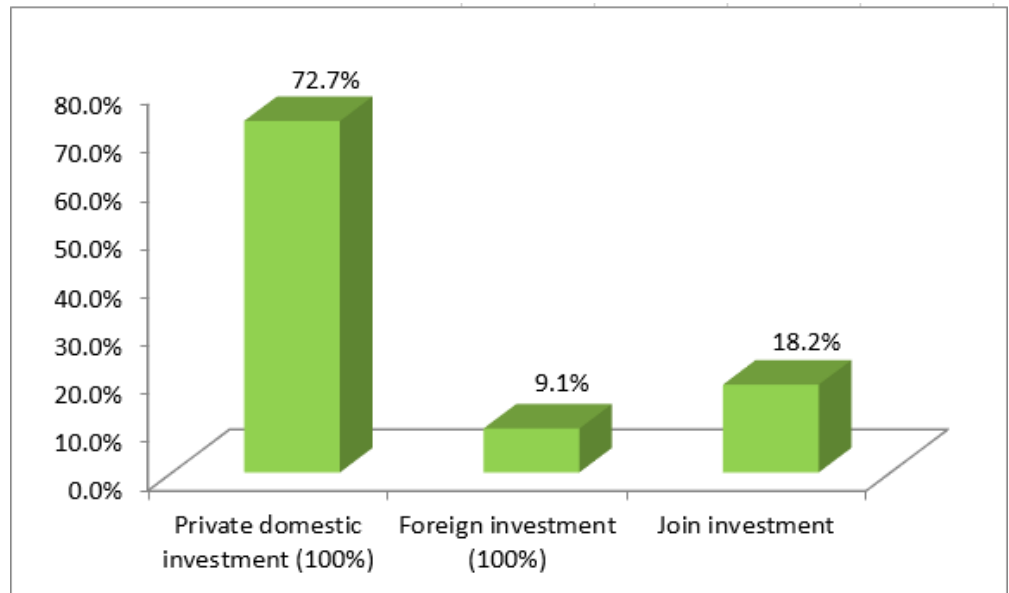
- The outcomes of the STED analysis will be concrete recommendations at policy, institutional, and enterprises level. The ultimate aim is to enhance exports, economic diversification, enabling more and better jobs, helping policy makers to ensure that firms find workers with the right skills and workers acquire the skills needed to find productive employment.



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Key Findings:

- The majority of the enterprises are owned by domestic (local) investors.
- 64% are family owned businesses.

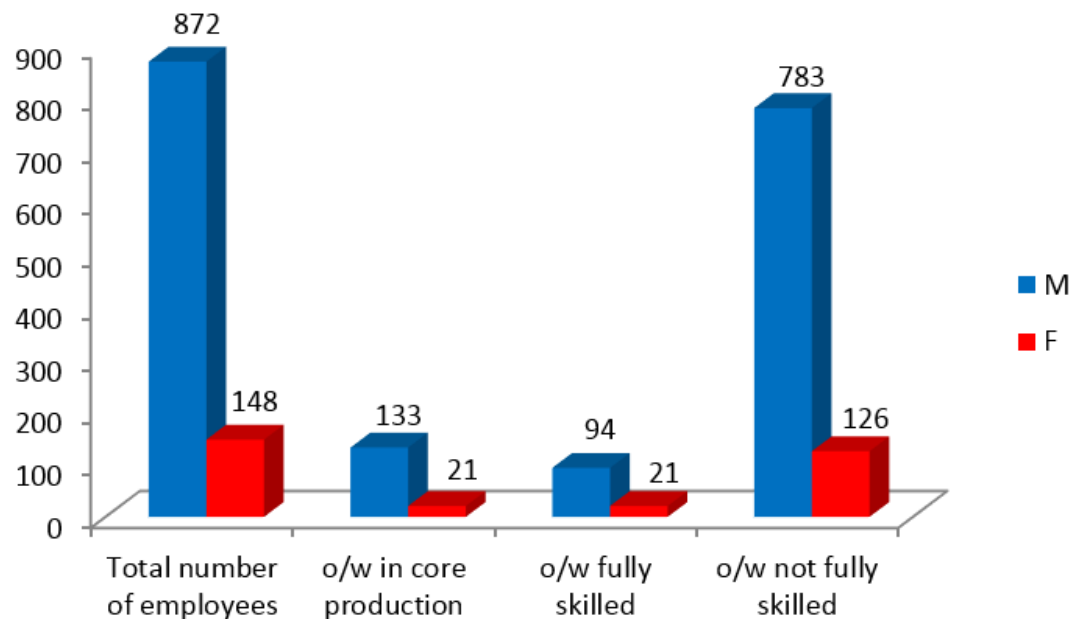




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Key Findings:

