

MSUNDUZI MUNICIPALITY

LOCAL ECONOMIC DEVELOPMENT

STRATEGIC PLAN

DECEMBER 2014



PREPARED BY:

Local Economic Development (LED) Division
The Msunduzi Municipality
P/Bag x 321
Pietermaritzburg - 3200
Tel 033 392 3000
Fax: 033 392 2739
Email: Julie.dyer@msunduzi.gov.za

The Msunduzi Local Municipality's Local Economic Development (LED) Strategic Plan 2014

Published by
The Msunduzi Municipality

Local Economic Development (LED) Division

Key Contact:

Mr. Siphon Zimu

Process Manager: Business Retention, Expansion & Attraction

Msunduzi Local Municipality

P/Bag X 321

Pietermaritzburg – 3200

Tel: 033 392 3000; **Fax:** 033 392 2739

E- siphon.zimu@msunduzi.gov.za

TABLE OF CONTENTS

1. INTRODUCTION	1
1.1. PURPOSE OF REPORT	1
1.2. BACKGROUND.....	1
1.3. CONTENTS OF REPORT	2
2. THE ECONOMIC STATUS QUO	3
2.1. THE NATIONAL AND PROVINCIAL POLICY ENVIRONMENT	3
2.2. MSUNDUZI IN THE REGIONAL SPACE ECONOMY	8
2.3. THE MSUNDUZI ECONOMY.....	13
2.4. THE MSUNDUZI SPACE ECONOMY	15
2.5. ECONOMIC IMPLICATIONS	23
2.6. THE SOCIO-ECONOMIC SPACE.....	23
3. THE GROWTH MODEL	33
3.1. INTRODUCTION.....	33
3.2. THE GROWTH SCENARIOS.....	33
3.3. 2050 POPULATION GROWTH AND IMPLICATIONS.....	35
3.4. 2050 ECONOMIC GROWTH AND IMPLICATIONS	41
3.5. STRATEGIC ISSUES FOR CONSIDERATION	45
4. THE STRATEGIC FRAMEWORK FOR LED	46
4.1. THE STARTING POINT.....	46
4.2. RE-THINKING MSUNDUZI'S POTENTIAL	46
4.3. THE LED OBJECTIVES	47
4.4. THE LED VISION	47
4.5. THE LED ROLE / MISSION OF THE MUNICIPALITY	47
5. UNPACKING THE STRATEGIES	48
5.1. INTRODUCTION.....	48
5.2. STRATEGY 1: KEY SECTOR FOCUS.....	49
5.3. STRATEGY 2: LAND IDENTIFICATION AND DEVELOPMENT	57
5.4. STRATEGY 3: NURTURING THE INFORMAL ECONOMY	65
5.5. STRATEGY 4: BUSINESS RETENTION AND INVESTMENT PROMOTION.....	73
5.6. STRATEGY 5: DRIVE IMPLEMENTATION OF CATALYTIC PROJECTS.....	77
6. IMPLEMENTATION, MONITORING AND EVALUATION	86
6.1. INTRODUCTION.....	86
6.2. TOWARDS AN IMPLEMENTATION PLAN	86
6.3. MONITORING AND EVALUATION.....	90
BIBLIOGRAPHY	92
ANNEXURE A - WARD LEVEL DEMOGRAPHIC AND SOCIO-ECONOMIC INFORMATION – 2011 CENSUS STATSSA	94

LIST OF TABLES:

TABLE 2.1: 2012 STRUCTURE OF THE MSUNDUZI ECONOMY BASED ON GVA CONTRIBUTION PER SECTOR.....	13
TABLE 2.2: POPULATION GROWTH IN WARDS AND MANAGEMENT AREAS 2001 TO 2011.....	24
TABLE 2.3: 2011 AGE DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS.....	26
TABLE 2.4: 2011 LEVEL OF EDUCATION OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	27
TABLE 2.5: 2011 EMPLOYMENT STATUS OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	28
TABLE 2.6: 2011 EMPLOYMENT SECTOR OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	29
TABLE 2.7: 2011 MONTHLY INDIVIDUAL INCOME OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	30
TABLE 2.8: 2011 HOUSEHOLD HOUSING STRUCTURE IN MSUNDUZI MANAGEMENT AREAS.....	31
TABLE 3.1: 2014 TO 2050 GROWTH RATES.....	37
TABLE 3.2: 2050 POPULATION AGE DISTRIBUTION FOR MEDIUM GROWTH SCENARIO.....	39
TABLE 3.3: ADDRESSING THE 2011 TO 2050 HOUSING NEED.....	41
TABLE 3.4: A COMPARATIVE 2010 ECONOMIC STRUCTURE FOR MSUNDUZI (GVA IN RM).....	42
TABLE 3.5: IMPACT OF VARIOUS ECONOMIC GROWTH RATES ON MSUNDUZI GVA (RM) (2011 TO 2050).....	42
TABLE 3.6: 2011 AND 2050 STRUCTURE AND VALUE OF ECONOMY IN GVA (RM).....	43
TABLE 3.7: LAND IMPLICATIONS.....	44
TABLE 5.1: MAJOR MANUFACTURING COMPANIES IDENTIFIED IN MSUNDUZI AND REGION.....	50
TABLE 5.2: A GUIDELINE FOR THE ESTABLISHMENT OF A GREEN ECONOMY.....	56
TABLE 5.3: LEASE ANALYSIS PER CATEGORY.....	59
TABLE 5.4: PRELIMINARY CATEGORIES AND TYPES OF INFORMAL BUSINESSES.....	68
TABLE 5.5: DRAFT MSUNDUZI INFORMAL ECONOMY STRATEGY.....	71
TABLE 5.6: DEVELOPERS REBATE.....	75
TABLE 6.1: CONSOLIDATED LED PROJECT LIST FOR CONSIDERATION.....	87

LIST OF MAPS:

MAP 2.1: THE MSUNDUZI MANAGEMENT AREAS.....	18
---	----

LIST OF DIAGRAMS:

DIAGRAM 2.1: THE 2006 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE.....	3
DIAGRAM 2.2: NATIONAL INFRASTRUCTURE PLAN PERSPECTIVE ON SPATIAL DISTRIBUTION OF POPULATION.....	4
DIAGRAM 2.3: THE VISION FOR THE DURBAN-GAUTENG FREIGHT CORRIDOR.....	5
DIAGRAM 2.4: 2011 STRUCTURE OF THE ECONOMY BASED ON GVA CONTRIBUTION PER SECTOR.....	9
DIAGRAM 2.5: 2011 MUNICIPAL CONTRIBUTIONS TO GVA.....	10
DIAGRAM 2.6: UMGUNGUNDLOVU SOCIO-ECONOMIC CHARACTERISTICS.....	10
DIAGRAM 2.7: DEVELOPMENT OF PIETERMARITZBURG 1944 TO 1968.....	15
DIAGRAM 2.8: PIETERMARITZBURG THE MODEL APARTHEID CITY.....	16
DIAGRAM 2.9: RACIAL SEGREGATION IN PIETERMARITZBURG.....	17
DIAGRAM 2.10: 2011 POPULATION DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS (TOTAL 618 533).....	24
DIAGRAM 2.11: 2011 GENDER DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS.....	26
DIAGRAM 2.12: 2011 AGE DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS.....	27
DIAGRAM 2.13: 2011 LEVEL OF EDUCATION OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	28
DIAGRAM 2.14: 2011 EMPLOYMENT STATUS OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	29
DIAGRAM 2.15: 2011 EMPLOYMENT SECTOR OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	30
DIAGRAM 2.16: 2011 MONTHLY INDIVIDUAL INCOME OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS.....	31
DIAGRAM 2.17: 2011 HOUSEHOLD HOUSING STRUCTURE IN MSUNDUZI MANAGEMENT AREAS.....	32
DIAGRAM 3.1: MSUNDUZI 2030 AND 2050 POPULATION GROWTH FOR THREE SCENARIOS.....	35
DIAGRAM 3.2: SPATIAL DISTRIBUTION OF GROWTH APPLYING A UNIFORM GROWTH RATE.....	36
DIAGRAM 3.3: SCENARIO 2 – POPULATION GROWTH IN ABM AREAS OVER TIME (BASED ON ASSUMPTIONS).....	37
DIAGRAM 3.4: 2011 MSUNDUZI POPULATION PYRAMID.....	38
DIAGRAM 3.5: 2050 MSUNDUZI POPULATION PYRAMID.....	39
DIAGRAM 3.6: CURRENT AND PROPOSED 2050 DISTRIBUTION OF HOUSING TYPES.....	40

1. INTRODUCTION

1.1. PURPOSE OF REPORT

The purpose of the LED Strategy is to provide the Msunduzi Municipality with strategic guidance as to the longer-term implementation of local economic development in the Municipality. This strategic guidance is specifically linked with the future spatial development of the Municipality.

The current initiative aimed at developing the LED Strategy is an extension of the appointment for the development of the Spatial Development Framework (SDF). An important focus of the LED strategy is therefore spatial and economic transformation.

1.2. BACKGROUND

The Municipal Local Economic Development is a Sub-Unit of the Economic Development Business Unit and has four sections, Business Attraction and Retention, Municipal Enterprises in Airport, Forestry and Market, Property Valuation and Real Estate and Tourism. The focus of the Unit this year was to review and develop various sector strategies and align these to the broader Municipal Spatial Development Framework and Integrated Development Plan in order to develop a sustainable City. Coupled with this initiative, was the production of the municipal land audit that has taken stock of various land parcels with appropriate development attributes. This will assist in leveraging investment and channelling resources where they will be best utilised. The sum of these initiatives has led to the point where Economic Development plans can be laid to take the municipality into the future, although the strategy will need annual review and a major review after five years.

Msunduzi Municipality has prepared and developed its Local Economic Development Strategy and implementation plan. The LED Strategy is one of the critical steps towards achieving local economic development within Msunduzi Municipality.

Msunduzi Municipality acknowledges that as a Capital City of KwaZulu-Natal will need to be competitive and grow city's economy and change the economic environment, hence the need to develop an LED strategy.

Because of the size and economic dominance of Msunduzi Municipality; the following critical steps will need to be taken into account:

- *Effectively utilise the strategic, unused or underutilised and underdeveloped industrial sites in the city and surrounding areas which are part of Msunduzi Municipality's jurisdiction such as (eMkhondeni, Pentrich, Edendale Corridor) etc.*
- *Msunduzi Municipality needs to provide and invest in infrastructure that will stimulate economic growth in the city and accommodate and expand both public and private sector investment.*
- *Msunduzi Municipality needs to invest and maintain infrastructure such as provision of bulk services (Electricity, water, transport, telecommunications), etc. These are critical services which attract, retain and expand investment in the city.*
- *Msunduzi Municipality must ensure the adequate measures are put in place to preserve conservation of nature and promote investments that will promote green economy.*

- *Msunduzi Municipality needs to maintain good working relations with all relevant stakeholders in ensuring that the city is a safe, clean and secure environment to boost investor confidence manage negative perceptions and inspire confidence.*
- *Msunduzi Municipality must ensure investment initiatives are also geared toward promotion of township development and underdeveloped areas.*

1.3. CONTENTS OF REPORT

The LED Strategy Report firstly provides an analysis of the economic and spatial development issues informing the review of the Local Economic Development Strategy for the Msunduzi Municipality. The spatial economic status quo, together with the other sector reports, also provided the spatial planning team with an overview of issues to be considered in the review of the SDF.

This report includes this introductory section and six further sections. The sections covers:

- Section 1: Introduction
- Section 2: The Economic Status Quo
- Section 3: The Growth Model;
- Section 4: The Strategic Framework for LED;
- Section 5: Unpacking the Strategies; and
- Section 6: Implementation, Monitoring and Evaluation.

The contents of each section is further elaborated on in the respective introductory sections.

2. THE ECONOMIC STATUS QUO

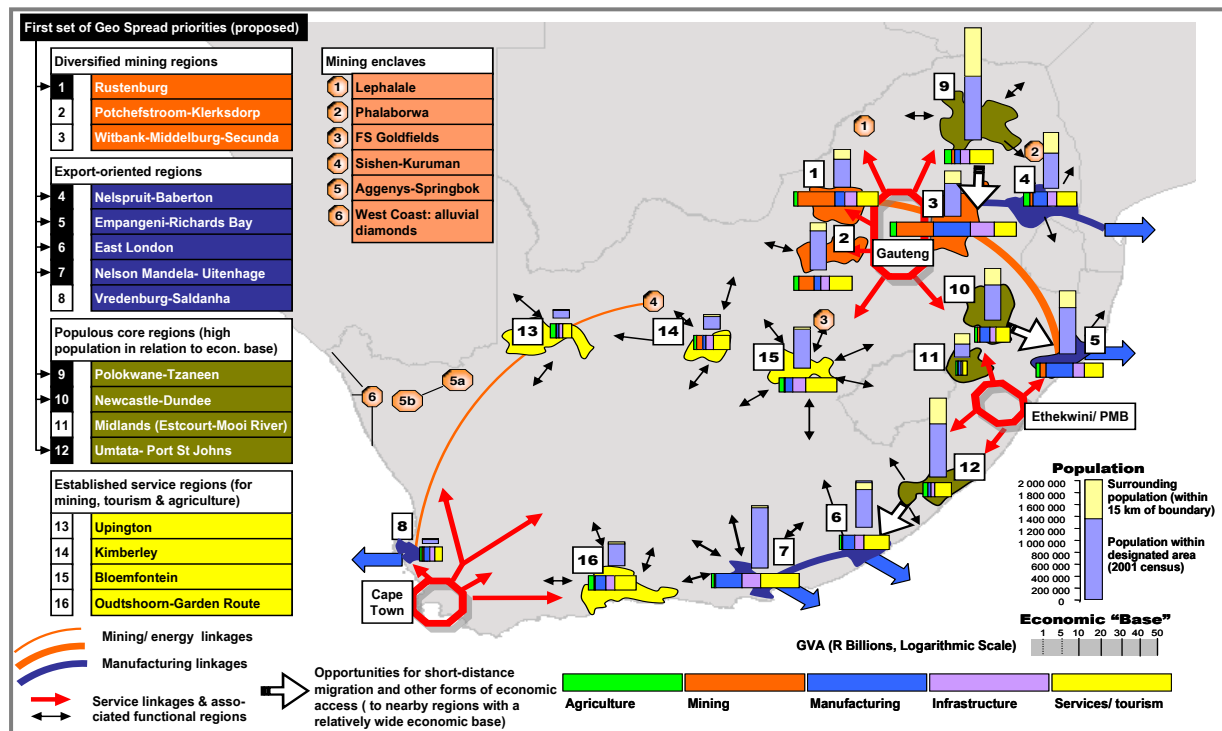
2.1. THE NATIONAL AND PROVINCIAL POLICY ENVIRONMENT

Over the past decade there has been a number of strategies, frameworks and plans developed on a national and provincial level that has the potential to impact on local level spatial economic development. This section provides some pointers as to the potential impact that relevant strategies, frameworks and plans will have on spatial economic development in the Msunduzi Municipality.

2.1.1. NATIONAL SPATIAL FRAMEWORKS

The national spatial economy has been considered in various reports and publications over the past decade in substantial detail. The most significant of these publications was the 2006 Spatial Development Perspective, followed by a series of national economic and industrial policies. The diagram below then clearly illustrates that the eThekweni / Msunduzi conurbation is viewed and considered as one of three centres for functional regions, the others being the Gauteng and Western Cape nodes.

