



KWAZULU-NATAL PROVINCE

ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

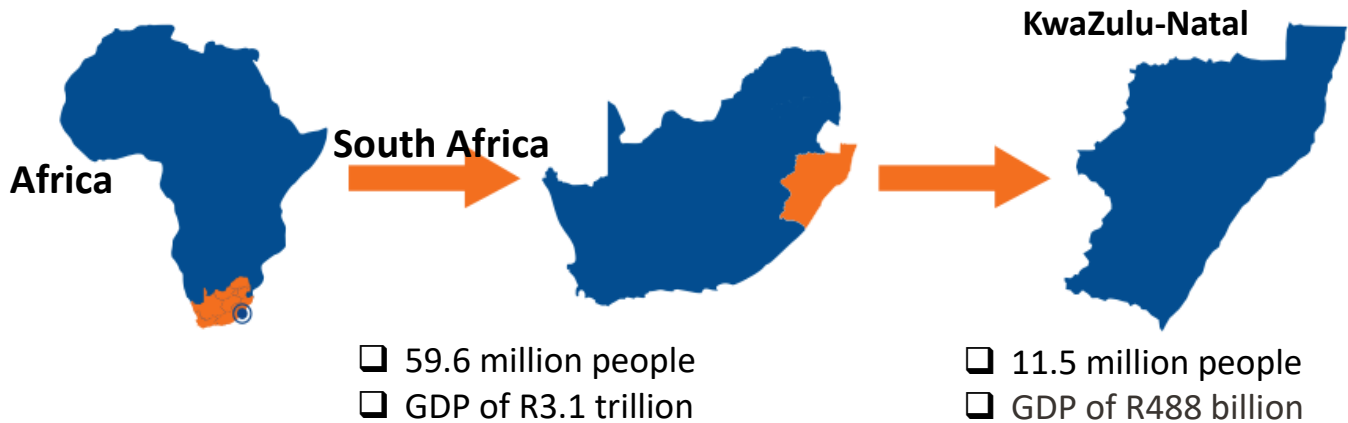
KWAZULU-NATAL ECONOMIC PROFILE

GEOGRAPHICAL POSITION

Figure 1: Geographical position of KwaZulu-Natal

Area: 1,214,090 km

Area: 94,391 km



KEY SPATIAL FEATURES

- **Bordered by three foreign countries:** KwaZulu-Natal is bordered by the countries of Mozambique, Swaziland and Lesotho - the only other province bordered by as many foreign countries is Limpopo.
- **Closest South African coastal province to Gauteng (N3 Corridor):** Of the four coastal provinces in South Africa, KwaZulu-Natal is located closest to the economic hub of the country in Gauteng.
- **The mild sub-tropical climate and warm sea water:** KwaZulu-Natal's mild sub-tropical climate provides it with comparative advantages in both Agriculture and Tourism.
- **Two natural world heritage sites:** The province contains the country's highest mountain range (the Drakensberg -high berg) and Southern Africa's largest estuarine system (St Lucia Wetland), both of which have been declared world heritage sites.
- The province possesses vast tracts of land under traditional authorities
- **Cultural/Heritage Advantages:** The renowned Zulu Kingdom, KwaZulu-Natal can rightfully claim to be the traditional home and birthplace of the Zulu people.

