

The Expert Group on Future Skills Needs Statement of Activity 2014

April 2015



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Foreword

The work of the EGFSN identifies the skills required by enterprise over occupations and sectors, and provides coherent information to education and training providers on alignment of programmes with employers' needs, to underpin labour market activation programmes, and to assist individuals to make an informed decision around employment opportunities and career choice. In recent years the EGFSN has closely aligned its skills research and analysis with Government Strategies. Many of our recommendations have been the focus of initiatives in the Government's *Action Plans for Jobs*, which are aimed at rebuilding our economy and creating new jobs.



During 2014 the EGFSN undertook research on a number of specific sectors - Freight Transport, Distribution and Logistics, Marine Skills and Data Analytics Skills across all sectors. The objective is to assess and propose actions for employers and education and training providers to build up the required skills supply.

Globally, there is a reported shortage of data analytics talent particularly individuals with 'deep analytical' skills. The EGFSN report *Accessing the Demand for Big Data/Data Analytics in Ireland 2013-2020*, published in May 2014, identifies measures to boost the output and quality of our analytics talent pool in Ireland in order to take advantage of potential job openings and business opportunities. The report outlines the supporting conditions necessary if Ireland is to position itself as a leading data analytic country in Europe.

The Freight Transport, Distribution and Logistics sector is of strategic and operational importance for business within Ireland across all sectors of the economy. The open nature of the Irish economy with high levels of trade combined with our geographical peripheral location means that achieving excellence in freight transport, distribution and logistics is vital for our competitiveness. The EGFSN report *Addressing the Demand for skills in the Freight Transport, Distribution and Logistics sector in Ireland 2015-2020* outlines priority recommendations to ensure that Ireland has the right skills base to facilitate international trade and domestic freight transportation and drive growth within the wider economy.

The marine economy in Ireland has been identified as a significant area with regards to future growth. It has the potential to grow a substantial amount in the next few years and therefore create employment both directly and indirectly. The Irish Government set out its vision for realising the potential of Ireland's marine economy in the *Harnessing Our Oceans Wealth* (HOOW) report published in 2012. The EGFSN research undertaken in 2014 *A Study of the Current and Future Skills Requirements of the Marine/Maritime Economy to 2020* assesses the profile of occupations and skills requirements for five marine/maritime subsectors identified by HOOW as of strategic importance, and proposes recommendations to ensure the right skill base to meet identified enterprise needs.

As in previous years the EGFSN provided the *Guidelines for Higher Education Providers on Current and Future Skills Needs of Enterprise* for the Springboard 2014 and 2015 Calls. A key objective of Springboard is to enhance collaboration and engagement between the enterprise sector and higher



education providers in the design and delivery of programmes to support job seekers and skills in areas required by enterprise.

The EGFSN continued, during 2014, to monitor trends in supply and demand through its annual labour market reports. The latest edition of the *Monitoring Ireland's Skills Supply* provides an important insight into the potential future supply of skills to the labour market.

The latest edition of the *National Skills Bulletin* highlighted improvements in the Irish labour market with increases in labour force participation and numbers employed, along with a decline in the number of persons unemployed. While skills shortages continue to occur, in the majority they were confined to specialised areas and were small in magnitude.

In addition, the *Vacancy Overview 2014* report outlined the areas where job vacancies arose during 2013. The continued demand for IT professionals was evident throughout the report. Foreign languages, especially German, also continued to be in demand for a number of roles.

At local level, the *Regional Labour Markets Bulletin 2014*, which provides labour market data on Ireland's eight administrative regions, is an important tool to support the decision making process in the areas of education and training provision, labour market policies and career guidance.

During 2014, the EGFSN continued to engage with stakeholders to ensure that key labour market information was disseminated to all relevant parties. The EGFSN Chairperson and the Head of Secretariat to the EGFSN provided presentations on a wide range of labour market issues at conferences and fora throughout the year. In addition, the Group's output is utilised by students, jobseekers and guidance counsellors through websites and newsletters to which we provide regular input, such as Careers Portal, Qualifax, and the Institute of Guidance Counsellors, in order to inform their target audiences.

We disseminate our findings via our website www.skillsireland.ie, direct mailing of our reports to interested parties, and through our e-alerts notification system. Brief presentations accompany each report on our website, providing an easily digestible overview of the key findings contained in the publication.

I would like to record my appreciation to the members of the Steering Groups who oversaw the progress and the development of the sectoral reports undertaken in 2014, and also the representatives from industry, academia, professional bodies and State Agencies who provided valuable time and insights to the research through their participation at interviews and workshops.

I would like to thank the members of the Expert Group on Future Skills Needs for their continued commitment to the work of the group. I would also like to thank the Secretariat teams in both the Strategic Policy Division in the Department of Jobs, Enterprise and Innovation and the Skills and Labour Market Research Unit in SOLAS for the research and analysis work that they provide to the group.

Una Halligan
Chairperson, Expert Group on Future Skills Needs



Members of the Expert Group on Future Skills Needs

Ms. Una Halligan	Chairperson
Ms. Marie Bourke	Head of Secretariat and Principal Officer, Department of Jobs, Enterprise and Innovation
Ms. Inez Bailey	Director, National Adult Literacy Agency
Mr. Peter Baldwin	Assistant Secretary, Department of Education and Skills
Mr. Ray Bowe	IDA Ireland
Mr. John Burke	Principal Officer, Department of Public Expenditure and Reform
Ms. Liz Carroll	Training and Development Manager, ISME
Mr. Ned Costello	Chief Executive, Irish Universities Association
Ms. Margaret Cox	Managing Director, I.C.E. Group
Mr. Bill Doherty	Executive Vice President, EMEA, Cook Medical
Mr. Tony Donohoe	Head of Education, Social and Innovation Policy, IBEC
Dr. Bryan Fields	Director, Curriculum Development / Programme Innovation, SOLAS
Mr. Joe Hogan	Founder, Chief Technology Officer & VP Openet Labs & IP Management
Mr. Declan Hughes	Assistant Secretary, Department of Jobs, Enterprise and Innovation
Ms. Deirdre McDonnell	Principal Officer, Department of Education and Skills
Mr. Colm Mac Fhionnlaioich	Manager, Client Development, Mentoring and Skills, Enterprise Ireland
Mr. Frank Mulvihill	Former President of the Institute of Guidance Counsellors
Dr. Brendan Murphy	President, Cork Institute of Technology
Mr. Alan Nuzum	CEO, Skillnets
Dr. Peter Rigney	Industrial Officer, ICTU
Ms. Mary-Liz Trant	Higher Education Authority



Introduction

The Expert Group on Future Skills Needs (EGFSN) has the task of advising Government on future skills requirements and associated labour market issues that impact on enterprise and employment growth.