DIAGRAM 2.1: THE 2006 NATIONAL SPATIAL DEVELOPMENT PERSPECTIVE



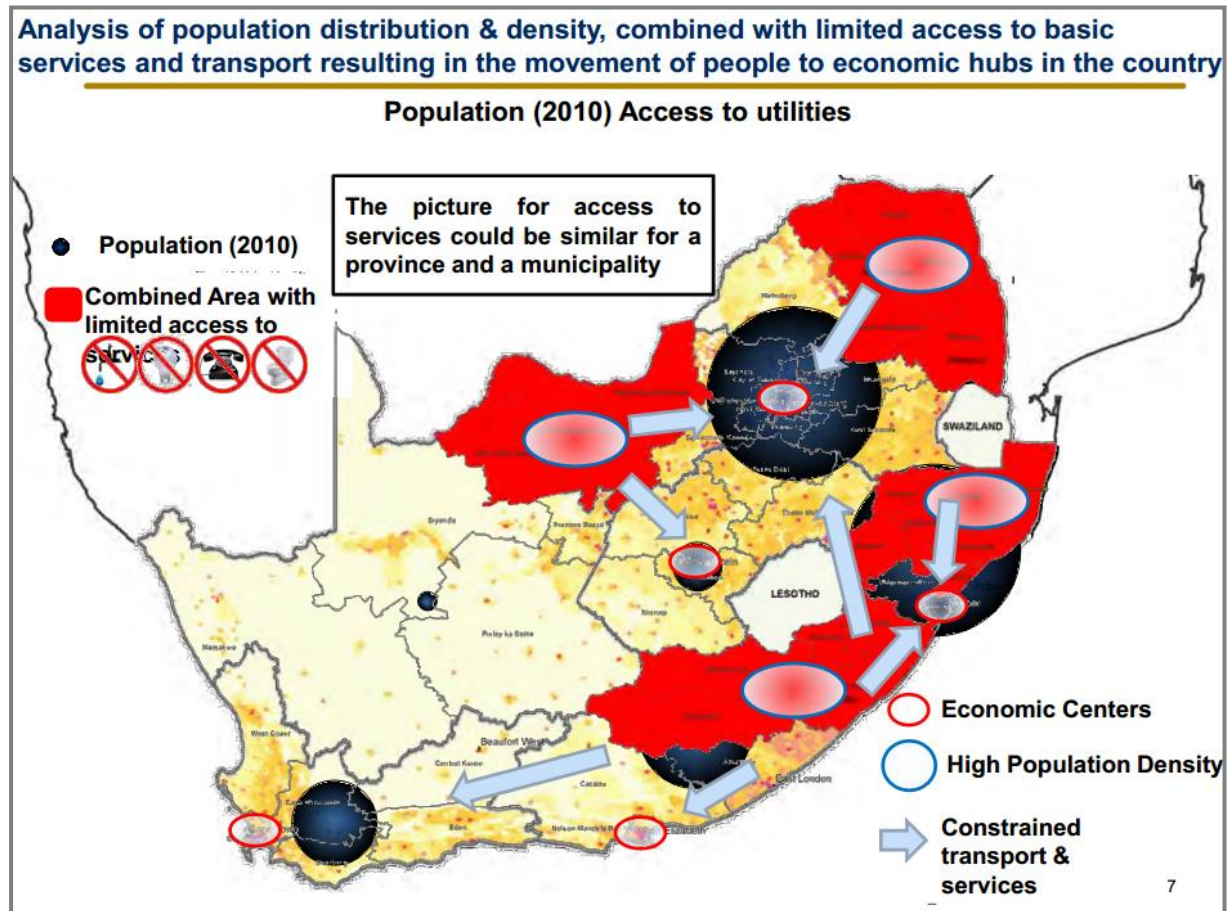
A number of other conclusions can be drawn from the above diagram relating to the position of Msunduzi in the national economy:

- The large population within what is referred to as the "designated areas";
- The strong focus on manufacturing sector in the eThekweni / Pietermaritzburg;
- Acknowledgement of the strong linkages with associated functional regions for eThekweni / Pietermaritzburg as indicated.

Building on previous assessments and strategies a key feature of the South African spatial economy that has become a focus of most government strategies over the past two to three years is the Durban – Gauteng Freight Corridor and related developments. This focus is nowhere more clearly reflected than in the 2012 National Infrastructure Plan.

The 2012 National Infrastructure Plan presents the perspective reflected in the diagram below.

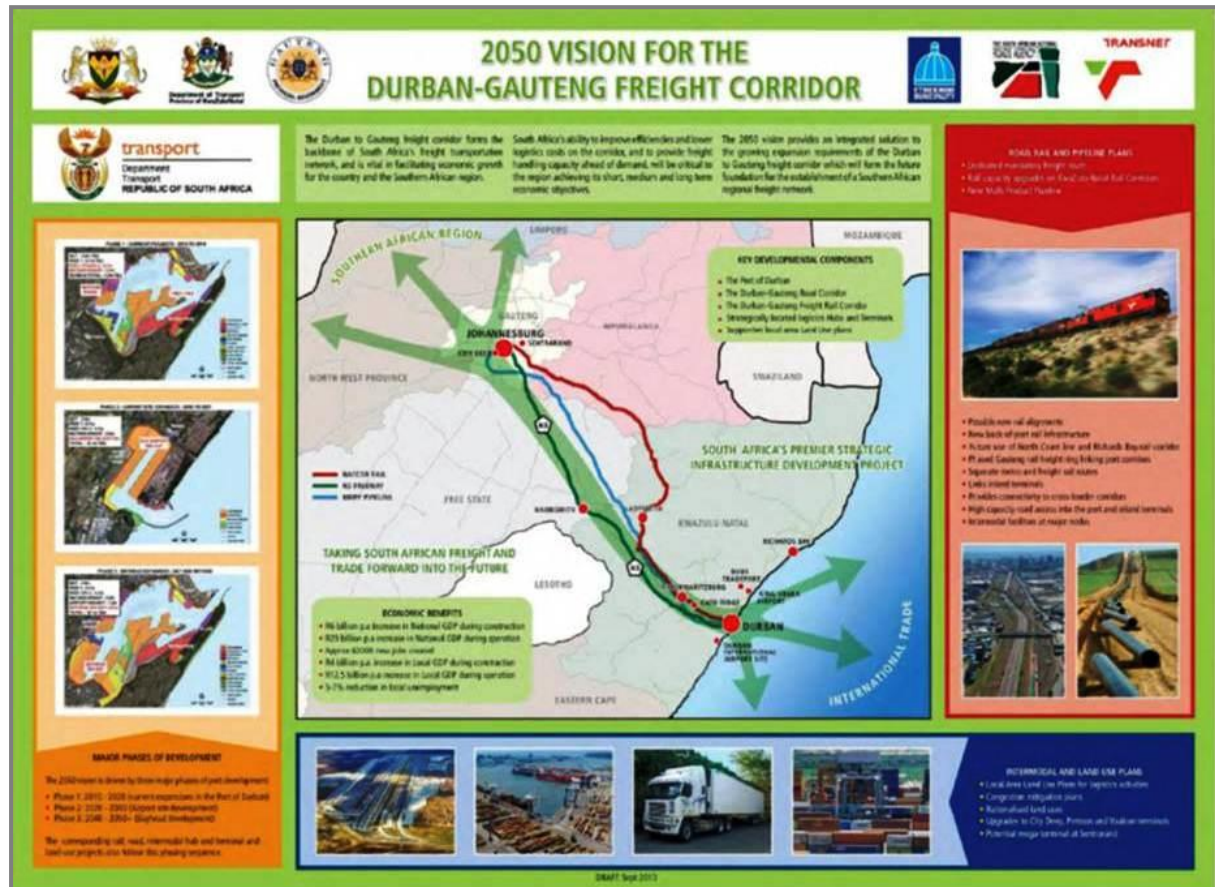
DIAGRAM 2.2: NATIONAL INFRASTRUCTURE PLAN PERSPECTIVE ON SPATIAL DISTRIBUTION OF POPULATION



This diagram again acknowledges the vast areas in KwaZulu-Natal where the population has limited access to services and opportunities, the high population densities in KwaZulu-Natal and the location of a key economic centre in the eThekweni / Pietermaritzburg region. The diagram specifically notes the constrained transport and services in these areas.

Based, partly on the analysis, the National Infrastructure Plan then establishes Strategic Infrastructure Project 2 (referred to as SIP2) which focuses on establishing and developing the Durban – Gauteng Freight Corridor, as reflected in the Diagram below.

DIAGRAM 2.3: THE VISION FOR THE DURBAN-GAUTENG FREIGHT CORRIDOR



2.1.1.2. THE NATIONAL DEVELOPMENT PLAN

The National Development Plan is a plan for the country to eliminate poverty and reduce inequality by 2030 through uniting South Africans, unleashing the energies of its citizens, growing an inclusive economy, building capabilities, enhancing the capability of the state and leaders working together to solve complex problems (NPC 2012). Over the next 30 years the National Development Plan (NDP) will continue to impact on spatial economic development in Umgungundlovu through a range of economic, social and spatial planning strategies to be supported by government.

Specifically impacting on spatial economic development will be the Chapters of the NDP addressing:

- Economy and Employment (Chapter 3);
- Economic Infrastructure (Chapter 4);
- Inclusive Rural Economy (Chapter 6); and
- Transforming Human Settlements (Chapter 8).

From a more detailed analysis of the NDP the following implications of the Plan for future spatial economic development in Msunduzi should be considered:

- With the substantial focus on job creation and economic development spatial planners will have to ensure that adequate space is available to accommodate the required economic growth. It is essential to estimate the contributions of the various sectors and the related space requirements in Msunduzi over the longer term.

- The National Development Plan places significant emphasis on expanding the transport and logistics infrastructure in the country and a number of the initiatives promoted will impact on development in Msunduzi and the Umgungundlovu District, most notably the Durban-Gauteng Freight Corridor and expansion of the port infrastructure. On a more local level the focus on improving public transport infrastructure will (and is already) impacting directly on spatial development specifically in the major urban areas.
- A chapter of the National Development Plan focuses on rural development. This is significant and suggests that the government acknowledges the importance of these areas in the development of the country as a whole. The current approach of government to rural development is focussed on agriculture, but it is suggested that in the case of Msunduzi a much broader perspective on what rural development entails should be explored, specifically focused on the Vulindlela area.
- The strong focus on densification and making land markets work more effectively for the poor will impact on the spatial economy of Msunduzi. Incorporating these and other principles reflected in the NDP Chapter on focusing on the transformation of human settlements will ensure more economically sustainable settlements in Msunduzi.

2.1.3. THE PROVINCIAL GROWTH AND DEVELOPMENT PLAN

The Provincial Growth and Development Plan (PGDP), already aligned with the National Development Plan (2012) and the National Infrastructure Plan (2012), will also impact directly on spatial economic development planning in Msunduzi as it sets more specific goals and objectives than the national plans. Interventions across the strategic goals potentially impacting on the spatial economy of Msunduzi includes:

Relating to job creation:

- Enhancing agricultural value-adding and marketing
- Targeted identification of appropriately zoned and serviced land
- SMME access to appropriately-located facilities

Human and Community Development:

- Ensuring equitable access to health and special facilities
- Developing infrastructure for local markets
- Supporting the informal economy
- 100ha Programme by Traditional Councils
- Densification of settlement patterns
- Developing a provincial strategy and plan to address housing Gap Market

Strategic Infrastructure:

- Planning and developing an inland multi-modal logistics hub (relevant as Msunduzi may present opportunities for establishing such a hub)
- Implementing plans for the Dig-Out Port (relevant as it will increase the focus on the N3 corridor)
- Improving the Durban Passenger Terminal (relevant because of the strong tourism focus in Midlands and beyond)
- Co-ordinating Provincial Input to PICC SIP 2 Process
- Developing Regional Airfields (the Msunduzi Airport being a key hub in this system)
- Establishing a dedicated freight link: Durban Port to Inland Hub (relevant as Msunduzi may present opportunities for establishing such a hub)

- Extending rural road access and maintain secondary roads
- Expanding and maintaining core rail freight network and the branch Lines
- Expanding community access to broadband services

Spatial equity:

- Focusing on spatial transformation of settlement
- Wall-to-wall spatial planning for municipalities

2.1.4. THE PROVINCIAL SPATIAL ECONOMIC DEVELOPMENT STRATEGY (2006)

Although now outdated the 2006 Provincial Spatial Economic Development Strategy still reflects the basic thinking on spatial economic structuring in the Province. McCarthy (2007), in his assessment of spatial economic dynamics impacting on the Umgungundlovu District, notes that the "Provincial Spatial Economic Development Strategy (PSEDS) partly took its brief from SDIs and the National Spatial Development Framework, and partly from the specific comparative advantages of the various components of this province. The collective perspective of Provincial Cabinet has been reflected in the ... approved (February 2007) Provincial Spatial Economic Development Strategy (PSEDS)".

Key elements of the strategy relevant to Msunduzi are highlighted (McCarthy 2007):

- Industrial development is seen as central to economic growth in the province and corridor linking two (Port) nodes & extending to Howick form the primary zone of industrial potential;
- Tourism development is seen as second in importance and Primary sectors of tourism potential are beach, cultural and eco-tourism. Provincial tourism priorities are:
 - Greater Durban & Pietermaritzburg area
 - Drakensberg region....(and others) ; and
- Agriculture and agribusiness are seen in the PSEDS, *inter alia* as having:
 - Massive potential for growth;
 - Largest existing or potential employer in rural areas; and
 - can make greatest impact on reducing poverty levels in rural areas.

2.1.5. ECONOMIC IMPLICATIONS

The detailed assessment of National and Provincial strategies conducted as part of a Umgungundlovu District spatial economic assessment (StratPlan 2013) highlighted a range of proposed interventions that will impact on specifically spatial economic development in the Msunduzi Municipality.

- Economic development and job creation: This continues to be a key theme in national and provincial strategies and should be accommodated in district development strategies. A strong focus on economic development and job creation, will require the identification and preparation of space specifically for this purpose. The sectors most likely to have a significant impact on economic development and job creation in Msunduzi are manufacturing, logistics, commerce, retail, services and, to a lesser extent, agriculture.
- Spatial transformation (people closer to work): Providing the people of Msunduzi with improved access to job opportunities suggests that there will have to be a stronger focus on the provision of housing in proximity to the N3 corridor. To date the provision of housing has been guided to a large extent by the inherited colonial and apartheid spatial structure.

- Rural and specifically agricultural development: There continues to be a strong emphasis on rural and specifically agricultural development. Agriculture remains a key sector in the region and Msunduzi is a service centre for this sector. As agricultural land in Msunduzi is limited, land reform initiatives should continue to be targeted on a District level as previously disadvantaged groups have limited access to resources. Ingonyama Trust Land, on which the majority of the rural population resides, generally have extremely limited agricultural potential / capacity.
- Identification of land for economic development: A long term spatial development view necessitates the need for the identification and reservation of land for economic development.
- Provision of "strategic economic" infrastructure: The National Development Plan (2012), the National Infrastructure Plan (2012) and the Provincial Growth and Development Plan (2012) all support key strategic economic infrastructure projects potentially impacting on spatial development planning in Msunduzi. These projects include freight and port related initiatives, the provision of an inland / dry port and the provision of alternative road linkages.
- A development corridor parallel to the N3: With regard to alternative road linkages it is noted that the Umgungundlovu District SDF, currently under review, makes provision for the establishment of an alternative development corridor linking the N3 to the north of Msunduzi with the south of Durban (with the Umbumbulu Road [MR21]). Such a link road will specifically stretch through the Vulindlela area of Msunduzi.

2.2. MSUNDUZI IN THE REGIONAL SPACE ECONOMY

(Extracted and adapted from an Analysis of the District Spatial Economy prepared by StratPlan for a COGTA / Uddi initiative in 2013)

2.2.1. MSUNDUZI AS THE DOMINANT CORE

Msunduzi fulfils a dominant role in the economy of the Umgungundlovu District. Msunduzi is not only the administrative and legislative centre of the provincial government, but also performs an important commercial and industrial function in the economy of the district and the province as a whole.

