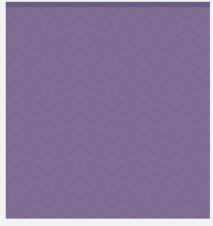
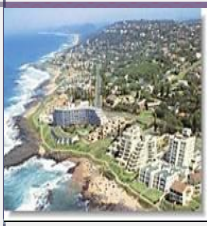


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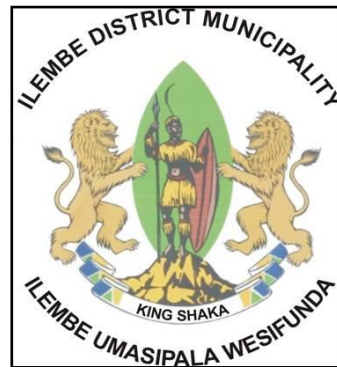
iLembe District Investment Brochure



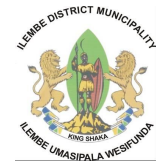


iLembe District Investment Brochure

MAY 2008



iLembe District Municipality
1st Floor East Wing
iLembe House
59/61 Mahatma Gandhi Street
KwaDukuza



MESSAGE BY THE HONOURABLE MAYOR COUNCIL S W MDABE

The economic development opportunities that are now emerging in the district and are underpinned by infrastructural and social support services for the district and the local municipalities will start the era of internal growth and development of the district. The opportunities in the district and also the pressures that it is creating on our institutional and infrastructural systems require that the public and private sectors work together in partnership. Alone we will not be able to overcome the challenges but in partnership we will be able to achieve success.

The private sector needs an effective and efficient public sector to provide cost-effective services and sustainable infrastructure and public facilities. Without the support and the foundation that the family of district and local municipalities provide, the private sector cannot grow and develop optimally, it cannot risk investments and cannot confidently create new employment and income opportunities. Without the private sector the municipalities of the iLembe district will in vain create plans and strategies for growth and employment. The municipalities can formulate development policies and provide water, electricity and sanitation, but it cannot make sustainable employment growth and skills development happen without the private sector. The relationship of public and private sector organisations and agencies working in symbiotic partnerships is therefore a prerequisite for economic growth and development to take place.

I am excited about the new era of partnerships for growth and development that is now emerging. This document is the beginning of the development of agreements and understandings of cooperative partnerships between the private sector and the public sector. Partnerships, like friendships, are fundamentally based on trust and such relationships are not established by themselves, both parties have to work together to achieve success.

I would therefore like to invite the new public and private partners in the development of iLembe that is the district and local municipalities and the private sector role players across all the economic sectors, to join together in the planning and implementation of economic development and infrastructural opportunities. It is up to all of us now to take this further.

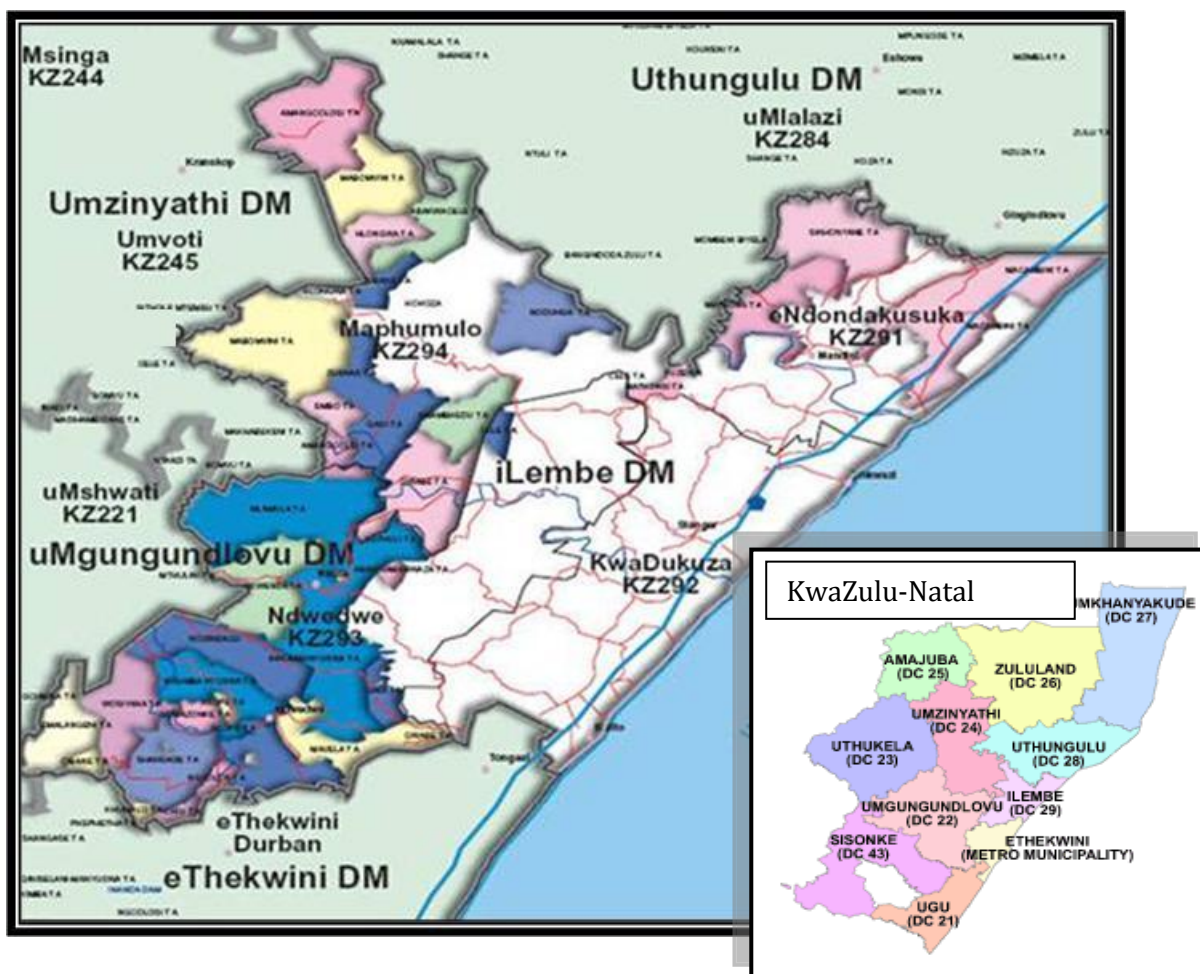
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INTRODUCTION TO ILEMBE DISTRICT

The iLembe District Municipality is situated on the East Coast of the KwaZulu-Natal Province in South Africa. iLembe is one of 11 district municipalities of KwaZulu-Natal and is the smallest District Municipality in the province with a total population of about 560 000 and in terms of its land area (Refer to Map 1). The municipal district is located along the principle provincial development corridor between two of Africa’s busiest ports in Durban and Richards Bay. It is consequently strategically situated not only to local but also national and international markets.

Map 1: Location of iLembe District Municipality



The District Municipality covers approximately 3 260 square kilometres and is divided into four local municipalities. The four municipalities are:

- Mandeni Local Municipality
- KwaDukuza Local Municipality
- Ndwedwe Local Municipality
- Maphumulo Local Municipality.

ILEMBE ECONOMIC PROFILE AND GROWTH TRENDS

iLembe is located immediately to the north of the metropolitan area of eThekweni and to the south of the uThungulu District Municipality. It is strategically placed between the two major harbours of South Africa in eThekweni (Durban Harbour) and uMhlathuze Municipality (Richards Bay Harbour) means that it is also located along the highest priority development corridor of the province of KwaZulu-Natal. iLembe Municipality is dissected by the N2 national highway running from Durban up through Richards Bay to Swaziland and Mozambique. The district is also located within 10 kilometres of the currently being developed King Shaka Airport and Dube Trade Port that is set to connect the province directly to international markets.

Three distinct zones of economic development each with its own set of characteristics can be identified within iLembe namely the coastal strip, the inland corridor and the rural hinterland.

- **The Coastal Zone:** With a strong tourism focus this zone contains residential, commercial and industrial developments. The coastal strip is also characterised by substantial nature areas with traditional settlements to the north. **KwaDukuza and Mandeni** are the two main municipalities located along this strip.
- **The Inland Zone:** Situated to the east of the N2 which runs in a south-west to north-east direction, the inland corridor is essentially viewed as an area of commercial agriculture, with sugar cane being the dominant activity. The important urban centres of KwaDukuza and Mandeni, together with smaller formal settlements are located in this corridor. This corridor is viewed as the future economic core of the district.
- **The Rural Zone:** This area is in terms of economic developed underdeveloped due to the impact of previous policies. Settlements in these areas in specifically the **Ndwedwe and Maphumulo Municipalities** are generally of small and dispersed nature. Little to no significant economic development activities are located in this area and are then also the subject of many of the public sector investments in the district.

The sectors that constitute the pillars of iLembe's economy and the following:

Agriculture → This sector is characterised by two main distinct types.

- Commercial agriculture such as sugar cane farming, along the coastal strip
- Subsistence agriculture in the rural hinterland and inland areas
- **Manufacturing** → This sector is mainly characterised by the following types of industries.
 - Primary sector comprises of heavy industries such as sugar and paper mill production in the Isithebe Industrial Estate near Mandeni
 - Secondary sector activities include light industries that are prevalent throughout the district and with a focus on the rural areas of the district.
- **Tourism** → This sector has consistently grown in iLembe and offers a variety of tourism facilities that can be categorised as follows:
 - Cultural and heritage tourism

The main characteristics of the four local municipalities within the iLembe District are summarise in the table below while the map that follows indicates the main development nodes and corridors in the district and local municipalities.

