



KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**
REPUBLIC OF SOUTH AFRICA

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DISTRICT ECONOMIC PROFILES

EThekweni Metropolitan

2021

GEOGRAPHICAL LOCATION



EThekweni Metro (ETH)

Population: 3,981,204

Area Size: 2, 556.9 Km²

EThekweni is the largest city in this province and the third-largest city in the country located along coast on eastern side.

The cosmopolitan city of Durban hosts the one of Africa's busiest Ports, is one of the leading tourism destinations due to its warm climate and extensive beaches. It holds the International Convention Centre, Moses Mabhida stadium and King Shaka International Airport.

DISTRICT SPATIAL FEATURES

→ According to the 2020/21 Metropolitan SDF, the eThekweni Municipal area has been divided into five functional municipal planning regions (MPRs), namely, the North, Central, South, and Outer West MPRs.

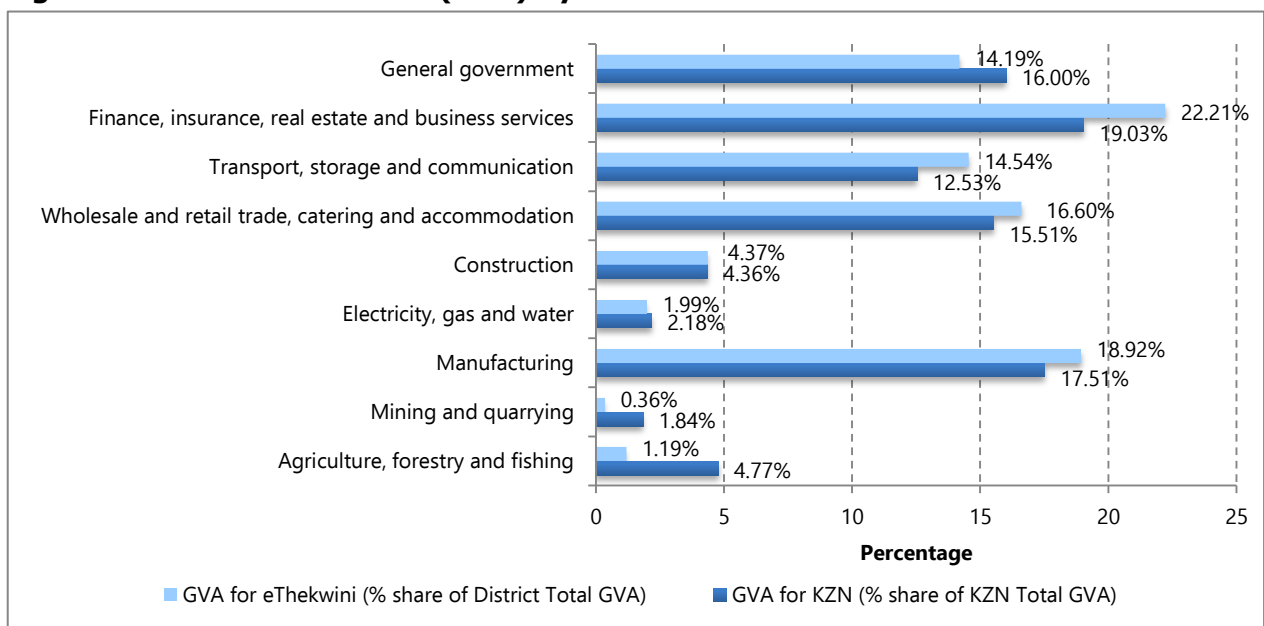
- The Northern MPR provides logistical support, has significant residential, commercial and services functions, specialises in coastal tourism and recreation, is a trade and industrial investment centre and has significant agricultural support functions.
- The Central MPR is the urban core of the metro with major economic sectors and hubs such as industrial logistics, warehousing, business, commercial, retail, financial services and tourism. It is also the largest employment generator, has significant coastal resources and service nodes and offers a range of lifestyle options.

- The Southern MPR has a large residential population, some of the province's leading economic sectors, existing coastal tourism with potential for expansion and the largest tribal areas within eThekweni.
- The Outer West MPR is an Environmental Management priority Area, provides opportunity for strategic industrial expansion and hence employment opportunities and has potential for significant tourism prospects.

- EThekweni accommodates a wide range of land uses including formal and informal, urban and rural settlements and these are complemented by economic, transport, public and social infrastructure.
- The tourism sector is mainly concentrated along the coast stretching from Umgababa in the South to Umdloti in the North, with some emphasis in the past on the Valley of the 1000 Hills and more recently the establishment of the Inanda Tourism Route.
- EThekweni has initiated a number of programmes to assist in the alleviation of food insecurity. These include the creation of dedicated structures to drive agriculture, aqua and poultry farming; soya bean project, community support farms; community gardens, mushroom vs. hydroponics project.
- eThekweni metro is un-disputably the economic powerhouse of the province since historically, the port, the airport and the location of major industries are considered the most significant spatial drivers of economic development. All of which are located with the boundaries of the metro.

