



GOVERNMENT OF MALTA
MINISTRY FOR THE ECONOMY,
EUROPEAN FUNDS AND LANDS



17 November 2022

Ensuring the Skills 
for Future Competitiveness

“Making our labour market work for the transport sector”

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Economist

What are skills?

Skills emerge from:

- formal and informal training and education,
- secondary, further (ex sixth form) and higher education level, and
- both academic and vocational education and training (VET)
- lifelong learning and experience.

We shall try to **focus** on the **future situation**, and on skills emerging from **formal** education and training, **at all levels**, and emerging from **vocational education and training** (having applied and work-based knowhow)

Ensuring the skills for future competitiveness



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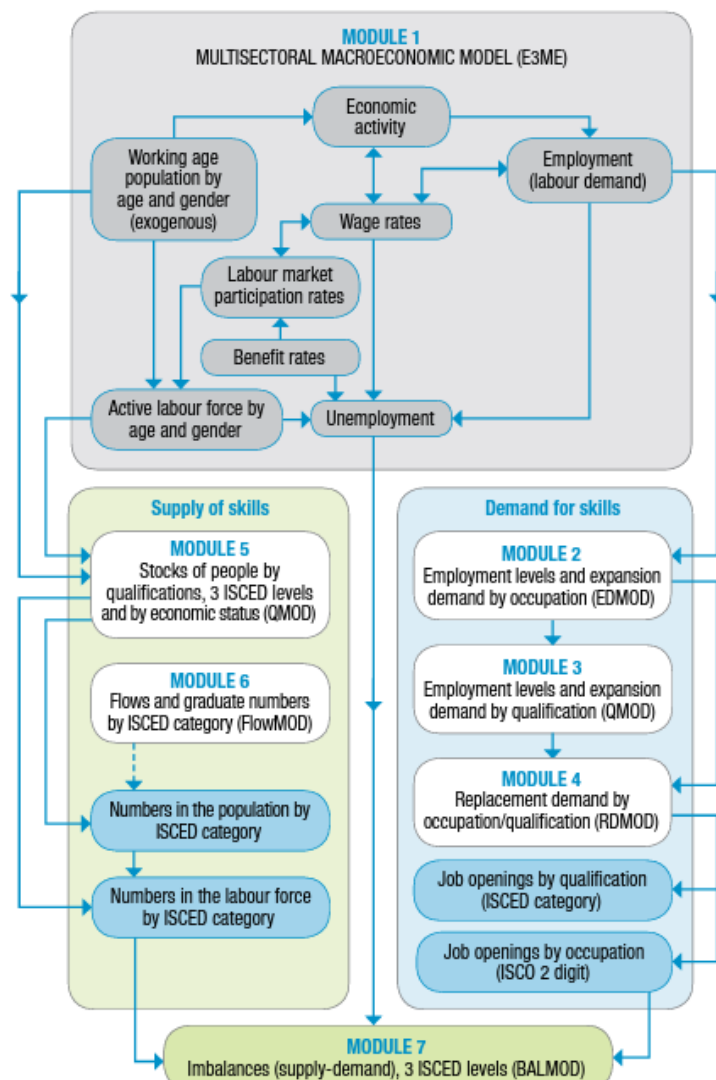
Implies

Ensuring future labour supply is enough for future labour demand
(related to growth)

AND

Ensuring the right type of skills for the future type of employment
needs *(employability, competitiveness and productivity)*