MANDENI	KWADUKUZA	NDWEDWE	MAPHUMULO
GEOGRAPHICALLY SITUATED			
<p>The most northerly of the local municipalities within the district extends from the coast inland to the Amatigulu River in the north and the boundary of the KwaDukuza municipality in the south.</p> <p>The municipality straddles the coastal provincial growth and development corridor and accommodates the N2 north of KwaDukuza.</p>	<p>Centrally located coastal local municipality abutting onto the eThekweni Municipality in the south.</p> <p>The municipality has the N2 as the National and Provincial linkage road.</p>	<p>Located in the south-west of the district, also alongside in the south, the eThekweni Municipality</p>	<p>Located in the west of the district, between the Umvoti and the Tugela Rivers</p>
PRIMARY CORRIDOR			
<p>The primary corridor consists of the R102 and its linkage to the N2.</p>	<p>Primary corridors including the R102 parallel and inland from the N2 and its linkages into the N2, the R614 in the east-westerly direction from Tongaat to the Wartburg, the R74 in east-westerly direction from Stanger to Kranskop</p>	<p>Primary corridors consist of the R102 from Verulam to the Ndwedwe Village, the R614 from the Tongaat to Wartburg and the R74 from Stanger to Kranskop importantly this also includes a north south linkage based on the partial re-alignment of the series of existing local roads, linking Inanda in the Metro to the Ndwedwe Village and the Maphumulo Village, this is expected to create new internal development opportunities</p>	<p>Primary corridors consist of the R74 from the Stanger to Kranskop and the envisaged new north-south linkage on portion of the existing P712 and D1533, linking the Maphumulo Village to Ndwedwe in the south and the Umlalazi local municipality in the north.</p>



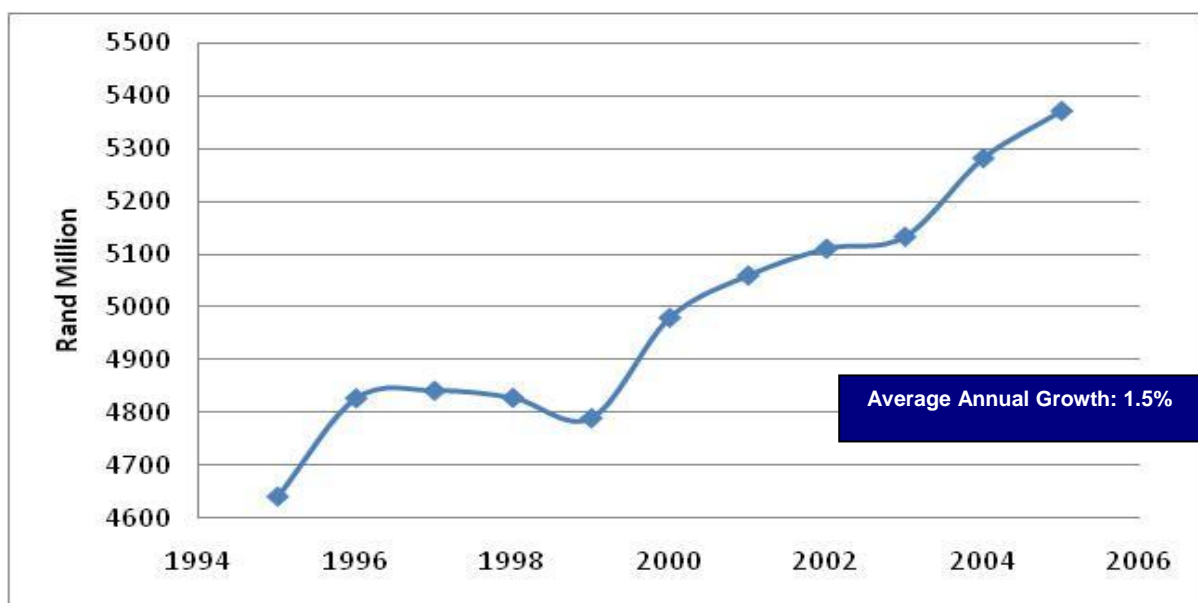
MANDENI	KWADUKUZA	NDWEDWE	MAPHUMULO
SECONDARY CORRIDOR			
Secondary corridors include the continuation of the hinterland north-south linkages consisting of the P459 and the P266 and its linkage to the north and south as well as the linkage to the R102.	Secondary corridors including an inland north-south linkage from the Driefontein area in the south of Mandeni and beyond	Secondary corridors include the major internal linkage connecting the various communities, development of nodes to the primary corridor system	Secondary corridor consisting of existing collector roads linkage the various nodes and developments into the primary corridor system.
SERVICE NODES			
Mandeni represents the primary service node of the municipality; while Wangu is considered a secondary node primary serving the surrounding / Mandeni area is suggested to contain a significant amount of local economic development opportunities.	The central regional service node is represented by Stanger, primary node include the three major nodes of the other local municipalities including Mandeni, Maphumulo and Ndwedwe, as well as Ballito in the south of KwaDukuza, secondary service nodes in KwaDukuza includes Shakaskraal and Darnall.	The Ndwedwe Village represent the central administrative social and economic node of the municipality, secondary nodes include Montebello, Bhamshela, Qinisani and Ashville.	The Maphumulo Village represent the primary service node of the local authority and the secondary nodes include Oqaqeni in the west, Dlakathi in the south and Thafamasi in the west.
NATURAL STRUCTURES			
The major river of the area, as well as their tributaries and environmentally sensitive areas are suggested to form part of the environmental protection zone.	Natural structuring element consists of the coastal strip, the various river mouths, lagoons and the estuaries as well as the valleys of the substantially east- westerly running series of river valleys.	All river valleys, the attractive escarpment forming the western boundary, major mountain such as the Nhlangakazi and Ozwathini Mountains, the Umdloti Escarpment	The major rivers and their tributaries, as well as identified sensitive areas, form part of the environmental protection zone.

THE ECONOMY OF ILEMBE

A brief assessment of the district and underlying local economies is detailed below. Figure 1 illustrates the economic growth of the iLembe District Municipality between 1996 and 2005.

The district economy reflected similar growth trends as the province. The district economy maintained an average annual growth rate of 1.5% between 1996 and 2005, with the lowest growth point being expressed in 1998-99 with negative growth of -0.8% recorded. This was followed by a peak in 1999-2000, with a maximum growth of 4.0% recorded and a smaller peak in 2003-2004 of 3%.

iLembe District Economic Growth, 1996-2005



Source: Urban-Econ Estimations based on Quantec, 2007

The district economy is based on the following economic pillars: manufacturing, agriculture, general government services, and trade and transport sectors. The leading sector in iLembe is manufacturing, comprising over a third of the district's economy at 35.5%; agriculture follows at just under 14% - this sector has seen some decline since 1999. Government services and trade are closely matched at 11.4% and 10.8% in 2005 respectively. Financial services closes out the top five at 9.6% of total contribution to GDP of iLembe.

Contribution of the Local Municipalities

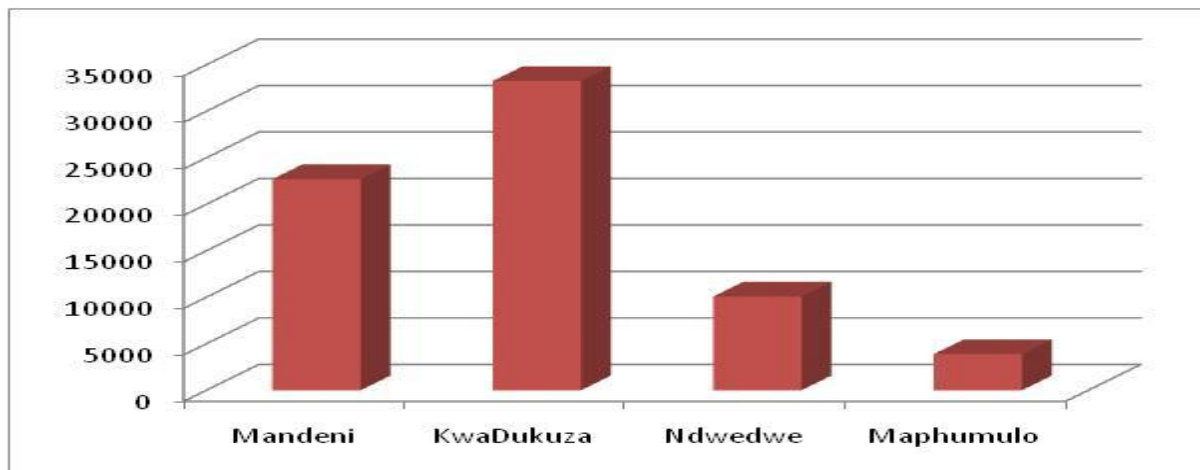
The four local municipalities contribute towards the district economy. Table 2.2 indicates the economic contribution of these local economies towards the various sub-sectors of the district economy for 2005. The KwaDukuza Local Municipality represents the dominant economy within the district - contributing 51.4% towards the district economy in 2005. This local economy is supported by the Mandeni Local Municipal Economy (33.9% in 2005) and the Ndwedwe Local Municipal Economy (10.9% in 2005).

Local Municipal Contribution (%) towards iLembe District, 2005

	Mandeni LM	KwaDukuz a LM	Ndwedwe LM	Maphumul o LM	Total
Agriculture	20.2	54.5	22.9	2.4	100.0
Mining	58.4	13.1	13.6	14.9	100.0
Manufacturing	57.8	37.1	3.3	1.8	100.0
Services	37.9	44.8	12.2	5.0	100.0
Construction	22.4	64.1	11.4	2.1	100.0
Trade	25.2	66.6	5.3	3.0	100.0
Transport	17.7	52.1	24.6	5.6	100.0
Financial	16.2	76.8	5.1	1.9	100.0
Community, social and other personal services	24.5	59.6	10.5	5.4	100.0
General government services	17.2	51.9	19.3	11.6	100.0
Total	33.9	51.4	10.9	3.8	100.0

Source: Urban-Econ Estimations based on Quantec, 2007

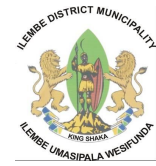
Formal Employment Composition per Municipality



Source: Urban-Econ Estimations based on Quantec, 2007

General Trends with reference to the Economy

Unemployment and poverty is a primary contributor to the socio-economic problems of a large part of iLembe. There are also vast differences in wealth across iLembe, with small developed nodes along the coast contrasted by large areas of extreme underdevelopment in the hinterland. Maphumulo, the lower reaches of Ndwedwe and coastal and inland reaches of Mandeni Municipality are almost entirely tribal authority areas characterised by subsistence farming activities throughout, whereas the northern areas of Ndwedwe, the central corridor of Mandeni and KwaDukuza municipality are more the commercial farming hubs. There are four urbanised



towns in the area: Ballito, KwaDukuza/Stanger, Mandeni and Nkwazi. Industrial uses are concentrated in KwaDukuza, Isithebe, and Darnall.

Ballito in KwaDukuza is characterised by sought after residential estates and holiday homes. KwaDukuza incorporates primary and secondary business sectors, Mandeni is mainly characterised by secondary sector industries, whereas Nkwazi is almost exclusively characterised by sugarcane processing facilities. KwaDukuza is the centre of an extensive sugar cane growing area, and lies adjacent to the Sappi Paper Mill. Land uses in the areas are in general mixed use with high levels of infrastructure and service development and the provision of social facilities and services to support population.

Sugar Cane farming is the dominant agricultural business in the district; subsistence farming prevails on higher lying ground – mainly within tribal authority areas. Small patches of forestry plantations are found along the coast and inland. Exotic tree plantations have increased in numbers over the years. Supporting agricultural activities include paper production, fruit and vegetable farming (chillies), tunnel farming, flowers (rose, geranium and lavender), nurseries, herbs and spices and medical plants.

A relatively well developed SMME sector is found in the coastal strip – Dolphin Coast and the inland corridor of KwaDukuza and Mandeni. Most SMMEs however have very few linkages with larger established businesses. SMMEs found in the rural hinterland of Ndwedwe and Maphumulo are survivalist in nature and not diversified.

