



KWAZULU-NATAL PROVINCE

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

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DISTRICT ECONOMIC PROFILES

ILembe District

2021

GEOGRAPHICAL LOCATION



Ilembe DM (DC 29)

Population: 694,540

Area Size: 3, 269.3 Km²

Situated on the eastern coast of KZN it borders the Indian Ocean.

Ilembe consists of four local municipalities located between Durban and Richards Bay: Mandeni, KwaDukuza, Maphumulo and Ndwedwe.

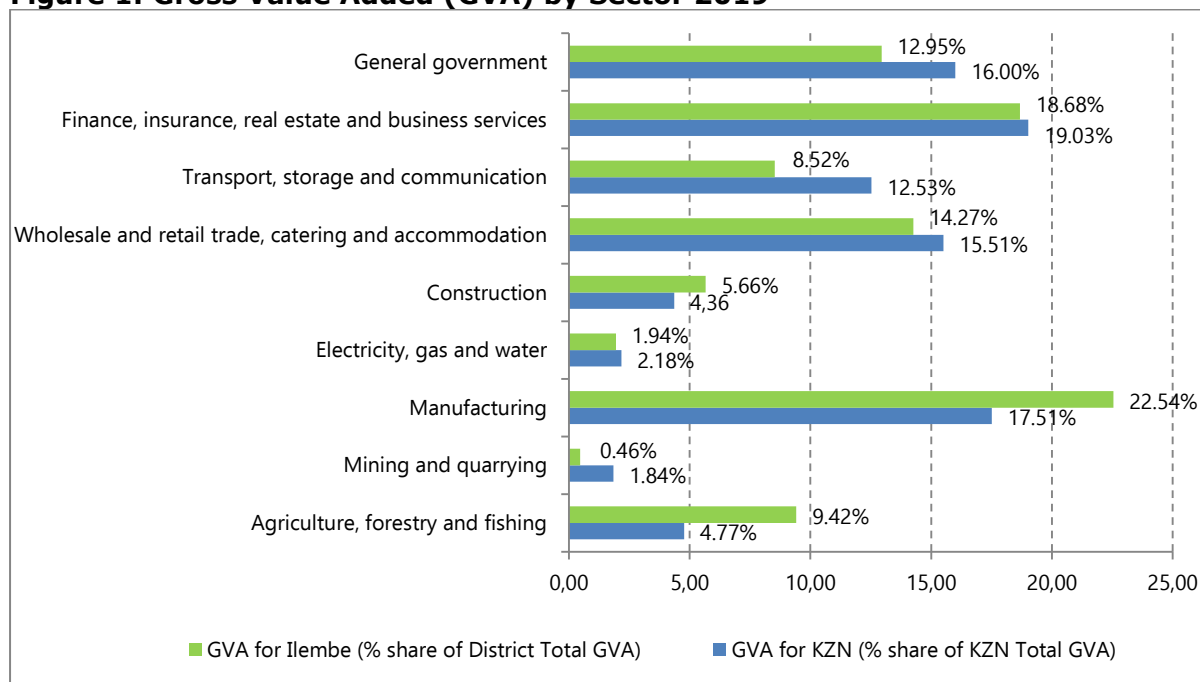
The majority of the rural inland areas are tribal authority areas, characterised by subsistence farming. At the border of the district is the Unicity of Durban in the immediate south, which is linked by the coastal highway to Richards Bay in the north, giving it access to both harbours for trade purposes. It is also a leading place for the tourism industry because of its rich Zulu Kingdom heritage.

DISTRICT SPATIAL FEATURES

- Ilembe is located on the eThekweni-Umhlathuze Corridor, a corridor which is viewed as a priority development corridor in KwaZulu-Natal in the PSEDs.
- The N2 route, the major transport linkage on the east coast, stretches through iLembe, from north to south and forms the backbone of this Corridor.
- The District includes four municipalities KwaDukuza (urbanised population and commercial agriculture), Mandeni (substantial urban areas, but with traditional settlement areas and agriculture), Maphumulo (substantially traditional settlement), and Ndwedwe (substantially traditional settlement with some commercial farming).
- The Dube Trade Port development, including the King Shaka International Airport, is located just to the south of iLembe in the eThekweni Municipality.