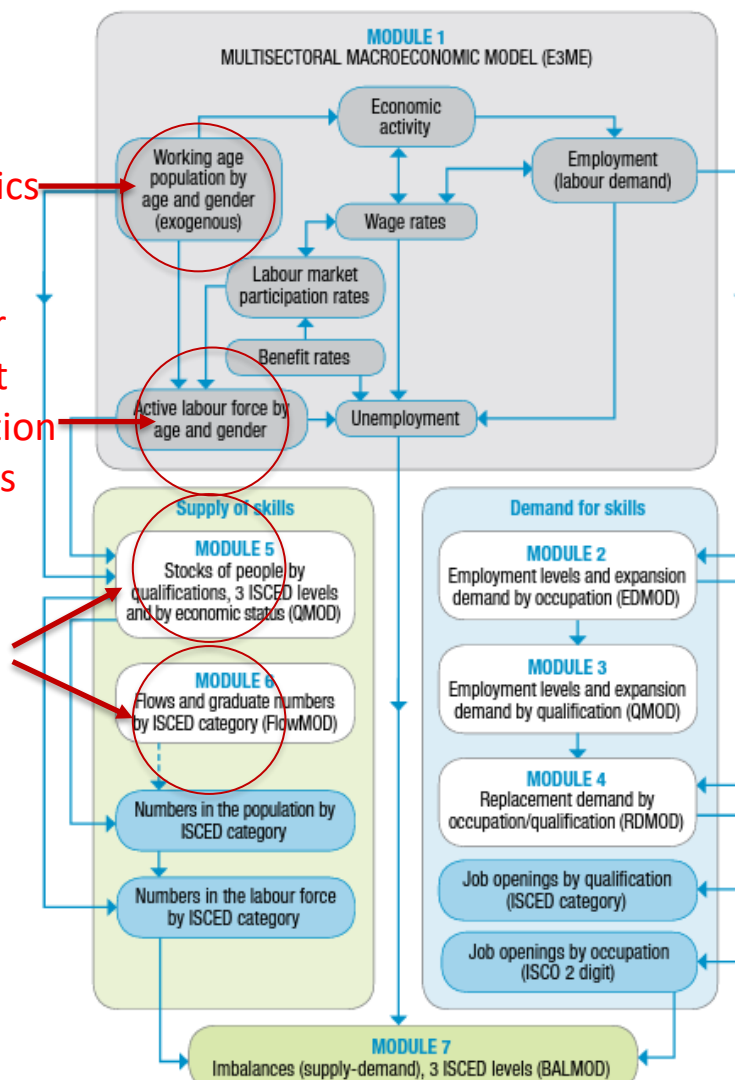
At our low unemployment rates, having the right skills is not about being employable individually, but being productive and competitive as a nation.