The dominant employers in the district include SAPPI, Tongaat Hullett and Illovo. Industry around Stanger is dominated by the food, beverage and tobacco industry. Sugar forms the most important part of the food industry. Other important sectors include agriculture, wood and wood products.

There has been an explosion in residential property development in recent years, with emphasis on Ballito and Zimbali. Much of this has involved the development of land by Moreland, the property arm of Tongaat Hullett. There are concerns that Ballito is being over-developed and that capacity constraints in terms of infrastructure could develop. This rapid development might also result in an imbalance between environmental concerns and effective economic development – due to the limited capacity of the local authority to properly assess applications and building plans. It is also evident that increased demand for development appears to rely on increased tourism and interest from foreign buyers.

The district is furthermore perfectly situated for tourism; the bulk of tourism infrastructure is located in KwaDukuza – Dolphin Coast. It covers the areas from Zimbali in the south to Zinkwazi in the north. It boasts a magnificent coastline with a diversity of cultures rich in history – with emphasis on King Shaka Zulu.

There are vast differences in wealth across iLembe, with small developed nodes along the coast contrasted by large areas of extreme underdevelopment in the hinterland. Land uses within these areas are typically mixed use with a high level of infrastructure and service development and a provision of social facilities and services to support the residential population.

Demographic Profile of iLembe

Demographic information is regarded as a vital baseline source for interpretation, evaluation and projection of social and human resource needs and requirements. This sub-section provides an overview of the population size, density, distribution, age and gender profile of the district municipality and underlying local municipalities.

Demographic Profile (2001)

CATEGORIES		iLembe	Mandeni	KwaDukuza	Ndwedwe	Maphumulo
Area (km ²)		3260	582	630	1154	894
Population		560388	128669	158582	152495	120642
Population Density (people/km ²)		171	194	219	115	118
Group (%)	African	91	95	73	99	100
	Indian	7	2	21	1	0
	Coloured	0	0	1	0	0
	White	2	2	5	0	0
Gender (%)	Female	53	53	51	54	57
	Male	47	47	49	46	43
Age (%)	0 to 4	12	12	10	13	13
	5 to 19	36	34	28	38	42
	20 to 64	46	50	57	42	37
	Over 65	5	3	4	5	6
Dependency Ratio (No. of people dependent on economically active group)		52	49	42	56	61
HIV/AIDS status (% infected across District as per KZN Dept of Health Statistics)		30 %				
Education Levels (%)	No Schooling	20	15	16	24	27
	With Grade 12+	51	23	23	10	8
% Unemployed (out of labour force)		24	26	21	26	22
Income Levels (%)	R0/HH	25	25	14	33	37
	R1 - R801/HH	37	37	35	41	39
	R801 - R1600/HH+	17	17	19	16	13
Financial Grant Dependency (as per Dept of LGTA 2004)		61	21	12	100	100
Number of Traditional Authority Areas		41	5	2	23	11
Service Backlogs (% people with no access)						
Water		38	38	20	42	58
Sanitation		50	32	30	63	78
Electricity		51	37	24	78	83
Refuse		76	70	53	97	98
Housing			40	30	70	70

Source: Local Economic Development Support Programme in KwaZulu-Natal, 2005

■ Population characteristics

The district and local municipalities are characterised with relatively high population figures, however distributed at relatively lower densities. The population in these areas are predominantly represented by African Blacks, Indians and Asians. The municipal population is characterised by a relatively large segment of children and youth. A total of 36.7% of the iLembe population is under the age of 15 years, and 35.7% of the population is represented by youths. A small percentage (4.9%) of the population is older than 65 years of age reflecting high levels of dependency. In terms of the gender distribution it is found that 46.5% of the district population represent males and 53.5% females. The various local municipalities reflected similar distribution trends.

■ Educational Levels

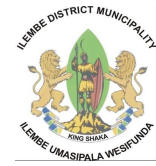
A relatively large segment of the population above 20 years of age has no level of schooling (29.8%), or education levels below Grade 12 (51.1%). A mere 15.4% of the population segment older than 20 years of age has completed their secondary education, and a mere 3.7% has obtained higher levels of education. Similar trends are reflected within the local municipalities.

This reflects low levels of human development and it is anticipated that the skill levels within the area is also restricted – posing restrictions on the absorption of the local labour force within the economy. The dominant segment of the population is involved in elementary occupations, followed by craft and trade activities, plant and machine operators, and service work. Reflecting a dominance of lower skilled blue collar professions associated with lower income levels. Consequently the development of the youth in all of the local municipalities is crucial for the future growth and viability of iLembe.

■ Service Delivery (Water, Sanitation and Electricity)

In terms of service delivery, Ndwedwe and Maphumulo are highly disadvantaged with service delivery lagging behind in all areas. The dominant population segment (41.5%) resides in traditional dwellings, huts, or structures of traditional materials, followed by a large segment (35.7%) residing in houses or brick structures on separate stands. Delivery of houses to the poorest of the poor is one of the core functions of the local municipalities.

A large segment of the population (30.2%) obtains water from a river or a stream and do not have access to piped water. This segment is followed by 17.0% that has access to piped water within the yard, 15.7% with piped water inside the dwelling and 11.4% with access to piped water on communal stands further than 200m from dwelling. The iLembe district is the water service Authority for its area of jurisdiction. The district still has major backlogs in water and sanitation, with a 38% water backlog and a 50% sanitation backlog. This reflects a demand for improved service delivery in the area with emphasis on the Ndwedwe LM and Maphumulo LM. The largest population segment (49.3%) has access to electricity, followed by 47.0% of the population with access to candles. Electricity supply is the lowest in Ndwedwe and Maphumulo LM. According to Eskom's statistics the current situation reflects the following for the district as a whole. Ndwedwe and Maphumulo are faced with huge electrification backlogs.



The more urban parts of the iLembe District Municipality (KwaDukuza and parts of Mandeni) have more organised waste management system in place, with more households having their waste removed by the municipality on a weekly basis. The opposite is true for the rural areas (Maphumulo and Ndwedwe) which are lacking many services including proper waste collection and disposal systems.

■ **Transport and Telecommunications**

Minibus taxi's are the dominant public transport mode utilised with 84% of the trips followed by Bakkie taxi's (10%) and buses 6%. Households in Ndwedwe and Maphumulo reflected high levels of dissatisfaction with their public transport system – taxis.

Based on the iLembe Quality of Life survey it is found that in terms of access to telephones – the dominant segment of the population has access to cell phones, this is followed by access to public phones in the neighbourhood. A very small segment of the population has access to telephones in the dwellings. The community has expressed a need for greater provision of telecommunication facilities, with emphasis on broad band connections. Telecommunications, however, is not a prioritised sector by the District Municipality.

The survey also revealed that relatively good access can be found across all the local municipalities for things such as educational facilities, pension pay points, public transport, and police services. A demand however exists for medical services, housing support services, libraries, parks and recreational facilities.

■ **Employment and Income Levels**

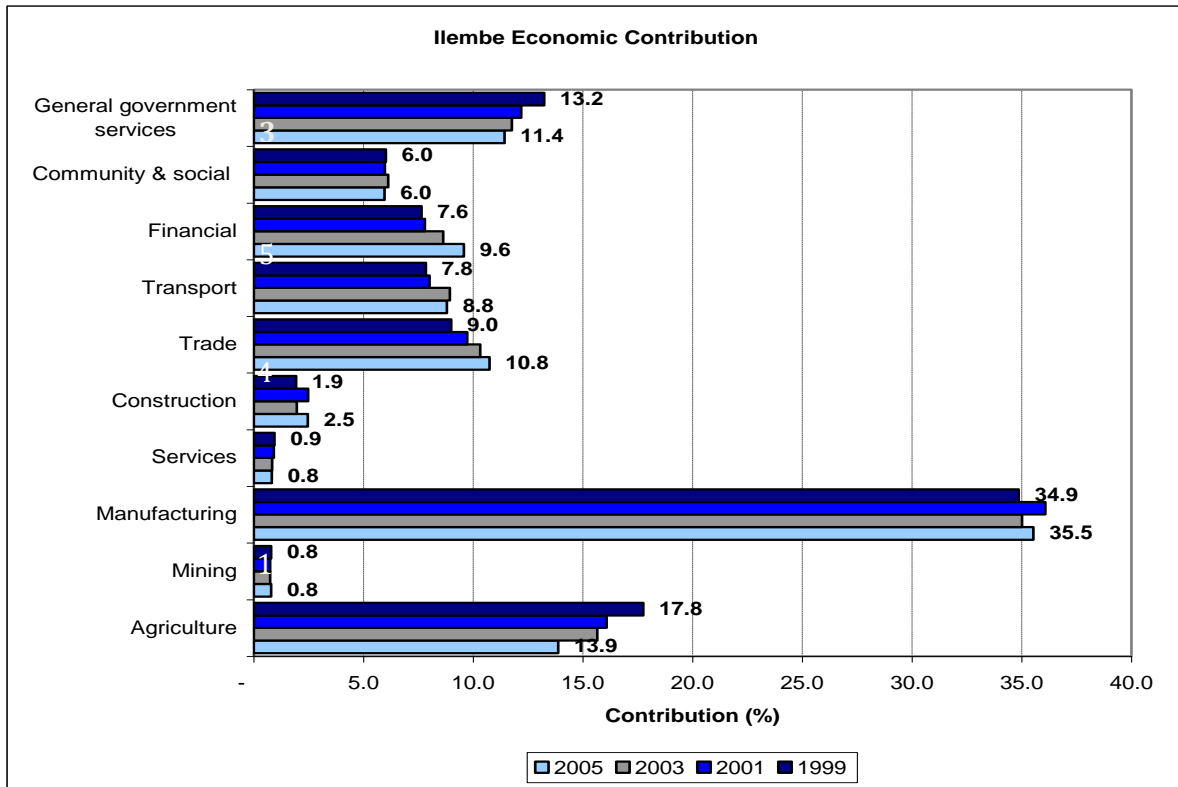
The employment profile of iLembe reveals that 49.6% of the total district population falls within the economically active segment. This can be ascribed to the high prevalence of children within the study area. Of this 49.6%, 52.0% are employed and 48.0% are unemployed. The highest levels of unemployment are found within the Ndwedwe and Maphumulo LM.

Monthly income of the employed was assessed in order to determine the extent of poverty prevalent in iLembe. This indicates that approximately 74.2% of the employed fall under the poverty line of R1 600 a month. Of this segment 3.1% earn no income at all, 23.0% up to R400 a month, 27.2% between R400 and R800 a month, 20.9% between R801 and R1 600. A relative segment of the employed (20.8%) earns monthly incomes between R 1601 and R6 400. A mere 4.9% of employed individual earn monthly incomes above R6 400. This is in line with the education and skills profile.