- The surveyed enterprises employ 1,020 (872 male and 148 female).
- 89% are semi-skilled

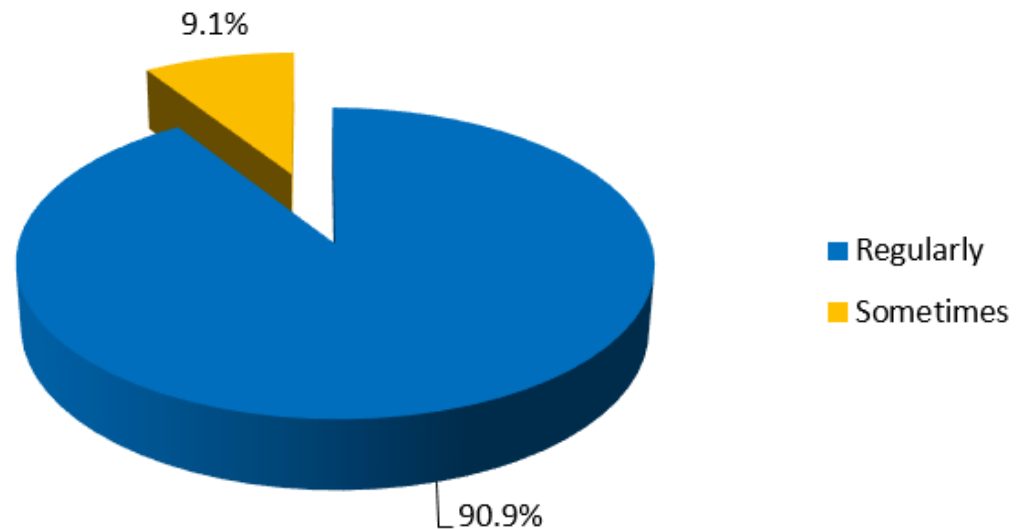




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Key Findings:

- 91% of the respondents indicated that they have to frequently retrain their workers on the job to upgrade their skills.



