



# Signaling of Labour Market Demands for workers with Technical Skills



Empowered lives.  
Resilient nations.

## 'Synopsis of a study report'

### Introduction

People from Nepal have been travelling to different countries of the world to seek foreign employment for many years; and in the FY 2013/14, Nepal witnessed the highest number of youths going abroad for work (5,21,878 youths); and also the country's remittance inflow reached almost 30 % of GDP. According to the Economic Survey, the remittance inflow in the first eight months of the FY 2013/14 stood at Rs. 560.6 billion, which accounted for 29.1 percent of the country's GDP.

Despite, apparently with no skills or uncertified and low levels of skills and noticeable mismatches between the possessed skills and competencies and job requirements, the number of youths leaving for foreign employment has been on the rise; and now there is a need to study the employment demands, so that the country could systematize the outflow of the workers with skills for better job matches, and ensure workers' satisfaction.

### Objectives, Approach and Methodology

The primary objective of this study was to analyse the demands in foreign labour markets through the foreign employment advertisements published in the two selected newspapers ( Kantipur and Nagarik Dainik). This study has also focused on analyzing foreign employment trends. A study team from Research and Information Division of CTEVT, with the technical support from EEMC Business Trade Pvt. Ltd. Lalitpur, collected all foreign-employment

related advertisements from Kantipur and Nagarik Dainik published between November 2014 and October 2015. The reasons for choosing these two newspapers were their wider circulation, readership and coverage.

The specific objectives were to identify the types of jobs in demand in the international labour markets, the number of workers in demand in different skills categories (unskilled, semi-skilled, highly skilled and professionals), the countries that need workers, average salary offered to workers in each category and the average cost for migration. The study also focused on analyzing differences in demand, salary and cost of migration.

This study also analyzed the information of labour permits issued by the Department of Foreign Employment (DoFE) between July 15, 2014 and July 16, 2015. From the information provided by the DoFE selected from the workers deployment lot no 96,439 to lot no 145,971 in the same period, it was found that there was a demand of 1,240,718 individuals (1201,309 males and 39,409 females). However, the information received from the DoFE reveals that the country does not have the capacity to supply the required workers at present. Instead, it simply presents the information about the number of labour permits given to the migrant workers.

### Major Findings

In this study, a total of 15,077 advertisement cases were collected from the two newspapers' and were analyzed by means of statistical programme named SPSS.

- The total number of demands was for 265,725 workers from 18 destination countries in 85 different skills/occupations. In the study period, the country with the highest demand of workers was Qatar followed by Saudi Arabia, the United Arab Emirates, Malaysia, Kuwait, Bahrain, Oman, Cyprus, Macau and Jordan (Top Ten). Average salary offered was between Rs 49,873 and Rs 40,766 per month (gross).
- Out of 85 skills/occupations, the top twenty in demand are Labour/helper, driver, cook/commis, security guard, waiter/waitress, operator, cleaner, electrician, supervisor, technician, general mason, salesperson, mechanics, carpenter, plumber, painter, welder, store keeper, steel fixer and baker/pastry man. Compared to the unskilled and highly skilled categories, 57% workers in 'skilled and semi-skilled categories' are in demand. Doctors, engineers, project managers, coaches and nurses are offered the highest salaries.
- The analysis of gender category has shown that most of the advertisements were published for 'gender-not specified category' (164,379 (61%) out of 265,725 (100%), with male (32 percent) and female (7 percent).
- No significant difference was found in the cost of migration of workers in terms of skill levels. The costs of migration for unskilled, semi-skilled/skilled and highly skilled categories were found to be Rs 28,211, Rs 25,806; and Rs 24,653 respectively. However, these figures indicate that the lower the skill, the higher the cost of migration due to employability and process of documentation of profiles.
- In the analysis of 'supply-side information' from DoFE (2013/14), altogether 28 countries were granted 517,645 labour permits, with Malaysia the highest number of permits (239,697) followed by UAE and Qatar respectively during the year covered by this study.
- The Eastern Development Region was found to have the highest share of labour permits (202,585 out of 517,645) in the FY 2013/14. Far-western Development Region had the lowest number of labour permits (only 15,237). Danusha district had the highest number of labour permits (25,185) in the east whereas Dolpa had the lowest among the districts in the Far- West (only 50 permits). This regional difference in permits reflects notable job seekers (with or without such skills) who apply for such permits.
- A total of 18,556 female workers were granted foreign employment permits in the FY 2014/2015. TVET Policy should be adequately responsive to these emerging needs which are gender friendly.
- The analysis of the skill categories showed that the highest number of labour demands in the study period (FY 2014/2015) was for semi-skilled and skilled category (combined average 49.4 percent).

## Conclusion

This study on signaling on labour market demands of human resources, despite the limitations of the duration (only one year's data) and the sources of information (only two newspapers) has provided with some insights and signals that the workers are still in demand in the foreign employment especially in gulf counties like Qatar, Saudi Arabia, UAE, Bahrain and Oman. There is higher demand for workers in skilled and semi-skilled categories compared to other categories. Therefore, it is necessary to address the mismatch in terms of demand and supply of trained human resources for the foreign employment demands so as to make the job aspirants employed and satisfied in the global labour markets. This indicates the need for labour market signaling study of some form every year to keep the job seekers and employers informed about the trends and prospects of job markets.

June 2016

**Project Office Site address:**

**Support to Knowledge and Lifelong Learning Skills (SKILLS)**

Third Floor, Karmachari Sanchaya Kosh Building, Lagankhel, Lalitpur, (in front of Patan Hospital)

Tel: 00977 1 5004176, 5004178, Website: [www.skills.gov.np](http://www.skills.gov.np)