Specifically, the Group carries out analysis in order to:

- Advise Government on projected skills needs at national and sectoral levels and make recommendations on how best to address identified needs;
- Advise Government on associated priority education and training requirements and the most cost effective ways of responding to them;
- Advise Government on any skills requirements that cannot be met internally at a given time and that so require to be met through inward migration;
- Advise Government on the content, delivery and outcomes of education and training programmes elsewhere that support excellence and value for money and on adaptations necessary to incorporate such developments here;
- Respond to any request for advice from the Minister for Education and Skills on training programmes that are supported through the National Training Fund; and
- Report on progress made in the implementation of its recommendations.

The Group is composed of representatives of business, employees, education, training, Government departments and State agencies.

In accordance with its mandate, an annual report is to be provided to the Minister for Education and Skills and the Minister for Jobs, Enterprise and Innovation not later than the end of March following the year to which the report refers. In conformance with this requirement this Statement of Activity provides details of the Group's output and activity in 2014, forthcoming work in 2015, and information on the Group's research and analysis resources.

Research and Analysis Resources

Following the integration of Forfás into the Department of Jobs, Enterprise and Innovation in August 2014, the research, analysis and administration support to the EGFSN is provided by the Department of Jobs, Enterprise and Innovation and the Skills and Labour Market Research Unit, SOLAS.

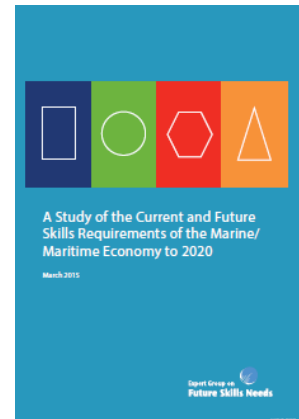
Marie Bourke, Principal Officer in the Department of Jobs, Enterprise and Innovation is Head of Secretariat to the EGFSN and manages the work of the group.

EGFSN work undertaken by the Department of Jobs, Enterprise and Innovation is funded through the National Training Fund (NTF). In 2014 €446,402 was spent from the NTF towards the cost of this work.

EGFSN Research and Analysis in 2014

A Study of the current and future skills requirements of the Marine/Maritime Economy to 2020

The marine economy in Ireland has been identified as a significant area with regards to future growth. It has the potential to grow in the next few years and therefore create employment for residents of Ireland directly and indirectly. Harnessing Our Ocean's Wealth (HOOW), published in July 2012, highlights the Government's vision, high-level goals and integrated actions across policy, governance and business to enable Ireland's marine potential to be realised. The overarching aim of the EGFSN study is to assess the profile and diversity of the occupations and skills requirements for the various subsectors of the Marine/Maritime Economy and to propose recommendations to ensure the right skill base to meet the enterprise needs. The focus of the EGFSN study is on those sectors of the marine economy which have been identified by HOOW as key sectors which contribute to the Irish Marine Economy: Seafood and Bio-Products; Maritime Transport, Shipbuilding and Services; Energy; Marine Tourism; and Maritime Monitoring, Security and Surveillance.



Future Skills Demand

Across the five broad sectors, the total expansion demand is forecast to be 10,138 FTE jobs, with the largest expansion of 4,928 in maritime transport, shipbuilding and services (MTSS) (driven primarily by the proposed International Shipping Services Centre) with marine tourism following with a 3,447 FTE expansion demand, reflecting the upturn in the global economy and the return of foreign tourists. When expansion demand is looked at as a percentage of the 2014 employment estimate we see that Tourism will almost double its current employment by 2020.

The replacement demand is greatest in terms of actual numbers for the Maritime Transport, Shipbuilding, and Services (2,373) and Seafood and Bio-products (2,094) sectors. Over the entire Marine Economy the Replacement demand is 6,777 some 3,361 less than the expansion demand.

The total gross demand out to 2020 for the Marine economy is 16,915 FTE positions which is greater than the current employment of 16,155 FTEs.

Across the Marine Economy the largest occupation category is Operatives with 5,541 FTEs in 2014 which is 34% of the total employment in the Marine economy. Operatives also have the largest expansion demand of 3,072 which is 30% of the total expansion demand. This reflects the nature of much of the work within the Marine economy. However, for sectors such as MTSS, Energy and Maritime Monitoring professionals constitute the largest occupation.

Findings

Some of the key findings in the study were: an ageing workforce in the seafood sector which will need to be managed so that the experience is not lost; the lack of awareness about possible careers in the Marine Economy; and the time delay in obtaining current economic data for the marine economy. These findings form the basis of the Recommendations.

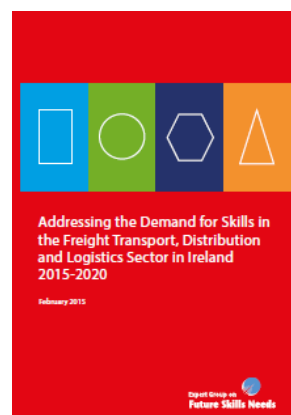


Addressing the Demand for Freight Transport, Distribution and Logistics Skills in Ireland

The study assesses the skills and competency requirements for Freight Transport, Distribution and Logistics (FTDL) activities in Ireland up to 2020, and proposes recommendations to ensure Ireland has the right skill base to meet enterprise needs.

There were an estimated 48,800 persons employed in core FTDL occupations in 2015, spread across a range of sectors in the economy, including transportation and storage, retail and wholesale trade, manufacturing and construction.

The open nature of the Irish economy and our island location necessitates the export and import of freight. This requires us to have expertise in facilitating a multi-modal supply chain incorporating sea, road, rail and air freight.



Future Skills Demand

The EGFSN forecasts that, due to an anticipated expansion in the sector and the replacement demand arising from the retirement/exiting of those employed in core FTDL occupations, that some 13,500 to 15,500 job vacancies could become available over the period 2015-2020.

The age profile of the workforce in FTDL occupations will present a challenge for the sector in the coming years. A significant number of those currently employed are due to retire in the forecast period and these individuals will need to be replaced.

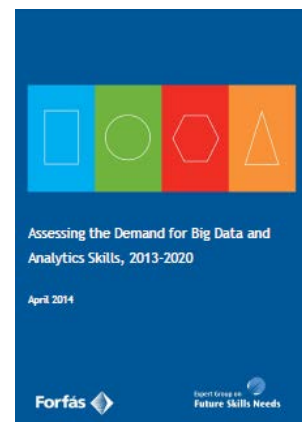
There is a need for a consistent supply of suitably trained staff, and at the same time a need to retain and upskill those currently working in the sector. As staff progress through their careers, there is a requirement for training in additional skills for both operations and management roles. There is need for the development of career paths for lower skilled workers in the FTDL sector. In terms of recruitment, the main anticipated skills impediment in the medium term is HGV drivers with the required licence (e.g. C, C1, C+E, C1+E).

There is demand for more graduate level entrants to the sector to ensure a future provision of managers, planners and associated office workers with adequate skills. Graduates need to be equipped with broad based skills such as e-skills, languages, flexibility and cultural awareness which will help to underpin Ireland's further integration into the global economy.

