



**KWAZULU-NATAL PROVINCE**

**ECONOMIC DEVELOPMENT, TOURISM  
AND ENVIRONMENTAL AFFAIRS**

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## **DISTRICT ECONOMIC PROFILES**

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### **UMkhanyakude District**

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**2021**

## GEOGRAPHICAL LOCATION



### UMkhanyakude DM (DC 27)

**Population:** 686,908

**Area Size:** 13, 855.3 Km<sup>2</sup>

**Location:** Located along the coast in the far north of the KZN Province, it shares its borders with Swaziland and Mozambique, as well as with the districts of Zululand and King Cetshwayo.

It consists of the following four local municipalities:

**uMhlabuyalingana, Jozini, Big 5 Hlabisa and Mtubatuba.**

The Isimangaliso Wetland Park, is encompassed in the district and it holds a number of biodiversity and conservation areas attracting a number of tourists to the region.

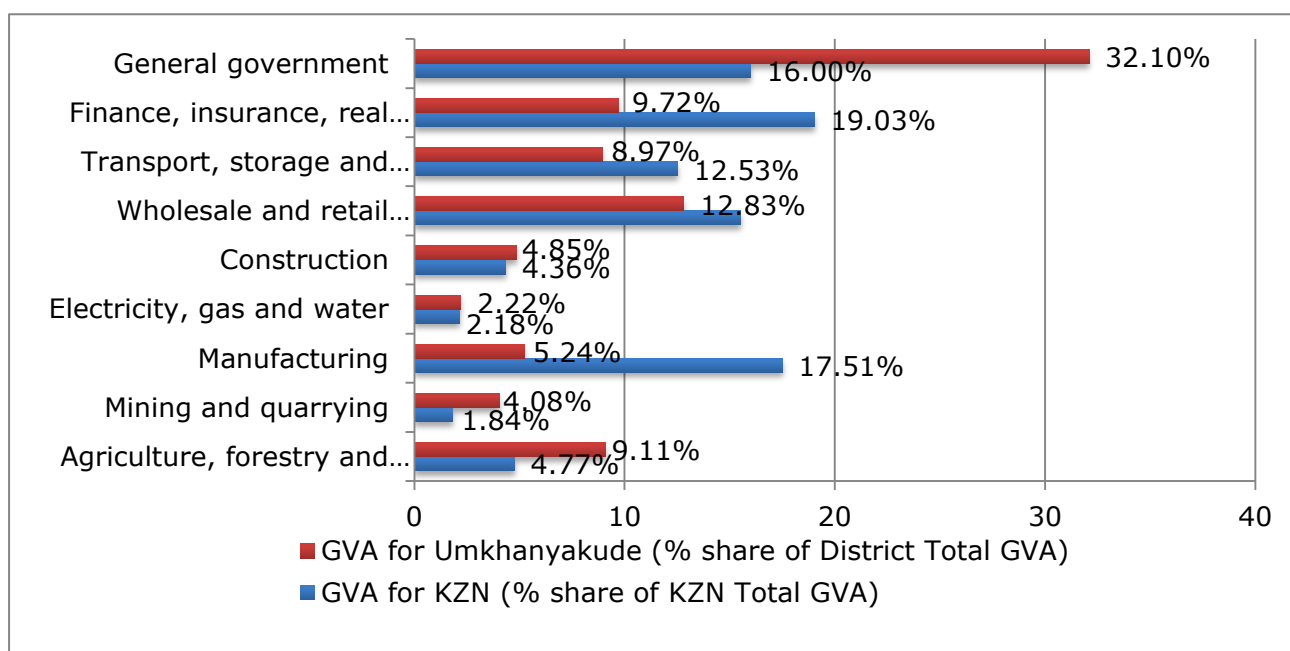
## DISTRICT SPATIAL FEATURES

- UMkhanyakude District Municipality is located in the far north eastern corner of the province.
- The district is bordered by the Indian Ocean to the east and Mozambique and Swaziland to the north, as well as two KZN districts to the south and west.
- The district shares international borders with two countries: Mozambique in the north and Swaziland along its north-western boundary.
- The Lubombo SDI corridor (MR439) was upgraded in the late 1990s to a tar road – extending from Hluhluwe through to Mbazwana to join the only other tar road in the region at Pelindaba, before heading north east through KwaNgwanase (Manguzi) to the Mozambique border at Farazel.
- The dominant land tenure of the district is communal tenure under Ingonyama Trust lands. The only privately owned commercial farms lie in a narrow strip along the N2 from Mtubatuba to Mkuze.

- The district covers 12 848 km<sup>2</sup> of which over 21% is under proclaimed conservation area – mostly under the auspices of Isimangaliso Wetlands Park, a World Heritage Site, with smaller reserves falling under the jurisdiction of Ezemvelo KZN Wildlife.
- Umkhanyakude District Municipality has the 7th largest population in the province and has an averaged population growth rate of 1.24% over the past 10 years.