The majority of the employed work as paid employees, followed by a much smaller segment that is self-employed and employers in themselves. Poor and low income people in the district also rely on livelihood strategies. Based on the iLembe Quality of Life survey the dominant type of strategies includes old age pensions, and government grants. This is also supported by a large segment of households growing their own food - emphasis on Mandeni, Ndwedwe and Maphumulo. Strong reliance on family networks also exists.

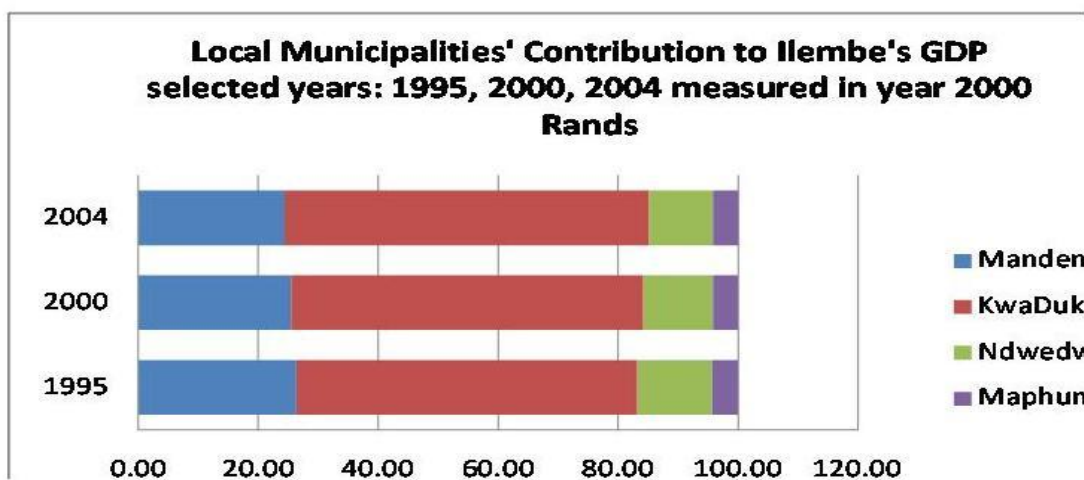
KwaDukuza's contribution to Ilembe's GDP is the most significant (over 60%) and has constantly grown over the period reflected. Mandeni contributes over 20% with the remaining 20% being contributed by both Ndwedwe and Maphumulo jointly.

iLembe Contribution to GDP, 1999-2005



Source: Urban-Econ Estimations based on Quantec, 2007

GDP Contribution by each Local Municipality to Ilembe District



Based on average annual growth rates it is evident that the Business and Financial Services Sector dominate as growth sector, followed by the Trade Sector, Transport and Communication Sector, and the Construction Sector. The manufacturing and community and social services sectors also reflected positive although lower growth rates. The agriculture, mining and general government services sectors reflected negative growth over this period.

Economic Sub-Sectoral Growth, 1996-2005

	1996-1997	1997-1998	1998-1999	1999-2000	2000-2001	2001-2002	2002-2003	2003-2004	2004-2005	Average Annual Growth 1996-2005
Agriculture	(3.9)	(2.6)	(6.2)	(0.1)	(4.2)	0.6	(1.8)	(4.4)	(3.0)	(2.85)
Mining	3.8	1.4	(25.3)	0.4	(2.1)	(7.8)	10.5	9.8	1.0	(0.91)
Manufacturing	2.7	(1.0)	0.7	7.9	1.3	0.6	(2.1)	5.3	0.8	1.80
Services	2.4	(8.0)	(0.6)	4.1	(1.5)	7.4	(13.9)	3.3	(0.3)	(0.78)
Construction	4.7	(12.3)	(6.8)	2.7	32.5	(22.0)	2.5	27.0	3.6	3.55
Trade	(0.4)	(0.1)	6.2	7.1	6.7	1.4	6.1	3.5	5.4	3.97
Transport	4.8	3.9	2.4	5.0	2.9	8.6	4.2	1.5	1.5	3.85
Financial	5.2	4.6	5.7	2.0	5.7	5.9	6.2	6.9	8.5	5.62
Community & social	(1.0)	5.1	2.7	3.6	1.2	1.3	2.8	0.0	1.7	1.94
General government services	(4.0)	0.3	(5.1)	(2.0)	(0.8)	(1.1)	(1.1)	0.0	1.7	(1.32)
Total	0.3	(0.3)	(0.8)	4.0	1.6	1.0	0.4	2.9	1.7	1.50

Source: Urban-Econ Estimations based on Quantec, 2007

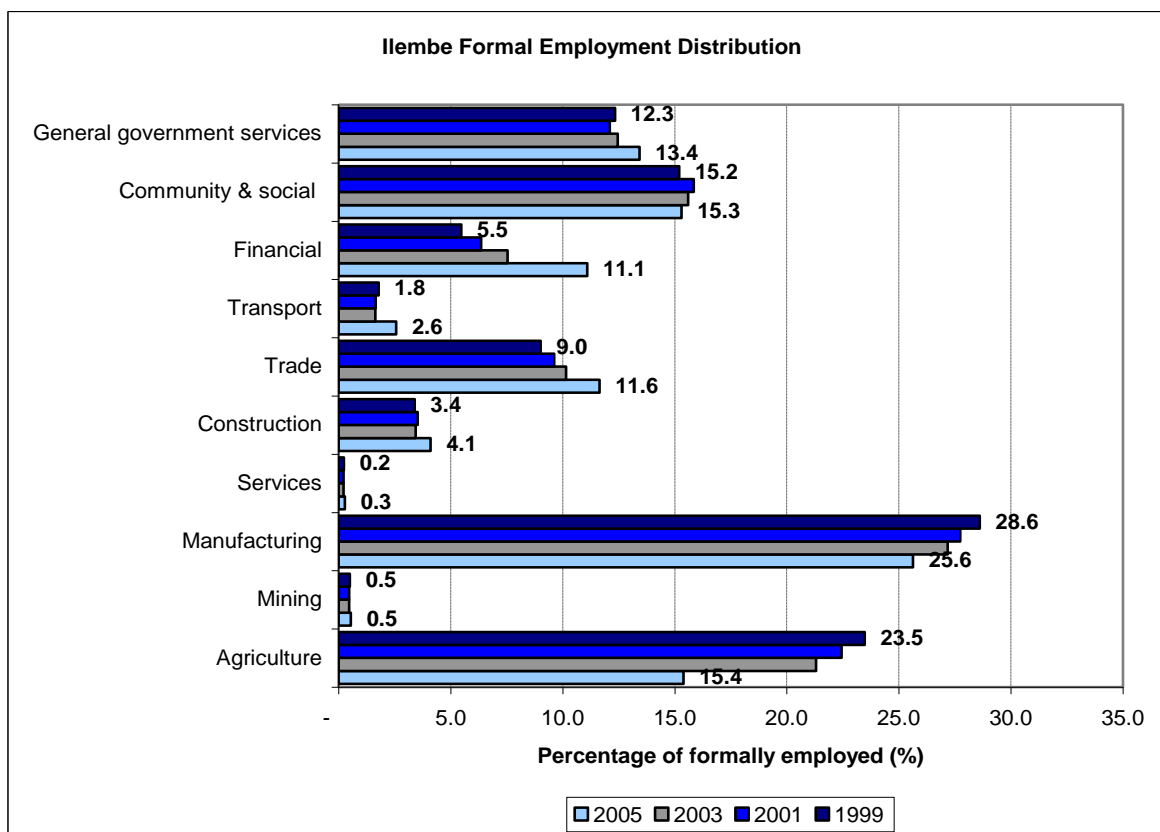
DISTRICT EMPLOYMENT DISTRIBUTION AND GROWTH

The figure below illustrates the dominant employment sectors within the district economy. The leading sources of employment are numbered in ascending order. Manufacturing and agriculture, while the largest sectors for employment have also experienced considerable decline in employment figures – agriculture dropping 8% in 6 years and manufacturing 3% over the same period. . Financial services and trade, while not featuring within the largest employing sectors, they have experienced the greatest positive growth. This is indicated in greater detail in the following figure.

Based on the average annual growth rates the following sub-sectors represents the dominant employment growth sectors: business and financial services sector, trade sector, community and social services sector and the electricity and water services sector.

The formal employment growth and decline within each of these sub-sectors is shown in the following table.

Formal Employment Distribution, 1999-2005



Source: Urban-Econ Estimations based on Quantec, 2007

Formal Employment Sub-Sectoral Growth, 1996-2005

	1996-1997	1997-1998	1998-1999	1999-2000	2001-2002	2002-2003	2003-2004	2004-2005	Ave. annual growth 1996-2005
Agriculture	(2.93)	(3.08)	(2.99)	(3.27)	(3.35)	(5.37)	0.87	(6.73)	(3.36)
Mining	(6.46)	(7.62)	(5.93)	(4.11)	(1.71)	0.58	(0.29)	(2.32)	(3.48)
Manufacturing	(4.51)	(5.48)	(1.01)	(1.80)	(3.44)	0.53	(2.01)	1.94	(1.97)
Services	1.83	3.59	2.89	(6.18)	(1.80)	1.83	(1.20)	2.42	0.42
Construction	0.92	(6.28)	(13.06)	(0.76)	2.46	0.71	(2.69)	(1.20)	(2.49)
Trade	3.16	5.93	9.86	1.26	3.10	2.38	3.66	1.19	3.82
Transport	(3.01)	(17.73)	(2.52)	(4.71)	(5.18)	1.18	(1.16)	0.59	(4.08)
Financial	11.07	7.44	3.22	3.74	9.50	15.69	3.09	1.13	6.86
Community & social	1.64	1.32	1.21	1.10	0.88	1.52	(2.54)	(0.60)	0.56
General government services	0.48	(0.86)	(2.56)	(3.09)	(1.00)	1.59	1.90	0.41	(0.39)
Total	(1.19)	(2.16)	(0.75)	(1.32)	(0.92)	0.66	(0.08)	(0.78)	(0.82)

Source: Urban-Econ Estimations based on Quantec, 2007



SOCIO-ECONOMIC FEATURES

49% of Ilembe District Municipality population is under the age of 19 years, this is a significant factor to take into consideration for potential investment into the area. Youth are not engaged in formal employment, nor having the spending power to attract investment.

Official HIV/AIDS statistics indicate that infection rates for Ilembe to be 14.4% (DOH), however, local health officials indicate that the pandemic is more widely spread than official reports indicate.

Education levels in Ilembe are low – 29.8% of the populous has no formal schooling, while only 15.4% have obtained a matriculation and 3.7% indicated higher education.

Service backlogs are being managed by the Municipality – housing backlogs are indicated at 79000 homes in the 2006/7 Ilembe IDP. Over 30% of Ilembe residents still access water from rivers and streams. Water backlogs are recorded at 38% and sanitation at 50% in the district.

The Ilembe Quality of Life Survey (2005) indicated that residents are satisfied with the access to public service facilities like schools, pension pay points, public transport, and police services. However, indications are that there remains a high demand for medical services, housing support services, libraries, parks and recreational facilities in Ilembe.