In order to meet the demand for skilled workers, the relatively poor image of the FTDL sector also needs to be improved. As the domestic economy continues to recover and unemployment falls, this will result in prospective entrants having a greater choice of roles available to them across a range of competing sectors. When this occurs, the relatively poor perception of the FTDL sector, may affect the ability of employers to recruit at all levels.

Assessing the Demand for Big Data and Analytics Skills, 2013 - 2020

Big data and analytics is a relatively new area of business activity characterised by rapid growth. Data analytics involves the mining, analysis, interpretation and utilisation of Data including Big Data (utilising large volumes of data in structured and unstructured forms). *Assessing The Demand For Big Data And Analytics Skills* considers skills demand across three main skills categories: deep analytical roles to analyse both structured and unstructured data; data savvy persons with the knowledge to frame the right questions to be answered; and supporting technology roles to develop and implement hardware and software tools and manage databases. Good communications, teamworking and problem solving skills are key skills requirements for all in these roles.



The value of big data and analytics is becoming apparent across countries and is resulting in a growing demand for relevant skills. At present, no one country or region stands out in the provision of data analytics services. Globally, there is a reported shortage of data analytics talent particularly individuals with the required 'deep analytical' skills. The Irish Government has set an ambition for Ireland to become a leading country in Europe in Big Data. It is envisaged that this will help create significant additional employment in the economy. For Ireland to aspire to such a status, it is essential that the necessary skills capability base is developed to drive the performance of data analytics businesses and capitalise on potential growth and employment opportunities. Many of the elements to support the development of data analytics and Big Data are already in place in Ireland including the existing base of enterprises in this space and a growing base of relevant publically funded research activity.

Future Skills Demand

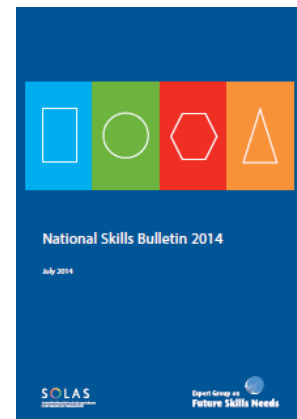
The EGFSN report forecasts a continuing strong demand for data analytics and related skills across the economy over the period 2013-2020. Under the high growth Scenario contained in the report, 21,000 potential job vacancies could arise - comprising 3,630 for deep analytical roles and 17,470 for big data savvy roles. There would also be a further 8,780 potential job openings for supporting technology staff - already included within the demand forecast numbers for ICT professionals in the EGFSN report on *Addressing Future Demand for High-Level ICT Skills*. Companies envisage that they will continue to need to recruit both experienced individuals and new graduates in these areas in the future. The EGFSN report contains a series of specific recommendations in the following areas to address gaps identified between supply and demand and to build up the big data and analytics talent through domestic graduate output, continuing professional development within industry, and, where necessary, attraction of talent from abroad including expatriate talent:

- Building up the supply of analytics talent
- Nurturing analytics talent within industry
- Enhancing the employability of graduates and delivering relevant skills
- Appealing to the broadest possible talent pool
- Inspiring the next generation of analytics talent and
- Unlocking the potential of big data and analytics in the public sector.



National Skills Bulletin 2014

The National Skills Bulletin 2014, published in July 2014, is the tenth in an annual series of reports produced by the Skills and Labour Market Research Unit in SOLAS on behalf of the EGFSN. The Bulletin through providing a statistical record of the labour market situation at occupational level and by identifying occupations where shortages exist, assists policy formulation in the areas of employment, education/training, immigration and career guidance.



Labour Market Overview

Improvements in the labour market were evident in 2013. In 2013, the labour force averaged just over 2.16 million, which is an increase of almost 10,000 when compared to the average for 2012. The participation rate increased by 0.3 percentage points to 60.2%, which is the first increase since 2007. Further increases in the labour force are expected for 2014 and 2015, reaching almost 2.20 million by 2015.

Employment increased by 43,300 and the employment rate by 1.4 percentage points to 60.5%. Unemployment levels declined by almost 34,000; there were also declines in the unemployment rate (to 13.1%) and the long term unemployment rate. Redundancies declined from 33,072 to 13,628.

However, a number of issues persist. In quarter 4 2013, the unemployment rate continued to be high for certain segments of the labour market (e.g. persons previously employed in construction (30%), persons aged under 25 (19%), persons holding less than higher secondary education (18%), elementary occupations (15%). Also, while there was a decline in net outward migration between 2012 and 2013 (of 1,300), the net number of Irish emigrants increased.

Skills Shortages

The Bulletin provides employment profiles for over 130 occupations. Shortages are occurring across occupations, although they continue to be confined to niche skill areas and in most instances remain of low magnitude. Skills shortages have been identified in the areas of ICT, science, engineering, sales, marketing, business, finance and healthcare, with signs of shortages emerging in areas related to logistics, manufacturing and surveyors in the construction sector.

Sourcing of Skills from Outside the European Economic Area (EEA)

During 2013, employers continued to source skills from outside the EEA; there were approximately 3,000 new employment permits issued - an increase of 3% on 2012, but a decline of 16% on 2009. ICT Employment permits in 2013 accounted for over a half of all new permits issued, while services and healthcare accounted for approximately 10% each.



Monitoring Ireland's Skills Supply - Trends in Education and Training Outputs 2014

Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2014 is the ninth in a series of annual publications produced by the Skills and Labour Market Research Unit in SOLAS on behalf of the EGFSN. The aim of this series of reports is to provide a comprehensive overview of the inflows and outflows from Ireland's education and training system according to qualification level and field of learning.



Junior Certificate

At almost 60,000 in 2013, the number of Junior Certificate sits increased by 2% compared to 2012. There were increases in the higher level participation rates for all subjects in 2013 when compared to 2009, particularly for business studies, science, mathematics and French. 2013 was the first year in which higher level participation in mathematics exceeded 50%. When compared to quarter 4 2009, the early school leaving rate declined by more than four percentage points (from 12.6% down to 8.4%).

Leaving Certificate

At just over 55,500 sits, the number of students who sat the Leaving Certificate in 2013 was broadly in line with that of 2012. Just over one quarter (26%) of all those who sat mathematics, took the higher level paper, a three percentage point rise on the number of higher level sits in 2012. The uptake rate for foreign languages was less than 50% in all cases; French was by far the most popular foreign language with a 48% uptake rate, followed by German (13%) and Spanish (9%).

Further Education and Training

There were almost 154,600 award holders in 2013, representing a 9% decline when compared to 2012. The three most popular fields of learning were education and health (e.g. healthcare support), general studies (e.g. communications), and services (e.g. first aid). Combined, these three fields of learning accounted for 58% of all QQI awards in FET.

Higher Education Graduates

There were 43,600 graduates at levels 6-8 in 2012, an overall increase of 6% on the previous year and 9% since 2008. With graduation rates of 22% (higher certificate/ordinary bachelor degree level) and 43.1% (honours bachelor degree level) in 2011, Ireland ranks well above the OECD averages (11% and 38.9% respectively) in terms of graduate output at undergraduate level.