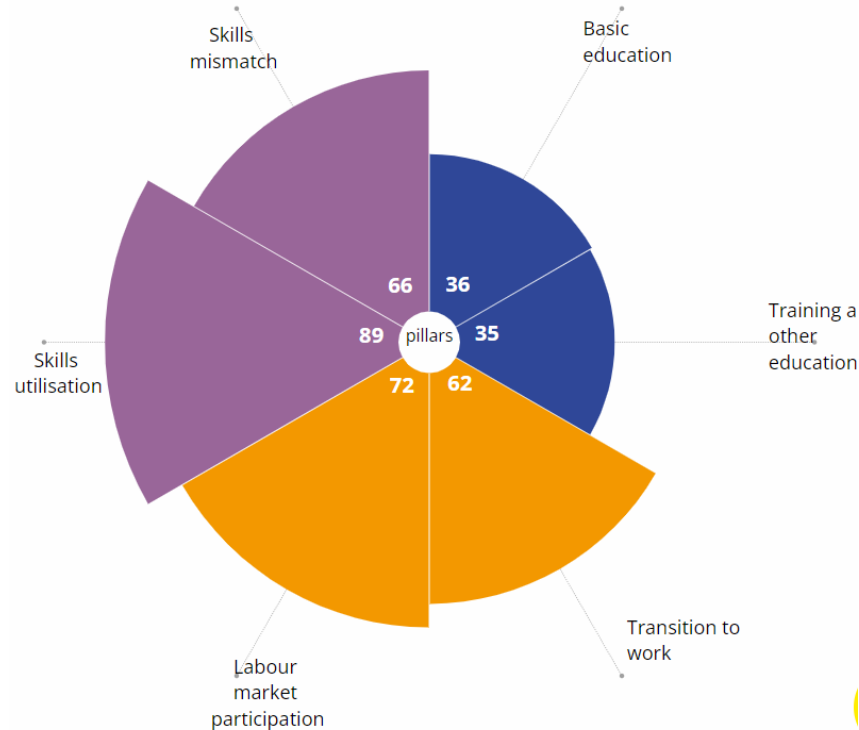
Demographics

Labour market
activation
policies

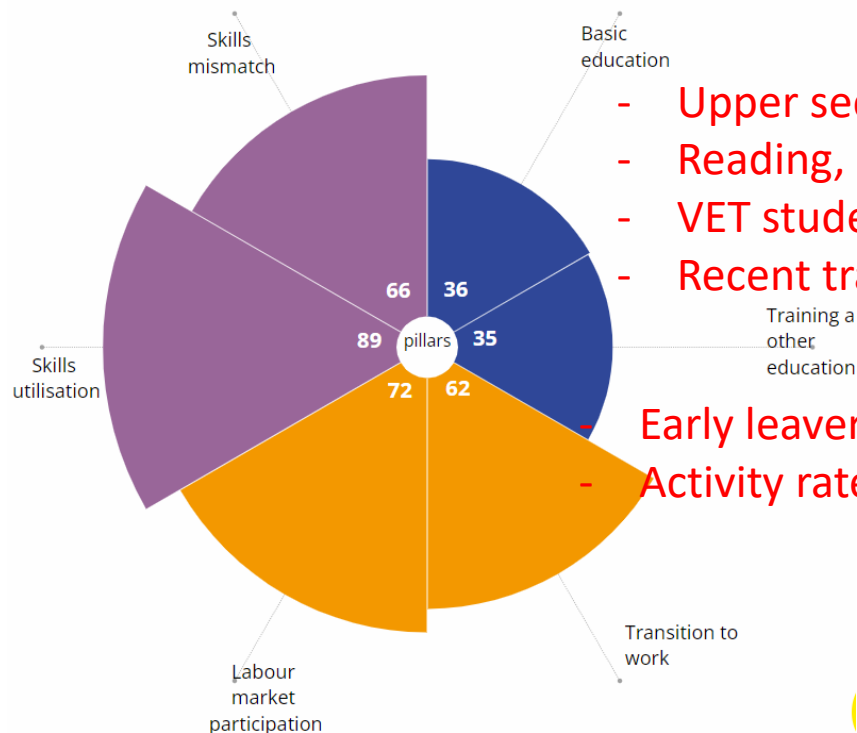
Past and
current
education
and
training



Where do our problems lie?



Where do our problems lie?

