

InfoBrief Blue Economy

November 2018



Will the sleeping giant offer youth jobs?

Kenya's Blue Economy

The focus on the blue economy as the country's next frontier of economic growth in Kenya will only yield the desired results if maritime training and education is fully incorporated in the ongoing development of an Integrated Maritime Transport Policy, industry experts warn.

Although the country's maritime industry has recorded tremendous growth in the recent years, maritime

training and education has failed to keep the pace, denying the country an opportunity to fully exploit the existing potential and create jobs for the youth.

With Kenya's territorial waters covering 230,000 square kilometers with a distance of 200 nautical miles offshore and 10,700 square Kilometres of inland waters, the Kenya's maritime industry has a huge potential to transform the economy.

Activity supported by the
Canada Fund for Local Initiatives

Activité réalisée avec l'appui du
Fonds canadien d'initiatives locales

Canada

Maritime training

Mr. Robert Watene, the chairman of the Institute of Chartered Shipbrokers (ICS) East Africa Branch with offices in Mombasa said that the current status of training in the country poses great danger even as the country seeks to tap resources offered by the blue economy. The institute, headquartered in United Kingdom, provides relevant training programs in shipping management and operations to its members in East Africa.

Our universities, Mr Watene said, have no curriculum on maritime related courses. Also, the country's national polytechnics do not offer maritime training and Kenyans are forced to proceed overseas to pursue degrees in maritime studies at prohibitive cost that many people cannot afford. The private institutions offering maritime training in Kenya are lacking resources, according to Mr. Watene, who is also a lecturer at Bandari College.

The government has earmarked the port training department, Bandari College, as a maritime training center of excellence which Mr Watene said should be fast tracked. Laxity in our universities, he said, is the main reason why the maritime industry has not performed maximally.

"For many years, our universities never bothered to conduct research related to maritime industry and for the same reason have not developed training programs to build capacity for the same," Mr Watene said.

The universities that are currently involved in maritime education are dealing with marine engineering. Jomo Kenyatta University of Agriculture and Technology (JKUAT), Moi University as well as Technical University of Mombasa have been offering the degree in marine engineering, but they have not yet developed other courses relevant to the maritime industry, according to Mr Watene.

"Today, there are degree and diploma programs for marine engineering being offered in some universities but the quality of the same is wanting because of lack of well qualified lecturers and instructors," Mr. Watene said.

Contribution to Economic Growth

Appreciating the human resource needs for the realization of the maritime sector contribution to the economic growth, the Kenya Maritime Authority (KMA) has in the recent years partnered with stakeholders in education sector and initiated a number of programmes to promote maritime training and education in the country. This, according to Mr Watene, needs more support from all the other stakeholders in the industry to bring the desired results.

For instance, KMA has already developed the Maritime Transport Logistics curriculum that is being examined by the Kenya National Examination Council (KNEC) at diploma level.

"The shortcoming with this diploma is that it is designed using KNEC standards where a lot of content is irrelevant to the maritime industry with KNEC lacking the capacity to examine this program effectively," Mr Watene added.

“There is need to identify resources and focus on youth engagement in developing sustainable programmes to hire them in the blue Economy”

Need for robust policies and investments

Also contributing to the poor performance of maritime training and education is lack of strong supportive policies over the years. There are 22 agencies overseeing the maritime sector in the country today and do not work closely, affecting the overall performance of the industry.

"It was found out that the sector has many pockets of policies developed without consultation leading to duplication and waste of resources," Mrs Nancy Karigithu, the principal secretary in the Department of Shipping and Maritime Affairs told a team of experts that met in Mombasa mid this year to help in the ongoing development of an Integrated Maritime Transport Policy.

As a result of the poor investments in the industry by Kenyans, the industry is currently dominated by foreign players, with Kenya exporting over Sh 200 billion for her maritime transport alone, according to industry estimates.

Mr Silvester Kututa, the managing director of the Express Shipping & Logistics (EA) Ltd who is also the vice chairman of the Kenya Ships Agents Association

(KSAA) said that Kenya must train more of its workforce by offering internship, apprenticeship and employment to young generation to grow the industry.

He said that the country lacks enough experienced workforce on many onshore and offshore activities such as oil drilling that needs specific training to be passed on to generations.

"There is great need to involve all the industry players in order to develop an inclusive policy that can address all our challenges," Mr. Kututa said, adding that there are many low lying fruits that the country has refused to pluck such as creating landing sites in Mombasa, Malindi, Kilifi and Lamu to exploit water as a cargo and passengers transport mode.

"We do not have cargo ships, which is a common mode of transport in Europe and Asia" he said, adding that this has the potential of creating jobs for the seafarers the country is training.



Expertise & innovation

Since 14th May 2010 when Kenya joined a list of International Maritime Organization (IMO) member countries who were given “full and complete effect” to the provisions of the Standard of Training Certification and Watchkeeping (SCTW) Convention and Code, the country's has trained many seafarers.