Education Attainment of the Adult Population

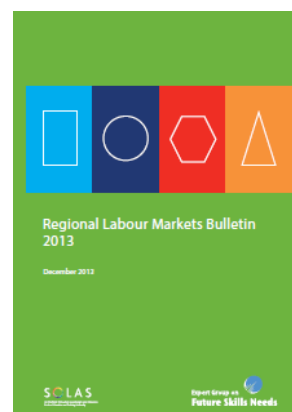
Of the total adult population (aged 25-64 years) in Ireland in quarter 4 2013, 42% held third level qualifications. At the other end of the skills spectrum, 21% held at most a Junior Certificate or equivalent. In general, younger age cohorts tend to be more highly qualified than older age cohorts. With 54% of those aged 30-34 years holding third level qualifications, Ireland is well ahead of the EU 2020 target which aims to have 40% of this cohort completing third level education.



Regional Labour Markets Bulletin 2014

The Regional Labour Markets Bulletin 2014 provides an overview of the Irish labour market at regional level (for each of Ireland's eight administrative regions: Border, Dublin, Mid-East, Midland, Mid-West, South-East, South-West and West) with the objective of supporting the decision making process in the areas of education and training provision, labour market policies and career guidance. The Regional Labour Markets Bulletin is used by policy makers and those in the regions engaged in meeting employer and learner needs and those involved in the development of the Regional Strategies.

The report shows that some similarities exist across regions, such as the type of vacancies advertised through the public employment services and certain elements of the profile of job seekers. There are differences across regional labour markets, such as the contribution of agriculture, low tech or high tech manufacturing, and knowledge intensive services to regional employment, unemployment rates, labour force participation rates, and the share of high skilled employment.



Some Key Findings

Employment (in quarter 4 2013)

Dublin and the West regions had the highest employment rates at 64.6% and 63.6% respectively, whereas the Border region had the lowest rate, at 56.1%. The Mid East region had the highest labour force participation rate, at 63.3%, while the Border region, at 55.2%, had the lowest.

Unemployment (in quarter 4 2013)

The highest unemployment rates were observed in the South-East region (15.5%), the Midland region (13.7%) and the Border region (13.5%); the lowest rates were observed in Dublin (10%), the South-West (10.2%) and Mid-West region (10.7%). The largest share of unemployed persons had previously been employed in either skilled trades or elementary occupations across all regions; however there were a considerable number of people, especially youths, who had no previous occupation, reflecting the difficulties which some people experience entering employment.

Active Enterprises (in 2012)

Small and medium sized enterprises (SMEs) accounted for 99.7% of the total enterprise population in the State and for 68% of total persons engaged. In terms of economic output Dublin accounted for 41% of the State's total output in 2011; it also had the highest output per person, whereas the Border and Midland regions had the lowest. Dublin accounted for more than four fifths of all medium to large financial and insurance enterprises operating in the State, two thirds of medium to large in telecommunications, computing and related activities, and two-in-five in industry, and three-in-five in business activities. The wholesale and retail sector accounted for the largest share of active enterprises in most regions; the ICT and manufacturing sectors each accounted for 6% of all active enterprises in the private business economy in the State, while professional activities accounted for 16% of all active enterprises.

Vacancy Overview 2013

The Vacancy Overview is an annual series of reports which examines the demand for labour and skills in Ireland by examining advertised job vacancies, from two sources, the Public Employment Service (DSP Jobs Ireland) and a private recruitment agency (IrishJobs.ie).

Approximately 5,300 vacancies were advertised each month on average through the Department of Social Protection (DSP) Jobs Ireland in 2013 and approximately 2,300 vacancies on average through the IrishJobs.ie. This is broadly in line with the previous year.



Key Findings

- **Occupations**
 - In 2013, DSP Jobs Ireland vacancies were primarily in elementary, personal service and associate professional occupations (combined accounting for over a half of all notified vacancies). The occupations which appeared most frequently were: care workers and home carers; business sales executives; security guards; kitchen and catering assistants; chefs; salespersons and credit agents.
 - IrishJobs.ie vacancies in 2013 were mainly in the areas of professionals and associate professionals. When examined by occupation title the following appeared most frequently: IT professionals; Sales, marketing and related associate professionals; Business, finance and related associate professionals; Business, research and administrative professionals; Administrative occupations; Engineering professionals.
- **Education/ experience required:** Vacancies for professional occupations were by far the most likely to require a third level degree qualification while administrative vacancies had the highest share of persons requiring a part or full professional qualification (in financial and accounting roles). Sales/customer service positions had the highest share of vacancies with no minimum level of either education or experience required; managerial vacancies were most likely to request a minimum of two to six years' experience.
- **Skills:** Demand for language skills persisted particularly for associate professional positions (e.g. business sales executives). German was the most frequently mentioned language required, followed by French, Italian, and Dutch.
- **Difficult to fill vacancies:** The highest share of mentions of difficult to fill vacancies was for professional posts (in IT, engineering, science, health, business and limited openings in construction), as well as multilingual sales and multilingual customer care roles.
- **Employment permits:** the number of new employment permits issued between 2010 and 2013 declined by 19% from almost 3,800 to just over 3,000. This decline was not evenly distributed across sectors with a fall in the number of permits issued in sectors such as services, health and catering, whereas the share of permits issued to the IT sector grew from 18% in 2010 to 52% in 2013.
- **Job announcements:** Job creation announcements in the media were mostly for IT professionals and sales related occupations, followed by operative and associate professional positions.



Other Activities & Policy Inputs by the EGFSN in 2014

Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise - Springboard 2014 Call

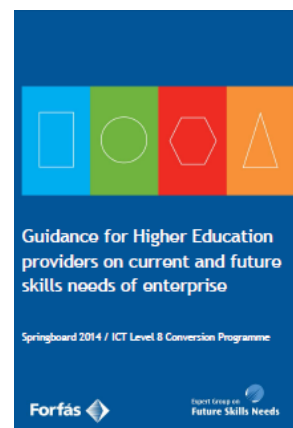
In 2014 the EGFSN again provided the document, *Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise*, to accompany the Higher Education Authority's call for proposals under the Springboard labour market initiative.

Springboard is a multi-annual fund which provides free part-time higher education courses, to assist the unemployed and previously self-employed to upskill or reskill in areas of current and future skills need. A key objective of Springboard is to enhance collaboration and engagement between the enterprise sector and higher education providers in the design and delivery of programmes to support job creation and expansion in line with the Government's Action Plans For Jobs.

The accompanying document was developed by the EGFSN to provide guidance for providers tendering for higher education places for job seekers through the Springboard 2014 Call. The document gathers together the most recently available data concerning higher education level skills needs for enterprise suitable for the Springboard/Level 8 ICT Conversion Programme. It is a synthesis of the data from recent reports published by the EGFSN and consultations with industry bodies and the enterprise development agencies.