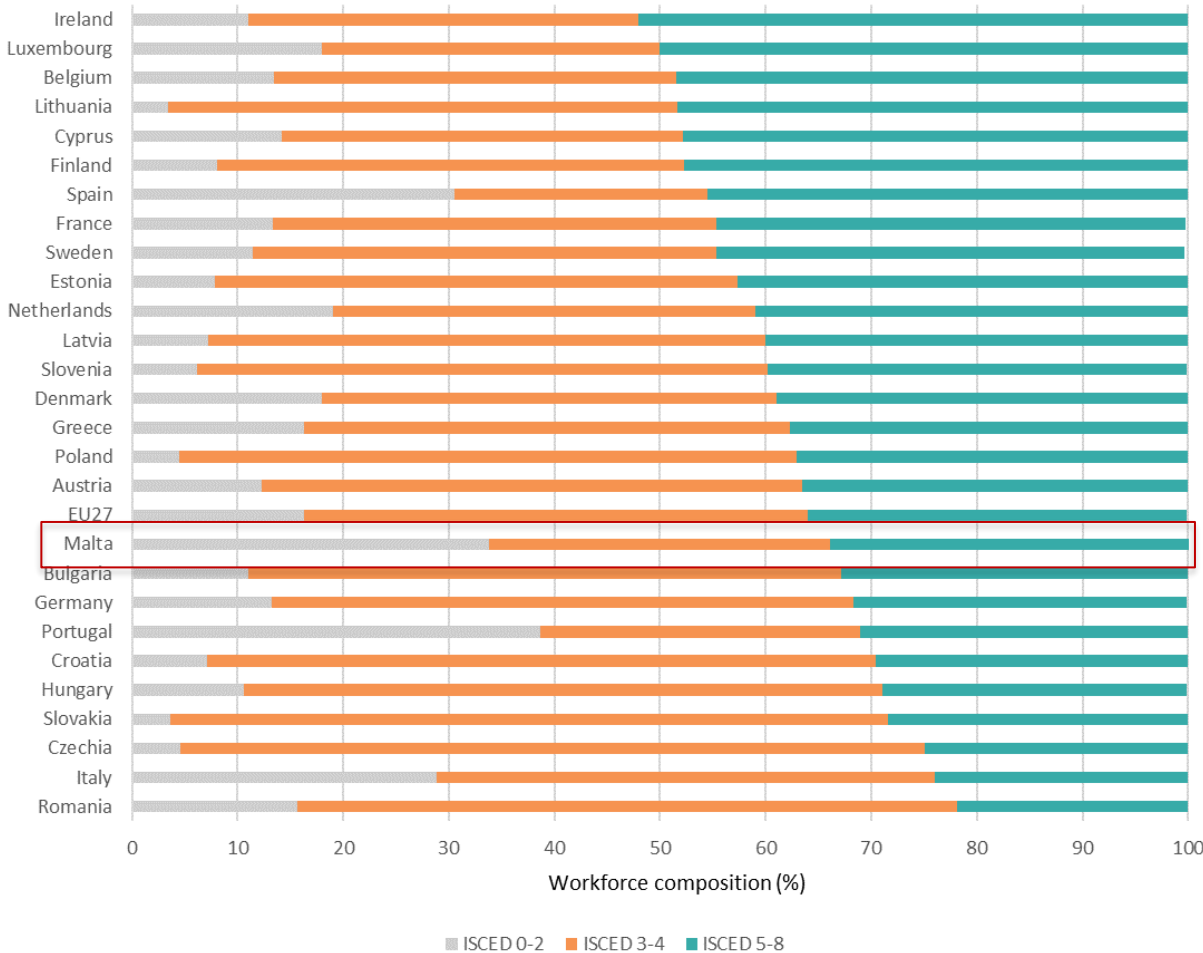


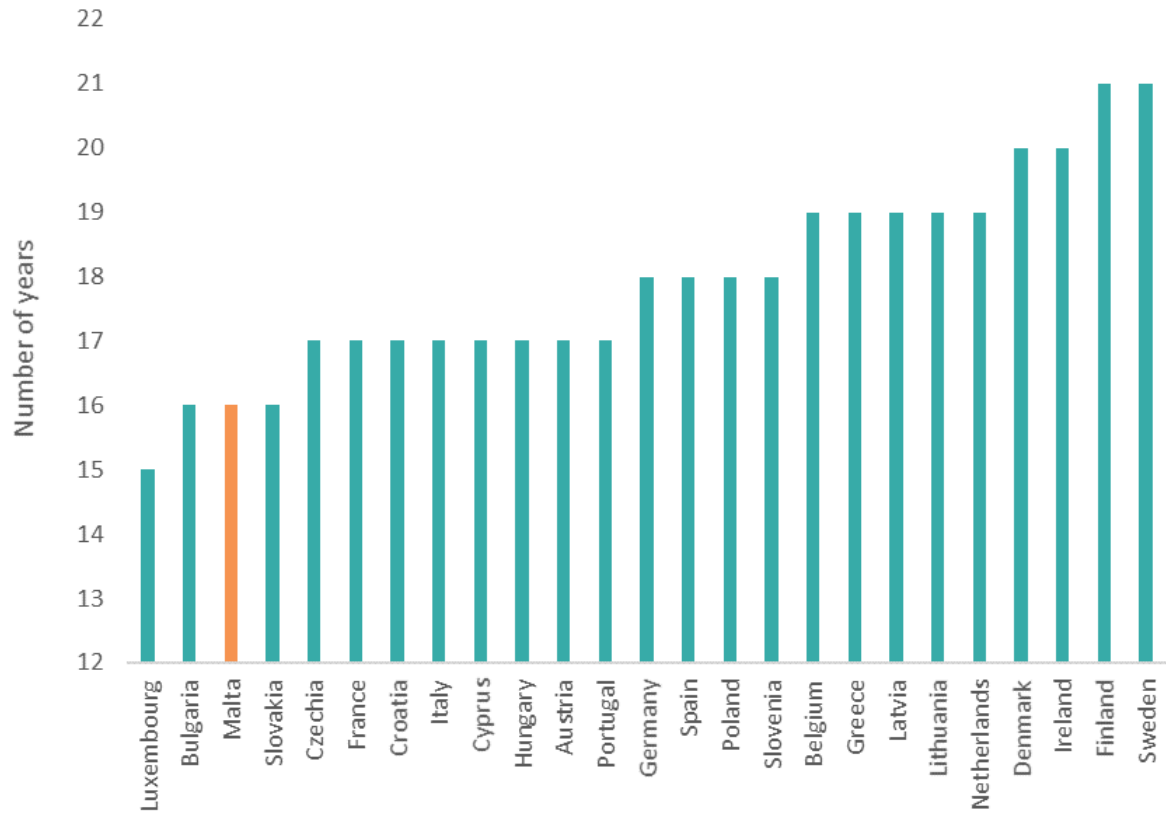
- Upper secondary attainment
- Reading, maths and science scores
- VET students
- Recent training

