

**ADDRESS BY MINISTER OF HIGHER EDUCATION, SCIENCE AND INNOVATION, PROF. BLADE NZIMANDE AT THE LAUNCH OF THE LABOUR MARKET INTELLIGENCE RESEARCH REPORTS ON SKILLS NEEDS FOR THE ECONOMY, CSIR CONFERENCE CENTRE, PRETORIA, 16 APRIL 2024**

The Programme Director, Dr Nkosinathi Sishi;

All DDGs from both my departments

CEO of CSIR, Dr Thulani Dlamini;

Dr Felling Yende, CEO of FP&M, and other CEOs of SETAs;

Members of the Labour Market Intelligence research team;

Senior officials from our post-school education and training system;

Representatives of Business and Labour Organisations;

Members of the Media;

Distinguished Guests;

Ladies and Gentlemen:

I would like to express my gratitude to you all for joining us at this significant event- the official launch of the **Labour Market Intelligence Research Reports on Skills Needs for the Economy**.

By way of background, in 2012, I launched a multi-year research initiative, called the **Labour Market Intelligence Programme**. The programme aims to enable my Department, the Department of Higher Education and Training, to establish a credible institutional mechanism for skills planning.

This involves enhancing information gathering, analysis, and overall systems synergy, with the view of driving a developmental, forward-looking skills development agenda which is informed by evidence-based research and analyses.

In essence, the research programme aims to establish reliable data systems to assess skills supply and demand in our labour market, with the objective of reducing skills mismatches and other types of skills imbalances.

The Labour Market Intelligence research programme is funded by the National Skills Fund and is implemented over a five-year cycle. The first phase of the research programme was undertaken in partnership with our entity the Human Sciences Research Council (HSRC) and involved a consortium of several research organisations.

In 2019, we initiated the second phase of the LMI research programme in partnership with the Development Policy Research Unit of the University of Cape Town. This second phase will be coming to an end in June 2025.

When the Labour Market Intelligence research programme began in 2012, many of us, including the research community, were not well versed with the concept of labour market intelligence and its relationship to skills planning.

Most importantly, we were uncertain about the practical implications of effective skills planning. Since then, we have made significant strides and continue to learn, and point to areas where we require more information to comprehend the relationship between skills supply and demand in South Africa.

Over the past decade, the Labour Market Intelligence research programme has conducted numerous research studies. Its outputs include research reports, academic papers and articles, policy briefs, templates, tools, and conceptual definitions.

All LMI research reports can be found on the LMI website: [www.lmi-research.org.za](http://www.lmi-research.org.za). Several of these reports are pivotal for understanding skills supply and demand in South Africa. These include the following:

- The **List of Occupations in High Demand**, which essentially, provides a list of occupations that are in high demand in South Africa. This list is intended to support enrolment planning at our PSET institutions, resource prioritisation (as in the allocation of funds for bursaries), career information and qualifications development;
- The report on the **Critical Skills List** which identifies occupational shortages in South Africa and is utilised by the Department of Home Affairs to inform the implementation of its Critical Skills Visa regime;
- The report on **Skills Gaps in South Africa** which identifies skills gaps in the labour market such as foundational, technical, and soft skills. The report is intended to inform upskilling and reskilling programmes for workers, as well as aid curriculum development and reviews;
- The report on **Skills Supply and Demand in South Africa**, which identifies imbalances between skills supply and demand, in particular mismatches between qualifications and occupations; and
- The **Master Skills Plan for South Africa**, which draws attention to the key issues that need to be addressed to ensure that South Africa has the skills it needs for both societal and economic development.

It is also important to also indicate that the LMI research programme is not confined to the Department of Higher Education and Training or the Post-School Education and Training System.

Instead, it is a country-wide research programme intended for use by all South Africans, including other government departments and the media.

We continue to have ongoing consultations with, among others, Business, Labour, and community constituencies (through NEDLAC) as well as national and provincial government departments.

Therefore, our approach to researching the interface between education and the labour market is inclusive and involves numerous stakeholder engagements to improve the value of and buy-in of the deliverables emerging from this research programme.

Equally important, in response to the needs of the economy and the labour market, the LMI recently undertook a project to identify skills for the hydrogen economy.

The Hydrogen economy is expected to grow phenomenally in South Africa, and already R319 million of the R1.4 trillion of the Just Energy Transition investment plan has been targeted for this sector.

South Africa commands high respect from the International Labour Organisation (ILO), European Union (EU), the World Bank and the OECD for the research conducted through the LMI projects.

We maintain ongoing collaborations with these international organisations to stay updated on global trends in LMI.

The Labour Market Intelligence research programme also has a strong capacity building component to facilitate coherence and complementarity in researching the relationship between education and the world of work,

and to create a community of practice by sharing knowledge and research generated from the LMI research programme.

I must say, we have been successful in adopting both a national as well as a sector-specific approach to skills planning. We are now moving towards supporting provincial level skills planning as well as industry-specific planning that is tailored to the specific needs and policy context of South Africa in the 21st Century.