DISTRICT ECONOMIC STRUCTURE AND CONTRIBUTION

Figure 1: Gross Value Added (GVA) by Sector 2019



Source: Global Insight, 2020

- EThekweni Metropolitan GVA Contribution to KZN: 54.66%
- With the exception of the Agricultural and Mining sectors, the Metro closely reflects the provincial sectoral distribution.
- EThekweni shows high level establishment in predominantly the secondary and tertiary sectors.
- The Manufacturing (18.92%); Finance, Insurance, real estate and Business services (22.21%); and Wholesale & Retail Trade (16.60%) Sectors are accountable for more than 50% of the regions higher than average development.
- The significant contribution of the Transport sector (14.54%) indicates the import role played by logistical support in the industrialised metro.

ECONOMIC DRIVERS

Manufacturing

- The Manufacturing Sector contributes almost 20% of the metro's 2019 GVA.
- Food (16%); Automotive (13%); Basic and other chemicals (8% and 7% respectively); and Paper and Paper Products (6%) are responsible for more than 50% of the manufacturing sector.

Commercial Sector

- The finance and business services sector is the largest sector in the eThekweni in terms of gross value added (22.21% of total).
- The expansion of this sector over the past decade is clearly evidenced in the extent of new office park development to the north and west of Durban, as well as the revitalisation of offices in the Durban CBD and precincts immediately adjacent thereto.
- Wholesale & Retail Trade (16.60%) is spatially distributed throughout the metropolitan area with key nodes being the Durban CBD, Tongaat, Verulam, Pinetown and Isipingo, together with the Pavilion, KwaMashu Town Centre, Bridge City, Umlazi Shopping Centre, Arbour Town and Gateway Shopping Centres as strong contributors to the decentralisation of this sector.

Transport

- Transport and communication is viewed as a significant contributor to the economy of Durban (14.54%) for a number of reasons:
 - The Port of Durban, which is Africa's busiest port and South Africa's major transportation hub.

- Established road infrastructure of which the N2 and N3 routes forms the backbone.
 - The establishment of the King Shaka International Airport and Dube Trade Port.
- No other district in KwaZulu-Natal can match the Transport capacity of eThekweni, and as such the major Transport and logistics companies continue to be attracted to the metro.

COMPARATIVE ADVANTAGES

Stable/Existing Sectors

- **Forestry and Timber production:** The district has a number of forestry plantations, particularly in the Richmond area and the industry is growing relatively steadily at 3% per annum.
- **Agriculture and Hunting:** The agricultural sector in uMgungundlovu is one of the two biggest agricultural sectors in the province. The district is blessed with highly fertile land and areas around Mooi River and Richmond are considered some of the most fruitful agricultural areas in the province. The district's agricultural output is highly divers and not reliant on single commodity; this makes the sector more resilient to change than in other districts. Various out grower programmes and experimentation with new farming techniques, aim to ensure growth in the sector and spread the economic benefits to wider communities.
- **Public Administration:** Although general government would not normally be regarded as a comparative advantage sector, the public sector's role in the district is not so much a welfare role as it is an institutional and business one. The location of the provincial capital in the district provides the district with a comparative advantage for attracting public sector business and services, as well as associated private sector business.

Threatened/Unstable Sectors

- **Clothing and textiles (footwear production):** The employment benefits of this sector are clearly illustrated in Figure 3.2 and the sector has experienced relatively healthy growth over the past 10 years. Although the sector as a whole is not revealed to be a comparative advantage by the location quotient method, there may be a niche industry comparative advantage in the production of leather products and footwear. This is confirmed by the fact that the district has the largest concentration of footwear companies in the province and also possesses some leather tanneries. While the sector as a whole is growing there are significant threats to the future of the leather and footwear industry in the district. In particular cheap labour in Lesotho has recently drawn investors away from investing in the district.

Emerging Sectors

- **Food beverages and tobacco processing:** This is a relatively large but dynamic and steadily growing (around 3%) sector. The majority of the large companies in this sector are suppliers (in the form of feed stocks) to the Agricultural sector. Other large companies in this sector are involved in sugar cane processing and dairy. The strength of the Primary Agricultural sector is such that there is much potential for the expansion of companies involved in the beneficiation of raw agricultural produce. In addition, considering that the district services a vast rural hinterland dominated by Agriculture, there are significant opportunities for the district to expand its feed stock industries. The district municipality also believes that there is further scope for the expansion of the dairy production industry.

Locational/Geographic Advantages

- **Located on Durban:** Gauteng Corridor Primary Logistics Corridor
- **Centrality:** Pietermaritzburg is at the cross roads of major access routes linking Ixopo; Underberg, with Greytown; Stanger, and as such there are multiple options for access into or out of the district.

Natural/Resource Advantages

- **Highly fertile land:** The district has an abundance of very fertile land and is considered to be one of the most productive areas for agriculture in the province.

Infrastructural Advantages

- **Major dams:** The district has no fewer than four major dams (Midmar; Nagle,, Wagendrift and Albert Falls, with another being built near Mooi River) and is the major water source for the province's most densely populated areas (including eThekweni).
- **Excellent road network:** the district is serviced by an excellent road network, primarily centred around the N3 but including the R33; R56; R617 and R103.
- **Numerous rail linkages:** The district is characterised by a developed system of rail. The main Gauteng line follows the N3 and passes through Pietermaritzburg, while the line to the Eastern Cape starts at Pietermaritzburg and runs through a number of areas in the district.