



KWAZULU-NATAL PROVINCE

**ECONOMIC DEVELOPMENT, TOURISM
AND ENVIRONMENTAL AFFAIRS**

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DISTRICT ECONOMIC PROFILES

UMzinyathi District

2021

Geographical Location



uMzinyathi DM(DC 24)

Population: 567,567

Area Size: 8, 652.3 Km²

Municipality located in the north and central areas of the KZN Province. The municipality is bordered in the north by Amajuba Municipality, in the south-east by iLembe Municipality, in the south-west by uMgungundlovu Municipality, in the east by King Cetshwayo Municipality, and in the west by uThukela Municipality.

The district which is mostly rural in nature consists of four local municipalities: Endumeni, Nquthu, uMsinga and Umvoti.

The more developed urban areas include Dundee and Greytown, which can be viewed as a strong regional centre with substantial commercial and agricultural activity.

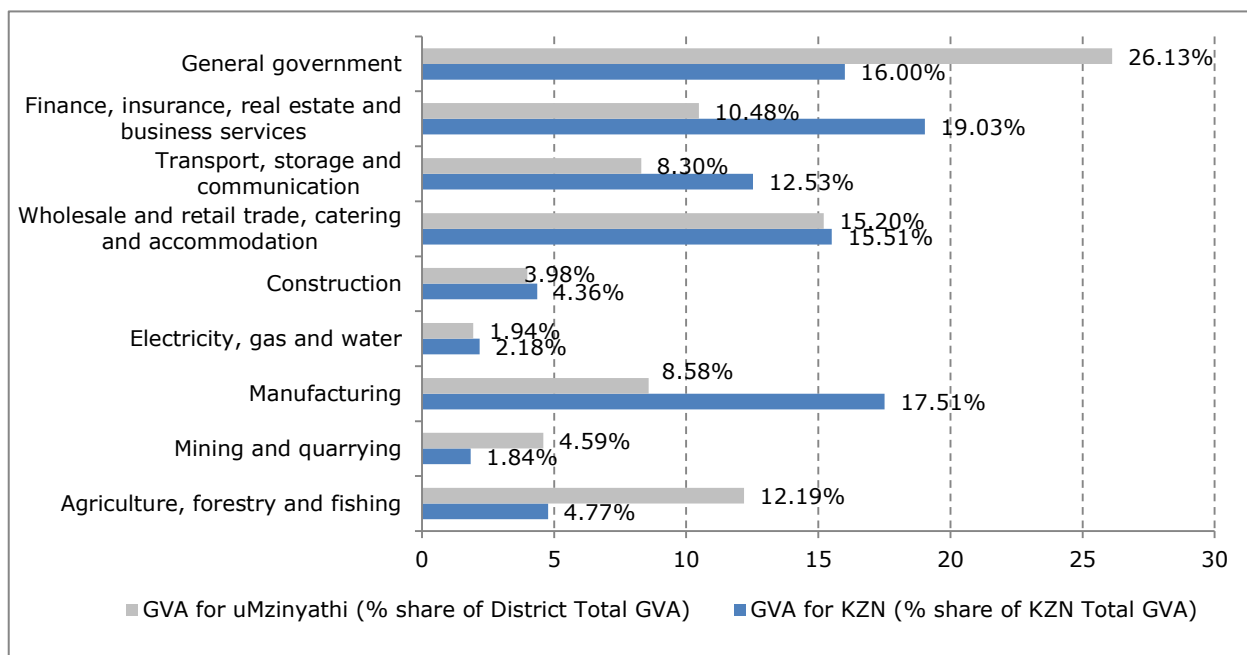
DISTRICT SPATIAL FEATURES

- The UMzinyathi District is located centrally in the province with Greytown in the Umvoti Municipality representing a central point in the Province.
- The District is made up of four Local Municipalities each with distinct development features, viz.
- Endumeni: The northernmost municipality with strong links to Newcastle. A strong coal mining industry has historically been associated with the towns of Dundee and Glencoe. Cattle and crop farming is currently a key feature of the economic landscape;
- Nquthu: Located to the east of Endumeni, the town of Nquthu is the main rural centre. The pre-dominant land use in the municipality is traditional settlement.
- uMsinga: Straddling the Thukela River, the uMsinga Municipality is generally viewed as one of the municipalities with the highest poverty levels in South Africa. Tugela Ferry is the only significant rural centre serving the population of nearly 200 000 people in the Municipality.

→ Umvoti: The southern-most municipality in the District has a strong agricultural economy with timber being the major product of the region. Greytown is a fully developed agricultural service centre that also serves substantial rural settlement areas.

DISTRICT ECONOMIC STRUCTURE AND CONTRIBUTION

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



Source: Global insight, 2020

- UMzinyathi District shows strength predominantly in the tertiary sector with which contributes approximately 60% to the district's GVA.
- Employment within the district is also service sector driven contributing over 70% to total employment.
- The district also has a thriving agriculture (12.1%) and manufacturing (8.58%) industries which have a meaningful contribution to not only the district GVA but also the provincial GVA.
- In terms of the district's overall contribution to the provincial GVA, the region contributes a modest 1.93%.