IMPACT OF DUBE TRADE PORT ON ILEMBE

The Dube Trade Port Development is KZN Growth Fund Managers' flagship project. The concept came about as a key constraint to economic expansion in South Africa was identified – the cost and efficiency of transporting people and freight. The DTP is intended to act as a catalyst for economic growth through improved air transport infrastructure. As a result the DTP is a Provincial Flagship Project that has been identified and prioritised by the National Government's Accelerated and Shared Growth Initiative for South Africa (ASGISA). The development of DTP should be seen as a long term strategy for the optimum provision of air services for eThekweni and surrounding region - most notably Ilembe District.

The development of Dube Trade Port – comprising of the King Shaka International Airport, the trade zone, agri-zone and support zone will have an immense impact upon Ilembe's economic development. Ilembe site is immediately adjacent the Dube Trade Port and the IDP review process identified the critical opportunities for agriculture, agri-processing, industrial, tourism and residential development that Dube Trade Port presents.

A Spatial Development Framework plan that has recently been prepared for the Ilembe Municipality outlines the strategic growth patterns proposed for the next 20 years. The plan clearly highlights the new Airport as a major investment site linked to the area along the R102, the N2 and the P100. The R102 and P100 have been identified as investment corridors and Compensation has been identified as an economic opportunity zone partly in response to its favourable location with respect to the DTP site.

INVESTMENT OPPORTUNITIES IN iLEMBE AND ASSOCIATED FAMILY OF LOCAL MUNICIPALITIES

The opportunities included in this overview were collated from a variety of sources and is meant to be viewed as a list of some of private and public sector economic development opportunities that exists within iLembe. They are intended as a starting point for interacting with iLembe and the local municipalities to realise the opportunities.

The opportunities identified are therefore indicative of the type and scope of opportunity that could be initiated in the district: The opportunities are grouped into three major economic sectors that the district is focusing on:

- Agriculture and related opportunities
- Tourism and related opportunities
- Commerce, Industry and Services and related opportunities

We trust that this list will assist in generating further interest in iLembe and assist in the creation of potential up and down-stream associated opportunities.

CONTACT INFORMATION WITH RESPECT TO ALL THE
OPPORTUNITIES LISTED

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AGRICULTURE AND RELATED SECTORS

AGRICULTURAL DEVELOPMENT

The development opportunities in agriculture constitute a range of activities in areas such as formal mainstream education in agriculture, training courses for subsistence and commercial farmers, research and development for animal and crop producers in the servicing area and advice on the new farming technology and mechanisms. Opportunities fall in the following categories:

- Agricultural Production and alignment to Dube Trade Port- Identified agricultural products that can be produced in the rural municipalities and align them with the demand of Dube Trade Port agricultural products.
- Agricultural facility establishment in response to Dube Trade Port- agricultural facilities such as warehouses; distribution houses, green houses, pack houses for agricultural storage of products and protection against the harsh elements
- Agricultural related industry development - Development of an irrigation equipment manufacturing plant that caters in the manufacturing or irrigation equipment specifically for the local and surrounding agricultural activities. Construction of storage and depot facilities for the locally produced fruit and vegetables and other livestock products which could be centrally located and then transported to Dube Trade Port
- The areas that should be targeted are the southern eastern portions of Ndwedwe as they have potentially the highest value of agricultural potential.
- The crops that should be targeted are Category B products flower, ornamental plants and seedlings; and category C products fresh fruit, vegetables and herbs and category D and E products processed fruits and semi-perishables
- Kwa-Sonkomba is an area that does not have any water resources however there are a high land potential as there are minor limitations to soil and slope conditions. This enables the cultivation of pineapples and exotic fruits or flowers that could be cultivated in the area
- Mkhukhuse has many reservoirs and land has high potential value. The land has a high potential and thus category D products identified is best suited for the area. The municipalities have a range of skills such as mixed crop growers, field crop and vegetable growers, market garden and crop growers. Ndwedwe will need to provide training to develop peoples skills in the various job capabilities identified.
- There are 250 community gardens in Ndwedwe. The clustering of these community gardens to provide a collective produce to meet the demands of Dube Trade Port as well as Ndwedwe.

AGRICULTURAL PRODUCTION FARMS

The opportunity is to increase production to meet the demand of Dube Trade Port. The need to increase production of category D and E products as farmers are currently producing these products. There is a need to increase production through access to agricultural support. The provision of agricultural equipment, labour and yields are imperative to the success of this project. Linkages with smaller farms would be necessary to increase production levels in the future.

ILEMBE AGRI-PROCESSING HUB

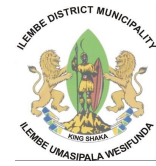
Successful pilot projects have emphasised the need for an integrated agri-processing facility. In a development driven by IDM, emerging farmers from Maphumulo, Ndwedwe and Mandeni delivered their chilli crops to the African Farms agri-processing plant in Glen Anil where they sold for R8 per kilogram. There the chillies were processed, turned into products and have found their way onto supermarket shelves all over the country. Emerging paprika farmers have found similar success for their produce. The agricultural commodities that will be the focus of the agri-processing hub in iLembe are:

- aromatic plants for the production of essential oil (tertiary crop)
- fruits and vegetables already grown in the district
- medicinal plants (secondary crop)
- subtropical herbs and spices
- The need for an agri-processing plant
 - Drying
 - Pureeing of spices and vegetables
 - Washing of fruits, vegetables, medical plants
 - Distilling of essential oils
 - Cooking and pickling of vegetables and spices
 - Packaging and labelling
 - Pack houses
 - Organics.

The integrated processing hub will encourage the further emergence of local farmers, allowing them opportunities in the commercial sector. Out growers, such as the chilli and paprika farmers, tap into the agri-processing facility, creating a demand pull factor for products by creating a market for the produce of these rural farmers. This in turn allows more out growers to be set up.

The hub will be managed by a body corporate, which will attend to the renting out and maintenance of the complex. When participating beneficiaries' units become sustainable, the units will be transferred to the new owners to continue business. Opportunities are:

- the hub complex, including a cooperative pack house and various processing and value-adding units – a storage and ripening facility, a cold processing and pre-packing unit, a hot processing unit and composting unit



- a 60-hectare subtropical fruit training and production unit for emerging farmers
- an intensive 45-hectare vegetable and herb training and production unit for emerging farmers
- markets at Stanger and Ballito as outlets for fresh produce
- four collection depots, one per local authority
- debulking and dry goods unit
- bridging finance, management contract and start-up stock for the hub.

TUNNEL PRODUCTION OF HIGH VALUE VEGETABLES IN MANDENI LOCAL MUNICIPALITY

The establishment of the Dube Trade Port (DTP) will offer opportunities for farmers in iLembe, especially as a result of their favourable location, to export high value perishable crops. ROMAC Farms, a commercial business located within iLembe, is a successful hydroponics and vegetable processing plant, that supplies processed vegetables and salad packs to a number of outlets in KwaZulu-Natal. Tunnel production of vegetables, which allows for production under controlled conditions, offers opportunities for income generation and employment. A project that is based on a partnership with a business such as Romac Farms, will ensure that producers have a secure market as well as access to technical expertise. Agreements with the private partner would need to be negotiated so that advantage can be taken of other markets such as Dube Trade Port.

This opportunity involves primary production and processing as well as linkages with a private commercial partner, is well aligned with the principles of the Provincial Spatial Economic Development Strategy (PSEDS). The Strategy has identified corridors where different types of investment and economic development will be encouraged. Agriculture, including both primary production and agro-processing, has been identified as one of the key sectors to be supported and linkages of the second economy with the first economy are seen to be essential for sustainable development.

MEDICINAL PLANT PRODUCTION AND PROCESSING HUB

This opportunity involves the establishment of a number of projects involved in the production and processing of medicinal plants. The aim being to establish new projects in line with the established focus areas and the overall objective is to coordinate role-players around common focus areas in order to strengthen the emerging agricultural sector. The production and sale of raw material at wholesale prices does not create a viable business while there is still material available for wild harvesters to collect. The projects must engage in some level of processing if they are to generate meaningful returns. The project participants can undertake basic processing activities but will need to partner with / make use of the services of a factory such as Mpilo Drugs if they wish to engage in more complex processing activities (also to ensure quality control). Thus the other key aspect of this project is the existence of a partnership with existing industry players within iLembe.



ESTABLISHING PLANT NURSERIES

This opportunity involves the establishment of a number of projects producing potted plants and bagged ornamental plants to supply (1) to landscaping companies involved with office park and housing developments in iLembe and (2) to supply to the export market. The aim is to establish new projects in line with the established focus areas (which should take cognisance of existing opportunities). The overall objective is to coordinate role-players around common focus areas in order to strengthen the emerging agricultural sector. The projects will be located mainly in KwaDukuza Municipality (with access via the N2), and Ndwedwe Municipality (in the vicinity of the P100).

ESTABLISHING A BIODIESEL NURSERY

This opportunity involves the construction and establishment of a nursery for the germination of 800 000 palm nut seeds which are to be made available to growers [once the seedlings have reached the grow-out stage after a period of 24 months, for the cultivation of palm nuts which are to be used in the production of bio-diesel. The aim of the project is to make sufficient seedlings available to farmers for the production of palm nuts which are to be used in the processing of bio-diesel and so reduce the country's dependence on the ever decreasing supply of mineral diesel. The purpose is to promote local economic development and establishment of secondary industries through farming with palm nuts and the establishment of a bio diesel processing plant (the construction of the diesel processing plant is the third phase of the project for which application has also been made to the Department) leading to an improvement in the socio – economic lives of people living in the district municipality where the project is to be implemented.

A BIODIESEL OUT GROWERS PROGRAMME

This opportunity links into a programme whereby farmers with access to small plots of land are able to participate in a District wide programme by planting and supplying raw coconut / palm oil nuts to a centralized biodiesel manufacturing plant. They are to be engaged with, their participation contracted and through that they are ensured a fair price for the products for a period of at least 10 years, with a strong likelihood of the contract renewal. The Biodiesel Out growers Programme is housed within the agricultural sector and has a strong bias towards community based participation in the planning, partner identification and growing methodology of selected plants for the supply of raw materials to a biodiesel manufacturing plant. This programme will be supplementary to the construction of the biodiesel plant in the District, with its secured markets as well as the establishment of the palm nursery within the district by the applicant to supply the growers."



FORMALIZATION OF MARKETING OF VEGETABLES FROM SMALL SCALE FARMERS IN NDWEDWE

This opportunity involves the establishment of a vegetable marketing channel linking small scale farmers to markets. The lack of good marketing infrastructure has a negative effect in the growth of this sub-sector. Community garden members are not organised for collective action which makes it difficult for them to access any market in a meaningful and sustainable manner. Experience has shown in other parts of African and Asia that the provision of a good and an easily accessible market leads to great improvement in the production of agricultural products. The opportunity involves the establishment of a middleman operation between the farmers and markets.