Msunduzi is located on the N3 corridor and also links with a number of key provincial and interprovincial transportation routes strengthening its role as the core. These routes include (Isikhungusethu 2012):

- The KwaZulu-Natal-Midlands and the Eastern Cape link via Bulwer, Underberg and Kokstad;
- KwaZulu-Natal-Midlands and the Eastern Cape via Richmond and Ixopo; and
- KwaZulu-Natal-Midlands and the north coast via Wartburg and/or Greytown R33.

Msunduzi and other municipalities along the N3 corridor are also well served by a developed but underutilised rail system.

Outside the strong urban core of Msunduzi the urban settlement patterns are structured along the main routes and towns and villages historically established to service the agricultural sector. The urban centres, the focus of the majority of retail and social services, as well as other economic activities in the District, are:

- Howick located in uMngeni Municipality,
- Mooi River located in Mpofana Municipality,
- Impendle Village in Impendle Municipality,
- New Hanover-Wartberg-Dalton-Cool Air in uMshwathi,

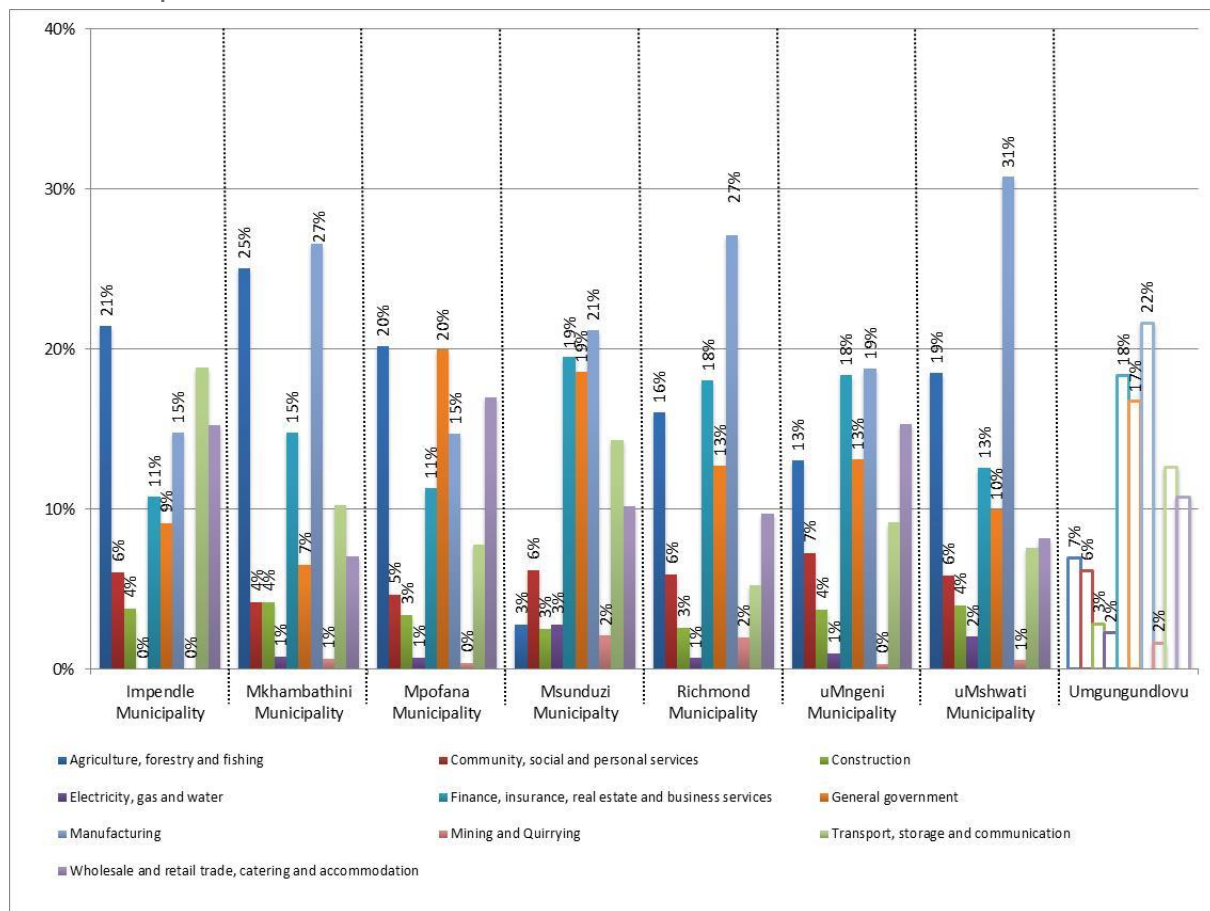
- Camperdown located in Mkhambathini Municipality, and
- Richmond-Ndoleni located in the Richmond Municipality.

These centres together with various smaller centres established to support either specific religious (mission) or economic activities, falls within the sphere of influence of the Msunduzi Municipality.

2.2.2. MSUNDUZI IN THE DISTRICT ECONOMY

In overall terms the Umgungundlovu District makes an important contribution to the economy of KwaZulu-Natal, with in 2011 a GVA contribution of R32.162 billion of a total of R279 billion or 12% of the provincial economy. The diagram below suggests that the manufacturing (22%), finance and real estate (18%) and government (17%) sectors all make a substantial contribution to the district economy, suggesting a well-balanced and vibrant economy. The transport, storage and communication sector, as well as the wholesale and retail sector also make a contribution of more than 10%. Despite the District often being recognised for the contribution of it’s agricultural sector this sector only contributes 7% to the output of the District (although substantially higher than the Provincial contribution of the sector of around 4%).

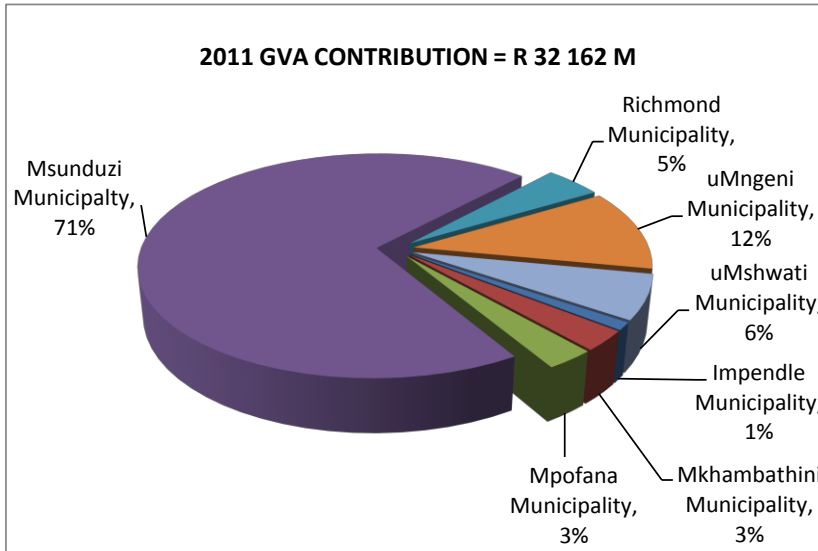
DIAGRAM 2.4: 2011 STRUCTURE OF THE ECONOMY BASED ON GVA CONTRIBUTION PER SECTOR



Source: Quantec 2012

Relating to the economic structure of the various municipalities it is important to note the considerable contribution made, in all municipalities other than Msunduzi, by the agricultural sector, with contributions ranging from 25% in Mkhambathini to 13% in uMngeni. Also of interest is the relatively high contribution made in all municipalities by the manufacturing sector. In the more rural municipalities this can be attributed to the presence of major agri-processing plants.

DIAGRAM 2.5: 2011 MUNICIPAL CONTRIBUTIONS TO GVA



The contributions of the various municipalities to the overall District economic output (measured in terms of gross value added) are reflected below. The dominant role of Msunduzi in the District economy is confirmed.

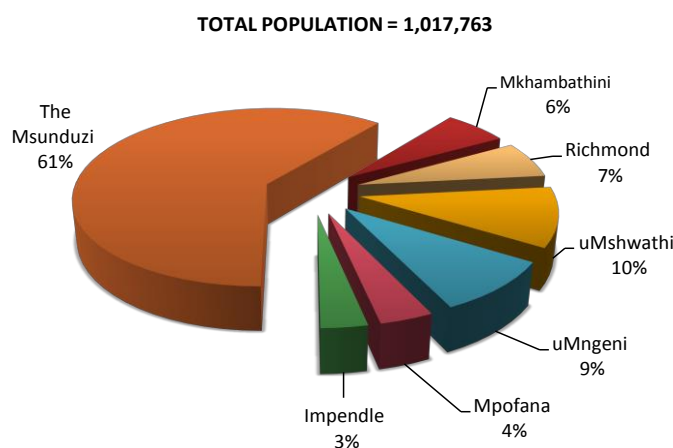
Source: Quantec 2012

2.2.3. MSUNDUZI IN THE DISTRICT SOCIO-ECONOMIC CONTEXT

The diagrams below reflects on some key demographic and socio-economic indicators in the District and presents an indication of the role of the Msunduzi Municipality in the District.

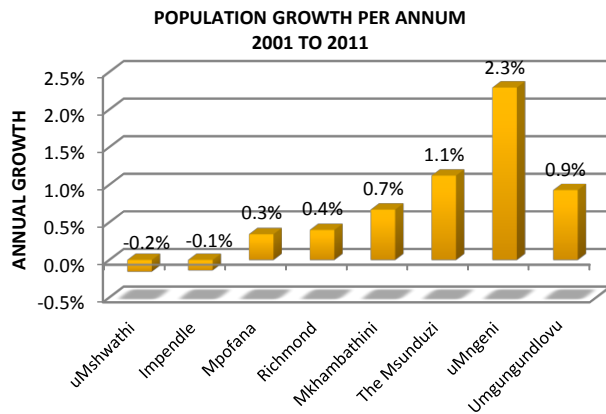
DIAGRAM 2.6: UMGUNGUNDLOVU SOCIO-ECONOMIC CHARACTERISTICS

2011 MUNICIPAL POPULATION DISTRIBUTION IN DISTRICT



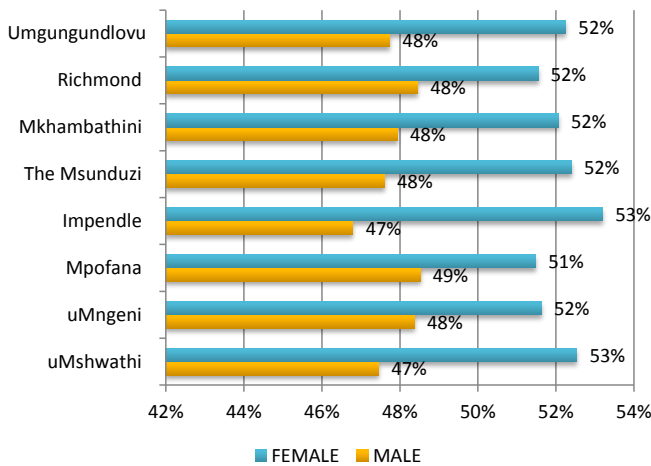
The majority of the population of the District is located in Msunduzi Municipality, which includes the under serviced Vulindlela rural settlement area accommodating an estimated 25% of the municipal population. The other municipalities contribute between 3% to 10% of the District population. In Impendle nearly 100% of the population reside on ITB land, in Umshwathi 56%, in Mkhambathini 71% and in Richmond 45% (StratPlan 2012).

MUNICIPAL POPULATION GROWTH 2001 TO 2011



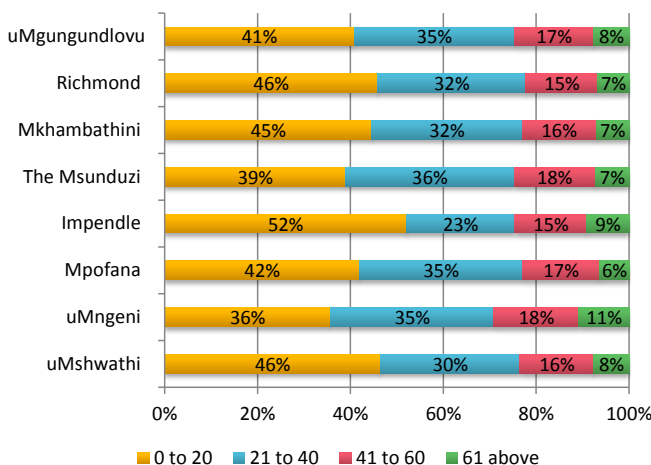
The diagram reflect that the two municipalities in the urban core experienced significant population growth with uMngeni growing at a high 2.3% per annum and Msunduzi at a higher than average 1.1%. Impendle and uMshwathi have, according to census statistics, experienced negative growth of 0.1% and 0.2% per annum over the decade respectively.

2011 GENDER DISTRIBUTION IN MUNICIPALITIES



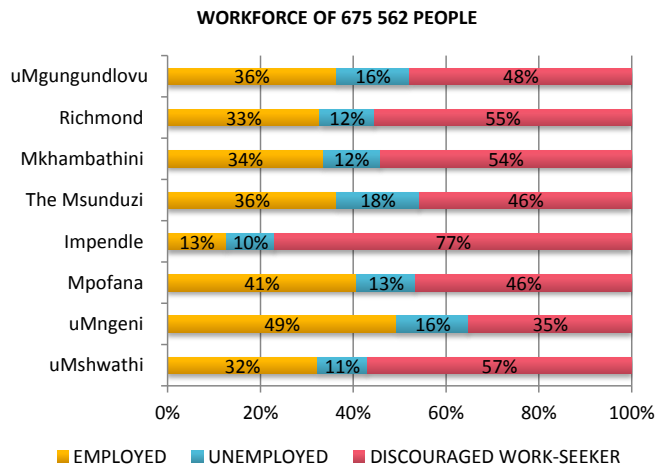
All municipalities in the District have a higher proportion of females with a District average of 52% of the population being female. In the more rural Impendle and uMshwathi the female to male ratio is higher than average at 53% to 47%.

2011 POPULATION AGE DISTRIBUTION IN MUNICIPALITIES



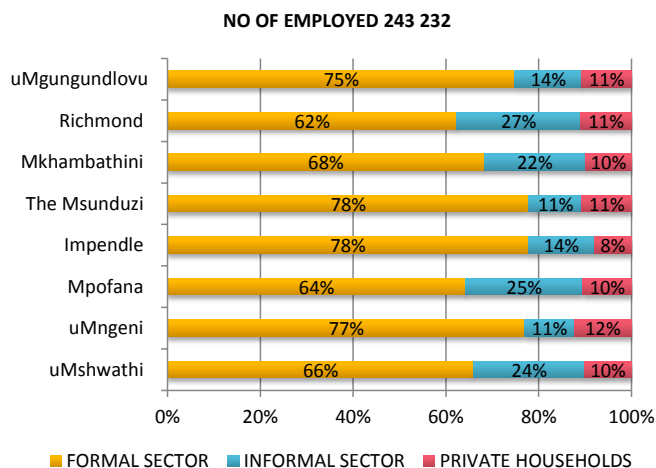
Eighty five percent of the District population is between the ages of 0 and 40 years, with 41% below 20 years of age. The population of the municipalities forming part of the urban core is generally more mature with only 36% and 39% of the population respectively being younger than 20 years. In the "rural municipalities" the percentage of the population below 20 years of age range between 45% and 52%.

2011 EMPLOYMENT LEVELS IN MUNICIPALITIES



In the District only slightly more than a third of the workforce is employed. Employment is highest in uMngeni (49%) and Msunduzi (36%), forming part of the urban core. In Mooi-Mpofana, a pre-dominantly commercial farming area with limited rural settlement the employment rate is also high at 41%. In rural Impendle the employment level is the lowest with only 13% of the workforce in employment.

