



KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**

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DISTRICT ECONOMIC PROFILES

Zululand District

2021

Geographical Location



Zululand DM (DC 26)

Population: 880,802

Area Size: 14, 798.9 Km²

The district is situated in the north-eastern part of the province. It neighbours Mpumalanga Province. It is the biggest district in the province, making up 16% of its geographical area. It comprises five local municipalities: Ulundi, Nongoma, uPhongolo, eDumbe and Abaqulusi.

The town of Vryheid is a commercial and business hub, while Ulundi Town is mainly an administrative centre and also the headquarters of the Zululand District Municipality.

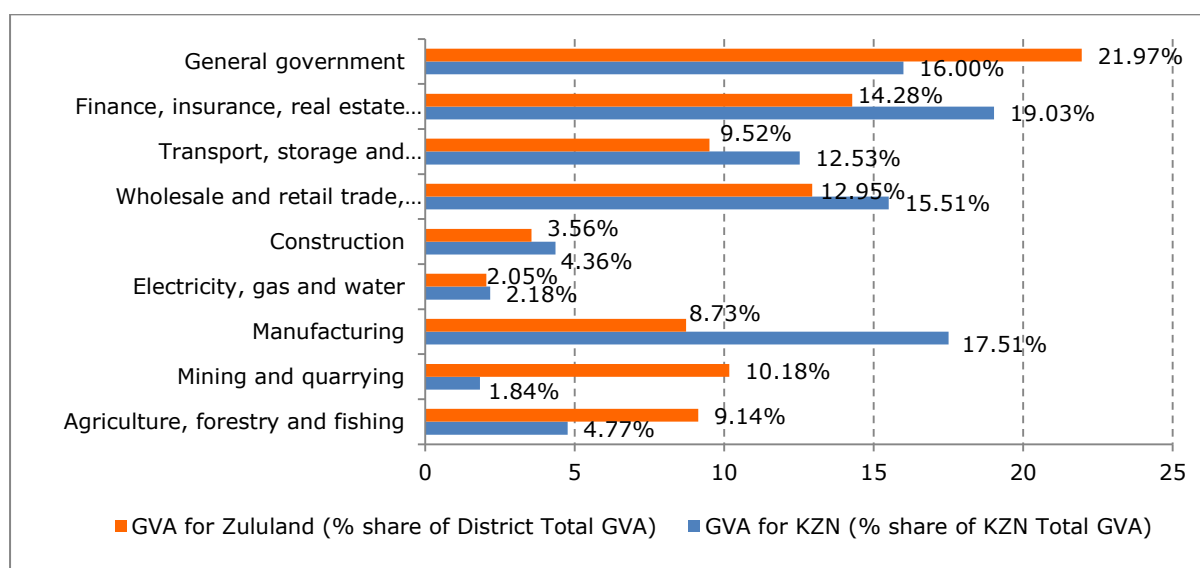
It is primarily a rural district. About half the area falls under the jurisdiction of traditional authorities, while the remainder is privately owned commercial farms or protected areas.

DISTRICT SPATIAL FEATURES

- Zululand District Municipality is located in the North Eastern region of the province and is surrounded by 4 other districts within the province, as well as districts in Mpumalanga. Zululand also shares a border with Swaziland.
- The Ulundi and Nongoma Municipalities are regarded as two of the poorest rural municipalities in South Africa.
- In terms of land-use the District is divided nearly equally between commercial agriculture (west and north) and traditional settlement areas (mainly to the east).
- Historically the Zululand District has been isolated, in some respects referred to as a *cul-de-sac*, because of limited linkages to both the coast and the north.
- The Coal Line, the railway line transporting coal from Mpumalanga mines to the Richards Bay Harbour, runs through the District in a north south direction passing through Vryheid and Ulundi.
- The District is located around key nature and heritage areas in the province. This includes the Ithala Game Reserve, the Pongolapoort Dam and Reserve, the Hhuhluwe-Umfolozi Game Reserve and the eMakhosini Heritage Park.