CULTIVATION OF ORGANIC VEGETABLES IN OPEN FIELD AND TUNNELS

There is an increase in the market demand of organic vegetables both locally and abroad. Ndwedwe Municipality due to its locality could take advantage of supplying niche markets with organically produced vegetables. The best way would be to start by planting organic vegetables in open field and later turn to tunnels when farmers have learnt to manage their farms.

COMMERCIALISATION OF SUB-TROPICAL FRUITS

Studies conducted in Ndwedwe show that most homesteads have on average about six fruit trees per household. Though the primary objective of planting the fruit trees was mainly for domestic consumption, it has turned that most homesteads fail to absorb their production. This means that there substantial amounts of mangoes and avocado available for marketing. Although the quality of the crop needs to be improved to meet formal market requirements there are opportunities to supply to informal markets. There are also opportunities of establishing community orchards along the valleys of municipality located in the deep rural areas.

LINKING OF POULTRY PRODUCERS WITH THE POULTRY ABATTOIR

The Department of Agriculture & Environmental Affairs, the Department of Social Development, iLembe and Ndwedwe Municipalities have invested substantially into poultry projects in Ndwedwe and Maphumulo. One of the man problems that these poultry projects experience is having access



to a poultry abattoir. The opportunities lie in the construction of poultry abattoirs along the borders of the municipalities that will open access to markets of the Ndwedwe poultry farmers.

DUBE TRADE PORT AND GREENHOUSE CUT FLOWERS (PROTEAS AND RELATED INDIGENOUS FLOWERS)

One of the DP studies motivates the establishment of green houses for cut-flowers production of especially Proteas and related indigenous flowers. The enterprise suitability map of Ndwedwe indicates that there are areas in the municipality that are suitable for the production of Proteas. It is envisaged that there is an opportunity for a joint venture to be established between smallholder farmers and large scale commercial farmers to establish a farm to market link. The small scale farmers could function as out growers to the larger operations thereby increasing the economies of scale of the market channel and reducing production and market risks. This will minimise the risk and assist with local market access and maintenance of quality standard for the export market.

PINEAPPLE PROJECT

Most of the marginal agricultural lands under Ndwedwe Municipality are suitable for the production of pineapples. This opportunity gives smallholder farmers and some medium and large scale commercial farmers an opportunity to produce pineapples for contract marketing. This project will be linked as one of the feeder projects to the Ezindlovini Agro-processing facility.

ESSENTIAL OILS PROJECT (ROSEMARY, LAVENDER AND THYME)

This opportunity will feed into the Ezindlovini Agri-processing facility. Most parts of the rural hinterland areas of the district are suitable for Thyme and Rosemary while Lavender production could take place in some of the other areas in the municipality. According to the enterprise suitability map for Ndwedwe Rose geraniums are not suitable for production at Ndwedwe.

CONSTRUCTION OF AGRICULTURAL DISTRIBUTION WAREHOUSE

The opportunity is to establish an agricultural distribution warehouse where agricultural products are washed, separated, packaged and stored for the transportation to Dube Trade Port. The rural areas of iLembe can potentially produce a range of agricultural products such as bananas, sugar cane, maize, carrots. Since Dube Trade Port requires quality assurance, grading and packaging for

export, an agricultural distribution is vital. The agricultural distribution warehouse will serve as a collection point for the agricultural products that are produced in the area.

AQUA CULTURE

The opportunities exist to establish fish farms using new technologies that increase yields while reducing the amount of water needed. Aquaculture and hydroponic projects will be structured to act as Centre Farms to much smaller satellite farms which would be established by smaller communities and third party farmers. The main Centre Farm will have the processing facility to transform the fish and vegetable produce also supplied by the satellite farmers. The Centre Farm would guarantee the market outlet for these products, thus relieving the third party farmers from the cost of marketing. This would multiply the effect of the central investment, develop a new efficient farming technology, build capacity in vegetable farming amongst new farmers, further enhance food independence in KZN and create further employment.

MARINE AQUACULTURE OPPORTUNITIES

The stocktaking and diagnostic exercise revealed that the economic outlook for marine aquaculture over the next twenty years is exceptionally positive, and that real prices for high value fish will rise in response to increased demand. This is in response to a projected decline in the supply of high value fish from the harvest fisheries. South Africa should therefore actively harness its potential to increase marine aquaculture production and maintain market share in the high value fishery sector. Marine aquaculture is based on intensive production technologies with high input costs. Therefore the marine aquaculture sector will be based on the production of high-value products.

Although very difficult to reliably project, since estimates have to be made on the basis of assumptions fraught with uncertainty, indicatively the South African marine aquaculture industry could grow at a sustained annual rate of between 9% (the global average growth rate of aquaculture) and 20% per annum depending on the level of public sector support provided. Estimates suggest that over the next 20 years, total production might increase from the current 2,000 tons per annum, to a conservative 10,000 tons (low range projection) or an optimistic 60,000 tons (high range projection). In terms of employment, a marine aquaculture industry producing 60,000 tons of products per year would create a considerable number of skilled jobs. The indicative magnitude is probably in excess of ten thousand jobs directly on-farm. This number can probably be doubled if the services sector employment and a multiplier effect are factored in. The indicative growth estimates are well within the environmental capacity for aquaculture, but zoned access to both sea and land based sites is required.



TOURISM AND RELATED OPPORTUNITIES

KING SHAKA TOURISM TRAIL

The opportunity deals with the provision of tourism related facilities at the Shaka High Rock in Chakas Rock and the enhancement of facilities at the King Shaka Cave and Pool in Shakaville. The King Shaka Heritage Route was initiated in 2001 through the iLembe Job Creation Model. The route focuses on existing tourism products around the KwaDukuza area with emphasis on the King Shaka sites i.e. King Shaka's Grave, Memorial Gardens, Interpretive Centre; Mavivane Execution Cliff; King Shaka's Pool and Spring; Observation and High Rocks.

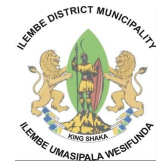
The aim of the creation of the King Shaka Heritage Route is to open-up new geographically diverse commercial opportunities and to increase visitor numbers to the area by offering a historical and cultural experience in addition to the beautiful coastal experiences. The listed sites will form the core of the route and offer an educational and meaningful tourism experience whilst linking to other significant components within the district i.e. Albert Luthuli Legacy Project, The Ultimatum Tree, Fort Person, Fort Tenedos etc.

The King Shaka Heritage Route will become a seamless part of the proposed larger 'Zulu Heritage Route' initiated by Tourism KwaZulu-Natal. The recent announcement of the King Shaka Statue to be erected on the banks of the Tugela River only serves to further enhance the potential of the King Shaka Heritage Route which will form a strong link between existing and new products.

Upgrading of the sites will ensure that the visitor experience will be a hassle free and enjoyable one. Further more, local communities will be able to benefit from increased visitor numbers by capitalising on business opportunities such as home-stays, bed and breakfasts, craft stalls and story-telling.

DESTINATION MANAGEMENT AND ACTIVITY BOOKING SERVICE

The opportunity to establish a destination management and operating environment for cultural tourism within iLembe has been identified. The project aims to effectively manage the growth of the



existing King Shaka Tourism Route in iLembe and to expand the route into the cultural hinterland areas of the district. The opportunity includes sites associated with the life of King Shaka as well as supporting businesses such as food and recreation. There are a number of sites that have been identified and have been included in the Tourism Route and would need to be managed and supported by the Destination Management office in order to grow the local economy. Tourists may benefit from local knowledge, for example which sites to visit, according to particular tourists' likes and dislikes. Furthermore, local knowledge about the merit of the attractions advertised, may avoid many disappointments. Both the tourist benefits and the region as the brand promise can be upheld better. A good activity booking service can earn 10-20% booking fees for activities and accommodation. The income streams provide for a good business, given the scale of iLembe tourist offering.

SET UP ORGANISED DAY TOURS INTO HINTERLAND AREAS

Organised day tours can select only the better sites and experiences to ensure that tourist expectations are exceeded. This will contribute to improving the positive communications by tourists of the venue and may also increase the length of stay.

OUT-OF-SEASON PACKAGE TOURS

Special interest groups like golfers and amateur photographers enjoy tours designed to meet their specific interest need. Many people travel internationally for this purpose. These interest groups can be reached quite easily through internet marketing. Since iLembe has much to offer, especially spare accommodation out of peak seasons, this is an option that is likely to yield good results if done correctly.

ART & CRAFT DEVELOPMENT / BED AND BREAKFAST

The artists and crafters of the Maphumulo Municipality identified the opportunity to develop an arts and craft centre through which their art and crafts can be marketed. Potential sites for the location of such a centre have been identified in the town of Maphumulo and at well-known tourist destinations in the area. Investors to develop and operate the centre is being sought to act as intermediate between the crafters and provincial, national and international craft markets. Opportunities to link the centre of a cultural village including accommodation facilities exist as part of the establishment of a tourism route linked to the King Shaka Heritage Route.



NDWEDWE NATURE RESERVE

The tourist sites that characterise the area are the famous Nhlankazi Mountain which attracts religious tourists during January. Other tourists' sites include the Malangeni Game Reserve; KwaLoshe Forests; Carmen Mountains; Ozwatini Mountain; Goqweni Mountain, escarpments and hilltops. Ndwedwe is also characterised by good climate and topography.

Ndwedwe Nature Reserve would be an excellent opportunity for the creation of enhancing tourism in the area and increasing income and employment. The nature reserve will serve as a basis for skills development and capacity building as well as provision of tourist facilities. The project aims improvement of the tourist sector thereby increasing income levels of the people living in Ndwedwe by means of the ecotourism, using their own natural, cultural and historical resources.

The project covers the ecotourism aims at improving the socio-economic conditions of the Ndwedwe people of low income level living in the natural areas i.e. mountains by means of using their own natural, cultural and historical resources without damaging the natural environment. It is important to inform the community that such beauty and resources can provide them an income. Introduction of home boarding business by restoring the rural houses and the promotion and marketing of handicrafts to tourists makes it possible to offer the beauties of natural environment and rural life and various sportive activity facilities (4 X 4 routes; horse and hiking trails, bird watching to the utilisation of the urban tourists, so that the living standards of regional people could be improved with the protection of natural environment

ZULU RURAL CULTURAL TRAIL

The Zulu Rural Cultural Trail will serve as an excellent opportunity for capitalizing on this cultural event. The trail will serve as a means for marketing this annual event as well as the culture. A Zulu Rural Cultural Trail is an excellent project and therefore has the potential for income generation and wide scale employment. The Zulu Rural Cultural Trail provides the tourists with the opportunity to experience life as a Zulu within a rural setting. The trail will be characterised by providing the tourist with an enriching cultural experience living the life of a Zulu person. The trail will serve as an educational experience for the tourists by providing them an opportunity to walk into the shoes of a Zulu person. The project will serve at providing the tourist with the unique opportunity to experience the Zulu lifestyle and culture. This project would entail living in a Zulu homestead thereby increase tourist knowledge, experiencing the Zulu dance which is an introduction to the Zulu culture providing a unique experience for the tourists. Tourists would experience the Zulu handcraft-employment generation for the local community and increase local economy revenue and marketing of the trail.