2011 SECTORS IN MUNICIPALITIES IN WHICH PEOPLE ARE EMPLOYED



The majority (75%) of the employed is working in the formal sector with the informal and household sectors contributing 14% and 11% respectively.

Source: Census 2011

2.2.4. ECONOMIC IMPLICATIONS

Msunduzi Municipality makes up the development core of the Umgungundlovu District Municipality both in terms of its contribution to the District economy and the overall population of the District. It is to be accepted that the future development of Msunduzi has the potential to impact on the District as a whole. Of specific importance in considering future Msunduzi spatial planning will be:

- Maintaining and strengthening the transport linkages between Msunduzi and the rest of the District;
- Coordinating spatial development with other municipalities to ensure that there is limited unnecessary competition between municipalities for private and public sector investment, but rather that developments in municipalities are mutually reinforcing; and
- Building on the growth of a metropolitan city structure in the District.

2.3. THE MSUNDUZI ECONOMY

2.3.1. INTRODUCTION

Msunduzi is an important economic hub within the KwaZulu-Natal context and due to its location on a national development corridor is also of national significance. Although its economy is significantly smaller than that of eThekweni, its role in the provincial economy is at least to some extent as significant. This section provides a brief overview of the structure of the Msunduzi economy and considers key features of the economy in brief. It is suggested that on a strategic planning level it needs to be understood what key focus areas are in the economy and the potential spatial implications of these focus areas. Other research reports and documents deal in substantially more detail with analysing the various sectors of the economy and a sectoral analysis will not be dealt with in this report.

2.3.2. STRUCTURE OF THE ECONOMY

Msunduzi Municipality makes an important contribution to the economy of KwaZulu-Natal, with in 2011 a GVA contribution of R22.702 billion of a total of R32.162 billion of the district economy. The table below suggests that the manufacturing (21%), finance and real estate (19%) and government (19%) sectors all make a substantial contribution to the district economy, suggesting a well-balanced and vibrant economy. The transport, storage and communication sector, as well as the wholesale and retail sector also make a contribution of 14%. Despite the District often being recognised for the contribution of its agricultural sector, in Msunduzi this sector only contributes 3% to the output of the Municipality.

TABLE 2.1: 2012 STRUCTURE OF THE MSUNDUZI ECONOMY BASED ON GVA CONTRIBUTION PER SECTOR

INDUSTRY	1996	2001	2006	2011
Manufacturing	21%	24%	24%	21%
Finance, insurance, real estate and business services	19%	19%	20%	19%
General government	24%	19%	17%	19%
Transport, storage and communication	8%	9%	12%	14%
Wholesale + retail trade, catering and accommodation	11%	12%	11%	10%
Community, social and personal services	7%	6%	6%	6%
Agriculture, forestry and fishing	1%	2%	2%	3%
Electricity, gas and water	5%	4%	3%	3%
Construction	2%	3%	2%	3%
Mining and quarrying	1%	1%	2%	2%
TOTAL PERCENTAGE	100%	100%	100%	100%
TOTAL IN Rm	15,689.70	16,265.10	20,041.90	22,701.90

Source: Quantec 2012

The Msunduzi economy as a whole showed substantial growth during the period 2001 to 2006, but this growth appeared to have slowed down, as would be anticipated considering the world recession, during the period 2006 to 2011.

The table above also provides a longer term view of the changing structure of the Msunduzi economy. In the longer term (1996 to 2011) the only significant structural changes in the economy have been in the transport, storage and communications sectors with the contribution of this sector increasing from 8% to 14%, and the contribution of the government sector decreasing from 24% to 19%. Shorter term changes, between 2006 and 2011, has been more significant with declines in the contribution of the manufacturing, and finance / real estate sectors, but growth in the contribution of the government sector from 17% to a significant 19%.

2.3.3. KEY FEATURES OF MSUNDUZI ECONOMY

The Msunduzi economy is analysed and discussed in more detail in various other documents and will not be elaborated in this spatial economic analyses. Robbins (2013) notes the following key features of the Msunduzi economy:

- The economy is well integrated with the Provincial economy;
- It fulfils an important service role to the Midlands and wider region;
- The impact the confirmation of capital city status has had specifically on the residential and commercial property markets;
- The status of educational institutions in and around Msunduzi is noted;
- The strong connection with the 'extensive agricultural activity' in the greater Midlands area is highlighted;
- Msunduzi is described as a 'tourism staging post and have been positioned to take advantage of the growing trend of event-driven tourist';
- Despite strong public sector employment poverty in the region persists; and
- The Strategic Infrastructure Projects of government is anticipated to be 'influential in the city's future'.

In terms of economic performance, based on available data, Robbins (2013) notes the following:

- A slight increase in Msunduzi's share of the provincial economy between 2008 and 2011 is noted in economic data, however, it is suggested that not much can be read into this as a result of the uncertain economic conditions over the period.
- General growth in employment of around 2% per annum is reflected in the data, but with much of this growth in informal, public sector and retail employment.

2.3.4. ECONOMIC IMPLICATIONS

Msunduzi has a well-established and diversified economy that makes an important contribution to regional and provincial economic development. It is important that the SDF reflects the diversity of the economy and ensure the growth of the various sectors of the economy is supported in order to secure employment and business opportunities for the large unemployed population of the City. The most significant contribution that the Msunduzi Municipality can make in this regard is to ensure the availability of zoned and serviced land for the expansion of the activities of the various sectors. The availability of land will be either in greenfields or brownfields development areas.

2.4. THE MSUNDUZI SPACE ECONOMY

2.4.1. INTRODUCTION

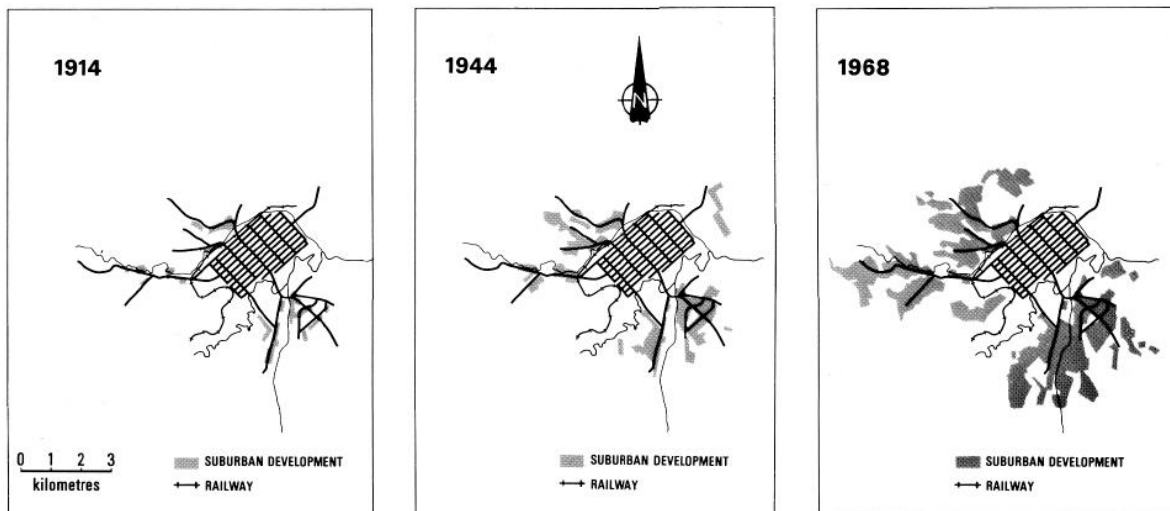
As a result of 150 years of development, and various elements contributing to the structuring of the City, Msunduzi has developed a distinct spatial economic structure. This section firstly provides an overview of key elements that influenced spatial structuring over the past 150+ year history of Msunduzi and considers the key spatial economic features (infrastructure, facilities, business and land) of the different management areas of the City.

2.4.2. THE SPATIAL ECONOMIC STRUCTURE

Historically a series of structuring elements and policies impacted on spatial economic development of the Msunduzi Municipality. Link roads between Pietermaritzburg and Durban as well as a railway line linking through Pietermaritzburg set the scene for the development of the city in the 1800s. Manufacturing was introduced in the city towards the late 1800s with the establishment of amongst others a mill and a tannery.

Over a period of just more than 150 years the city was shaped by colonial and apartheid spatial development policies, with segregated development areas probably being one of the most significant characteristics of the spatial economy. A paper by Trevor Mills (1988), focusing on Msunduzi as a 'segregated city' provides a good basic understanding of the development of Msunduzi as a segregated city. The graphics below provides some understanding of the development of Pietermaritzburg over a period of 150 years.

DIAGRAM 2.7: DEVELOPMENT OF PIETERMARITZBURG 1944 TO 1968

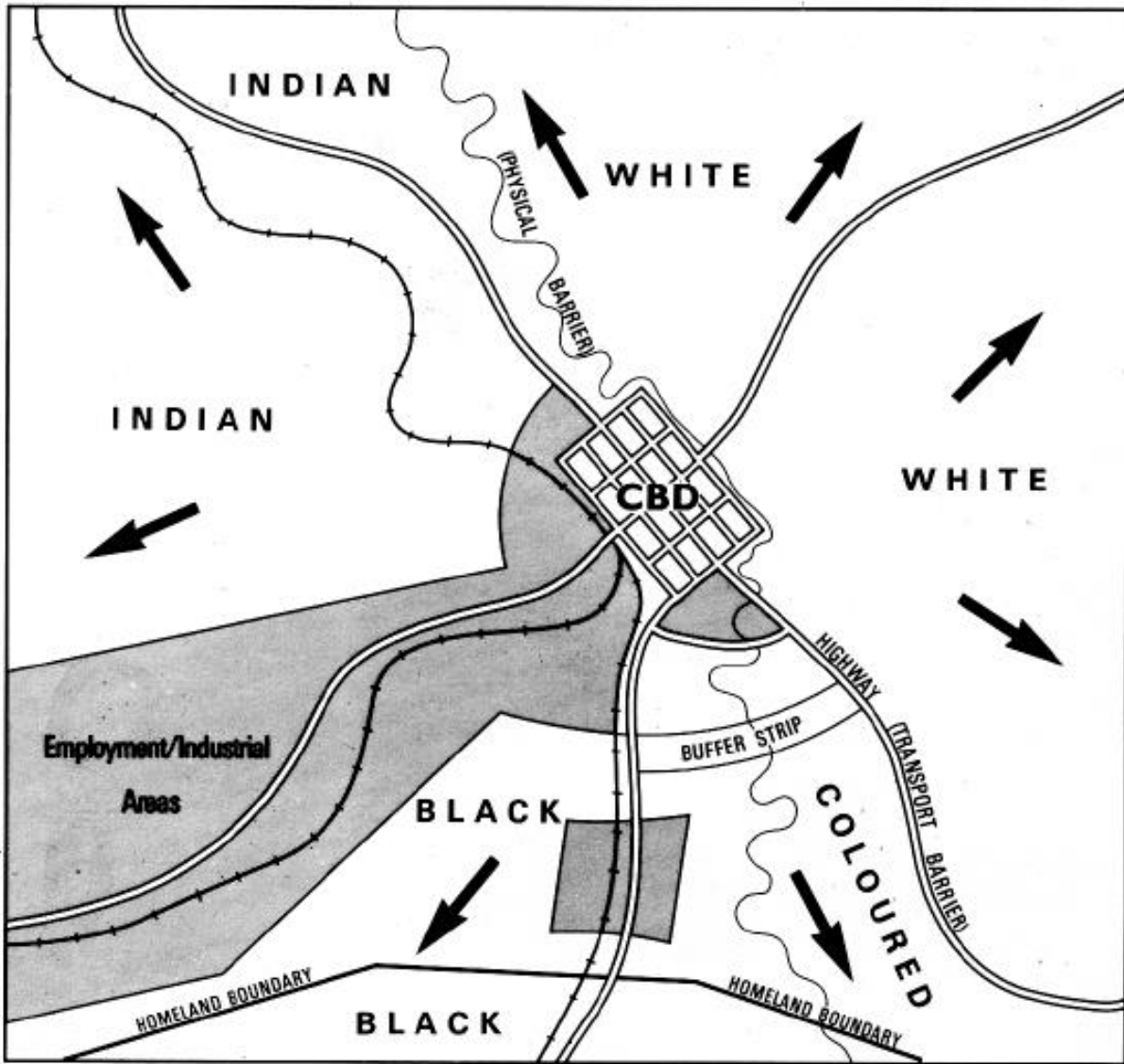


Source: Trevor Wills in Laband and Haswell 1988

Probably most significant from the above is to recognise the extent to which Pietermaritzburg / Msunduzi developed over a relatively short (in a city context) timeframe. It is clearly illustrated that the current CBD was in 1914 the full extent of the City. The question must then be asked: Where will Msunduzi be in 100 years from now and what key spatial planning decision must be taken in 2014 to accommodate the potential changes?

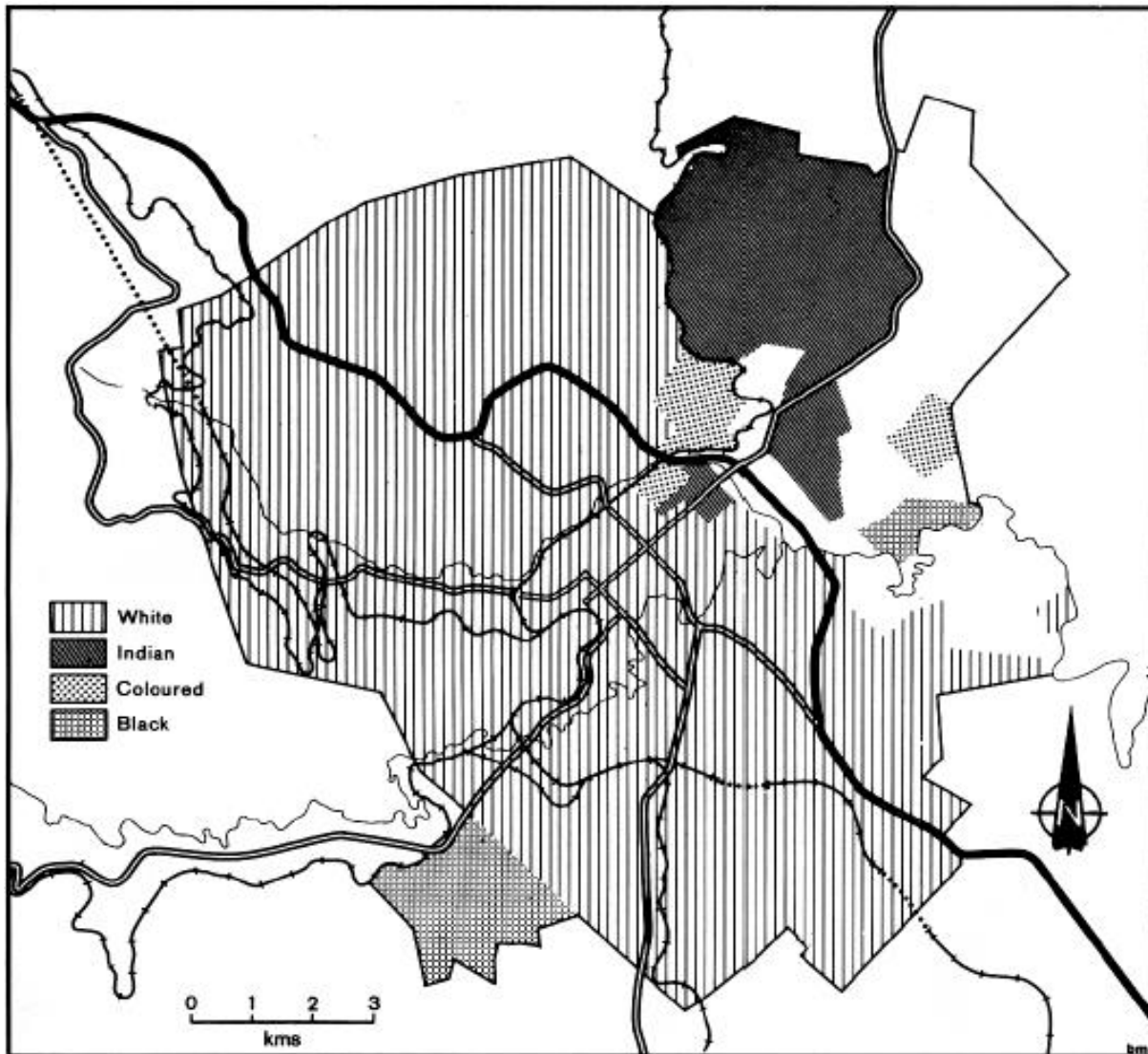
The spatial structure of Pietermaritzburg has emerged over the past 150 years linked to economic forces and infrastructure alignment. However, more significantly, colonial and apartheid policies shaped the City. In the graphic below Pietermaritzburg is depicted as the model apartheid city and the racial segregation that still existed in 1988 is reflected in Diagram 2.8.

