



## **KWAZULU-NATAL PROVINCE**

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

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## **DISTRICT ECONOMIC PROFILES**

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### **King Cetshwayo District**

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**2021**

## GEOGRAPHICAL LOCATION



### King Cetshwayo DM (DC 28)

**Population:** 970,672

**Area Size:** 8, 213.3 Km<sup>2</sup>

Located in north-eastern region of KZN, it covers the area from the uMfolozi River in the north, to KwaGingindlovu in the south, and inland to Nkandla.

The district is home to five local municipalities: City of uMhlathuze, uMlalazi, Mthonjaneni, Nkandla and uMfolozi.

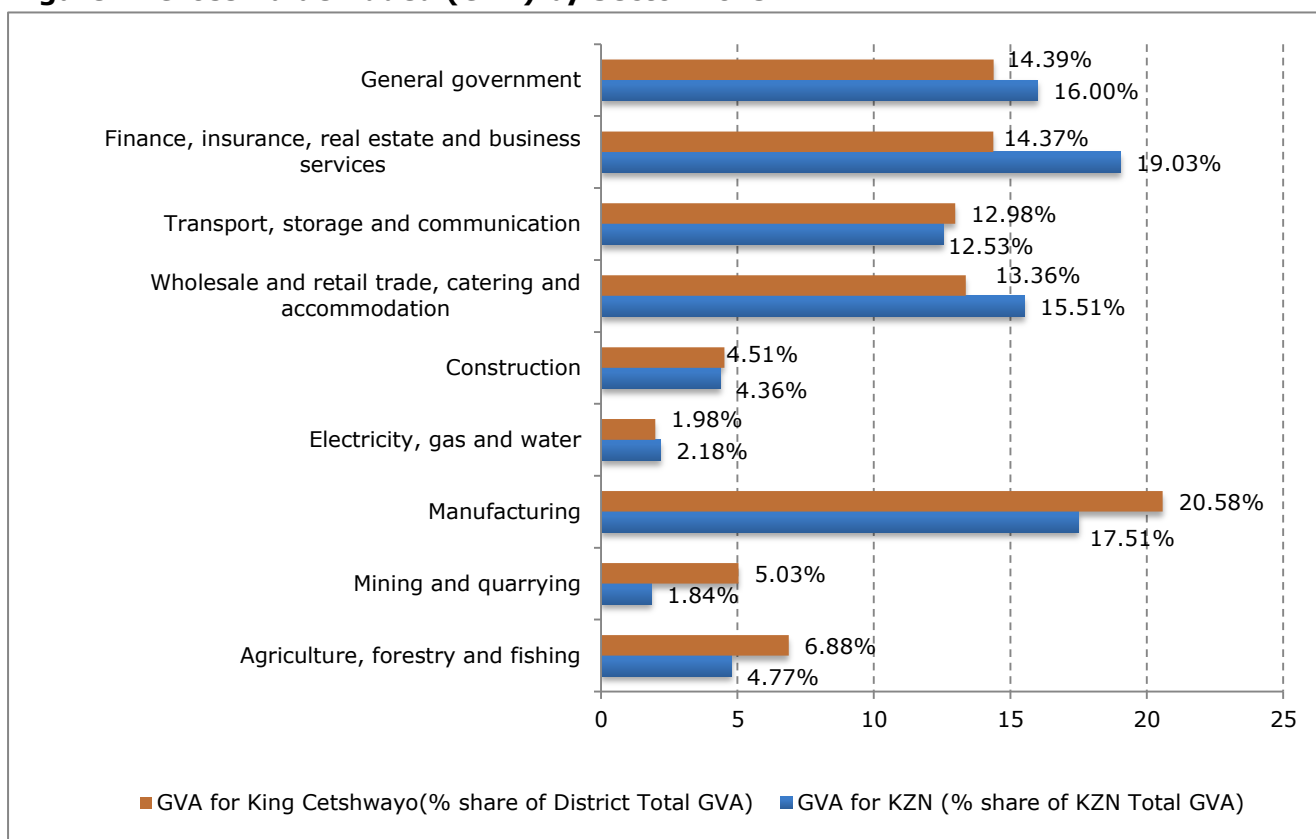
The N2 highway links the district to other significant economic centres, such as Durban and Johannesburg. It also offers a direct route to Maputo in Mozambique. The development of the Richards Bay Industrial Development Zone is boosting economic activity and attracting international investors.

## DISTRICT SPATIAL FEATURES

- King Cetshwayo District Municipality is located along the north-eastern coastline of the province and is bordered by four KwaZulu-Natal districts.
- Commercial and industrial economic activity is concentrated along the coastal corridor, centred around Richards Bay and Empangeni. The draw card for this focus of economic activity is the Port of Richards Bay which specialises in bulk cargo.
- Richards Bay was originally established not only as a harbour, but as a focus of heavy industry which provides a base for downstream economic activity.
- Nkandla Municipality is highly impoverished and has been found by studies to have among the worst level of basic infrastructural provision in the country.
- Spatially, there are also large areas of communally held land under the jurisdiction of the Ingonyama Trust Board. The agricultural potential in these areas is largely underutilised.
- The District Municipality has the 3<sup>rd</sup> largest population in the province, contributing just over 8.7% of the total population of KwaZulu-Natal, but has experienced a relatively slow population growth rate of 0.5% in the last 7 years.