- Early leavers from education and training
- Activity rates (aged 25-54)



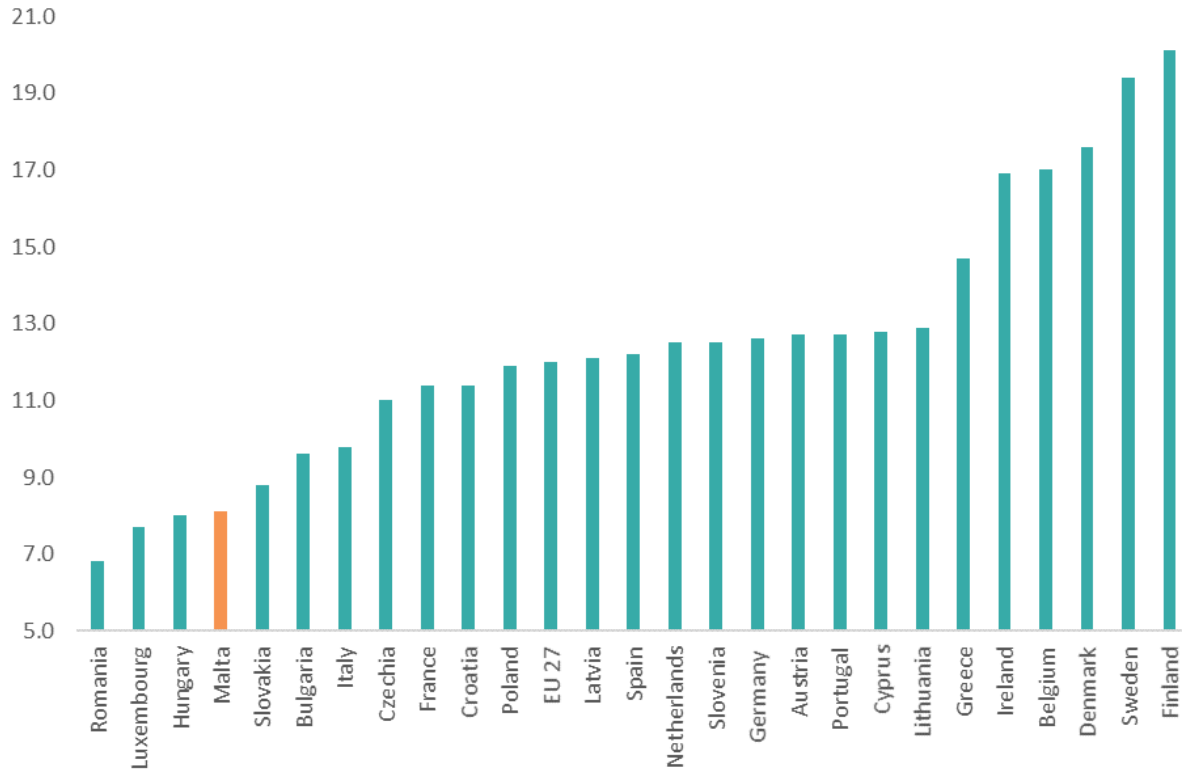
Workforce (15-64 years) composition across the EU by highest level of education attainment (2020)