KWAZULU-NATAL COMPARATIVE ADVANTAGE

- KwaZulu-Natal (KZN) is the third smallest province by land size in the country but is the second largest contributor (approximately 16%) to the South African GDP after Gauteng.
- KZN is home to the Durban and Richards Bay ports which handle almost 60% of SA's cargo tonnage. Most bulk export operations occur in Richards Bay which produces over 4% of the global exports of aluminium. One of the world's largest sand mining operations also resides in the province.
- The province consists of a highly diversified agricultural sector. KZN is the country's main producer of timber as it produces over 50% of all timber used in the country and accounts for a significant percentage of the country's wood exports; as well as sugar cane (0.84% of SA GDP), with some of the country's largest sugar processing plants.
- KZN also has the highest export propensity in the country and has a fairly high level of industrialization (measured by the relative size of manufacturing output). The municipal areas that have the highest exports in terms of percentage contribution of exports in KZN include eThekweni, King Cetshwayo and uMgungundlovu.
- KwaZulu-Natal is also home to King Shaka International Airport (KSIA) which is the third largest airport in the country. King Shaka International Airport is directly connected to more than eight (8) international destinations.
- The province has a number of regional airports and air strips.
- KwaZulu-Natal boasts two industrial zones, namely: Dube Trade Port and Richard's Bay Industrial Development Zone. Dube Trade Port SEZ since inception has attracted investment with a value of R1.8 billion. There are currently 41 operational investors which have created a total of 3,300 job opportunities.
- The development of an automotive supply park in the South of Durban is envisaged to stimulate the automotive sector and work is underway to develop a Clothing & Textile SEZ in the province.
- KZN has many natural advantages including the scenic beauty, biodiversity and the unique cultural diversity. It is a key tourist destination with potential to grow further.
- The province boasts the iconic Moses Mabhida Stadium and two World Heritage Sites in the form of the Drakensberg Mountains and the Isimangaliso Wetland Park.