NATURE HIKING TRAILS AT THE KOP (NTUNJAMBILI)

An opportunity exists to develop nature trails on and around the Kop. This hill, 45 km from Greytown on the Stanger road, overlooks the Tugela River, which meanders nearly 700m below. The 'Kop' has long been a well-known landmark in the area (Ntunjambili) with its trademark rounded cliff face rising 800m (2000ft) from the valley of the Tugela (Thukela) River below. The distinctive "head" stands like a lone sentinel at the end of a narrow grassy ridge, which extends from the surrounding plateaux. Not only is this formidable pinnacle of weathered sandstone home to the Natal/Zululand Cycad (*Encephalartos ferox*), but also several species of bird life (Black Eagles, kestrels, falcons and rock pigeons) and the ubiquitous 'dassie' (hyrax). The arch of the bridge is approximately 20m below the level of the bluff, which is split in half from north to south, with a rock chimney (about 1m wide and 30m deep but partially filled with rubble). On a clear day, one can see as far as the sea and Eshowe to the east, and westwards to the Drakensberg Mountains. An interesting tribal legend dating to the days of Shaka tells of the rock splitting to hide a Chief's son and his bride from cannibals.

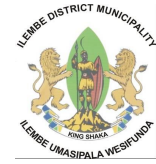
KWASHUSHU HOT SPRINGS

Kwashushu Hot Springs is located in the Tugela Valley below Kranskop in the Maphumulo Municipality. Although there are no formal camping facilities, many families have made their annual treks and set up camp at their sites at Shu Shu during July for generations. Kwashushu Hot Springs

The development of a 28-bed lodge is proposed in the immediate vicinity of the Kwashushu Hot Springs, which is on an island in the Tugela River. Additional facilities include camping sites, a craft market, a game reserve, tourist trails and water-based recreational activities. The hot springs and areas of scenic beauty are the main attractions. The island currently appeals to a niche market, attracting 500 campers through the Campers Association during July each year. The project offers the potential to employ up to 15 people. However, true ownership of the island needs to be established. A bridge to the island from the banks must be constructed to ensure year-round access to the island, while road access also needs to be upgraded.

SPORTING LEGENDS OF SOUTH AFRICA

The eLan Rugby Legends is a group of ex-Springbok rugby players who have formed a charitable trust. The express purpose of the trust is to raise funds for the development of rugby at grass roots and Club rugby thus providing a vehicle for the ex-players to put something back into rugby. The main purpose of the Legends brand worldwide is to highlight the plight of amateur rugby due to the advent of professional rugby. All money in rugby goes towards the professional code of the game and this has led to the neglect of the amateur clubs on a worldwide scale. The eLan / SARLA 'Field of Dreams' initiative is an effort to raise funds for SARLA's various social development programmes. The eLan Group have generously donated a plot of land at the Blythedale Coastal Resort which will



be raffled off once four thousand pledges have been made and honoured. To make a pledge, participants need to make a donation of R1000 and will receive a T-shirt branded with the initiatives logo as a receipt. Programmes being run are:

IQHAWE PROGRAMME

Iqhawe - translated "Hero" or "Champion" in Xhosa- is a project run by the South African Rugby Legends Association to raise the bar on rugby development throughout South Africa. The South African Rugby Legends Association has coached 35,000 children from all backgrounds in the last five years. The original module of running one-off programmes in which a training session was held - without any context - had no real impact on them or their game. The South African Rugby Legends decided that they wanted to do more for the young aspiring players.

"ADOPT-A-SCHOOL"

The ever-proactive South African Rugby Legends Association, who have a number of far-reaching projects under their belt already, are addressing the need to transform and develop not only rugby but also broader education needs at a grass-roots level by creating their Adopt-A-School programme. For the last year CEO of South African Rugby Legends Association (SARLA), John Allan who is a former Springbok, Scottish and Sharks player, has embarked on a nationwide campaign to get the 100 top schools around the country to enlist in the Adopt-A-School programme.

BLYTHEDALE COASTAL RESORT: SPORTING SCHOOL OF EXCELLENCE

The project is about developing an integrated resort scheme at Blythedale beach on the North Coast. The vision is both to create a tourist destination of the top order for the immediate North Coast and to have in existence a truly integrated 'village' concept. Hence the accommodation ranging from 450 social houses to the very up market holiday houses will be developed and all houses in the development will be able to enjoy caravan facilities. The facilities include:

- Administration office.
- Medical and sports facilities.
- Training and lecture rooms.
- Indoor sports centre including gym.
- Main sports field and pavilion with seven lane athletics track.



COMMERCE, INDUSTRIAL, SERVICES AND RELATED SECTORS

INDUSTRIAL ESTATE DEVELOPMENT IN ILEMBE

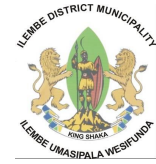
Industrial estate development opportunities in the iLembe District have been identified and packaged. Some locations for the development of industrial estates in the District has been identified, however, certain areas are being identified for further assessment. The areas identified include:

- Areas surrounding the proposed new Eskom Peaking Plant (inland of Shaka's Kraal);
- Compensation Flats;
- The development of a second phase around Isithebe;
- Areas surrounding Darnall; and
- Potential in the Ndwedwe Municipality.

In 2007 Trade and Investment KwaZulu-Natal suggested that the Province must develop a further 4 000 hectares of industrial land in order to meet current demand. The iLembe District at the time indicated that it will make a 1 000 ha contribution to fulfilling this demand. To place this in context, the Isithebe Industrial Estate is approximately 440ha in size. The new Imbonini Park developed in the vicinity of Ballito, currently the biggest industrial / service park development in iLembe is 35 ha in extent.

NDWEDWE INDUSTRIAL ESTATES

Although there exists some undeveloped land around the planned airport within the eThekweni Municipality, its influence is expected to extend far beyond the local municipality boundary. Therefore the Compensation / Ballito area north of the future airport, located within the KwaDukuza Municipality, has been identified as a likely Economic Opportunity Zone. The majority of the Ndwedwe Municipality consists of traditional rural settlement. A significant band of commercial agriculture is however located in the eastern half of the municipality, extending from Ashville in the north to the boundary of the Metro. The Ndwedwe Village, located approximately 10km from its



south-eastern boundary, being easily accessible from the Metro via the P100, represents the municipal centre, i.e. the primary node within the area from an administrative, social and economic point of view. Significant further developments are expected to be concentrated within the village. The population of the Ndwedwe Municipality is expected to grow significantly within the short term future, and local economic development is a high priority. While much of such development is expected to be in fields of agriculture and tourism, there are substantial opportunities with regard to manufacturing and similar activities. Agricultural activities cover by definition a wide field including also products suitable for export. This opportunity aligns itself closely with the Dube Trade Port development, as Ndwedwe is adjacent to the site and presents considerable opportunities for the growth of export orientated manufacturing and well as the production of goods reliant on inputs/components that rely on air transit.

ISITHEBE FILM STUDIO

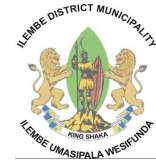
Isithebe has available warehousing space that is currently underutilised. A medium scale film studio and production unit could be housed in this facility and aligned to the Zululand Film Office initiative being spearheaded by uThungulu District. The project would promote the development of the local film industry and assist in reducing the leakages from KZN to Gauteng and the Western Cape for post production facilities. There is currently no film studio in KZN, despite the popularity of the province for both national and international productions. Recently, the international Survivor series was shot on location in Ilembe, an estimated R20m was generated from this single production in non-technical production revenue (catering, wood craft, set building etc).

DIGITAL COMMUNITY HUB AND TELECENTRES

The Ilembe District Growth and Development Summit identified ICT as one of the areas that the District has a competitive advantages in. This is due to the location of iLembe and the urban/rural structure of its economy. ICT will be a catalyst to business development in particular in the area of SMME development. Recognising that SMMEs are a key to economic development and job creation the Municipality saw it fit that specific interventions aimed at responding to the needs of existing and aspiring entrepreneurs are developed.

Based on the above the establishment of ICT Hubs will facilitate economic activities by providing content programmes that target the small business, youth and the community at large through exploiting ICT as a means of providing support to local economic development programmes in the area as well as enhancing service delivery of the municipality.

The ICT Hub project aims to attract investment and critical support programmes for growth through small business support and advisory for the area. The rural nature of the municipality's area of jurisdiction is at the core of the rationale for establishing an ICT Hub to ensure that communities in the local municipality rightfully gain access to ICTs as a result of the ICT Hub proposed content



programmes and activities, as well as promote economic activity through addressing unemployment levels, skills development, access to ICTs within the context of the knowledge economy and public service delivery to communities.

This opportunity is essential aimed at capitalising on ICT in order to develop new SMMEs and capacitate the existing ones. This would be achieved by providing among other things the following:

- Combination of technologies offering various ICT services solutions
- Advanced ICT facilities to provide human capacity building.
- Applications such as e-government services
- Business advisory services, i.e. product development and marketing, business plan development, access to finance, business management skills, government tendering processes and tender bulletins
- Access to business finance institutions, i.e. Ithala Bank and other commercial banks, Umsobomvu, DTI institutions etc.
- Basic ICT services i.e. internet, photocopying, fax, phones, typing and printing
- Skills development (particularly entrepreneurship) linked to government initiatives such as JIPSA and the Department of Labour initiatives

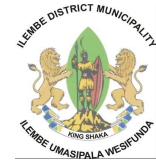
BUSINESS PROCESS OUT-SOURCING AND OFF-SHORING (BPO&O) CENTRES (CONTACT/CALL CENTRES)

The opportunity exists for the establishment and development of contact/call centres in the district. The BPO&O sector has been identified through ASGISA as a priority sector because of its ability to attract foreign investment and create jobs. The Department of Trade and Industry has developed a programme to attract contact centre business to certain municipalities. BPO&O operations that already exist in South Africa within Johannesburg, Western Cape and Durban is also emerging as a preferred destination for these investments. The focus is now on economically depressed areas in order to extend economic growth. The BPO&O and its labour intensive nature will contribute positively on governments' goal to halve unemployment and reduce poverty by 2014.

iLembe has obtained a PTN license. This license is used to provide any type of telecommunication services related to the license holder's business. The license allows iLembe to provide broadband communication and would provide opportunities for call centre development should iLembe get access to the optic fibre cables. The license is valid for the period of 10 years but is renewable and has an annual license fee of R5000. 00. The license can allow iLembe to provide broadband in all its functions such as schools, clinics and municipal offices.