DIAGRAM 2.8: PIETERMARITZBURG THE MODEL APARTHEID CITY



Source: Trevor Wills in Laband and Haswell 1988

DIAGRAM 2.9: RACIAL SEGREGATION IN PIETERMARITZBURG



Source: Trevor Wills in Laband and Haswell 1988

Acknowledging the importance of restructuring the City with a view to, amongst other things, making it work efficiently, is essential.

Movement infrastructure guided the spatial economic development of the city with higher order activities generally locating on routes of national and regional significance, these routes originally passing through the Pietermaritzburg CBD. The N3 bypass, although now viewed as an important structuring element in the future spatial development, is a relatively recent addition to the movement infrastructure only coming into operation in, it is presumed, the 1970s. Although manufacturing opportunities linked to this road has been exploited over the past 30 years, it has only been over the past decade that the route also altered the spatial distribution of the commercial and retail sectors in the Municipality with the Liberty Mall and surrounding developments bearing testimony to this. Further retail developments is currently proposed in the Hillcove Hills area.

It should be considered in future spatial planning that a key impact of the N3 bypass on spatial development has been older industrial areas in Msunduzi becoming obsolete, or at least less attractive to the modern investor. Modern industry is 'obsessed' with getting good access to transport infrastructure. The majority of successful industrial developments in KwaZulu-Natal over the past two decades located on, or in very close proximity to either the N3 or the N2 freeways, bears testimony to this (examples include industrial development in Howick, and eThekweni examples including Riverhorse Valley, South Gate, Mahogany Ridge and others).

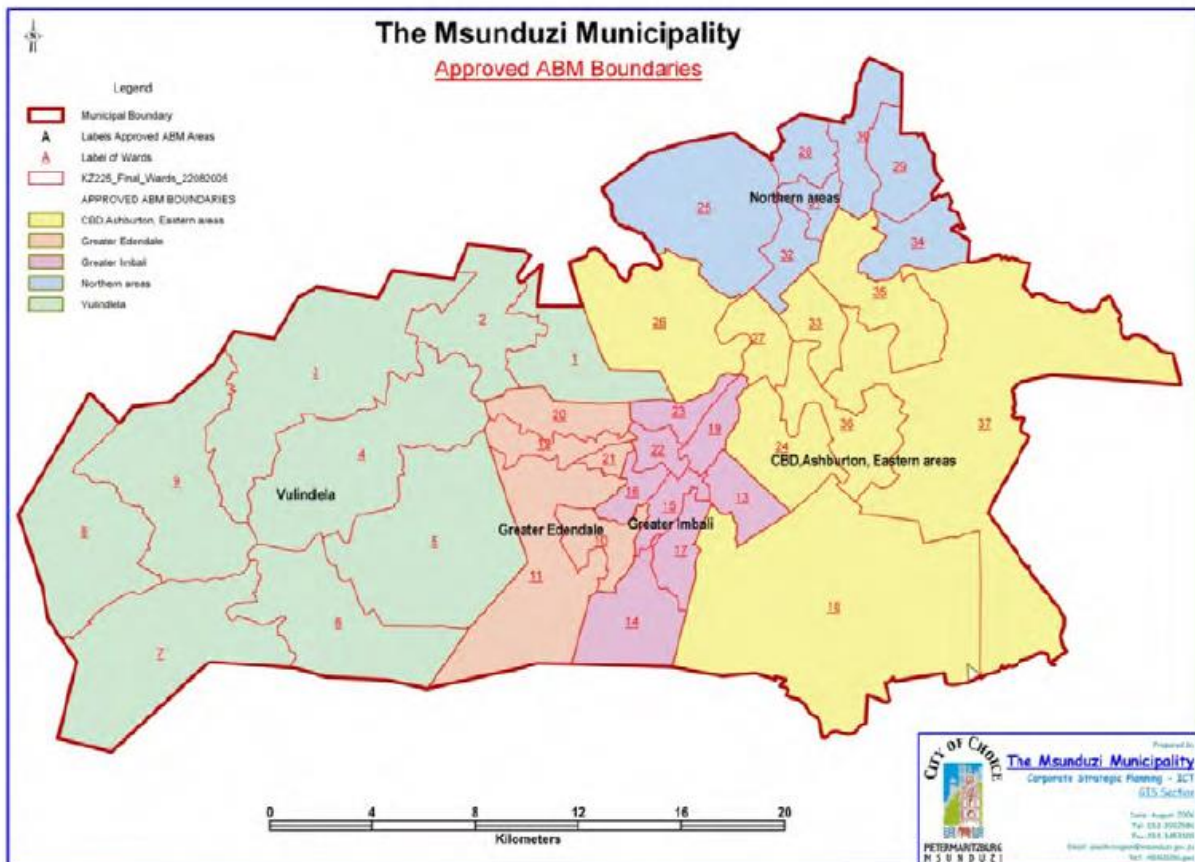
2.4.3. THE SPACE ECONOMY IN MANAGEMENT AREAS

The Integrated Development Plan (Msunduzi 2013) identifies five management areas within the Municipality. The Management areas are:

- Northern Areas,
- CBD, Ashburton, Eastern Areas
- Edendale (Greater Edendale and Greater Imbali)
- Vulindlela

The Management areas are reflected in the map below.

MAP 2.1: THE MSUNDUZI MANAGEMENT AREAS



Source: Msunduzi 2013

The management area demarcation will be used as the basis for discussing the spatial economy of the municipality.

2.4.3.1. NORTHERN AREAS

The IDP (Msunduzi 2013) notes that the Northern Management area consists of portions of the CBD, Clarendon, Montrose, Chase Valley, Woodlands, Northdale, Raisethorpe, and Bishopstowe. The largest part of this management area borders on and is located to the north of the N3. The Msunduzi IDP suggests that “due to the limited access nature of this road, opportunity points exist at key intersections or off-ramps along its route”. The predominant land use in the northern area is formal, primarily middle to high income, residential with informal housing development in areas such as Claridge and Copesville. It would appear that the demarcation of this area specifically intended to exclude industrial areas, with Willowton and Rosedale (Allandale Road area) excluded from this demarcation located immediate to the south.

The significant retail and commercial nodes located within the northern areas include the Liberty Midlands Mall, retail / commercial development in the vicinity of Armitage Road, the CBD north of Church Street accommodating a range of retail businesses and primarily service industries, the Cascades Shopping Centre and retail nodes along Chota Motala Road.

One of the most significant recent commercial developments in Msunduzi, the Victoria Country Club Estate, is located in this area just to the north of the N3, and has received substantial interest from major national and multi-national companies. The extent of availability of land in this estate is not known, but it appears as if there are still a number of undeveloped sites.

From an economic perspective the major regional health institutions located in the northern areas, viz. the Grey's Hospital and Townhill Mental Institution, should receive specific mention. These institutions again reflects the regional service centre role that Msunduzi fulfils.

From a spatial economic perspective agriculture remains a dominant land use (in terms of area of land) with the western portions including substantial plantations along Otto's Bluff Road and in the Chase Valley area. It is anticipated that this agricultural land, now with limited environmental value, may in future be targeted for urban development. There are substantial active/passive open space in this area with the largest being Queen Elizabeth Park and some agricultural land in the Copesville area.

2.4.3.2. CBD, ASHBURTON AND EASTERN AREAS ABM

This management area is large and could potentially be divided into two or more distinct zones from an economic development perspective. In terms of spatial planning Msunduzi has then also already divided the area into:

- The South Eastern District (to the east of Mkhondeni Industrial area, including Ashburton and areas areas to the north and south of the N3); and
- Central Area and CBD Extension (including the CBD and stretching as far as Mkhondeni industrial area in the east).

As part of current spatial planning for these nodes technical economic notes were prepared providing an economic perspective of these nodes (see Robbins 2013).

SOUTH EASTERN DISTRICT

This portion of the overall management area, stretching from Mkhondeni in the west to the municipal boundary in the north, south and east, presents the only opportunities for larger greenfield type development in the Municipality. Considering the limited land available for development in the rest of the municipality, as well as development constraints specifically in the western parts of the municipality, this underdeveloped area will be of strategic importance to the long term development of Msunduzi

The most significant spatial economic structuring elements in this area is the Mkhondeni industrial area immediately to the west and the N3 and R56 stretching in easterly and southerly direction through the area. On the N3 the two existing interchanges, and the R103 running parallel to the N3, present significant future development opportunities.

Robbins (2013) notes various development pressures experienced in this area in recent years and indicates that environmental constraints may limit the extent of land available for development. His report presents a table extracted from the Municipality Development Register indicating current property development intended for the area. These developments include:

- Ibhuhhesi Industrial Park (30 light industrial erven + 60.6ha);
- Burton Heights (200 ha or approx. 500 units mixed use);
- Hillcove Hills (483ha mixed use);
- Rita Light Industrial Estate (19ha);
- Mpushini Business Park (60ha mixed use and business park);
- Ambleton Phase 2 Public Housing (2 058 units); and
- Ambleton Phase 3 Public Housing (3 000 units).

Robbins' assessment, based on available material and discussions with various stakeholders, suggests that the following issues relating to economic development emerge (Robbins 2013):

In the first instance the areas adjacent to the N3 are likely to face ongoing developer interest as well as interest from those seeking to establish homes (formal and informal). The pressures on land availability in Ethekekwini and the investments associated with the N3 corridor are likely to escalate the need for Msunduzi and others alongside the corridor to provide land and infrastructure to service the demand. The necessity to consider appropriate mixed use developments at some planning scale (to avoid fragmentation) is key to the area. It should also be noted that this would require important balancing of

Interests between agricultural players, residential interests, the protection of the environment and its related biodiversity and services as well as those of new economic players. For instance there is and will continue to be demand for properties adjacent to the N3 for light industrial and distribution activities whilst to date much of this has been allocated to residential uses – perhaps in part because of the lower demand on municipal infrastructure in a context of weak municipal investment performance. Links with, and even possible growth of Mkhondeni, must be considered in this mix. Such development is likely to have substantial impacts, as will the N3 corridor development, on road networks (such as R103) and other infrastructure in the area.

From the above information it is observed that most types of development are currently being catered for in the new development areas, except for affordable housing. This suggests that the separation between workers housing and their (potential) place of work is further entrenched in current spatial development. A small informal settlement to the south of Mkhondeni suggests that if affordable housing is not provided in this area more informal settlement may in future be anticipated closer to the N3 (see also example of informal settlement at the Tweedie interchange in Mngeni Municipality).

Robbins (2013) lists the following opportunities for this section of the CBD / Eastern Areas management area:

- Development pressures associated with the N3 Corridor and a degree of importance of the MM to provincial and national plans
- Interest of some institutions and developers to cooperate in planning and development of the area
- Possible options for lower impact developments in the area
- Scope to gain from agricultural revival in surrounding LMs
- Limitations of serviced land availability elsewhere along N3 axis within Ethekekwini
- GEDI development implementation and plans for Richmond Road corridor
- Growth of demand for urban centre proximate intensive agricultural production
- Ongoing private sector investments in distribution and logistics and residential (growing market demand and growing middle class)
- Scope to take advantage of natural and bio-diversity assets and the services they provide
- Scope for unique positioning to capture higher value opportunities (for example siting of a N3 corridor management centre)

CBD TO MKHONDENI

This area represent the economic core of the City and includes:

- The Central Business District with substantial office / commercial, retail and government sector activity;
- Industrial Areas including Panorama Gardens, Willowton, Mayors Walk area, Mkhondeni and others;
- Educational Institutions centred around the Pietermaritzburg campus of the University of KwaZulu-Natal and the Durban University of Technology in Scottsville, and UNISA and FET College/s in the central area;
- Msunduzi Airport, the Pietermaritzburg Station and the N3 as key spatial structuring elements together with the Edendale-Northdale Corridor; and
- Various tourism and recreation related facilities including the Scottsville Race Course, the Golden Horse Casino, the National Botanic Gardens, various museums, sport clubs and parks.

Robbins (2013) provides an overview of the spatial distribution of economic activity located specifically in the core CBD and this should be considered in more detailed spatial planning. He identifies and discusses the following economic activities in the CBD, viz. the parliamentary complex, KZN Government head offices, a number of retail hubs, a medical services precinct, a cluster of legal businesses, a housing cluster, light industrial areas, diversified automotive sales and educational institutions.

The IDP (Msunduzi 2013) indicates that the CBD *"functions as the primary market place for the municipality, a place of concentration of power (financial, economic and political), an investment location, a rates revenue generator, and provides an opportunity for social interaction and integration. It also serves as the gateway city to the surrounding tourist destinations, it in itself being a tourist destination"*.

Robbins (2013) in his analysis notes the following opportunities for the CBD and CBD Extension area of relevance to the future spatial planning:

- The continued development of the core CBD public sector precinct;
- Public sector interventions relating to transport;
- Continued commitment to the heritage and cultural assets in the CBD;
- The potential to "create and sustain unique identities for different areas of the CBD and corridors connecting these areas to surrounding areas"; and
- N3 corridor related developments.

Robbins (2013) also notes a number of challenges for the future development of the CBD including current levels of urban management, lack of infrastructure investment and new investment, cost of maintaining and upgrading the historic building stock, the "flight of higher grade professionals" from the CBD and competing developments.

2.4.3.3. GREATER EDENDALE AREA

Edendale has historically been a dormitory township for labour employed in the formal economy of Msunduzi. However, from an economic development perspective the area has seen some development in the eastern parts. Industrial development in the Mason's Mill area, specifically the Hulett Aluminium plant, industries established at Plessis-Laer, the government and education and training facilities in the Imbali area, and new major shopping centres established since 2010 provides a basis for future economic development. The major government and education and training facilities include Umgungundlovu FET, the Durban University of Technology, the Edendale Hospital and Transnet related activities. Outside of the eastern zone there are no substantial concentrations of economic activity in Edendale, although previous assessments of the area suggested that a large number of home based production orientated businesses does exist.

Edendale has a unique place in the settlement history of South Africa and currently the Msunduzi Municipality is making every effort to facilitate development in the area, most notably through the Greater Edendale Development Initiative (GEDI). The Edendale-Northdale Corridor project is aimed at integrating Edendale into the structure of the large Msunduzi Municipality. This corridor aims to establish an improved public transport system / corridor extending from Georgetown through the CBD to Northdale over a length of 17 kilometers.

Over the past decade substantial effort has been made in planning for spatial, social and economic development in the Edendale area. Resources are required to effectively implement this planning. Most planning assessments promotes commercial and industrial development as important focus areas for future economic development. The importance of the Edendale Corridor (straddling Edendale Road) and areas such as Plessislaer, Mason's Mill, Imbali, Qokololo and Georgetown is confirmed in the planning.