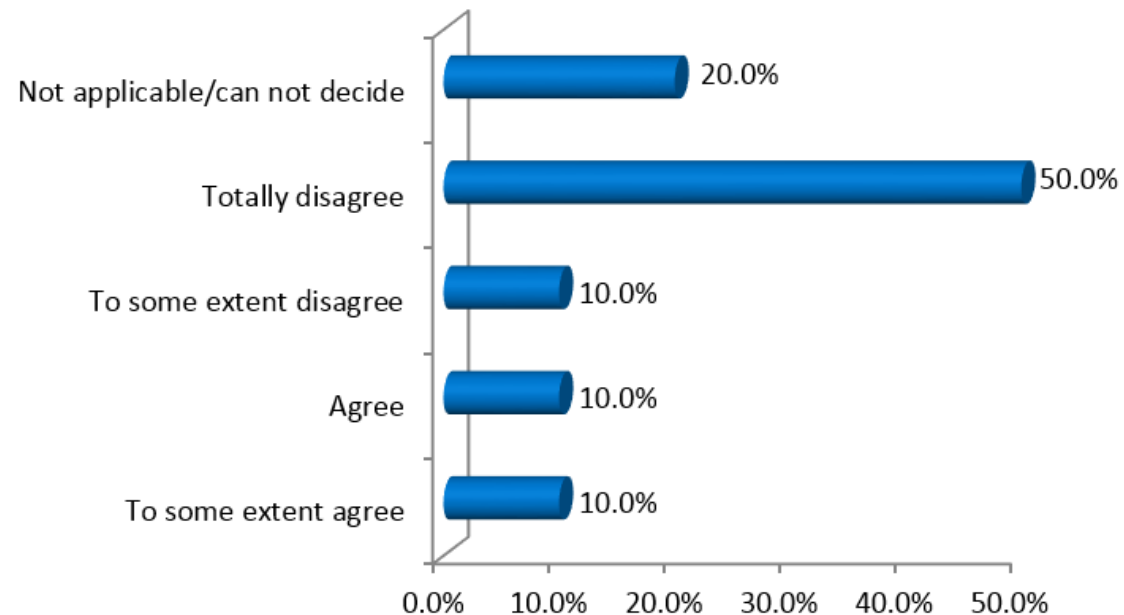


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Key Findings:

- 80% of the employers in the horticulture sector do not find university graduates having the required knowledge and skills for the industry.
- Only 18% said technical school graduates had the required skills and knowledge.

Do graduates from universities have required skills and knowledge for productive work in the sector?

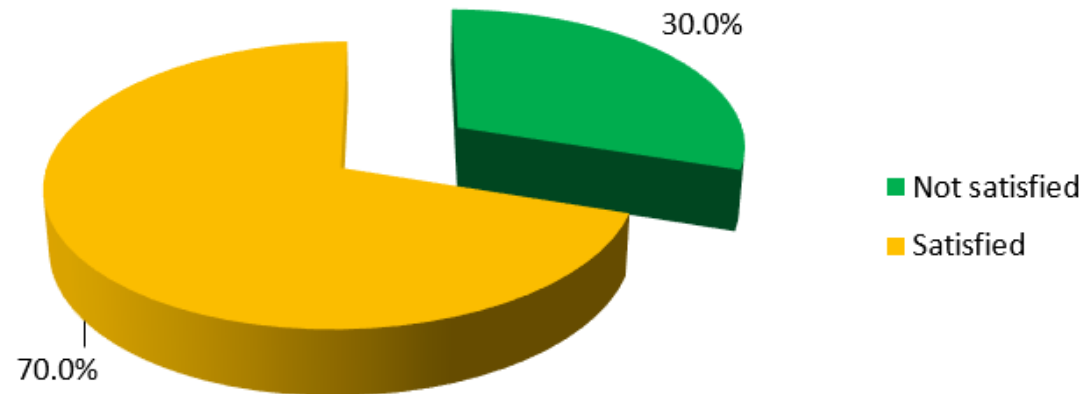




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Key Findings:

- 70% said they are satisfied with the qualifications of the staff they have employed in operations.
- This might suggest that most of the operations in the industries do not necessarily require university graduate qualifications as most of the operations are largely manual and not mechanized.