DISTRICT ECONOMIC STRUCTURE AND CONTRIBUTION

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



Source: Global Insight, 2020

- Ilembe District's GVA contribution to KZN: 4.53%
- Ilembe shows strength in predominantly the secondary and tertiary sectors.
- The Manufacturing (22.54%); Finance, Insurance, real estate and Business services (18.68%); and Wholesale & Retail Trade (14.27%) Sectors are accountable for more than 50% of the regions prosperity.
- Ilembe Districts Manufacturing Sector contributes more (22.54%) towards the District's total output than that of Kwazulu-Natal's contribution (17.51%) to the province.
- The significant contribution of the Transport sector (8.52%) indicates growing logistical support to the main economic drivers of the district.

ECONOMIC DRIVERS

Manufacturing

- The manufacturing sector makes a significant, nearly 25% contribution, to District GVA.
- The District has a number of industrial areas including the Ballito Business Park, Shaka's Head Industrial Park (Ballito), Shaka's Kraal Industrial Development, Stanger Industrial Development (Extension 15), Stanger Moolla Industrial Park, Stanger Mixed Use Area and Mandeni/Isithebe Industrial Area.
- A 2019 analysis indicates that Paper and Paper Products (23.19%); Food (16.78%); Motor Vehicles, parts and accessories (8.3%); Basic iron and steel products, casting of metal (6.15%); and Plastic products (5.33%) are the top contributors of the manufacturing sector.

Commercial Sector

- The commercial/business sector, including finance and wholesale/retail contributed approximately 32.95% of the 2019 GVA to the District economy, making these sectors, if considered jointly, the most significant contributor to GVA in the District.
- The business sector is currently concentrated in KwaDukuza, Ballito and Mandeni/Sundumbili.
- The development of the sector in rural service nodes such as Maphumulo and Ndwedwe has been limited considering the potential catchments of these nodes.
- The redistribution of commercial services in the District presents one opportunity for the growth of the commercial sector.

Agriculture

- Commercial farming contributed 9.42% of the 2019 GVA of the District economy.
- Commercial farming areas are located in the eastern parts of the Municipality but extend to the west of Stanger and Groutville.
- Sugar is the main commercial crop in the District, but farmers are diversifying into other crops, especially sub-tropical fruit and macadamia nut crops. Livestock is limited.
- As a result of the proximity of the area to the Dube Trade Port and eThekweni, there is substantial focus in current agricultural planning for projects addressing these markets with a focus on vegetable production.

COMPARATIVE ADVANTAGES

Stable/Existing Sectors

- **Wood processing:** Wood processing in the district is centred on the two Sappi Mills. The district is one of the foremost areas in the province for the production of paper and related products. These mills draw their inputs from forestry plantations along the entire North Coast, and are not anticipated to close down anytime soon.
- **Plastics and packaging:** The plastics and packaging industry is well established in the district, being mainly concentrated around Isithebe Industrial Estate. Some prominent companies in this industry, such as Nampak, have long associations with the estate.

Threatened/Unstable Sectors

- **Agriculture and Hunting:** The primary reliance on sugar cane, means that the future of Agriculture in the district is threatened. The demand for residential development is also leading to many sugar cane farms being converted to other land uses. This is compounded by the declining competitiveness of the industry in South Africa. The Agricultural Sector's future health in iLembe will depend on either reforms in the sugar cane industry (such as a move to ethanol production) or diversification of agricultural produce. In this respect the district has the advantage of being located near Dube Trade Port.

Emerging Sectors

- **Food beverages and tobacco processing:** A number of new smaller companies are observed to be entering the market. In addition, the Dube Trade Port should be seen as creating further opportunities in terms of agro-processing of goods for export.
- **Beach resort tourism:** Due to the limited availability and limited suitability of coastal land in other areas of the coastline, iLembe has a growing comparative advantage in upmarket Beach Resort Tourism. Major resort developments at Nonoti and Blythedale will increase this comparative advantage further.
- **Upmarket property development:** The district has taken, and continues to take advantage of the relocation of the airport and the push of development northward, by developing upmarket residential estates. These developments, in turn, create opportunities for the Retail and Services industry. Continuing development is, however, subject to the constraints posed by insufficient water supply

Locational/Geographic Advantages

- Located in the fast-growing region north of eThekweni
- Proximity to King Shaka International Airport and Dube Trade Port
- Primary Corridor linking the Ports of Durban and Richards Bay

Natural/Resource Advantages

- **Land availability:** iLembe has a diverse scope of land that can be utilised across various sectors to a multitude of purposes
- **Relatively undeveloped but attractive coastline:** While the coastline of iLembe is not undeveloped, it offers significantly more development opportunities

Infrastructural Advantages

- The N2 route, the major transport linkage on the east coast, stretches through iLembe, from north to south