The socio-economic assessment confirms that more than a third of the Msunduzi population resides in Edendale. The area experiences high levels of unemployment, high population densities, and low household incomes. These findings all stress the desperate need for economic development in the Edendale area.

Sustainable economic development should be encouraged. The alternative is for Edendale to remain a dormitory township providing cheap labour to other areas of the Msunduzi Municipality. Importantly, emerging businesses is clearly visible in the area and potentially provide a basis for developing the local economy.

2.4.3.4. VULINDLELA AREA

Vulindlela is what is commonly referred to as a traditional settlement area (an area in which the land belongs to the Ingonyama Trust, residential buildings range from formally built to the traditional, and also some informal structures). The area is located to the west of Pietermaritzburg and northwest of the Greater Edendale area, to some extent an extension of the more formally settled Edendale area. It covers a substantial percentage of the total land area of Msunduzi and the IDP (Msunduzi 2013) indicates that the study area is made up of 9 wards; and the following traditional council areas Mafunze, Inadi, Mpumuza, Nxamalala and Ximba. In 2011 the area was home to nearly a quarter of the population of the municipality.

From a spatial economic development perspective the key feature of this area must be the limited concentration of any economic development of note in the Vulindlela area. Key economic spatial structuring elements impacting on Vulindlela is the M70 stretching through the area in an east west direction linking into Edendale, and stretching to the regional access route, the R617, in the west (this route links Msunduzi with Impendle and onwards to Bulwer and Underberg).

Other spatial economic features to be considered in future spatial planning includes:

- The spread-out nature of educational facilities and other public sector facilities throughout the area;
- Pockets of arable land in Vulindlela not settled on as yet; and
- The previous identification of primary, secondary and tertiary nodes in Vulindlela (Msunduzi 2009).

The nodes identified in the 2009 Msunduzi SDF includes:

- Primary Nodes
 - Zinqamu
 - Emafakatini
 - Taylors Halt
 - Mtoqotho
 - Sweetwaters
- Secondary Nodes

- Elandskop
- Santi
- Tertiary Nodes
- KwaMpande
- Gezubuso
- Ngubeni

2.5. ECONOMIC IMPLICATIONS

Significantly, as is the case for most South African cities and towns, the different management areas in the City each offers a unique range of opportunities and challenges for future economic development. An overall challenge that City Planners will have to contend with is the effective integration of the component parts (the management areas) of the city, not only to end racial segregation, but to also ensure the more efficient functioning of the city structure.

2.6. THE SOCIO-ECONOMIC SPACE

2.6.1. INTRODUCTION

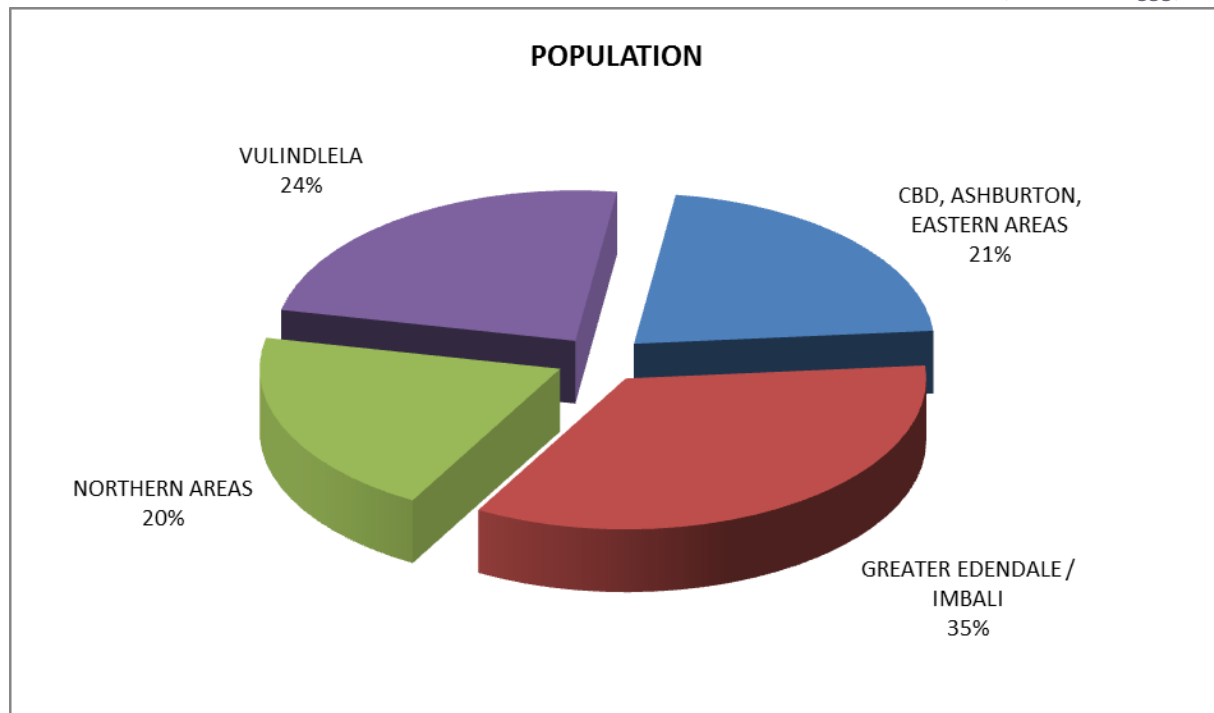
The 2011 Census statistics released over the past year provides an interesting picture of the socio-economic characteristics of the Msunduzi Municipality. For the purpose of the analysis that follows statistics were generated on a ward level, as this is viewed as the level of information needed in order to make informed strategic spatial planning decisions. However, for the discussion of socio-economic characteristics as reflected in space, this ward level information is summarised in terms of the four management areas. The detailed ward level information, on which this summary information is based, is reflected in **Annexure A** attached.

It should be noted that the analysis that follows is viewed as a starting point for a much more detailed analysis that can be done with the available census statistics.

2.6.2. DEMOGRAPHICS

It was previously indicated that Msunduzi contributes 61% of the District population, with in 2011 a population of the city being 618 533 people (District population of 1 017 763 people). The table below confirms the Edendale management area as being home to the largest percentage of the population, and that together with the Vulindlela Area, the previously disadvantaged areas are home to 60% of the City population. The CBD / Eastern Areas and the Northern Areas contributes 21% and 20% respectively.

DIAGRAM 2.10: 2011 POPULATION DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS (TOTAL 618 533)



Source: Census 2011

Between 2001 and 2011 the population of Msunduzi experienced growth of 1.12% per annum. In terms of the management areas Edendale made the greatest contribution to growth, growing at a rate of 1.9% per annum over the period. Interesting trends is observed when studying the Ward statistics and these should be further analyzed and discussed.

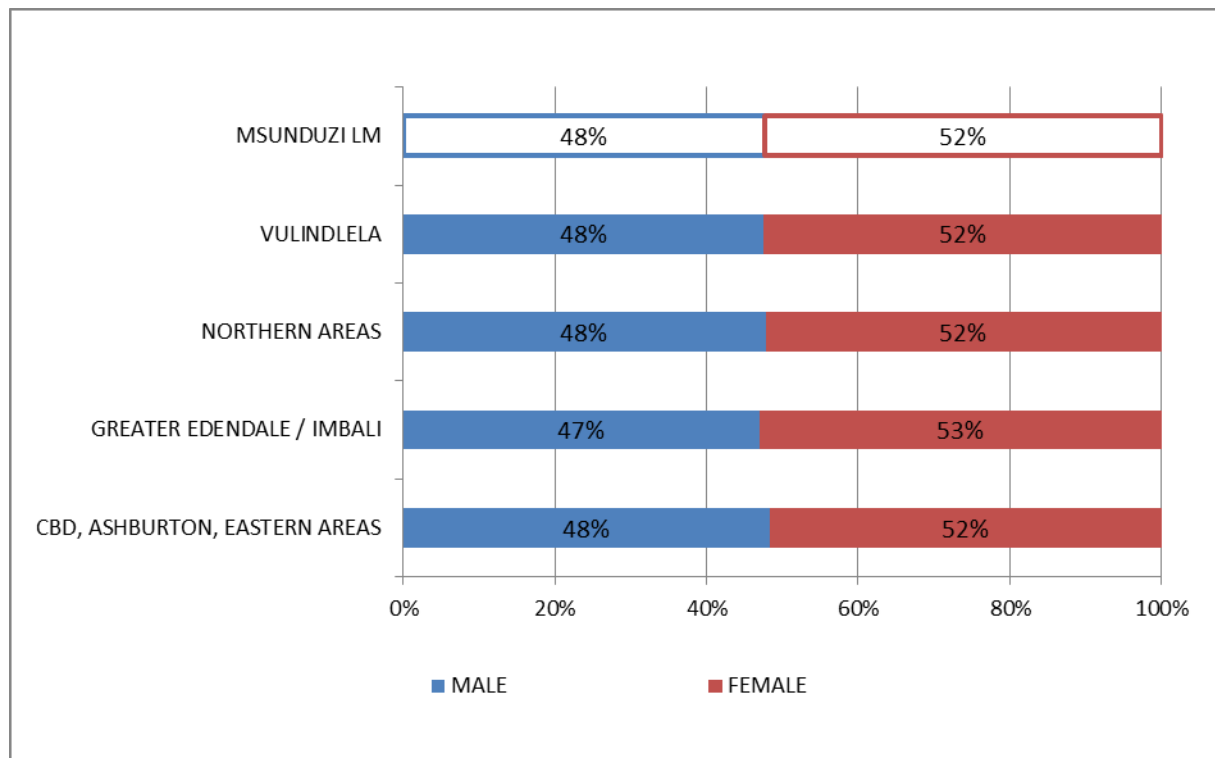
TABLE 2.2: POPULATION GROWTH IN WARDS AND MANAGEMENT AREAS 2001 TO 2011

WARD	AREA	POPULATION 2001	POPULATION 2011	GROWTH RATE % 2001 - 2011
CBD, ASHBURTON, EASTERN AREAS		119480	132367	1.03%
Ward 37	Asburton	11104	15424	3.34%
Ward 35	Mountain Rise	12535	16843	3.00%
Ward 27	City	9719	13037	2.98%
Ward 36	Mkhondeni	18038	19480	0.77%
Ward 24	Bisley	15089	16181	0.70%
Ward 26	Prestbury	16709	17786	0.63%
Ward 33	Scottsville	13660	12908	-0.56%
Ward 18	Ambleton	22626	20708	-0.88%
GREATER EDENDALE / IMBALI		176884	213581	1.90%
Ward 13	Slangspruit	10530	21953	7.62%
Ward 16	Dambuza	12737	21231	5.24%
Ward 21		6063	9972	5.10%
Ward 17	Ematshaheni	14407	21531	4.10%
Ward 12	Edendale	8299	11775	3.56%
Ward 10	KwaPata	10326	14152	3.20%
Ward 19	Imbali	12177	16444	3.05%

WARD	AREA	POPULATION 2001	POPULATION 2011	GROWTH RATE % 2001 - 2011
Ward 11	Sinathini / Georgetown	16296	19946	2.04%
Ward 23	Ashdown	14984	14384	-0.41%
Ward 22	Imbali	15352	14666	-0.46%
Ward 15	Imbali Unit 18	19483	18542	-0.49%
Ward 20	Caluza	16393	13667	-1.80%
Ward 14	Willowfontein	19837	15318	-2.55%
NORTHERN AREAS		119662	124584	0.40%
Ward 32	Woodlands	11758	15972	3.11%
Ward 25	Chase Valley	12168	15461	2.42%
Ward 34	Eastwood	18270	21407	1.60%
Ward 28	Northdale	20354	20581	0.11%
Ward 30	Raisethorpe	20850	20087	-0.37%
Ward 31	Bombay Heights / Northdale	13199	12095	-0.87%
Ward 29	Copesville	23063	18981	-1.93%
VULINDLELA		137208	148001	0.76%
Ward 5	Gezibuso	10008	15840	4.70%
Ward 9	Mafakatini	10564	14538	3.24%
Ward 1	Phayiphini	13925	18770	3.03%
Ward 6	Qande	14955	17283	1.46%
Ward 3	KwaMpande	14066	15576	1.02%
Ward 7	Enzondweni	17513	18049	0.30%
Ward 8	Emaswazini	14941	15289	0.23%
Ward 4		16565	14223	-1.51%
Ward 2	Sweetwaters	24671	18433	-2.87%
MSUNDUZI		553234	618533	1.12%

The gender distribution within the Municipality, reflected in the table below, is in line with what is generally found in urban areas, i.e. a slightly higher percentage of women than men. The management area statistics, and then also on the ward level statistics as reflected in the Annexure, reveal that this is also fairly consistent also across the management areas and wards of the municipality, with only a couple of wards deviating from this norm. From a planning perspective this again reminds of the importance of gender equity considerations in planning decision-making.

DIAGRAM 2.11: 2011 GENDER DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

It was noted in earlier discussions that in some rural municipalities in the Umgungundlovu District Municipality more than 50% of the population is below 20 years of age. This is viewed as a very youthful population. Despite the under-20s making up only 39% of the population in Msunduzi this is still regarded as a large group whose current needs are not adequately catered for and that will be moving into the job market over the next twenty years.

TABLE 2.3: 2011 AGE DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS

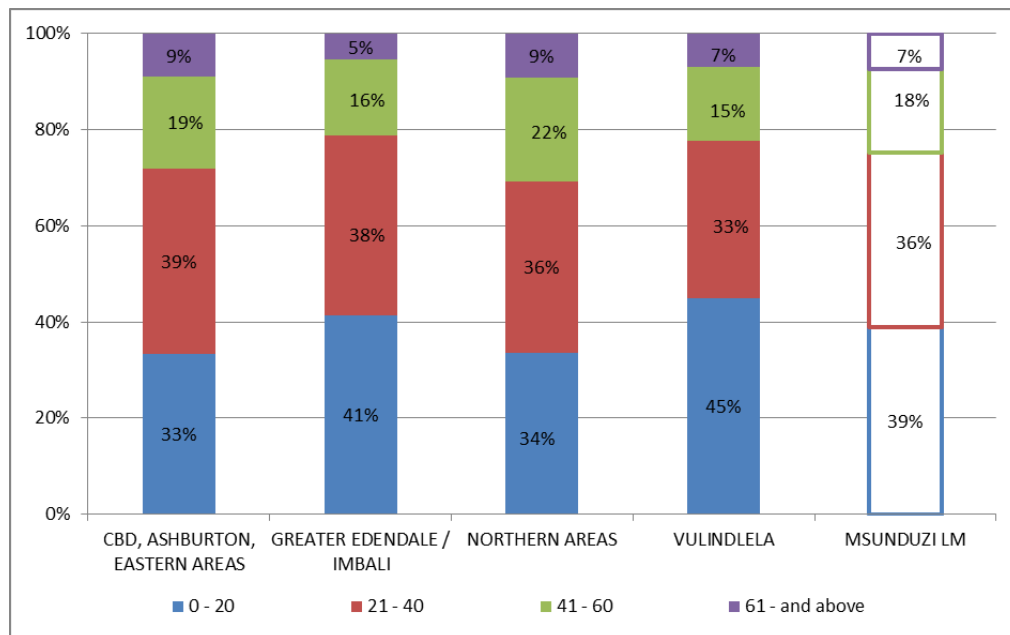
AREA	POPULATION	0 - 20	21 - 40	41 - 60	61 - and above
CBD, Ashburton, Eastern Areas	132364	33%	39%	19%	9%
Greater Edendale / Imbali	213583	41%	38%	16%	5%
Northern Areas	124587	34%	36%	22%	9%
Vulindlela	147999	45%	33%	15%	7%
MSUNDUZI LM	618533	39%	36%	18%	7%

Source: Census 2011

It is further noted from the above that in terms of the management areas the youthfulness of the population is directly related to the level of development. In Vulindlela, an underdeveloped area, 45% of the population is under 20. In the CBD and Eastern Areas, arguably the more developed area, the under 20s make up a substantially smaller part of the population at 33%. The implications of this for planning is well-documented, but then specifically the need for age appropriate recreation, entertainment, education etc should be emphasized.