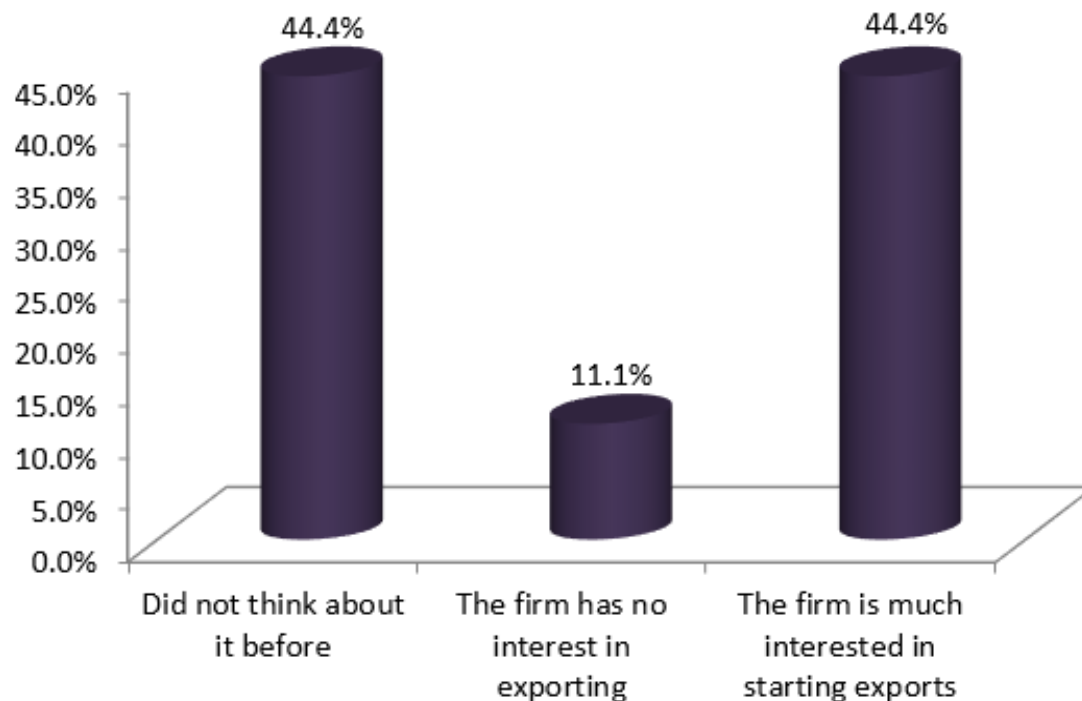




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Key Findings:

- Only 44% are interested in export trade.
- 40% of the businesses are satisfied with the domestic market while 60% said they consider export business risky.

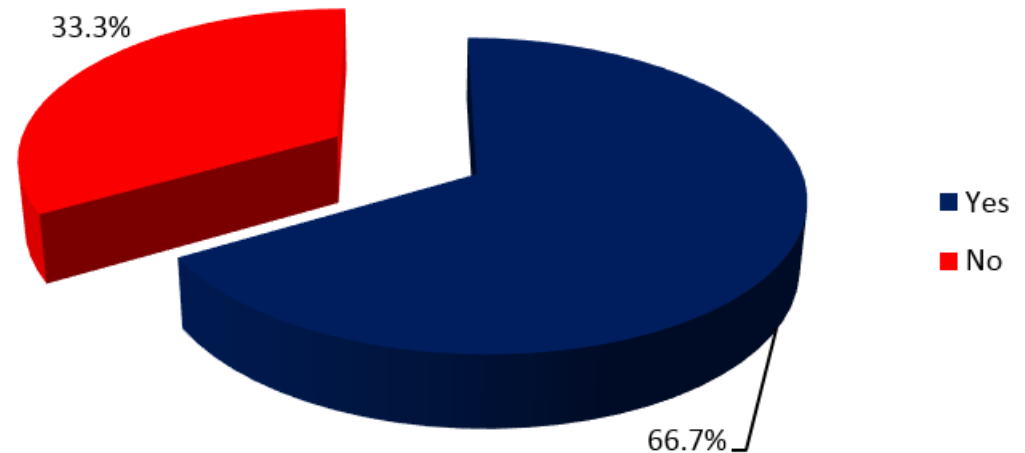




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Key Findings:

- Two thirds of the respondents indicated that technical regulations are burdensome to their enterprises.
- This was a result of lack of technical expertise amongst the labour force have challenges understanding and knowing which technical standards apply and should be followed when doing their work.