DISTRICT ECONOMIC STRUCTURE AND CONTRIBUTION

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



Source: Global insight, 2020

- The main contributor towards the Zululand local economy is the general government (21.97%) which demonstrates public sector dependency.
- The primary sector and basic service-related tertiary sector are predominately leading sectors in Zululand.
- Mining and quarrying (10.18%) is a vital sector to the district compared to the entire province (1.84%).
- The district manufacturing sector (8.73%) contribution to the region's economy compared to that of the entire province (17.51%) is somewhat modest an indication of an underdeveloped industrial economy.

ECONOMIC DRIVERS

Mining

- The mining sector has traditionally been a key driver of the economy in the Zululand District Municipality, and its current contribution to the District economy is considered to be 10.18% respectively.
- Most of the major coal mines in the Abaqulusi and eDumbe Municipality ceased operations in the 1990s as a result of the economics of extraction processes.
- Over the past decade there has, however, been interest by international and smaller South African mining companies wanting to extract remaining reserves.

Tourism

- The Zululand area is home to a wide range of historical, cultural and natural assets being uniquely located in the “heart of the Zulu Kingdom”. These assets provide the District with good tourism potential.
- The area faces major challenges in growing the tourism industry and some of the key challenges include the distance of Zululand from major centres, the quality of infrastructure in the District, the lack of coordination in tourism marketing and others.

Government

- It is noted that the government sector has a strong presence in the District the government contributes 21.9% in the district economy.
- This sector is best represented in the Ulundi and Nongoma Municipalities where various regional offices and facilities of provincial government are located.
- It is assumed that the contribution of this sector would have been negatively impacted on by Ulundi losing its status as Provincial Capital in the last decade.

Comparative Advantages

Stable/Existing Sectors

- **Forestry and Timber production** – This industry is underpinned by large Mondi plantations in the Babanango region, and is growing at a stable rate of about 3.5% per annum.
- **Agriculture and Hunting** – Zululand has a healthy livestock and game population. The large concentration of Nguni cattle in the district can also be perceived as an advantage in terms of the sale of cattle and cattle skins. Game farming in the district, in particular, is a growing sector and many farmers have transformed their crop and livestock farms to game farms.

Threatened/Unstable Sectors

- **Coal and Anthracite Mining** – Traditionally the district’s main sectoral comparative advantage, the mining industry remains a major economic driver for the district. Currently there is an insatiable global demand for coal, but analysts are unsure how long this will last. The positive impacts of this increase in demand are being seen in Zululand with the opening of new and old mine shafts.

Emerging Sectors

- **Meat and skin processing** - Owing to the large concentration of livestock and game, there is significant potential for developing the meat and hide processing industry in the district. Linking the two large existing abattoirs in Vryheid with livestock and game farmers, and also extending this link to traditional retail markets (like the Mona Market in Nongoma), would provide the district with the opportunity to develop an integrated value chain of meat and hide production.

Locational/Geographic Advantages

- **Gateway to Swaziland and Mozambique (Maputo):** The border post between KwaZulu-Natal and Swaziland at Golela is the province's preferred gateway to not just Swaziland but Mozambique as well. The poor state of the coastal, Ponta Du Ouro route into Mozambique means that people travelling from or to KwaZulu-Natal from Maputo will most often choose the Golela route through Zululand. Proximity and accessibility to foreign markets provides Zululand with a locational comparative advantage.
- **Abundance of wildlife:** The district has a comparative advantage in possessing a natural environment (fauna and climate) which has almost continuously throughout history been populated by a variety of big game species. As such the district can boast proximity to some of the province's best game viewing destinations. This includes the Ithala Game Reserve, the Pongolapoort Dam and Reserve, the Hhuhluwe-Umfolozi Game Reserve; Mkhuze Falls Private Game Reserve and the eMakhosini Heritage Park. In addition, the district has a numerous small game farms on which game roam.

Natural/Resource Advantages

- **Mineral deposits (coal and anthracite):** The district possesses significant coal reserves around the Vryheid Area as well as anthracite reserves near Ulundi.

Infrastructural Advantages

- **Possesses the province's largest dam: Jozini (Pongolapoort Dam):** Jozini Dam lies along the eastern boundary of the district, and is the province's largest dam. The dam yields Zululand District a comparative advantage in terms of fishing tourism, as the best place in the country to catch tiger fish; and in terms of potential hydro-electricity developments.