It is also noted that the more established management areas have an aging population with nearly 10% of the population in these areas being older than 60. Again, the needs of these groups are to be considered in planning. The longer term implications of this in terms of population growth should be considered.

DIAGRAM 2.12: 2011 AGE DISTRIBUTION IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

2.6.3. SOCIO-ECONOMIC CHARACTERISTICS

This section focuses on basic socio-economic characteristics of the management areas. Specifically levels of education, employment and income is focused on for the purpose of this assessment. As previously indicated, a more detailed analysis of this on a ward level may be beneficial.

In general it will be noted from the tables and diagrams following that the development patterns in Msunduzi, as will be expected, is clearly reflected in the socio-economic characteristics of the various areas. Again, it needs to be noted that the value of the statistics is then not in the general conclusions, but rather in the further analysis of the general conclusions on a smaller area level, i.e. the ward level when planning.

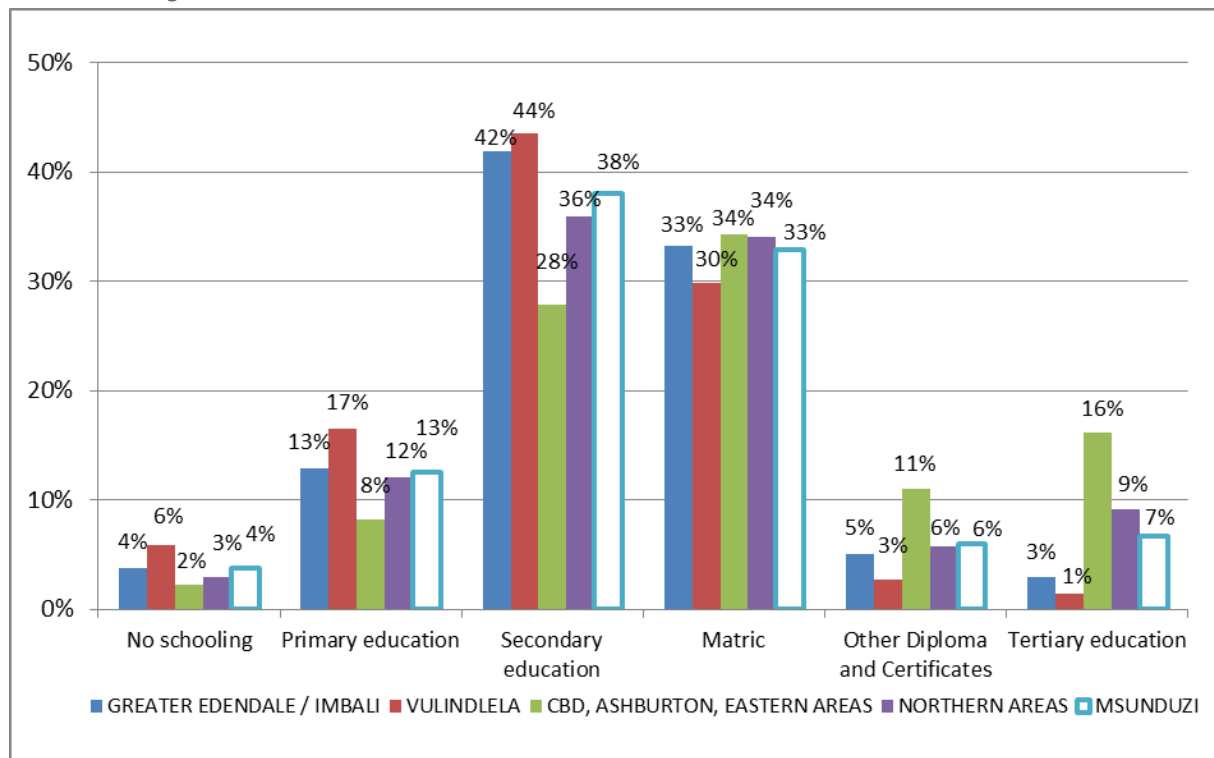
In terms of education the vast differences between the areas are clearly evident from specifically looking at the percentage of people with a tertiary level education. The percentage of people in the workforce in the different management areas have a tertiary education (from lowest to highest) are: Vulindlela (1%), Greater Edendale (3%), Northern Areas (9%) and the CBD / Eastern Areas (16%). The percentage of people with other diplomas and other certificates also reflects this, although the trend is less pronounced.

TABLE 2.4: 2011 LEVEL OF EDUCATION OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS

AREA	TOTAL	NO SCHOOLING	PRIMARY EDUCATION	SECONDARY EDUCATION	MATRIC	DIPLOMA AND CERTIFICATE	TERTIARY EDUCATION
Greater Edendale / Imbali	142765	4%	13%	42%	33%	5%	3%
Vulindlela	94527	6%	17%	44%	30%	3%	1%
CBD, Ashburton, Eastern Areas	88052	2%	8%	28%	34%	11%	16%
Northern Areas	86419	3%	12%	36%	34%	6%	9%
MSUNDUZI LM	411763	4%	13%	38%	33%	6%	7%

Source: Census 2011

DIAGRAM 2.13: 2011 LEVEL OF EDUCATION OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

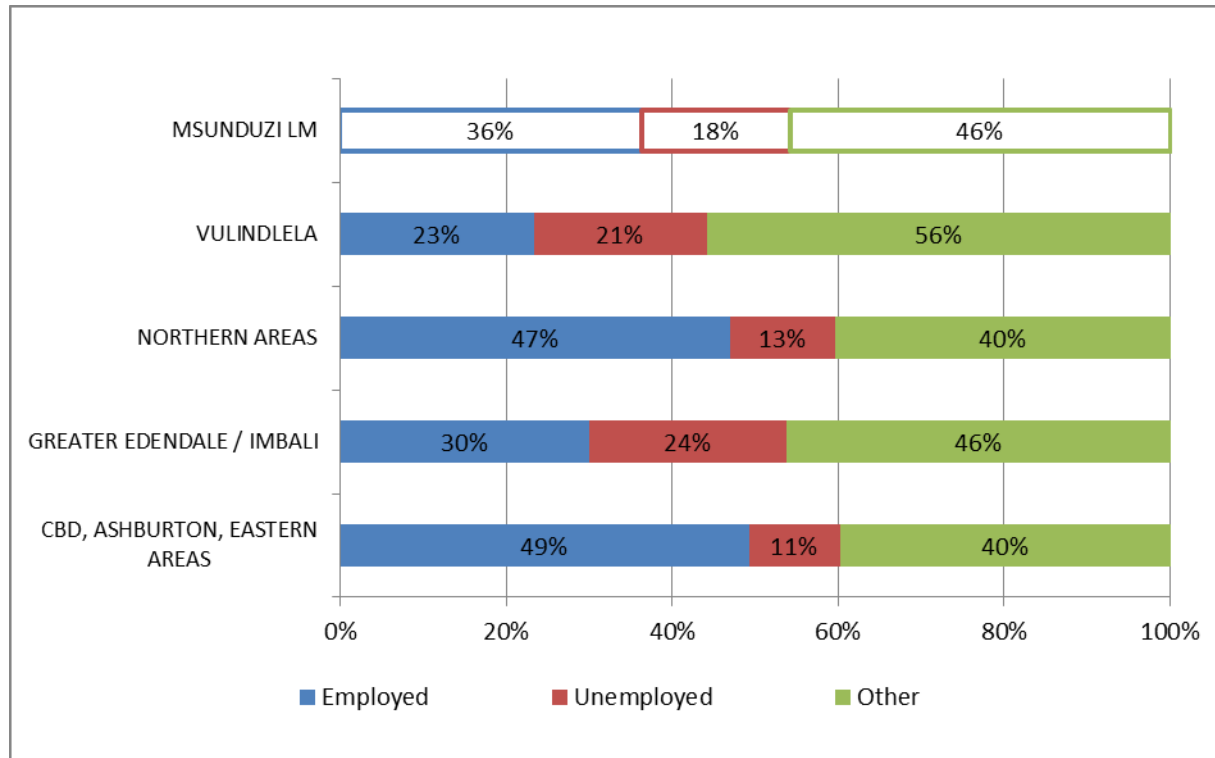
TABLE 2.5: 2011 EMPLOYMENT STATUS OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS

AREA	TOTAL WORKFORCE	EMPLOYED	UNEMPLOYED	OTHER
CBD, Ashburton, Eastern Areas	95140	49%	11%	40%
Greater Edendale / Imbali	144823	30%	24%	46%
Northern Areas	88286	47%	13%	40%
Vulindlela	94687	23%	21%	56%
MSUNDUZI LM	422936	36%	18%	46%

Source: Census 2011

On an overall level the employment level in Msunduzi is at 36%, with a large percentage of the workforce (people aged between 15 and 64) then also not actively seeking work. Thus, although the official unemployment rate (only considering the employed and unemployed, but not considering those not actively seeking work) will only be 33% there are a large number of people also discouraged and not seeking work that could potentially be included in the group of unemployed.

DIAGRAM 2.14: 2011 EMPLOYMENT STATUS OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

The regional variations in terms of employment levels are substantial with only a fifth of the workforce in Vulindlela being employed, a third in Greater Edendale and a much better 50% in the more developed management areas.

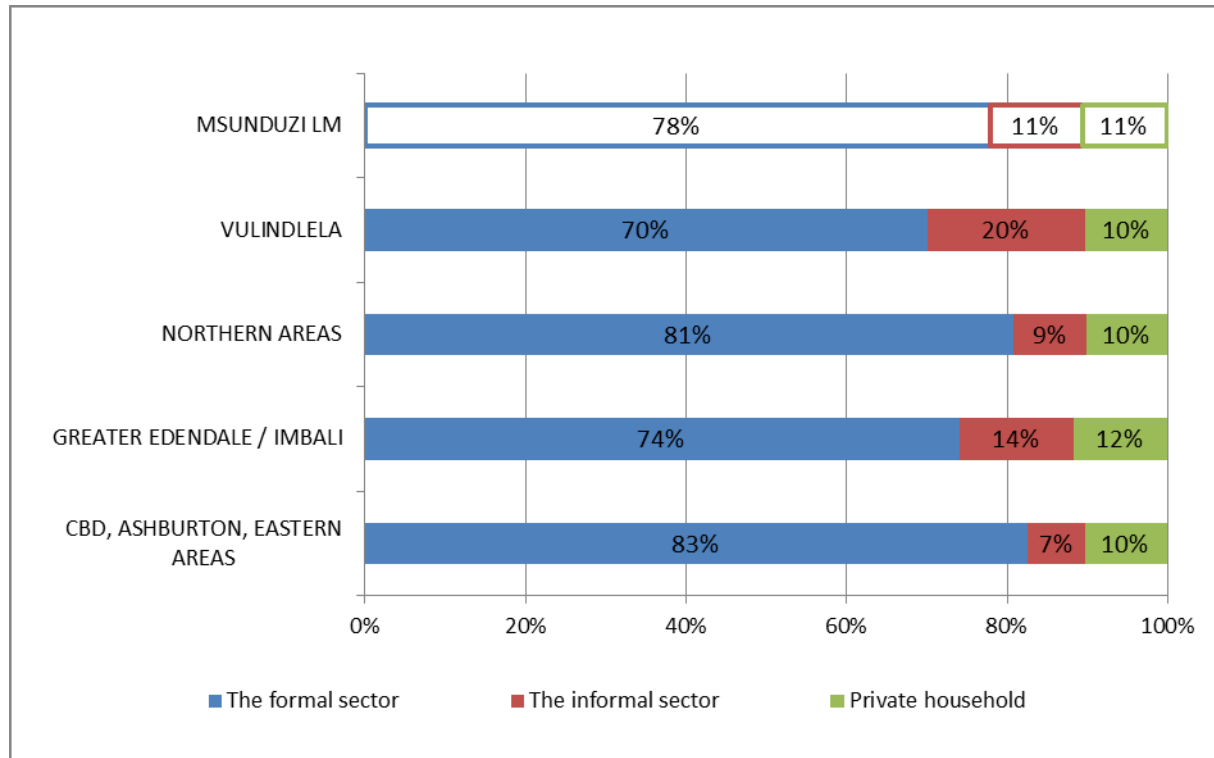
Area variations is also found in the sectors (formal, informal or household) in which people are employed, with respectively 20% and 14% of employment opportunities in Vulindlela and Greater Edendale being in the informal sector. This is high considering the average of 11%. The contribution of employment in the private household sector ranges only between 10% and 12% with, interestingly, 12% of the opportunities in the Greater Edendale area being in this sector.

TABLE 2.6: 2011 EMPLOYMENT SECTOR OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS

AREA	TOTAL EMPLOYED WORKFORCE	THE FORMAL SECTOR	THE INFORMAL SECTOR	PRIVATE HOUSEHOLD
CBD, Ashburton, Eastern Areas	46917	83%	7%	10%
Greater Edendale / Imbali	43008	74%	14%	12%
Northern Areas	41311	81%	9%	10%
Vulindlela	21999	70%	20%	10%
MSUNDUZI LM	153235	78%	11%	11%

Source: Census 2011

DIAGRAM 2.15: 2011 EMPLOYMENT SECTOR OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

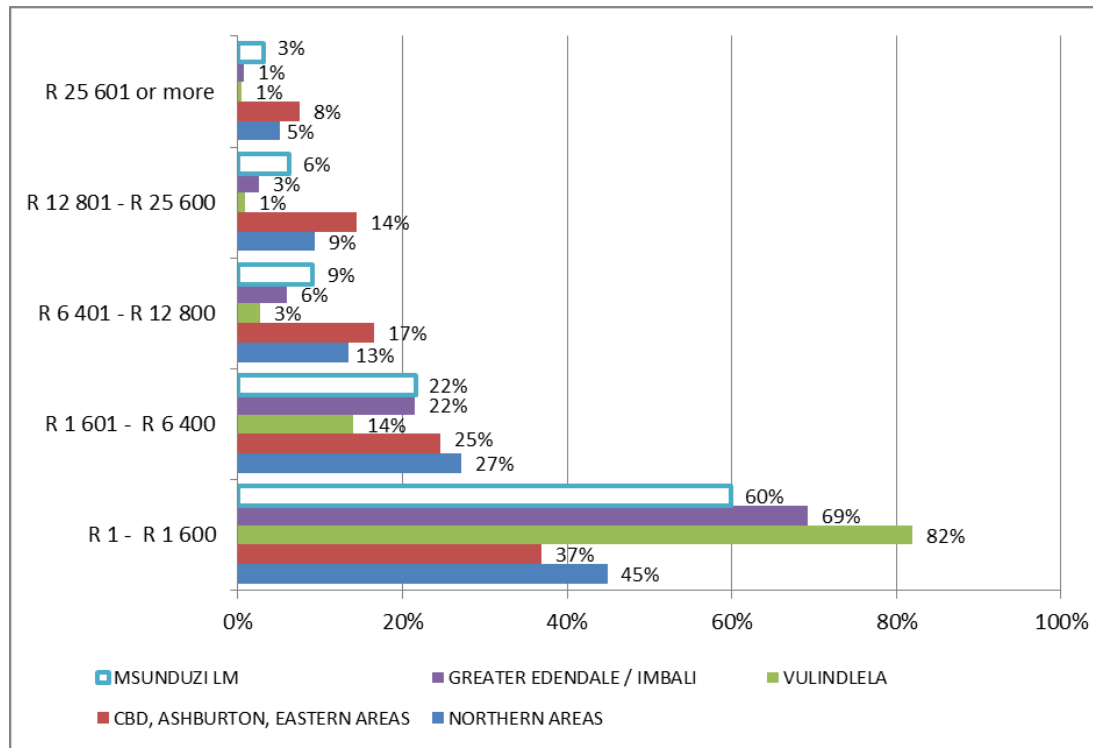
The impact of the low levels of employment, and to some extent the employment in the informal sector, on poverty is further compounded by the low monthly income levels of those that are employed. In Vulindlela 82% of those employed indicated that they earn less than R1 600 per month (a level that is far below the household subsistence level). There is therefore a high dependence on grants and other sources of incomes for households to survive.