By Joining IMO ‘white list’ as is popularly known, Kenya gained capacity to train seafarers who can work in foreign going vessels. However, most of them are of low cadre meant to do manual jobs in the ships, according to Mr. Watene.

Despite the fact that 92 percent of Kenya's international trade is conducted on the sea, the country does not have any commercial ships where seafarers can be offered jobs. This compares poorly to her landlocked Ethiopian neighbour, which by 2016 had 18 commercial ships, carrying government imports, earning the country US \$ 40 million annually.

We have also not kept the ship registry open. International law requires that a vessel be registered by a state whose flag it flies and is subject to regulatory control by the state that inspects it regularly, certifies the ship's equipment and crew and issues safety and pollution prevention licenses.

The benefits that accrue from vessels being registered in Africa include influencing international trade by carrying considerable amounts of global cargo, diversifying opportunities for Africa investors besides the thousands of jobs available for seamen.

While most countries in Africa operate a closed registry with stringent regulatory frameworks, open registry would provide more ship owners the chance to register their vessels. Liberia is ranked second after Panama in the world ship registry.

The Kenyan seafarers are unfortunately getting very little support from the government evidenced by the fact that the training is elementary and there is no organization that is really campaigning for placement of seafarers onboard seagoing vessels, Mr Watene observed. As a result, most of them get short contracts in fishing vessels.

Africa contributes only 8 per cent of seafarers in the world. Global shortage of seafarer in 2015 was estimated at 83,900 officers and 450,000 subordinates.

Fishing for opportunities

Another area with great potential for job creation among the youth, which has not performed impressively, also due to poor policy, is marine fishing. The subsector had an annual fish potential of 350,000 metric tonnes in 2015 worth Sh90 billion.

The region only yields less than 10,000 metric tonnes worth Sh2.3 billion. Local investors have not invested in modern fishing gear and vessels that can exploit fish and other sea foods in the high seas.

Kenyan coast is one of the preferred destinations for sport fishing. Malindi is the only place in the world that offers the best chance of catching five different billfish species in one day – broadbill swordfish, black, blue and striped marlin and sailfish – yet this potential has not been exploited.

Marine Cargo Insurance

The other area with great potential of creating jobs for the youth that needs to be fixed is on Marine Cargo Insurance (MCI). The government issued a directive in January last year that required all imports, except in specified instances, to be insured by Kenyan underwriters. This is spelt out in Section 20 of the Insurance Act, which has not been properly enforced due to lack of proper coordination between various players in the sector.

Although there was an increase on MCI premiums, which was Sh2.3billion compared to Sh 1.45billion in 2016, representing an increase of 59%, there is much to be done. Based on the value of the country's import MCI premium is estimated to be over Sh 20 billions.

Harnessing the huge potential

The blue economy can help drive Kenya's economic growth to double digits. Most importantly, if properly exploited and managed, the blue economy can create the much-needed opportunities for youth employment.

About The Youth Congress

The Youth Congress (TYC) is a youth serving Non-Governmental Organisation (NGO) providing young people in Kenya with a platform to articulate their issues, explore opportunities for youth participation and leadership to effectively address their interests and concerns and engage young people in social, economic and political development. The organization has four main programmes:

1. Research, Policy & Advocacy

The programme aims to realise meaningful participation of youth in policy-making and implementation. Its expected outputs are: improved knowledge on existing policies and their effect on the youth; one stop information centre on the state of the youth in Kenya; coordinated advocacy initiatives on youth issues; and increased youth participation in policy making and advocacy.

2. Youth & Leadership

The programme aims to realise meaningful youth participation in leadership and governance processes, and to build next generation of youth leaders with vision and values. Its expected outputs are: youth in leadership positions and processes; increased awareness and capacity of youth to engage in leadership and governance processes; and youth actively promoting ethical leadership.

3. Youth Entrepreneurship, Talent & Innovation.

The programme aims to realise an empowered youth population benefiting from available opportunities and utilizing their skills and talents for economic development. Its expected outputs are: young people equipped with entrepreneurial skills; young people linked to financial opportunities and markets; talent realization and utilization by the youth; and partnerships and alliances built to advance youth economic development.

4. Institutional Development

The programme aims to realise an effectively governed and managed organization with adequate resources to deliver its programmes. Its expected outputs are: adequate resources for smooth and effective implementation of activities; a staff complement that is competent, passionate, determined and responsive to youth values and agenda; functional partnerships and networks; and inclusive, participatory and gender responsive programmes, policies and strategies.

Contacts us:

Engyo Plaza 4th Floor
Kariobangi North- off Kamunde Road
P.O. Box 44427-00100, Nairobi, Kenya
Tel: +254 799 863696/+254 770 254 864
Email: info@theyouthcongress.org
www.theyouthcongress.org