Expected years of schooling (2018) – Eurostat 2021

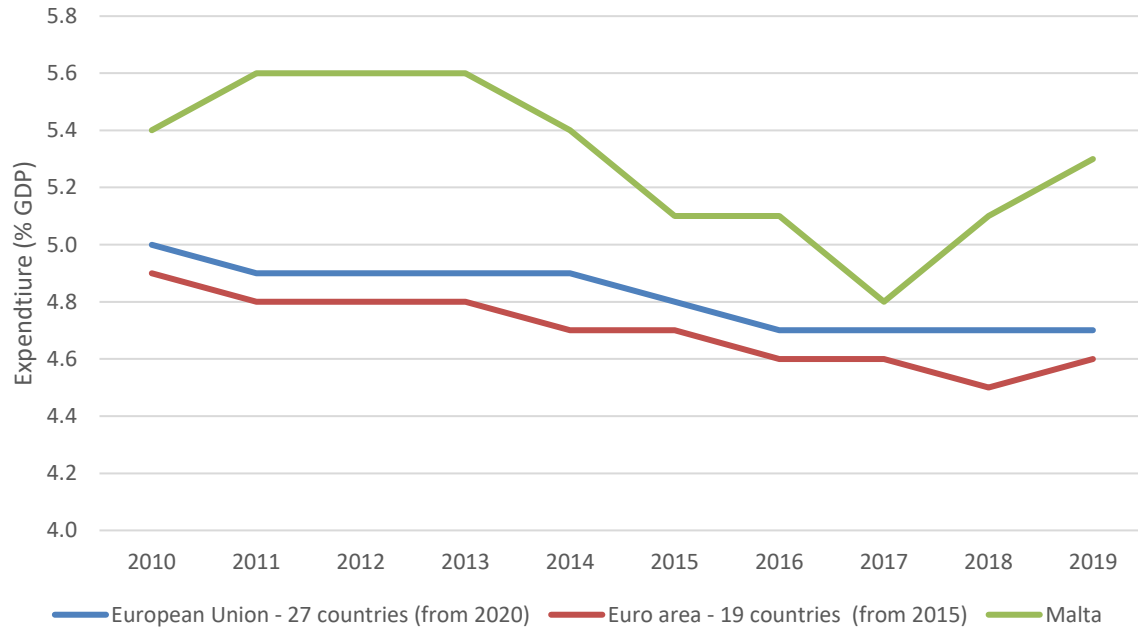
% of total post-compulsory school age population



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Students in post-compulsory education as a percentage of total post-compulsory school-age population (2018) – Eurostat 2021



Education public
expenditure –
Eurostat 2021

Transport sectoral forecast....

...Not all transport is equal

What brought about demand pressures?...2016 to 2019

- Air cargo increased by **12.2%**
- Air mail increased **34%**
- Air passengers increased by more than **40%**
- Net tonnage of vessels entered and cleared in ballast both increased by **25%**
- Gross tonnage of local cargo unloaded increased by **10%**
- Cruise passenger traffic increased by more than **28%**
- Cruise passenger transits increased by more than **11%** and embarkations by more than **136%**
- Sea passengers increased by nearly **20%** for both Cirkewwa and Mgarr trips
- Stock of licenced coaches, minibuses and buses increased by **14%**
- Stock of licenced commercial vehicles increased by **11%**
- Stock of trailers increased by **27%**

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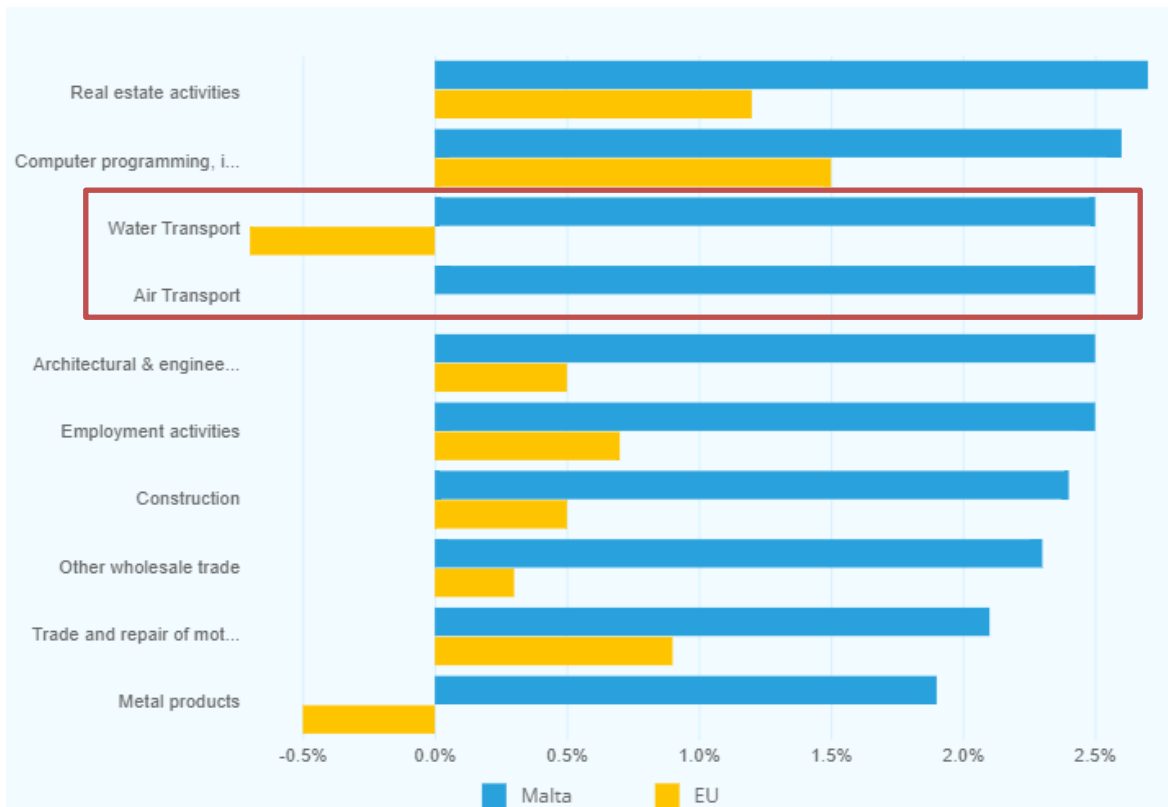
Air