COMMERCIAL RETAIL NODE DEVELOPMENT

iLembe has experienced rapid growth in urban development over the years. Urban development has been dominant in KwaDukuza local municipality. A number of residential estates are being built and some are currently at planning stage. The municipality might be faced with overdevelopment of residential areas and increase in the demand of community and social facilities such as schools,



hospitals and recreational facilities. Residential development has impacted on other land uses. There has been a loss of agricultural land to urban development. The loss of agricultural land has negative impact on sugar cane farmers. There will also be job losses because some of the mills will have to close down if there is not enough sugar to process.

There are opportunities for commercial development in iLembe because there has been a great deal of focus on residential developments. The residential developments that are taking place provides for a significant demand for office developments and light industrial developments to provide places of work for residents. Commercial development is developed in KwaDukuza therefore further attention needs to be directed to the other local municipalities in order to develop their commercial development nodes.

ENTREPRENEURIAL AND ENTERPRISE CENTRE

The establishment of an Entrepreneurial and Enterprise Centre at this present time will capitalise on business opportunities presented by Dube Trade Port and enhance the business climate of an area that has a poor tertiary and manufacturing economic sectors. The centre will serve to improve entrepreneurs and enterprises business activity, growth and competitiveness to business opportunities of Dube Trade Port. Its operations aim at creating, nurturing and strengthening the entrepreneurs and enterprises. These enterprises will thereby contribute significantly to the creation of employment opportunities and the diversification of the District economy.

BUSINESS AND MANUFACTURING DEVELOPMENT

Business and manufacturing opportunities are presented by the development of the Ndwedwe Village. Ezindlovini has also been identified by the municipality in the Spatial Development Framework and Emona should be targeted for business support services and the area already has existing bulk infrastructure and access points. These areas have been identified as they are close to Dube Trade Port and would be able to respond to the opportunities more effectively. Therefore these areas will be aligned to meet the demand of Dube Trade Port. Opportunities have been identified wrt:

- Ndwedwe Village, Ezindlovini and Emona: land will be identified to be rezoned as commercial and industrial land
- Dube Trade Port has identified a range of products however within Ndwedwe capacity Electronic, Automotive and Textiles should be the target market
- Tendering for construction of projects
- Business opportunities in construction manufacturing (bricks, sand, cement, stone, timber, steel and equipment)
- Warehousing and Distribution facilities
- Skills and capacity is required through FET Colleges

ELECTRIFICATION OF KWADUKUZA TOWNSHIP

Many households in KwaDukuza specifically in townships do not have access to electricity. The existing bulk electricity supply in the area is limited; The Stanger 133/33kV In-take substation is deemed “infirm and requires additional capacity” as it cannot support the current extensive developments occurring along the coast. The project therefore consists of electrifying southern as well as northern sections of KwaDukuza. In the same time, the streetlights will help to fight crime in most areas.

URBAN DEVELOPMENT/HOUSING DEVELOPMENT

A housing estate of 30 units of 500-800m² size for middle to high income to be developed at Emona, Ndwedwe. Emona falls within the 20km radius of Dube Trade Port and it is anticipated that there will be substantial demand for this type of development. The area of Emona falls on the fringes of Dube Trade Port which broadens the property market to encapsulate those that even fall outside of Ndwedwe Local Municipality. The housing estate market is focused towards the middle segment to high income segments. The estate development is envisaged to be phased over a two year period. Action steps for the implementation of the opportunity will be:

- To identify land together with the municipality for 30 units of 500-800m² for middle to high income
- Liaising with the Department of Housing, Municipality and Department of Land Affairs
- Liaising with Ingonyama Trust and municipality for acquisition of land
- Securing funding for housing project
- Rezoning of land to residential
- Planning and design
- Sanitation, water, electricity and telecommunication to be provided
- Local access routes to be upgraded for Emona
- Accessing local labour skills and supplies for construction of the housing project

HOUSING DEVELOPMENT IN NDWEDWE VILLAGE

The development of housing at Ndwedwe Village provides opportunity for affordable housing buyers to be central and in close proximity to Dube Trade Port. It is envisaged that housing in Ndwedwe should be focused on the affordable housing category. The location of Ndwedwe Village makes it ideal as it falls in the centre of the municipality with its infrastructure and social facilities. The development of the town centre provides ready infrastructure, transport and market. The housing development will provide 50 units of 500m². It is envisaged that these would be single standing units however this is determined by the land identification and geotechnical reports.

Action steps for the implementation of the opportunity will be:

- Planning and layout plan to be completed
- Geotechnical report to be completed
- EIA reports to be completed
- To identify land for 50 units of 500m² for middle income housing
- Liaising with the Department of Housing and alignment with the Housing Plan of Ndwedwe
- Securing funding for housing project
- Sanitation, water, electricity and telecommunication to be provided
- Access routes to be upgraded as part of the town centre development project
- Rezoning land for residential
- Accessing local labour skills and supplies
- Marketing of the housing development.

ESSENTIAL OILS PROCESSING AND MARKETING

An essential oil is a concentrated, hydrophobic liquid containing volatile aromatic compounds from plants and is produced by distillation. Other extraction processes to obtain aromatic plant compounds include expression, or solvent extraction. Essential oils are used in perfumery, aromatherapy, cosmetics, incense and flavouring of food. They are valuable commodities to the fragrance and flavourant industries. Research has shown that the chemical and sensory characteristics of various essential oils from a diverse range of South African climatic and geographical areas produce a high quality, which is competitive with oils from other leading nations supplying world markets. Essential oils are sold into the flavour, fragrance, personal hygiene and aromatherapy markets. Essential oil production provides South African farmers with the opportunity to diversify their crops with the added advantage of conducting further value addition on the farm through processing.

Ilembe District proposes the establishment of an Essential Oils Hub as an “overarching” body creating an enabling environment for the growth of the industry and the development of new producers. This opportunity will also serve as a feeder project to Ezindlovini Agri-processing facility.

COASTAL RESORT DEVELOPMENT – TONGATI RIVER MOUTH

The initial feasibility study for this proposed development was carried out in 1998/99. The concept for this coastal resort complex has been researched by experienced technical experts and found to be viable. A major constraint, however, with the incremental nature of such a development, is the initial capital cost of the bulk infrastructure and roads to be constructed, before the main development can commence. The proposed site of 31,4 Ha in extent is adjacent to the lagoon and mouth of the Tongati River, just south of the holiday town of Ballito in KwaDukuza and just north of the eThekweni boundary. The coastal resort development project has two phases.

- a beach resort hotel
- a waterfront residential development

- a mixed use waterfront retail, entertainment and leisure centre
- associated infrastructure
- A second phase is also envisaged, comprising:
- a theme park
- an exhibition centre
- a possible second hilltop resort with spectacular ocean views
- associated infrastructure

WELLNESS CENTRE & TRAINING FACILITY

iLembe District Municipality has chosen a coordinated approach, joining with iLembe Regional Health, and Durban Foundation to maximise the approach for a HIV/Training and ARV Employee Intervention Program. A joint approach allows the opportunity to maximise funding from CMTP, Global Funds managed by Durban Foundation, iLembe funding with support from District health to build a multi purpose centre for a District approach in the fight against HIV/Aids. With over 5 million people living with HIV/Aids in South Africa, the country has the highest number of HIV infection in the world. Antenatal surveys indicate that Kwa-Zulu Natal has the highest number in South Africa with a 2002 antenatal prevalence rate of 36.5%. The iLembe District thus has amongst the highest prevalence rate in the world for HIV/Aids.

The building of the Wellness Centre and Training facility forms the cornerstone of this opportunity. The approach is to combat HIV/Aids in both the workplace and community. It is proposed to utilize the combined funding to renovate an area of 400 m² within the Stanger Mall to build and operate a Wellness Centre and training facility. This proposal has been developed following discussions with the Regional Department of Health, the Chamber of Commerce, health professionals, NGO's, FBO's and training providers to fill the gap of the provision of testing, counselling, ARV administering and training within Stanger and the surrounding community. Once the facility has been built the Durban Chamber Foundation in terms of the Global Fund Project has agreed to provide training and funding for the employment of counsellors, medical professionals and nurses.

The approach is to establish a Wellness Centre to be used to rekindle a coordinated district emphasis on strengthening the iLembe District HIV/Aids Council is supported in the uMhlaba Development Services status quo report for CMTP. This program will be used as a pilot program with a view of duplicating this model at Isithebe Industrial Estate and in the rural township of Maphumulo to reach people in the industrial area and more isolated rural areas.

BUY BACK CENTRES

Waste Management is a problem in rural areas and leads to unhealthy, hazardous living conditions that hampers investment in the area. The current waste management strategy for iLembe, which is based on the National Waste Management Strategy, is to reduce the generation of waste and the associated environmental impacts of all waste types. It is often rural areas where waste is more



difficult to manage due to difficulty in accessing the areas and little interest from local communities to support solid waste collection services. It has been recommended through the iLembe Integrated Waste Management Plan that buy-back centres be piloted in Maphumulo and Ndwedwe in order to improve service delivery in the area, provide an income for the unemployed and improve the general quality of life for local communities.

The objective is to encourage entrepreneurial activity and SMME development in the waste industry by developing a model of waste management that will improve the health status of rural communities through the collection and recycling of waste. The success of the buy back centres will heavily rely on people collecting the waste which will require an awareness campaign on the importance of waste management. Therefore not only will people be trained in the running and operating of buy back centres, but the general public will be trained in the importance of improved living conditions.

TRANSPORT HUB AT ISITHEBE

Isithebe Industrial Estate will attract more investors to the area due to the growth popularity of the area. One of the opportunities in the growth and expansion of the area is to improve the logistic efficiencies of the industries in the Estate through the establishment of a transport hub. The hub is to coordinate and integrate the transport activities of the industries at a provincial and national level. This will be coupled with the attractiveness of being located in close proximity to the Dube Trade Port and the two ports of Durban and Richards Bay. This needs to be undertaken as a matter of urgency so as not to miss out on this opportunity. This project satisfies the requirements of the Provincial Industrial Development Strategy, which is directed at the promotion of specific types of industry in the province. The Isithebe Industrial Estate already houses many of the types of industry that require bulk and unit-based transport. With the expansion of the Estate and the development of Dube Trade Port other types of industry would develop in the area such as ICT/electronics, wood and wood products, film, music and media, and crafts.

NONOTI/INQABA COMMUNITY TRUST

A land claim on the site, adjacent to Blythdale, was settled in 2003. The 450ha of prime beachfront land, valued at R54m, with lagoon frontage has been transferred into the Inqaba Community Trust. Approximately half of the land is to be kept for human settlement and the other half developed within the broad framework of tourism. Two separate strips of land have been settled and in between these two strips is an outstanding claim settlement of land. Settling this land claim will add additional value to the project. TIKZN is currently packaging potential investment concepts for the area.

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