## DISTRICT ECONOMIC STRUCTURE AND CONTRIBUTION

Figure 1: Gross Value Added (GVA) By Sector, 2019



Source: Global Insight, 2021

- The district economy is largely public sector driven, with Government services contributing almost a third to the region's GVA.
- Private sector participation in the district economy is somewhat benign in the secondary sector but relatively stronger in the tertiary and primary sectors.
- Wholesale and retail trade, catering and accommodation, supported by tourism and cross boarder activities in the district is the second biggest industry after government (12,83%) followed by Finance (9.72%) and Agriculture (9.11%).
- UMkhanyakude has the second smallest economy in the province after uMzinyathi and contributes a benign 1.93% to provincial GVA.

## ECONOMIC DRIVERS

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### **Agricultural Sector**

- Agriculture is a critical component of the economy in terms of land use and food security, but contributes relatively little (only 9%) to the district economy. One of the reasons for this relatively low % is that the food security component of subsistence does not form part of the GVA determination process.
- The measurable commercial contribution largely comes from the narrow corridor of commercial farmland (sugar cane, timber in the south, and game farms) that runs along the N2. It has the potential to contribute significantly more, given the presence of the Jozini Dam and the Makathini Irrigation Scheme.
- Subsistence / food-security agriculture is practiced throughout the region, but is concentrated most along the Pongola floodplain and in and around the coastal lake wetland systems.

### **Tourism Sector**

The region has a thriving tourism sector and tourism/hospitality spread throughout the district and primarily focusing on large scale Game Viewing experiences but also include Fishing and Beach Tourism. In places such as St Lucia, tourism is the lifeblood of the retail industry. Conservation, both in terms of tourism and environmental management is also a major employer in the district with Ezemvelo KZN Wildlife being one of the biggest employers in the region.

### **Government Sector**

The government sector is the largest contributor to the district economy accounting for almost a third uMkhanyakude's GVA.

## Comparative Advantages

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### **Stable/Existing Sectors**

- **Tourism:** Although relatively small, the tourism industry in the region is stable and, is in fact, expected to grow due to new marketing initiatives like the E3 Route, combing attractions in Swaziland; Mozambique and KwaZulu-Natal, as well as the R22 Lubombo Route. The nature of the district's comparative advantage in this sector, namely, the Isimangaliso World Heritage Site, is such that it is unlikely to lose this comparative advantage in the foreseeable future.

### Threatened/Unstable Sectors

- **Coal and Anthracite Mining** – In comparison to some of the other districts, coal mining is a relatively small industry in the district. The main reason for it receiving a positive location quotient is because eThekweni (where very little mining takes place) is biasing the provincial share of mining downward.
- **Forestry and Logging** – Forestry plantations in the district have generally be concentrated around the Mtubatuba and St Lucia Area. The growing international recognition of the St Lucia estuarine system and the desire to return the area to its original environmental status is a threat to the Forestry industry in the region. Already significant swathes of forestry plantations have been removed from the St Lucia surrounds.

### Emerging Sectors

- **Wholesale and Retail Trade as an export industry** – This sector is of growing importance for the district, and services a region beyond the country's borders. To the extent that this sector services an area beyond its borders, it is a major current and potential economic driver for the district.

### Locational/Geographic Advantages

- **Gateway to the Southern Mozambique coastline:** UMkhanyakude is the only district in KwaZulu-Natal to directly border Mozambique. UMkhanyakude, can only currently be considered as being the gateway to the resort towns of Southern Mozambique, this is because of the poor nature of the road on the Mozambican side of the Kosi Bay Border Post.

### Natural/Resource Advantages

- **Isimangaliso World heritage site:** The Isimangaliso World Heritage Site is really a combination of a number of tourism, natural advantages for the district. These include:
  - Pristine beaches
  - Southern Africa's largest estuarine system
  - One of the world's top ten dive sites at Sodwana Bay
  - Excellent snorkelling at Cape Vidal and Kosi Bay
- **Highly fertile land in the Makhathini Flats:** The Makhathini Flats region is commonly regarded as having enormous agricultural potential, especially in terms of its produce yield.

### **Infrastructural Advantages**

- **Downstream of the biggest dam in the province:** The district's prime agricultural land in the Makhathini Flats lies downstream from Jozini Dam. The district's close proximity to the dam provides opportunities in the form of fishing tourism and potential hydroelectricity developments.
- **The N2:** The N2 links the major towns of Mtubatuba and Mkhuze and acts as an access corridor for the entire district.
- **Rail Link to Swaziland:** Running through the district is a rail link running parallel to the N2 which comes from Durban, through the region to Swaziland.