The skills needs of enterprise prioritised for the 2014 Call were as follows:

- 1 High-Level ICT Skills needs - All Sectors
- 2 Manufacturing
- 3 Skills to Trade Internationally - International Sales and Customer Sales/Service Support with Foreign Languages to a business proficiency level
- 4 International Financial Services
- 5 Cross Enterprise Skills Needs - Entrepreneurial Skills, Skills for Creativity and Design, Business and Finance Skills, Core Management Skills, Soft Skills
- 6 Construction Skills





Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise - Springboard 2015 Call

The EGFSN also provided the Guidance document which accompanied the Springboard 2015 Call issued by the Higher Education Authority on 28th January 2015. The areas prioritised in the Guidance document based on EGFSN research on identified skills needs of enterprise, were as follows:

- 1 High-level ICT Skills for the ICT Sector and across all sectors
- 2 Big Data & Analytics skills
- 3 Skills for Manufacturing
- 4 Skills to Trade Internationally across all sectors
- 5 Skills for International Financial Services
- 6 Construction Skills
- 7 Entrepreneurship across all sectors
- 8 Creativity, Design & Innovation across all sectors
- 9 Freight Transport, Distribution and Logistics
- 10 Cross Enterprise Skills including management skills, communications and problem-solving skills.

Submission to Department Education and Skills Foreign Language in Education Strategy

Following the EGFSN publication on the *Key Skills for Enterprises to Trade Internationally* in 2012 and as part of the Government's Action Plan for Jobs 2014, the Department of Education and Skills committed to developing and publishing a foreign languages strategy. In August 2014 the Minister for Education and Skills issued a a consultation process inviting stakeholders to submit proposals to input into the strategy's development.

The EGFSN made a submission to the consultation process outlining the importance of foreign language capability and cultural awareness to enable enterprises to compete in an increasingly global market place. The submission contained specific recommendations focused on the education sector around the development of a National Foreign Language Education Policy, scaling up the supply of modern foreign language skills being taught at third level, alignment of foreign language proficiency with the Common European Framework of Reference for languages and increasing placements and internships within companies operating in overseas markets where English is not the first language.

The submission highlighted the importance of contextualising the language learning that takes place as a component of a business or STEM courses, to include business related texts and case studies rather than mainly literature texts.

The submission also called for enterprise to communicate a message to students, parents and teachers that foreign language proficiency and cultural awareness are essential skillsets for rewarding employment opportunities within their companies.



National Skills Database

The National Skills Database (NSD), developed and maintained by the Skills and Labour Market Research Unit (SLMRU) of SOLAS, collates all available information on the supply and demand of skills in Ireland. It represents an effective tool for timely analysis and forecasting of the labour market at sectoral and occupational level. Potential imbalances between the demand and supply of skills can be assessed using the wide range of indicators gathered in the NSD.

During 2014 the NSD was updated to include the latest statistics and information on the following:

- Employment
- Education and training output
- Immigrant labour force
- Notified job vacancies (for example: The Irish Times, Irish Jobs.ie, JobsIreland.ie)
- Labour force forecasting model
- Occupational employment forecasting models
- Recruitment agency survey (SLMRU).

These data were used throughout the EGFSN sectoral and occupational reports in forecasts of future demand.



Implementation of Recommendations in EGFSN Reports

Ongoing monitoring of progress on implementation of recommendations, including a review of sectoral studies after completion, is undertaken by the EGFSN. Sectoral reports are widely disseminated to stakeholders. Those identified with the responsibility of implementing the recommendations are formally notified and invited to inform the EGFSN six months after publication of the report of progress on implementation.

Data Analytics

The EGFSN report *Assessing the demand for Big Data and analytics Skills 2013 - 2020*, published in May 2014, forecasts a continuing strong demand for data analytics and related skills across the economy over the period 2013-2020 and estimates that Ireland has the potential to create between 12,750 and 21,000 job vacancies by 2020, arising through expansion and replacement demand.

The EGFSN report focused on three categories of data analytics skills: Deep analytical talent, Big data savvy roles, and Supporting technology skills.

Following the publication of the EGFSN report, Data Analytics programmes in areas identified by the EGFSN as in demand were included in the Springboard 2015 Call for Programmes issued by the Higher Education Authority on 28th January 2015.

The development of a portal to attract international ICT and data analytics talent, as recommended in the EGFSN ICT Skills report published in 2013, is also underway as part of the ICT Skills Action Plan 2014.

ICT Skills

The 2013 EGFSN report *Addressing Future Demand for High-Level ICT Skills* forecast continuing strong demand from employers for people with high level ICT skills across the economy leading to 44,500 new job openings arising from expansion and replacement demand up to 2018.

In a direct response to the identified high-level ICT Skills shortages in the report, the Irish Government in 2012 launched the *ICT Skills Action Plan*, which was subsequently updated in 2014. The Government's has set a target of meeting 74% of the ICT skills demand from domestic supply by 2018. One of the key measures of the Action Plan 2014 was the competitive call issued in 2014 for 1,250 extra ICT places on master programmes. Difficulties were experienced in filling these places and a second call was issued.

Awareness raising among CAO applicants regarding the ICT employment opportunities is a key issue. There is an industry-led group with ICT Ireland set up to coordinate business participation in Science Foundation Ireland's Smart Futures in schools and to engage in a wide range of practical initiatives to inform school leavers and parents.



Dissemination of Future Skills Needs of Enterprise and Other Labour Market Information

During 2014, the EGFSN continued to engage with stakeholders to ensure that key labour market information was disseminated to all relevant parties. The Chairperson and Secretariat presented on a wide range of labour market issues and participated at conferences and fora throughout the year, including: Irish Institute of Training and Development Seminar, Association for Higher Education Careers Services Biennial Conference, Impact Education Seminar, Meath Economic Forum, Cork Chamber's Thought Leader's Council, Trinity Economic Forum panel discussion on 3rd level, Cork City Local Employment Service, Kerry ETB, County Louth Economic Development Committee and National Association of Principals and Deputy Principals Further Education Conference.

In addition, the Group's output continues to be disseminated to guidance counsellors, students (secondary level, further education and training, and higher education), parents and teachers, through the targeted websites such as CareersPortal, Qualifax and the Institute of Guidance Counsellors to inform their target audiences.

All published reports by the EGFSN are made available on the website www.skillsireland.ie. Brief presentations, which provide an overview of key findings, are made available alongside reports on the EGFSN website. Printed reports are circulated to mailing list subscribers and an e-alerts system is also in place to electronically distribute the group's reports.

The EGFSN continues to contribute advancing skills issues through participation on a number of groups including the Department of Education and Skills' Project Maths Implementation Support Group, Science Foundation Ireland's Discover Smart Futures Advisory Group, the Third Level Computing Forum, High Level Implementation Group for the ICT Skills Action Plan, Evaluation Committee for Springboard, and the Pathways to Work Inter-Departmental Programme Board.

Engagement with Higher Education Institutions

The EGFSN engaged in 2014 in consultations with Higher Education Institutions (HEIs) to develop a process of ongoing deeper engagement on key areas of future skills needs of enterprise, as identified by the EGFSN with industry in its reports and recommendations.