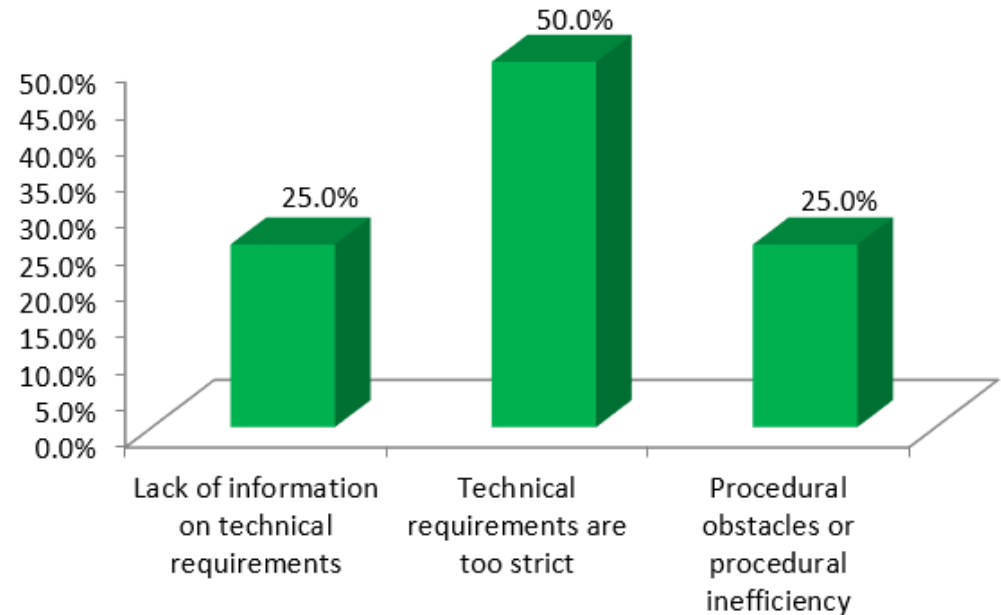




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Key Findings:

- 25% indicated lack of information on technical requirements to be a major challenge, while 50% said the technical requirements are too restrictive.
- 25% indicated that the procedural obstacles or inefficiencies was the major burden in the exportation of food products.

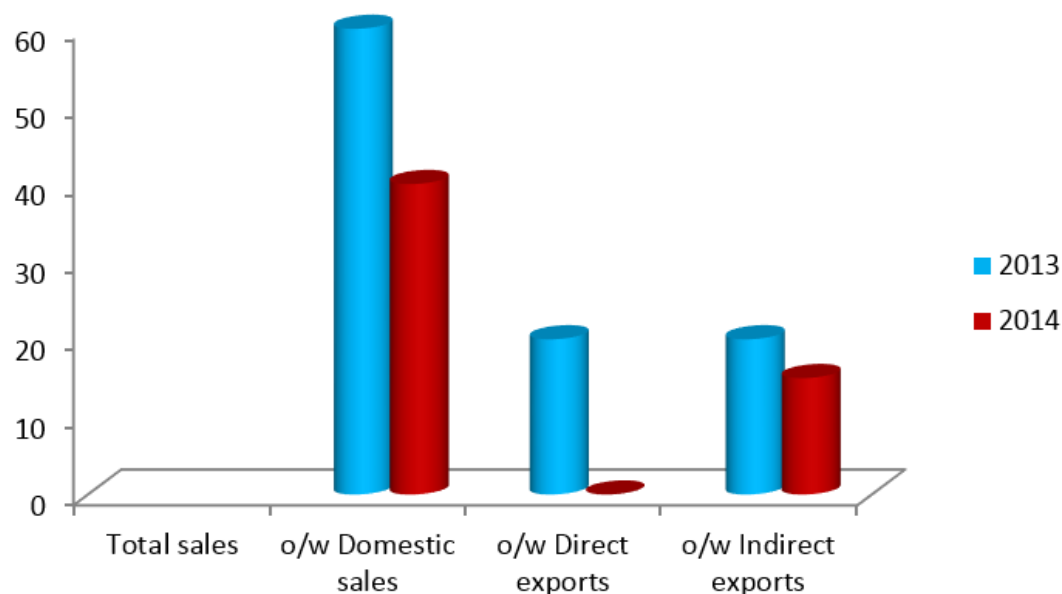




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Key Findings:

- 2013, up to 60% of sales were from the domestic market while about 40% of the sales were exports, both directly and indirectly.





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Preliminary Conclusions and Recommendations:

- The horticulture sector in Malawi remains underdeveloped though the sector presents unexploited potential. Investment in the sector has remain significantly low and the participation of larger enterprises is very minimal. Most of the enterprises in the sector are low labour and low technology operations, with a primary focus on the domestic market.
- Skills development in the sector remains a challenge as evidenced with the need to retrain the labour force on the job by the individual recruiting enterprises. There might be some misalignment of skills needed by the industry, and the skills being developed by the training institutions.



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Preliminary Conclusions and Recommendations:

- Re-orient the training in relevant colleges and technical schools to the changing needs of the industry.
- Address the technical challenges that impede on the growth and development of the horticulture export business that remains largely unexploited.
- Increase access to relevant technical information for the players in the industry



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Thanks for your attention

**Now open for deliberations
and your feedback**