Informed by all this, today it is with great pride that I am launching the following Labour Market Intelligence Research Reports:

1. The Report on the Identification of skills needed for the hydrogen economy;
2. The National List of Occupations in High Demand and the two provincial lists of occupations in high demand (Mpumalanga and Western Cape);
3. The Identification of Skills Gaps in South Africa;
4. The Post-School Education and Training Monitor report; and
5. Fact Sheets to monitor the performance of the PSET system.

As some of you may recall, in 2014, I published the first national list of occupations in high demand. The 2024 list will therefore be the fifth iteration. Today, I am also publishing the two provincial lists of Occupations in High Demand for Mpumalanga and Western Cape.

Over the past years, provinces have been using the national list of occupations in high demand to infer provincial demand, in the absence of

province-specific research. However, provincial demand often has its own peculiarities.

As it relates to the Hydrogen Economy, you may recall that, in my 2023 budget vote, I committed to identifying the skills needed for the hydrogen economy.

As highlighted in the Just Energy Transition implementation plan, South Africa realises the role that green hydrogen can play in achieving its climate change objectives and more significantly, the potential opportunity it provides to address the country's triple threat of unemployment, inequality, and poverty.

For this potential to be realised, the country needs to develop the required ecosystem. A vital segment of that ecosystem is the development of the right skills to ensure sustainable job creation.

It is against this background that my Departments of Higher Education and Science and Science and Innovation, through our entity, the Council for Scientific and Industrial Research (CSIR), working as part of the broader Labour Market Intelligence research programme, proactively undertook a skills needs assessment.

This assessment considers all the skills that will be required across all segments of the emerging green hydrogen value chain and also includes the identification of skills gaps that exist, as well as possible interventions to bridge the gaps so that the country can participate in the global hydrogen economy.

Thus far, the project has identified 138 occupations required within the value chain categorised into engineers, technicians, tradespersons,

specialists, managerial occupations as well as elementary level occupations.

Many of these occupations currently exist in our economy, but some will require top-up skills or new qualifications in order to include green hydrogen capabilities.

The most required capabilities include hydrogen properties, behaviour and potential hazards created safety when working with or around hydrogen, knowledge of hydrogen-related regulations, standards, and codes, and understanding of electrochemical reactions, processes, and hydrogen production processes.

The report further highlights 27 occupational qualifications currently offered by various training providers and funded by our SETAs (particularly CHIETA and EWSETA) as linked to the 39 ‘technicians and tradespersons’ occupations identified as critical for the hydrogen economy.

However, these occupational qualifications currently do not include hydrogen-specific capabilities and will need to be augmented to address the gaps.

The hydrogen report also identified areas requiring augmentation in both the curricula for TVET and Universities and reflect on the need for capacitating teachers and lecturers so that they will be able to train South Africa’s green hydrogen workforce for the many occupations identified in the project.

The report discusses some interventions that could be used to ‘train the trainers.’ The report also includes an assessment of opportunities for workplace-based learning (WBL) available in South Africa and internationally for green hydrogen–related work.

This assessment highlights that in contrast to developed countries such as Germany and due to the sector's nascency in South Africa, there are limited opportunities available for green hydrogen-specific WBL in the country.

As part of monitoring the performance of our PSET system, we have been publishing the PSET monitor every two years. Today, I am also launching the third iteration of the PSET Monitor Report that provides an overview of macro trends in the South African PSET system.

It also monitors the progress made by the system in relation to the goals articulated in the White Paper for Post-School Education and Training and the government's National Development Plan (NDP).

The PSET Monitor report adopts high-level quantitative indicators to track progress on key dimensions of the post-school education and training system.

Many of the indicators selected for the report are used by international organisations such as United Nations, Educational, Social and Cultural Organisation (UNESCO) and the Organisation for Economic Co-operation and Development (OECD).

They use this to undertake cross-country comparisons of education inputs, outputs, and outcomes. As such, the report focuses on South Africa and provides data on how the South African post-school education and training system has progressed in relation to that of other countries.

My Department also produces fact sheets that focuses on specific issues such as funding, access to education and literacy. I must also mention that this year, we will be working very closely with the Department of Home Affairs, with the view to develop the second iteration of the Critical Skills List following the publications of the new visa regulations.



As you may be aware, there is also an ongoing debate about the skills shortages in the health sector. With this in mind, we will be undertaking a research study on the supply and demand of health professionals in south Africa as part of the Labour Market Intelligence research programme.

This will be done in collaboration with the Department of Health, Department of Home Affairs, the Health Professions Council of South Africa (HPCSA) and Health and Welfare Sector Education and Training Authority (HWSETA).

We are also aware that research utilisation is key to the success of any research programme, therefore, in our third phase of the LMI research programme scheduled to start in July 2025, we will also focus on utilisation of the research findings to inform decision-making.

In conclusion, I wish to thank the LMI project management team for organising this launch event, which is ultimately an invitation to all South Africans to keep watch over the various research projects implemented as part of the Labour Market Intelligence research programme.

Labour Market Intelligence enables both government and business to plan be better for the human resources development needs of our country, and it is hope that all key stakeholders will embrace this important planning tool.

Thank you.