The consultation process included a series of in-depth consultations via structured face-to-face interviews and workshops with key stakeholders within the Higher Education Sector in Ireland.

The aim of the process is to ensure enhanced collaboration in creating awareness of the skills and competencies required by enterprise with a view to further enhancing higher education graduate talent.

The roll out of the process of deeper engagement will be undertaken during 2015.



Progress on the 2007 National Skills Strategy 2020 targets

Currently the EGFSN Secretariat is working with the Department of Education and Skills on a new National Skills Strategy to be published by Q3 2015.

The EGFSN is mandated, by the Department of Education and Skills, to report annually on progress made on reaching the targets set out in the 2007 National Skills Strategy for 2020.

The key proposals in the National Skills Strategy (NSS) for 2020 are that:

- **48 per cent** of the labour force should have qualifications at National Framework of Qualifications (NFQ) levels 6-10 - i.e. from higher/advanced certificate to PhD level;
- **45 per cent** should have qualifications at NFQ levels 4 and 5¹ - Awards equivalent to higher secondary level education; and
- The remaining **7 per cent** are likely to have qualifications at NFQ levels 1 to 3 (equivalent or below Junior Certificate) while aiming to make the transition to higher levels of educational attainment.

In order to achieve these objectives, action is required at a number of levels:

- An additional 500,000 individuals within the workforce will need to progress by at least one level on the NFQ. More specifically, the targets will entail up-skilling 70,000 from NFQ levels 1 & 2 to level 3; 260,000 up to levels 4 & 5; and 170,000 to levels 6 to 10.
- The proportion of the population aged 20-24 with NFQ level 4 or 5 awards should be increased to 94 per cent, either through completion of the Leaving Certificate or through equivalent, more vocationally oriented programmes. The retention rate at Leaving Certificate should reach 90 per cent by 2020.
- The progression rate to third level education will have to increase from 55 to 72 per cent.

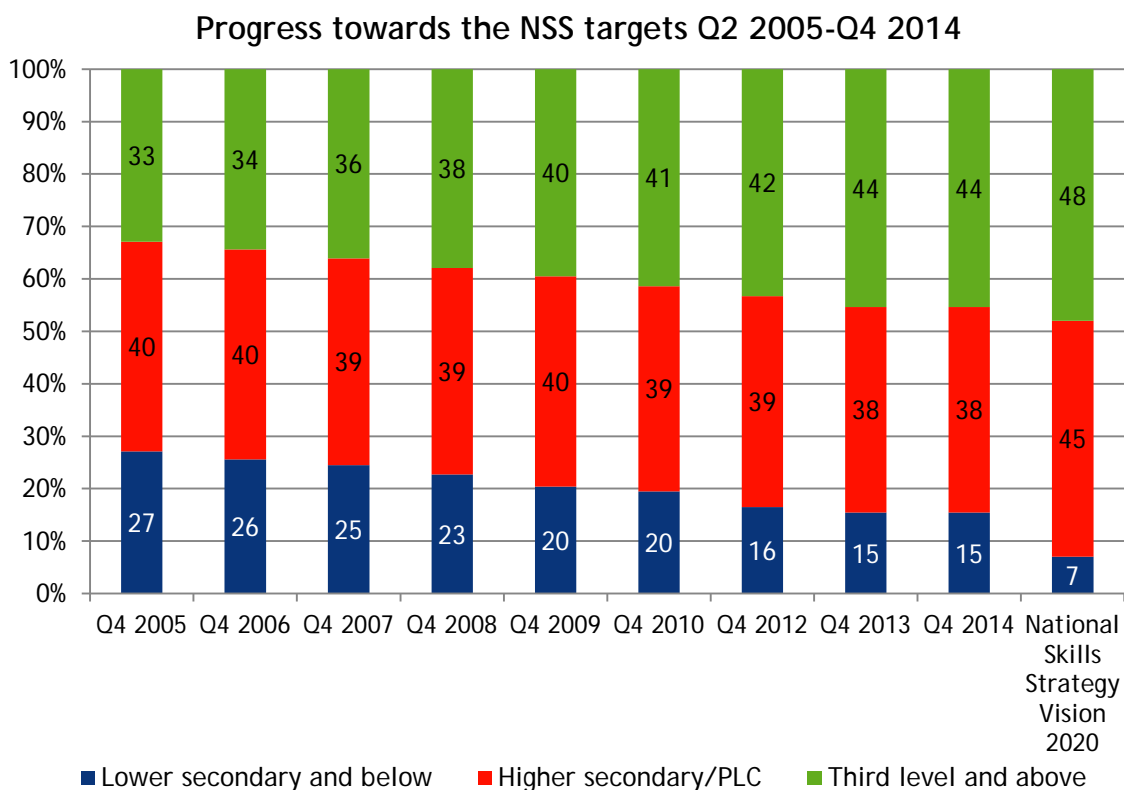
Progress on headline targets

Ireland continues to make progress towards achieving the National Skills Strategy (NSS) targets. Latest statistics show that 44% of the labour force hold third level qualifications while 38% have obtained higher secondary/Further Education and Training qualifications. The proportion of those holding lower secondary or below equates to 15%.

¹ It should be noted that the CSO education data for post Leaving Certificate (PLC) education level also includes some qualifications placed at NFQ Level 6.



Figure 1 Labour Force by Educational Attainment and NSS Target



Source: CSO Quarterly National Household Survey

The percentage of those in the labour force with Higher Education qualifications (NFQ Levels 6-10) has increased from 33% in Q4 2005 to 44% in Q4 2014. Specifically, there are approximately 264,000 more people in the labour force in Q4 2014 with Higher Education Level qualifications than there were in Q4 2005.

In relation to Levels 4 & 5 (Higher Secondary including Leaving Certificate), the percentage rate in Q4 2014 stands at 38%, a decline of 2% on the Q4 2005 figure of 40%. In absolute terms, the number of those within the labour force with Higher Secondary education has increased by around 3,500 since Q4 2005, however there remains a challenge in closing the gap with the National Skills Strategy target at these levels.

At Junior Certificate and below the percentage of the labour force at these levels has declined from 27% in Q4 2005 to 15% in Q4 2014. In numerical terms, there over 220,000 less people in the Labour Force with only a Junior Cert qualification or below compared with 2005. An element of the decline is attributable to people moving up to higher National Framework of Qualifications levels. Other factors include retirement from the labour force of older cohorts with lower qualification levels, and declining participation rates amongst those at these lower qualification levels.



The percentage of the population aged 20-24 with at least Higher Secondary or equivalent level education increased from 86% in 2005 to 93% by Q4 2014. The 2020 target for this cohort is 94%.

In terms of progression and retention rates, the share of early school leavers in Ireland declined to 8.4% in 2013, from a rate of 12.5% in 2005². Of the total cohort of students who entered first year of second level in 2008, 90.6% went on to complete the Leaving Certificate examination.

The following table summarises progress in each of the headline National Skills Strategy targets.