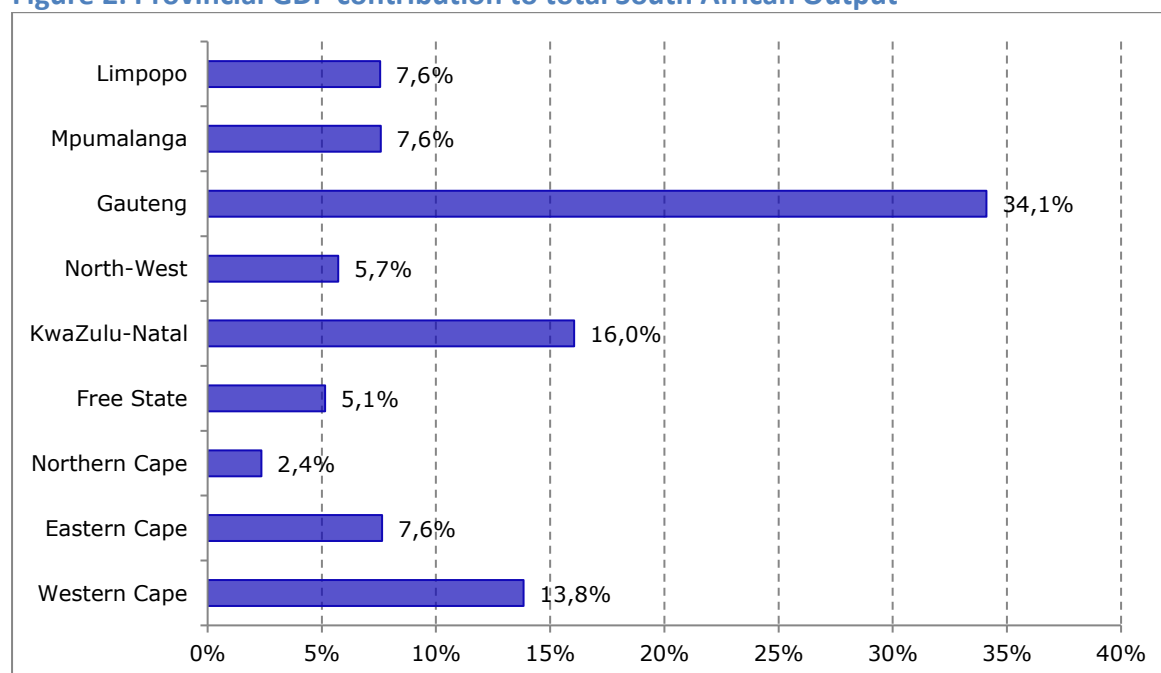
KWAZULU-NATAL ECONOMY AT A GLANCE

Table 1: Various Economic Indicators KwaZulu-Natal and South Africa

Indicator	KwaZulu-Natal	South Africa
GDP (R'000s) at 2010 constant prices Seasonally Adjusted & Annualised (R' mil) (1st quarter 2021)	487 909	3 044 465
Annualised Quarter-on-Quarter Seasonally Adjusted GDP Growth (1st quarter 2021)	3.7%	4.6%
Population (2020)	11 531 628	59 622 350
Working Age Population (000s) (15-64 years) (QLFS, 1st quarter 2021)	7 291	39 455
Unemployed (000s) (QLFS, 1st quarter 2021)	1 067	7 242
Unemployment Rate (1st quarter 2021)	30.5%	32.6%
Labour Force (000's) (1st quarter 2021)	3 496	22 237
Absorption Rate (employed/population ratio) (1st quarter 2021)	33.3%	38.0%
Gini Coefficient (2019)	0.63	0.63
Human development Index (HDI) (2019)	0.62	0.66
Functional literacy (2019)	83.4%	85.4%
Inflation (May 2021)	5.1%	5.2%
Total Air Passenger Movements at International Airports (1st quarter 2021)	573 568	3 599 998
Cargo tonnage handled at ports (000s) (1st quarter 2021)	31 280 901	55 543 738
Number of containers handled at ports (1st quarter 2021)	632 891	1 026 521

Source: Stats SA, IHS Global Insight, Quantec Research, ACSA, Transnet, 2021

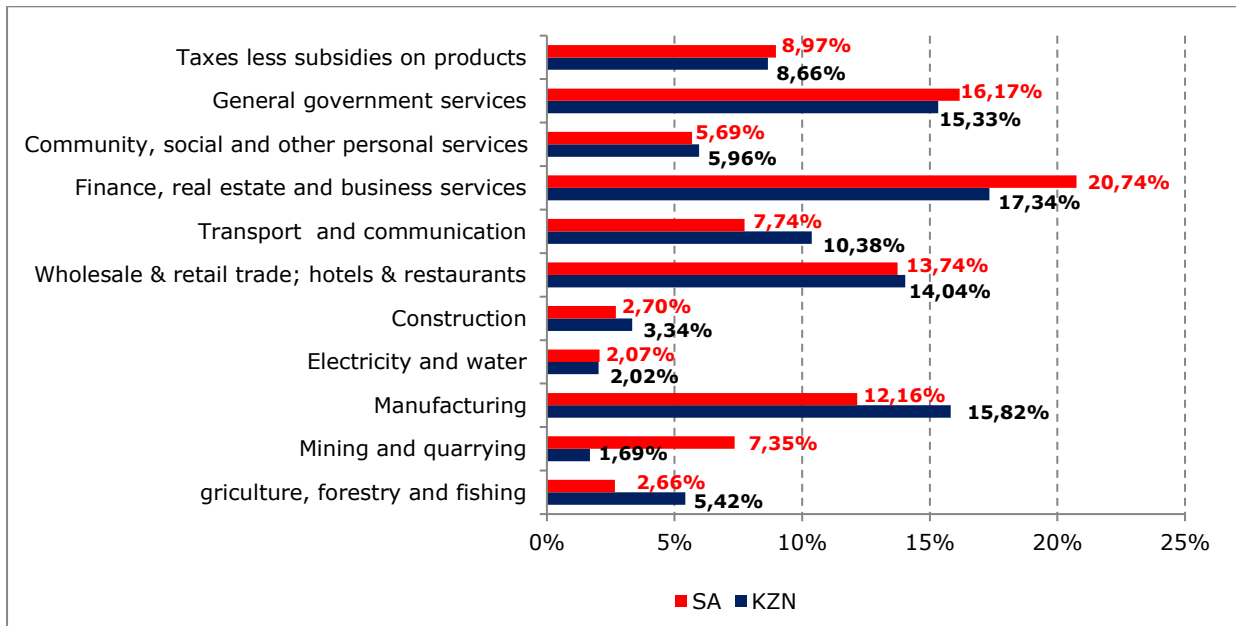
Figure 2: Provincial GDP contribution to total South African Output



Source: Stats SA

Sectoral Contribution

Figure 3: Sectoral Contribution (%) to GDP-R, Q1:2021



Source: Quantec Research, 2021

SUMMARY OF LABOUR MARKET STATISTICS

Table 2: South Africa Summary of Key Labour Market Statistics (1st Quarter 2021)

