

ASSOCIATION OF TANZANIA EMPLOYERS (ATE)

BRIEF STATEMENT BY EXECUTIVE DIRECTOR ON THE LAUNCH OF
FORMAL APPRENTICESHIP PROGRAM IN TANZANIA

AT HOLIDAY INN, DAR ES SALAAM

5TH SEPTEMBER 2014

Ms. Maimuna K. Tarishi, Permanent Secretary Ministry of Natural Resources and Tourism,

Representative of various Ministries, Departments and Agencies stakeholders on skilling Tanzania, here present

Chief Executive Officers of the Hotels participating in the program here present led by HAT and TCT,

Mr. Alexio Musindo, the ILO Director for Tanzania, Kenya, Uganda and Rwanda,

Mr. Nicholas Mgaya, TUCTA Secretary General,

The CEO of National College of Tourism,

Representatives of various media houses here present,

Apprentices

Invited guests,

Ladies and Gentlemen, Good morning

I am delighted to be here this morning and let me hasten to thank the organisers of the conference for the invite. I am informed that, the overarching objective of this gathering is to launch the program of formal apprenticeship in Tanzania where the Hospitality sector is used as the first sector to pilot, thanks to the participating hotels, HAT and the TCT. This is indeed the subject that is near and dear, not only to ATE but also to other Employers Association in the Region and World-wide. I therefore; very much pleased to hear that, some hotels in Arusha have embraced the idea and willing to participate in the project. I trust, this is just the beginning, after success and learning from this sector, the program will be scaled-up to include all sectors of the economy and all size of the enterprises; small, medium and Large.

Much as Tanzanian Economy faces the challenge of creating enough jobs to absorb the increasing supply of the job seekers, there is equally serious challenge of adequately skilled job seekers and labour force in general to meet the labour market demand and dynamics. This is not uniquely a challenge to Tanzania, but to many other countries in the world; however how different country address the

challenge is what constitute the differences. South Africa, for instance, had a challenge of skills gap and they addressed it by developing industry-based Sector Education & Training Authorities (SETA) which is intended to better respond to private sector skills gaps, which may be likened to our VETA. The role of apprenticeship in our current situation is not only to bridge the skills gap by developing new and talented people who, with the right aptitude and skills, can quickly rise through the ranks whichever area they choose to specialise in, but also to strengthen and build the necessary skill sets to our communities and local businesses need today more than ever. This is one of our proposed mode to address the challenge of skills gap in Tanzania.

I would be apt at this moment to recognize and commend the gesture of: Holiday Inn, Hyatt Regency, Southern Sun, Hotel Slipway, Double tree Hilton, Kunduchi Beach Hotel, Peacock Hotel, Courtyard Hotel and Golden Tulip Hotel for accepting to be part of this project. I recognize that, most of you, if not all, had similar programs, your acceptance provides opportunity to formalize what you have been doing and provide recognition of the skills you impart to the apprentices. We are gathered here to launch the program that you have accepted to be part of. I would like to call upon other employers in the sector irrespective of your size to contribute our business quest of developing adequately skilled workforce for our individual and collective wellbeing.

At this juncture, I would like to advocate for all employers, who are not yet members of ATE to join the Association. Our strength will give us big voice in addressing the challenges that affect business environment in Tanzania.

Investment in skills development is worth investment which makes a lot of business sense. I understand that firm's decision to engage in apprenticeship training is to a large extent determined by the cost-benefit ratio of such an investment compared to other alternatives of securing skilled workers; empirical evidences show that in a well-functioning apprenticeship training system, a large share of training firms can recoup their training investments by the end of the training period. As training firms often succeed in retaining the most suitable apprentices, offering apprenticeships is an attractive strategy to recruit their future skilled work force.

One of the cost items that may scare the employers is the wages payable to the apprentices; I trust necessary arrangements will eventually be in place to ensure that wage is not scaring the employers who would otherwise be willing to participate. Payment of the well achieved minimum wage rate in the sector would be good starting point, but where such rates have been determined irrespective of productivity assessment of respective sectors, special attention is required to propose the right figures for the apprentices.

I trust with this development and as the Government through Ministry of Labour and Employment reviewing the current Employment and Labour Relation Act

(ELRA), special cognizant will be taken to provide legal framework that would stimulate further the spirit of offering and participating on apprenticeship.

I would also like to commend the National College of Tourism, Tanzania Confederation of Tourism and the Hotels Association of Tanzania, for being lead institutions in the whole process of formalizing apprenticeship program in Tanzania. I sincerely wish to recognize ILO team for their support and contribution on this program, and on behalf of the Tanzanian Employers in general, kindly accept our thank you.

Ladies and gentlemen, it is my sincere hope and trust that, the program we are launching today will be the beginning of formalizing and embracing yet another training channel for our Country. In todays' competing demands, we should welcome and support any possibility of skilling our labour force. In my view, investment on skills is worth investment as it has inter-generational yields.

Thank you for listening