Progress towards achieving the National Skills Strategy targets				
NSS Target	National Skills Strategy Baseline ³	Current Position	Progress	Data source
▪ 48 % of Labour Force at levels 6-10	33 %	44%	+11 %	CSO QNHS Q4 2014
▪ 45 % of Labour Force at levels 4-5	40 %	38%	-2%	CSO QNHS Q4 2014
▪ 7 % will be at levels 1-3	27 %	15%	+12 %	CSO QNHS Q4 2014
▪ 94% of 20-24 population should have at least NFQ Levels 4/5	86%	93% ⁴	+7%	SLMRU, SOLAS analysis based on CSO Q4 QNHS data
▪ The retention rate at Leaving Certificate should reach 90 % by 2020.	81%	90.6 %	+9.6 %	Department of Education
▪ The progression rate to Third Level should increase to 72%	55%	69%	+14%	Higher Education Authority (HEA) ⁵

Upskilling 500,000 people within the Labour Force

At present, there is no data available which shows whether a person has moved up the National Framework of Qualifications in a given year. The most appropriate measurement of progress towards the National Skills Strategy target is by the CSO Quarterly National Household Survey data on educational attainment presented previously, which reflects the output of education and training activity in the State.

Within the NSS targets the level of awards is outlined in the following sections.

² Source: Department of Education and Skills Retention Rate of Pupils in Second Level Schools 2008 Cohort, published February 2015

³ NFQ Profile of the Labour Force Targets are measured from a baseline year of Q2 2005.

The 94 per cent target for 20-24 year olds is from a baseline year of 2005

The retention rate target is from a baseline year of 1996

The progression rate target is from a baseline year of 2004

⁴ Excludes individuals who did not state their level of educational attainment

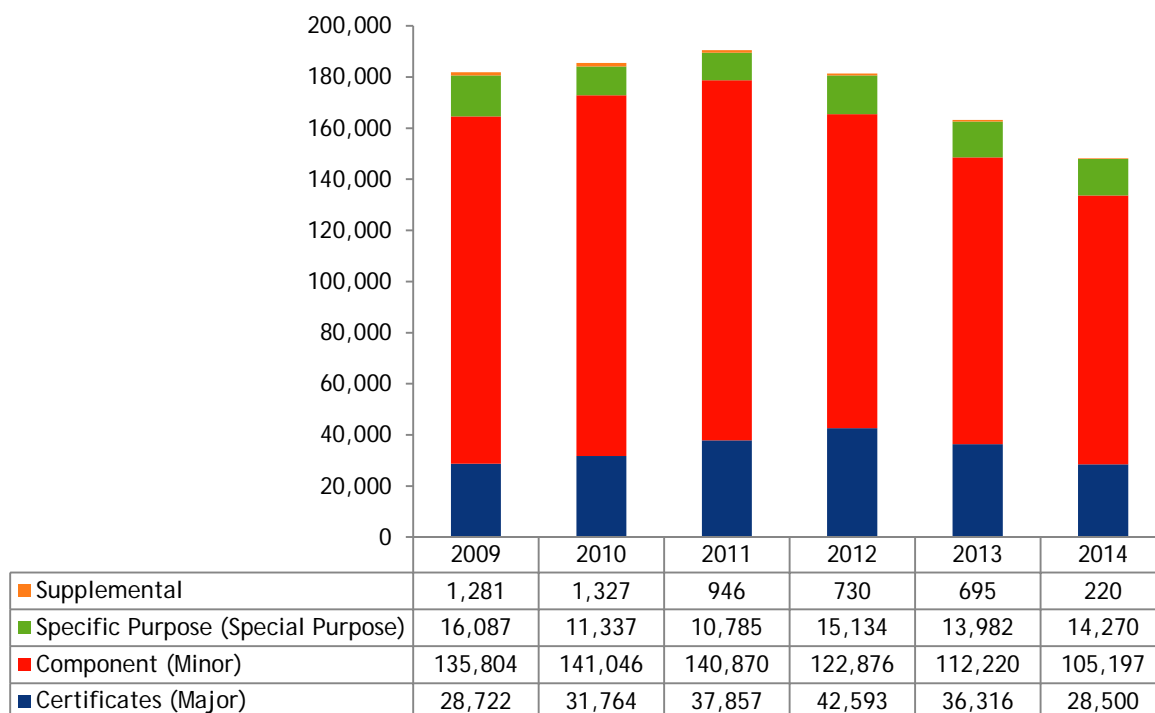
⁵ Excludes international students, encompasses new entrants of all ages (i.e. includes mature students)



Further Education and Training

The number of QQI award holders⁶ in 2014 totalled just over 141,076. This figure represents a 9% decrease (or 22,137 fewer learners) when compared to the previous year. In 2014 there were declines in the number of major award holders, minor award holders and supplemental award holders while there was an increase of just over 200 in the number of specific purpose awards holders.

Figure 2 QQI/FETAC Award Holders by Type of Award 2009-2014



Source: QQI

In 2014, there were 28,500 FET major awards, the breakdown of award levels is set out in the table below.

Further Education and Training Major Awards 2009-2014, NFO Levels

	Level 1	Level 2	Level 3	Level 4	Level 5	Level 6	Total
2009	72	194	2,499	1,674	17,438	6,895	28,772
2010	170	281	2,602	1,373	20,504	6,834	31,764
2011	264	539	3,428	1,180	23,485	8,961	37,857
2012	314	666	1,080	2,246	26,666	11,621	42,593
2013	363	894	2,023	1,066	24,557	7,413	36,316
2014	463	1253	2,592	1,989	17,464	4,739	28,500

Source: QQI

⁶ Note, the total award holders figure is not the sum of the four award types holders shown above as some people achieve awards of more than one award type, e.g. a major award and a minor award.