## DISTRICT ECONOMIC STRUCTURE AND CONTRIBUTION

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



Source: Global Insight, 2020

- King Cetshwayo district has a very strong manufacturing sector (20.58%) contributing more to the local economy than it does to the provincial economy.
- The district is not public sector dependent as general government services (14.39%) contribution to the district is less, relative to most KZN district municipalities.
- The King Cetshwayo district shows some economic self-reliance when observing the overall contribution of sectors to the local economy relative to their contribution to the rest of the province.
- In terms of the district's overall contribution to the provincial economy, King Cetshwayo is the third biggest economy in KZN (7.68%).

## ECONOMIC DRIVERS

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### Manufacturing

- The manufacturing sector is the biggest economic driver within King Cetshwayo district with a fairly well established industrial base between Richards Bay and Empangeni.
- Richards Bay was established in the 1970's as a bulk port and heavy industrial centre. The sector has since grown and is largely dominated by the bulk coal export facilities at Richards Bay Coal Terminal, the woodchip manufacturing and exporting facilities (Silvacell), the aluminium smelters of Billiton's Bayside and Hillside facilities, the Mondi pulp and paper manufacturing mill in Richards Bay, the Richards Bay Minerals mining and processing facilities located on the coast just north of Richards Bay, Foskor's fertiliser factory and Exxaro's central processing complex just outside of Empangeni on the Nkwaleni road which processes minerals from its KZN Sands mining operations near Felixton/Esikhawini.
- Evidently the mining and agricultural sectors are the main providers of raw materials to this manufacturing base.

### Agricultural sector

- The agricultural sector is considered a driver of King Cetshwayo's district economy and its relative contribution currently is at 6.88%.
- The sector is dominated by commercial sugar and timber, mostly grown along the coast, but also extending inland to the Melmoth area.
- The long term trend is that rain-fed sugar production is in decline mode, the sharpest decline being in the millers own cane production as well as in small scale growers' production. King Cetshwayo produces mostly rain fed cane; the same trend is not evident in the irrigated cane production in Mpumalanga.

### Service/Commercial sector

- The commercial sector is concentrated largely in Empangeni and Richards Bay, followed by Eshowe and Melmoth.
- Centres such as Nkandla and other rural settlements have experienced considerable growth in the formal commercial sector with a large informal sector attached.
- The commercial sector, including finance/business service and wholesale/retail contributed approximately 27.3%% of the 2019 GVA to the District economy.

## COMPARATIVE ADVANTAGES

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### Stable/Existing Sectors

- **Forestry and logging:** After uMgungundlovu, King Cetshwayo has the second largest forestry industry in the province, with extensive Mondi Plantations around Melmoth and Mtunzini. The outputs from these plantations are used as inputs at the Mondi Mill in Richards Bay, and this ensures a steady demand for timber in the district.
- **Wood processing:** Wood processing in the district is centred around the major Mondi Mill in Richards Bay. Growth in this industry is likely to remain stable but un-dramatic.

### Threatened/Unstable Sectors

- **Mining of metal ores:** Mining, by nature, is unsustainable and the mineral resources of the district are un-renewable. As such mining in the district has a limited lifespan. This said, there are enough untapped mineral deposits in the district to sustain mining operations for another 50 years. Vehement public opposition to the mining of new areas in the district, such as at Fairbreeze, however, threatens to significantly curtail the lifespan of the district's mining operations.

### Emerging Sectors

- **Construction and engineering:** The construction industry is the fastest growing industry in the district. This sector has the potential to develop into a major comparative advantage sector for the district. This is largely on account of the demand for engineering and construction work, whether in terms of maintenance or expansion, from both the large industrial companies and the Port of Richards Bay. Critical in developing this potential comparative advantage, is getting the University of Zululand to offer engineering and construction related courses.

### Locational/Geographic Advantages

- **Primary Corridor linking the two Ports of Durban and Richards Bay:** King Cetshwayo is located on the eThekweni-Mhlatuze Corridor, a corridor which is viewed, in terms of the 2006 PSEDS, as a priority development corridor in KwaZulu-Natal.

### Natural/Resource Advantages

- **Concentration of indigenous forests in the district:** King Cetshwayo District contains five of the six forest reserves controlled by KZN Wildlife in the province. These forests; Ongoye, Dlinza, Entumeni, Nkandla and Qudeni are very diverse. While Ongoye is a great example of "extremely rare scarp forest", Nkandla forest is

“one of the most outstanding examples of surviving mist belt forest in South Africa”. (KZN Wildlife, 2009) The uniqueness of these forests in KwaZulu-Natal, and the biodiversity existing in them presents the district with a unique eco-tourism comparative advantage.

### **Infrastructural Advantages**

- **The N2 highway:** The N2 route, the major transport linkage on the east coast, stretches through King Cetshwayo, from north to south and forms the backbone of the Primary Durban-Richards Bay Corridor.
  
- **The Port of Richards Bay:** Developed in the mid-70s, the Port of Richards Bay is the largest and deepest Port in South Africa, with total land and water surfaces of 2 174 hectares and 1 443 hectares respectively. It is also the country’s primary cargo handling Port, and has one of the largest coal terminals in the world. The relative abundance of unutilised land and water space at the Port, provides significant opportunity for the expansion of Port-related activities. The Port yields King Cetshwayo a comparative advantage in attracting major exporting industries to the district.