Region	Total Employment (000s)	Total Unemployment (000s)	Unemployment rate %
South Africa	14 995	7 242	32.6
KwaZulu-Natal	2 429	1067	30.5
Gauteng	4 626	2 426	34.4
Mpumalanga	1 133	571	33.5
Western Cape	2 309	718	23.7
North West	933	443	32.2
Northern Cape	313	96	23.4
Eastern Cape	1 301	1013	43.8
Limpopo	1 248	519	29.4
Free State	703	388	35.6

Source: Stats SA

KWAZULU-NATAL TRADE POSITION

Table 3: KwaZulu-Natal Exports, Imports and Trade Balances, Q1 2021

Indicator	Exports Q1 2021	Imports Q1 2021	Trade balance
Nominal Trade	R 25 905 100 089	R 29 778 092 313	(R3 872 992 224) (Deficit)
% Change Q12021/Q42020 (nominal)	-31,6	-13,8	-215,2
Real Trade	R 252 011 480	R 304 439 798	(R52 428 317) (Deficit)
% Change Q12021/Q42020 (real)	-33,3	-10,4	-236,4

Source: SARS (Customs and Excise), June 2021

Table 4: KwaZulu-Natal Top 10 World Export Destinations and Import Sources

Top 10 Import Sources				Top 10 Export Destinations		
1	China	R29 688 341 626	24,86%	1	Netherlands	R14 437 050 299
2	India	R7 310 565 267	6,12%	2	United States	R13 874 831 166
3	Australia	R7 148 172 817	5,99%	3	United Kingdom	R8 194 020 343
4	Japan	R6 750 557 886	5,65%	4	China	R7 236 069 124
5	Germany	R5 457 418 304	4,57%	5	Namibia	R6 479 585 007
6	Thailand	R5 395 126 248	4,52%	6	Botswana	R6 315 762 544
7	United States	R5 362 894 800	4,49%	7	Japan	R4 924 248 288
8	Brazil	R3 663 039 276	3,07%	8	Zimbabwe	R4 466 514 151
9	Indonesia	R3 414 624 498	2,86%	9	Germany	R4 104 839 663
10	Argentina	R2 894 241 402	2,42%	10	Mozambique	R3 560 222 969
World		R119 398 535 788	100,00%	World		R132 858 334 754

Table 5: KZN Top Trading Partners in AfCFTA Region (2019)

Top 10 Import Partners from AfCFTA		Top 10 Export Partners to AfCFTA	
Country	KZN Total (R Million)	Country	KZN Total (R Million)
Lesotho	1 532	Namibia	6 491
Eswatini	436	Botswana	5 946
Mauritius	393	Zambia	3 392
Namibia	337	Mozambique	2 736
Mozambique	333	Zimbabwe	2 311
Zambia	284	Lesotho	1 906
Botswana	173	Angola	1 650
Nigeria	71	Tanzania	1 254
Ghana	8	Democratic Republic of Congo	1 228
Angola	2	Kenya	1 194

Source: IHSMarkit, 2020

Table 6: Top Ten Export and Import Product, Q1 2021

Top Ten Export Products (% Share of total Q1 2021 Exports)		Top Ten Import Products (% Share of total Q1 2021 Imports)	
aluminium and articles thereof	19.8%	nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	9.5%
ores, slag and ash	17.0%	Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes	6.3%
nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	5.3%	mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	6.2%
miscellaneous chemical products	4.8%	electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts	6.1%
vehicles other than railway or tramway rolling stock, and parts and accessories thereof	3.9%	plastics and articles thereof	5.6%
iron and steel	3.3%	cereals	5.5%
mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	2.9%	organic chemicals	4.0%
cereals	2.9%	miscellaneous chemical products	3.8%
wood and articles of wood; wood charcoal	2.7%	articles of apparel and clothing accessories, not knitted or crocheted	3.9%
paper and paperboard; articles of paper pulp, of paper or of paperboard	2.5%	residues and waste from the food industries; prepared animal fodder	3.5%

Source: SARS (Customs and Excise), June 2021