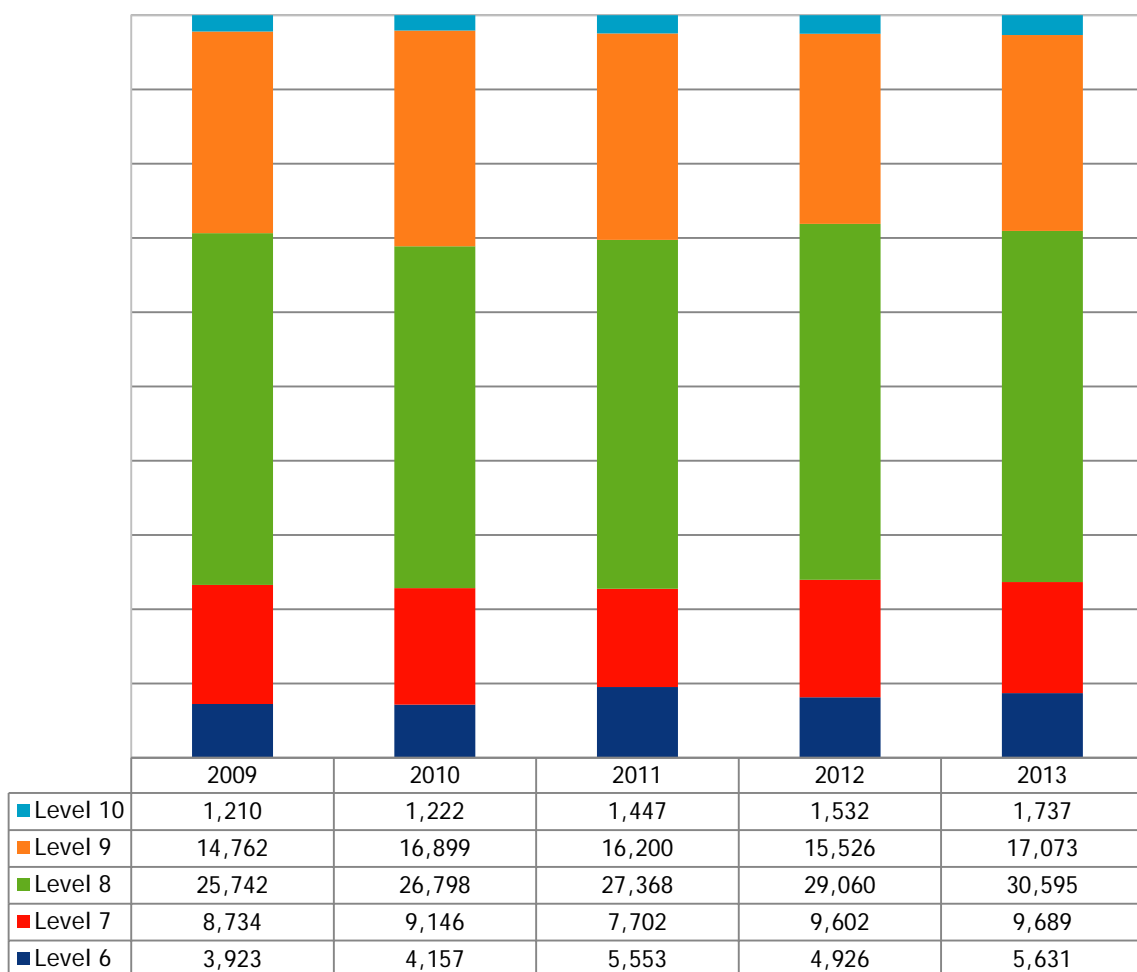


Higher Education

Graduate output in 2013 was 64,725⁷, an increase of 7% on the previous year. There were 45,915 graduates at levels 6-8 in 2013, an increase of 5% on the previous year. At levels 9 and 10 there were 18,810 graduates in 2013, an increase of 9% on 2012 output.

Overall graduation numbers have risen by 12% since 2009. Between 2009 and 2013 numbers graduating at levels 6-8 increased by 14%, with levels 9-10 increasing by 9% over the 5 year period.

Figure 3 Graduate output from HEA Higher Education Institutes* 2009-2013, by NQF Level



Source: HEA

**Data does not include awards made at independent, private third level colleges in Ireland.*

⁷ Includes distance and e-learning.



Forthcoming EGFSN Publications

Assessing the Skills Demand for the Hospitality Sector in Ireland to 2020

Additional employment opportunities exist in the Hospitality sector for those with the right skillsets. The EGFSN is undertaking research focused on identifying workforce skills and competency requirements for the Hospitality sector in Ireland (hotels, restaurants, bars, canteens and catering) across a range of occupations (including managers, receptionists, bar staff, chefs, waiters/waitresses, housekeepers and porters) up to 2020 and actions to ensure the availability of the right skill base to help drive growth of the domestic Hospitality Sector.

It is anticipated this report will be available in mid 2015.

The National Skills Bulletin 2015

Produced annually by the Skills and Labour Market Research Unit in SOLAS, the National Skills Bulletin provides an overview of employment trends and demand for skills in Ireland. The Bulletin draws on data on employment, vacancies, job announcements and immigration and other qualitative information held in the National Skills Database, to identify imbalances in the Irish labour market at occupational level.

The next edition of the National Skills Bulletin is scheduled for publication in mid-2015.

Monitoring Ireland's Skill Supply: Trends in Education and Training Output 2015

Undertaken annually by the Skills and Labour Market Research Unit of SOLAS on behalf of the EGFSN, this report examines the numbers of students entering and leaving the education/training system in Ireland and reports on:

- The demographic profile of the school age population
- Junior and leaving cert trends
- Further education and training awards
- Higher education trends
- Where graduates go
- Adult lifelong learning participants

It is envisaged that the next edition of the report will be published in mid-2015.

Regional Labour Markets Bulletin 2015

The Regional Labour Markets Bulletin is produced annually by the Skills and Labour Market Research Unit in SOLAS on behalf of the EGFSN. It provides an overview of the Irish labour market at regional level, by supplying an analysis of the key labour market indicators for each of Ireland's eight administrative regions: Border, Dublin, Mid East, Midland, Mid West, South East, South West and West.

It is envisaged that the next edition of the report will be published in mid-2015.



Appendix 1: Publications by the Expert Group on Future Skills Needs (2012 - 2015)

Report	Publication Date
Addressing the Demand for Skills in the Freight Transport, Distribution and Logistics Sector in Ireland 2015 - 2020	February 2015
Regional Labour Markets Bulletin 2014	September 2014
Monitoring Ireland's Skills Supply - Trends in Education and Training Outputs 2014	August 2014
National Skills Bulletin 2014	July 2014
Vacancy Overview 2013	May 2014
Assessing the Demand for Big Data and Analytics Skills, 2013 - 2020	May 2014
The Expert Group on Future Skills Needs Statement of Activity 2013	April 2014
Regional Labour Markets Bulletin 2013	March 2014
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2014	February 2014
Addressing Future Demand for High-Level ICT Skills	November 2013
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2013	July 2013
National Skills Bulletin 2013	July 2013
Future Skills Requirements of the Manufacturing Sector to 2020	April 2013
The Expert Group on Future Skills Needs Statement of Activity 2012	April 2013
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise: Springboard 2013	February 2013
Vacancy Overview 2012	February 2013
Regional Labour Markets Bulletin 2012	January 2013
Monitoring Ireland's Skills Supply: Trends in Education and Training Outputs 2012	July 2012
National Skills Bulletin 2012	July 2012
Key Skills for Enterprise to Trade Internationally	June 2012
EGFSN Statement of Activity 2011	April 2012
Vacancy Overview 2011	February 2012
Guidance for Higher Education Providers on Current and Future Skills Needs of Enterprise <i>(Forfás report based on EGFSN identified future skills needs)</i>	February 2012
Addressing High-Level ICT Skills Recruitment Needs: Research Findings	January 2012

Expert Group on Future Skills Needs

c/o Department of Jobs, Enterprise and Innovation
Kildare Street
Dublin 2

Tel: +353 1 631 2881

Email: info@skillsireland.ie

Website: www.skillsireland.ie