ECONOMIC DRIVERS

Agriculture

Regional economic assessments suggested that agriculture is well-established in the region but that beneficiation in the sector is under-developed. The development in the agricultural sector, as for most of the sectors, occurs mainly in the Umvoti and Endumeni municipal areas. The agricultural activity in Msinga and Nquthu is described as “largely communal and subsistence” agriculture, with limited commercial agricultural production. Importantly, dry-land cropping in the district is limited by climatic conditions to the northern areas of the District (MXA 2007).

Tourism

Previous economic development strategies identified the importance of the tourism sector for the District economy in light of the “declining mining and manufacturing industry and stagnant agricultural sector”. The District tourism product and tourism activity is described as follows (MXA 2007):

The districts marketable, if not unique tourism advantage, are that six very significant South African battlefield sites of both national and international significance are located in the district. This is complemented by a number of museums and the existence of a heritage tourism cluster comprising tour operators and hospitality providers. The “Battlefields” or “Kingdom of Legends” is one of seven destinations marketed by Tourism KZN.

The Dundee Tourism Association estimates that the tourism sector in the Endumeni municipal area generated a turnover of R50 million per annum in 2005 (Tourism Dundee, 2006). According to the association, the 25-30 Bed and Breakfasts, lodges, hotels and other hospitality products that employ over 3000 people generated 45 000 bed nights in 2005 (MXA 2006).

The battlefields attraction is, however, limited to the northern areas of the District, i.e. Endumeni and Nquthu, with no substantial linkages through to Msinga and Umvoti. Although a basic tourism sector exists in Umvoti this is underdeveloped and lack linkages with the major tourism routes in the region, viz. the Battlefields Route, the Midlands Meander and the Albert Falls Amble.

Manufacturing Sector

The industrial sector in the Municipality has significantly contracted over the past two decades as a result of relocation and closure of major companies. MXA (2007) however records that there is still a “remnant of resilient manufacturers producing a range of goods including confectionary engineering and construction related” products. Agri-processing activities, including maize mills, dairy, abattoirs and tanneries was viewed as a key competitive element in the manufacturing sector as a result of backward linkages to the local agricultural sector. The existence of small manufacturing cooperatives throughout the District which originated through various state driven SMME initiatives is also noted. Smaller industries identified include toilet paper manufacturing, clothing, dress-making, block making and outsourced activities relating to the shoe industry.

Service Sector

The regional economic assessment (MXA 2007) specifically notes the growth in the wholesale and retail sector and suggests that this growth trajectory emulates that of the national economy, and increased grants for pensioners, vulnerable and indigent people. Although it was thought that this growth “contributed to the lowering economic leakage out of the area”, it was suggested that the growth of the sector was constrained by:

- The lack of progress on the formalisation of the towns;
- The introduction of formal land tenure and land management arrangements; and
- The enforcement of municipal by-laws on trading.

The Mining Sector

The mining sector was historically spatially concentrated in the northern parts of the District, i.e. Endumeni, and although the mining industry all but closed down over the past two decades there now appears to be substantial interest from international companies to mine remaining coal reserves. The current focus is, however, on an assessment of the opportunities and the starting up of mining activities.

COMPARATIVE ADVANTAGES

Stable/Existing Sectors

- Forestry and Timber production – The Forestry and Logging industry in the district has experienced stable growth in the past ten years.
- Agriculture and Hunting – Umzinyathi contains some of the most productive maize yielding areas in the province. Livestock farming, while perhaps not on as large a scale as Zululand, is also an important agricultural activity in the district. There are also opportunities to link the produce of perishable agricultural goods with the export facility at Dube Trade Port.

Threatened/Unstable Sectors

- Coal and Anthracite Mining – There is currently an insatiable global demand for coal, but analysts are unsure how long this will last. This has seen an increase in prospecting within the district and the planned opening of 4 new mines. The district has to compete with traditionally stronger mining areas such as Zululand and Amajuba, and while the demand for coal remains high now, the long-term future of this industry, particularly with the move to greener energy, is uncertain.

High Growth Potential Sectors

- **Battlefields Tourism:** The Tourism and Hospitality sector is not represented well within the district, especially when one considers the comparative advantage the district has when it comes to historical sites. While the district's historical sites are connected and marketed on the Battlefields Route, there are latent opportunities to enhance the district's benefits from these attractions. This should include the development of more accommodation options and supporting facilities such as restaurants and craft centres.
- **Food and Beverages: Livestock Processing:** The Dundee area is probably the best known hide and skin producing area in the country. This has been established through the location of both an abattoir and tanneries in the Dundee area. Further plans to build a major meat processing plant, could give the district a comparative advantage in the meat and skins industry.

Locational/Geographic Advantages

- Possesses the province's most significant battle sites: The district is home to some of the Province's most evocative and popular battle sites. These include battle sites of

the Anglo Zulu War (Isandlawana and Rorkes Drift); the Anglo-Boer War (Talana Hill); and battles involving the Boers and the Zulus (Blood River).

- The location of these famous battle sites within the district gives the district a unique comparative advantage in the province's Battlefields tourism markets.

Natural/Resource Advantages

- The district has fertile and conducive land for growing tomatoes and peaches and is said to be one of the best across the province.
- Resource advantages: The district shares the underground coal reserves seam with Amajuba District, and has traditionally been the location for a number of coal mines