Sea

Land

Top 10 sectors, employment growth (% annual rate)

Country: Malta | From year: 2021 | To year: 2030



Future skills required



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Foundational skills which cut horizontally across sectors – Source: McKinsey –
Defining the skills citizens will need in the future world of work (June 2021)

- **Cognitive** (critical thinking, planning, ways of working, communication, mental flexibility)
- **Interpersonal** (mobilising systems, developing relationships and teamwork effectiveness)
- **Self Leadership** (Self-awareness and self-management, entrepreneurship, goals achievement) *(Instil attitude and soft skills in our children)*
- **Digital** (digital fluency, software use and development, understanding digital systems) *(Capitalise on digital skills)*

Stylised facts – Labour Market

- The labour market is already very tight – foreign inflows need to be allowed and sustained
- Activity rates need to be sustained
- Government became a competitor in attracting workers (*Release idle resources in public sector to business*)
- Foreign workers are filling structural gaps in the market, not only those in relation to skills but gaps in terms of working in weekends and shift work

Recommendations – Labour Market

- a holistic and clear economic vision to steer employment in the required direction
- tracer studies for early school leavers
- improving the country's attractiveness for foreign workers and Maltese working abroad
(Improve Malta's attractiveness as a place of work – retention)
- strengthening of the labour market governance structure in a way that assists companies to directly employ third country nationals

Stylised facts – Skills

- Education system needs to be in line with sectoral developments, we need more tailored courses which are attractive, to address the gaps that exist in the industry. Tailor-made courses are ideally prepared by Industry techs and driven at the Technical centres.
- Focus should be made on investment in foundational and transferable skills.
- Most industries require a range of basic, intermediate, and high skills
- Enhanced coordination between industry and academia is needed. *Connect academia to industry*
- Further creation of clusters – even at an education level to mirror needs of industry
- Assessment is to be made of the skills of foreign workers

Recommendations – Skills

- A substantial investment in career guidance and a rethink of methods used hereby, in line with a holistic policy for national talent management
- The increased recognition of the years of on-the-job experience in the assessment of skills, at a firm and national level, as otherwise workers will still be considered at the skill levels of their entry levels. Very often only formal certification is taken into consideration for progression, which precludes a lot of employees from applying for promotions and alternative job opportunities.
- The further inclusion of transferable skills in curricula.
- Further investment in the quality of lecturing output.
- The skills auditing of foreign workers.

Stylised facts – Private Sector Support

- Lots of schemes in place, work is needed to help companies take up such schemes. Also, incentives are to be targeted to address the needs of the economy of the future.
- Apprenticeship and traineeship programmes are to be further enhanced to become age, user friendly and far less bureaucratic.
- Encourage and incentivise industry-led technical training centres which must be established in industrial estates for ease of use by both employees for reskilling and for prospective employees to be directly related to work based learning
- Incentivise companies to develop knowledge management plans for the retention of competence and knowledge especially where there is a high staff turnover.

Recommendations – Private Sector

- Incentives for employers to invest in their Human Resource departments so as to ensure that companies become competitive in attracting employees, local and foreign;
- Incentives for the continued upskilling of employees by employers are to be encouraged, across all sectors.
- The present apprenticeship and traineeship schemes should be evaluated, strengthened and marketed better amongst students.
- The recognition and accreditation of prior learning is to be facilitated further such that this is also pursued directly by companies, allowing their employees to be automatically qualified after years of experience. This might be enabled by a functioning Skills Council.