TABLE 2.7: 2011 MONTHLY INDIVIDUAL INCOME OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS

AREA	TOTAL WORK-FORCE	R 1 - R 1 600	R 1 601 - R 6 400	R 6 401 - R 12 800	R 12 801 - R 25 600	R 25 601 OR MORE
CBD, Ashburton, Eastern Areas	60470	37%	25%	17%	14%	8%
Greater Edendale / Imbali	66153	69%	22%	6%	3%	1%
Northern Areas	70876	45%	27%	13%	9%	5%
Vulindlela	92703	82%	14%	3%	1%	1%
MSUNDUZI LM	290202	60%	22%	9%	6%	3%

Source: Census 2011

DIAGRAM 2.16: 2011 MONTHLY INDIVIDUAL INCOME OF WORKFORCE IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

2.6.4. PHYSICAL DEVELOPMENT

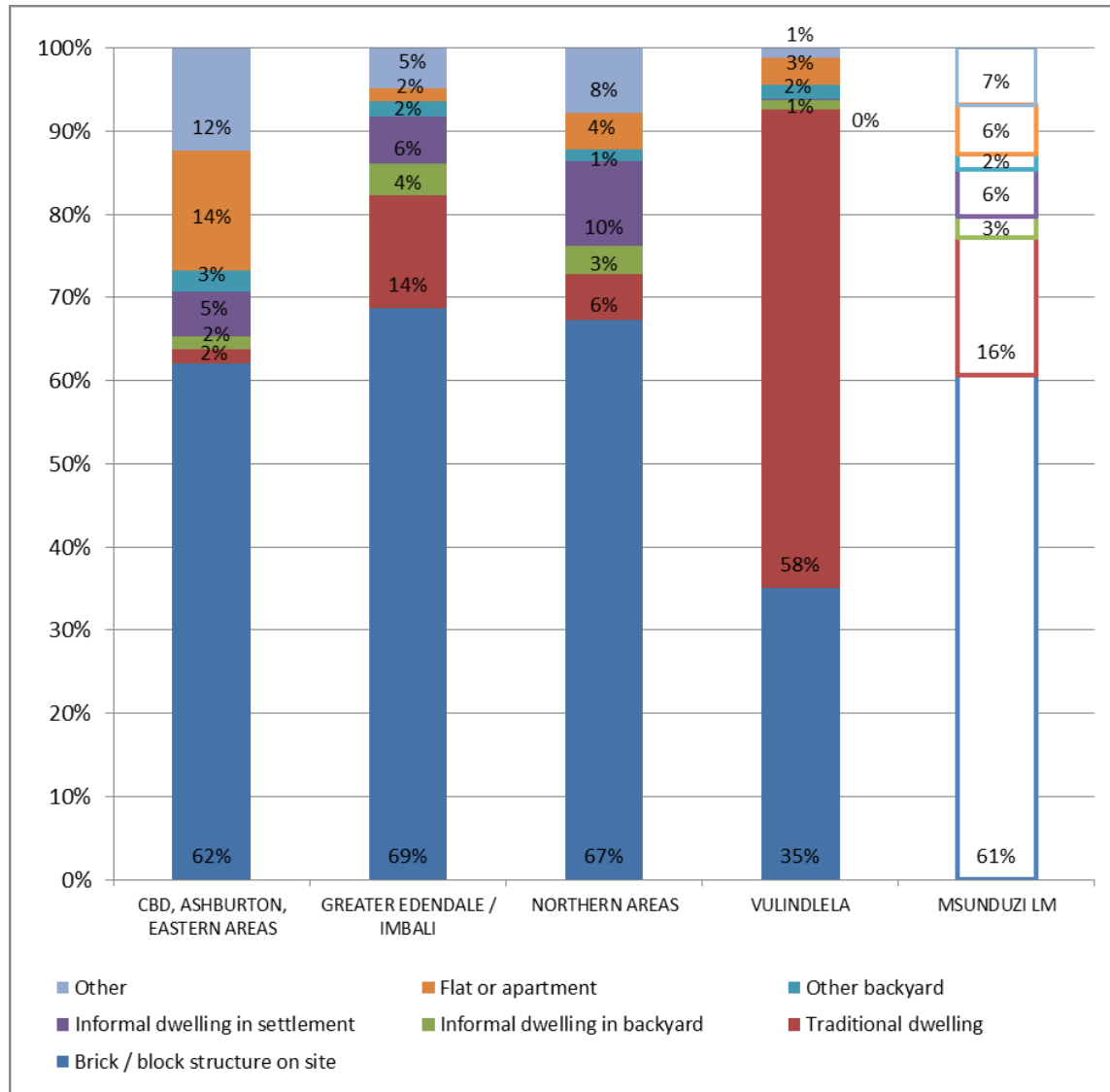
Levels of physical development and access to formal urban amenities also vary considerably across the various management areas. It is noted from the census statistics that 25% of people in the Msunduzi Municipality does not live in a formal brick and mortar structure. Of the 25% some 16% of households indicated in 2011 that they reside in traditional dwellings (58% of the Vulindlela population). Ten percent of households in Msunduzi live in informal dwellings with the Northern areas accommodating a relatively large number of informal dwellings (20% if traditional dwelling included in this category).

TABLE 2.8: 2011 HOUSEHOLD HOUSING STRUCTURE IN MSUNDUZI MANAGEMENT AREAS

AREA	TOTAL HOUSEHOLDS	BRICK / BLOCK STRUCTURE ON SITE	TRADITIONAL DWELLING	INFORMAL DWELLING IN BACKYARD	INFORMAL DWELLING IN SETTLEMENT	OTHER BACKYARD	FLAT OR APARTMENT	OTHER
CBD, Ashburton, Eastern Areas	43064	62%	2%	2%	5%	3%	14%	12%
Greater Edendale / Imbali	54907	69%	14%	4%	6%	2%	2%	5%
Northern Areas	36826	67%	6%	3%	10%	1%	4%	8%
Vulindlela	29194	35%	58%	1%	0%	2%	3%	1%
MSUNDUZI LM	163991	61%	16%	3%	6%	2%	6%	7%

Source: Census 2011

DIAGRAM 2.17: 2011 HOUSEHOLD HOUSING STRUCTURE IN MSUNDUZI MANAGEMENT AREAS



Source: Census 2011

2.6.5. ECONOMIC IMPLICATIONS

The management areas, and on a lower level the wards, each have distinct demographic and socio-economic characteristics. These characteristics, as reflected on in the above tables and discussions, must guide future decision-making in terms of strategic economic and spatial interventions that the city will engage in.

3. THE GROWTH MODEL

3.1. INTRODUCTION

Economic and spatial development plans often only focus on providing plans for a relatively short term (5 years). The Msunduzi Economic Development Strategy and Spatial Development Strategy will be based on an understanding of population and economic growth implications over the next 40 years, i.e. to the 2050. Short and medium term development strategies should then established based on the context provided by longer term estimates. A similar process was followed when considering the spatial strategies for the Umgungundlovu District Municipality and this section builds further on this approach.

The view of the Msunduzi Municipality in 2050 is focussed specifically on the potential implications of population growth and dynamics, as well as economic growth and dynamics.

3.2. THE GROWTH SCENARIOS

As a starting point the population and economic growth is considered within the context of three scenarios. The most likely scenario is then identified, expanded on and further discussed.

The three scenarios for future population and economic growth for the Msunduzi Municipality considered is simply referred to as:

- A low growth scenario;
- A medium growth scenario; and
- A high growth scenario.

In the sections below the scenarios are described and the likely implications of each of the three scenarios unfolding is considered.

3.2.1. SCENARIO 1: LOW GROWTH SCENARIO

In terms of this scenario population and economic growth rates achieved over the past 10 years continues well into the future (earlier sections reflected on population and economic growth in the period 2001 to 2011). The population growth rate will then be expected to be around 1% per annum and the economic growth rate at around 2% per annum.

This scenario is based on a number of assumptions. Firstly, the current severe impact of HIV/AIDS on population growth will continue to be felt over the longer term. Due to subdued economic growth migration to the region will be limited although people will continue to trickle into the area, not only from neighbouring poverty stricken districts such as Sisonke and Umzinyathi, but also from neighbouring local municipalities such as uMshwathi, Mooi Mpofana, Impendle and Richmond.

The economy will show positive growth, as for the past 15 years, but well below the rates required to address developmental and poverty issues. New major industrial and property developments will be limited and existing industries will stagnate.

3.2.2. SCENARIO 2: MEDIUM GROWTH SCENARIO

In terms of the scenario the population and economic growth rates will be in excess of that achieved over the past 10 years. The population growth rate is anticipated to be 2%, whereas the economy will grow at a rate of 5%.

This scenario assumes that the HIV/AIDS pandemic has been curbed and that the negative impact thereof on population growth has been reduced. It is also assumed that, because of higher economic growth rates, the area has become a target for migrants from neighbouring rural local municipalities and Districts such as Sisonke and Umzinyathi. Migrants from the Eastern Cape should not be excluded from this scenario.

The economy of Msunduzi is set to grow at 4% per annum, a rate still substantially lower than that proposed in the National Development Plan for 2030 (i.e. at 5.4%). However, even this 4% per annum growth rate still assumes continued capital development, expansion of production activity and the strengthening of all economic sectors.

3.2.3. SCENARIO 3: HIGH GROWTH SCENARIO

In terms of this scenario the population and economic growth rates will be well in excess of that achieved over the past 10 years and will be amongst the highest in the country. The population growth rate is then expected to be 3% and the economy of the District will grow at 6% plus.

As for Scenario 2, this scenario assumes that the HIV/AIDS pandemic has been largely eradicated and the negative impacts of the pandemic has been greatly reduced. Population growth is also stimulated by strong economic growth rates and particularly people migrating to the area from neighbouring municipalities, districts and further afield.

The economy is growing at exceptionally high rates primarily as a result of major investments in infrastructure, specifically transport infrastructure, and resultant major investments in the industrial and agricultural sector. **Msunduzi has become the investment destination of choice along the N3 Corridor.**

3.2.4. THE MOST LIKELY SCENARIO

Considering specifically the growth prospects used as the basis for the 2012 National Development Plan, and the potential offered by the municipality, it is suggested that the most likely 2050 scenario for the Msunduzi Municipality and the larger Umgungundlovu District, based on current information available, will be **Scenario 2, the Medium Growth Scenario**. The sections that follow further expand on the implications of this scenario.

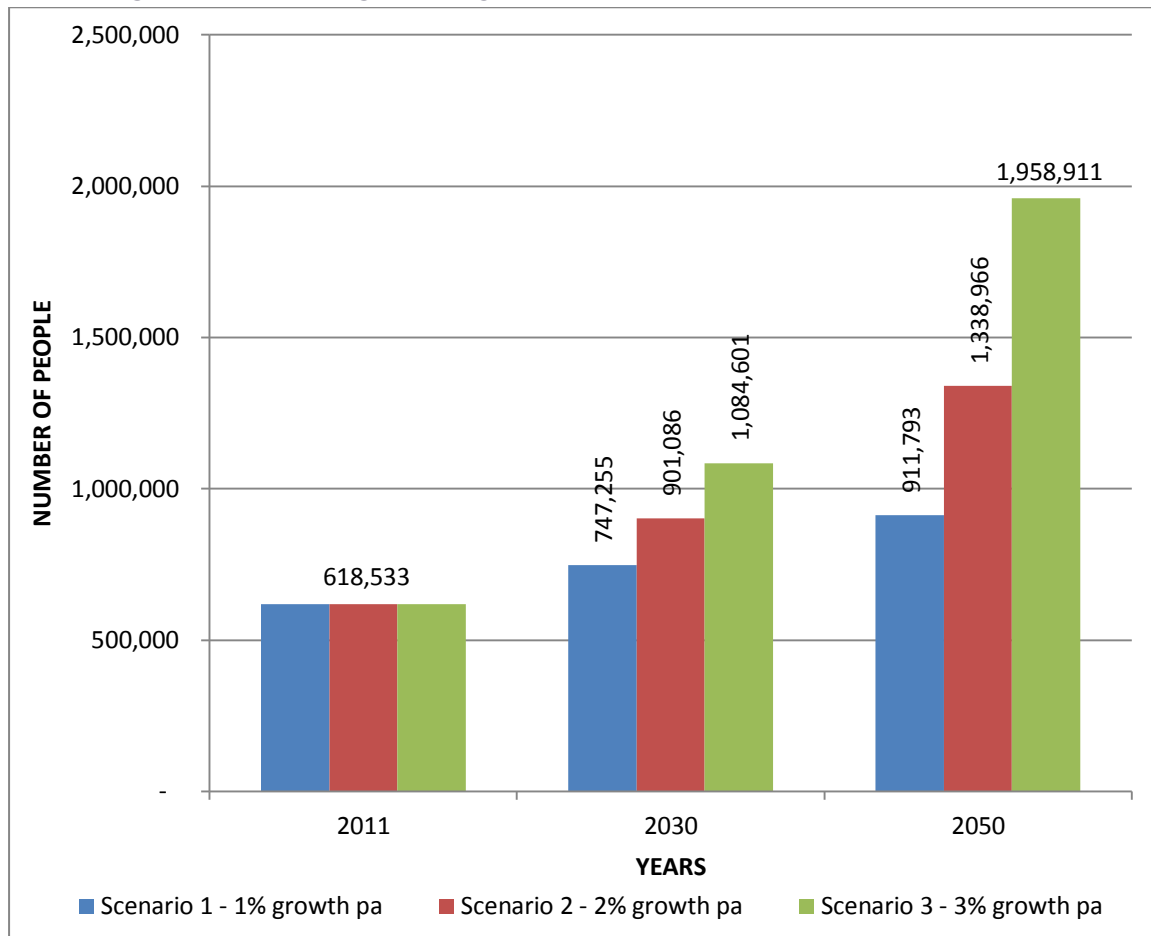
3.3. 2050 POPULATION GROWTH AND IMPLICATIONS

These implications of the above three scenarios specifically in terms of population growth are considered in this section.

3.3.1. OVERALL POPULATION GROWTH

Diagram 7.1 below reflects on the total district population in 2011, 2030 and 2050 in terms of the three scenarios.

DIAGRAM 3.1: MSUNDUZI 2030 AND 2050 POPULATION GROWTH FOR THREE SCENARIOS



Starting off from the 2011 base of a population of 618 533 people (StatsSA 2011) the medium growth scenario would see the population grow by nearly more than 60% to 1.1 million people in 2030 and double to 1.34 million people in 2050. Should the 3% growth rate of the high growth scenario be applied it is evident that the population in the District will potentially triple by 2050 to just less than 2 million people. Even in the case of the low growth scenario the population of the District will grow with 50% by the year 2050.

3.3.2. SPATIAL DISTRIBUTION OF POPULATION GROWTH

From a spatial planning perspective it is assumed that this population growth will not be uniform throughout the Msunduzi Municipality. However, if the population in the various ABM areas grow uniformly the growth will be as reflected in the diagram below.

DIAGRAM 3.2: SPATIAL DISTRIBUTION OF GROWTH APPLYING A UNIFORM GROWTH RATE

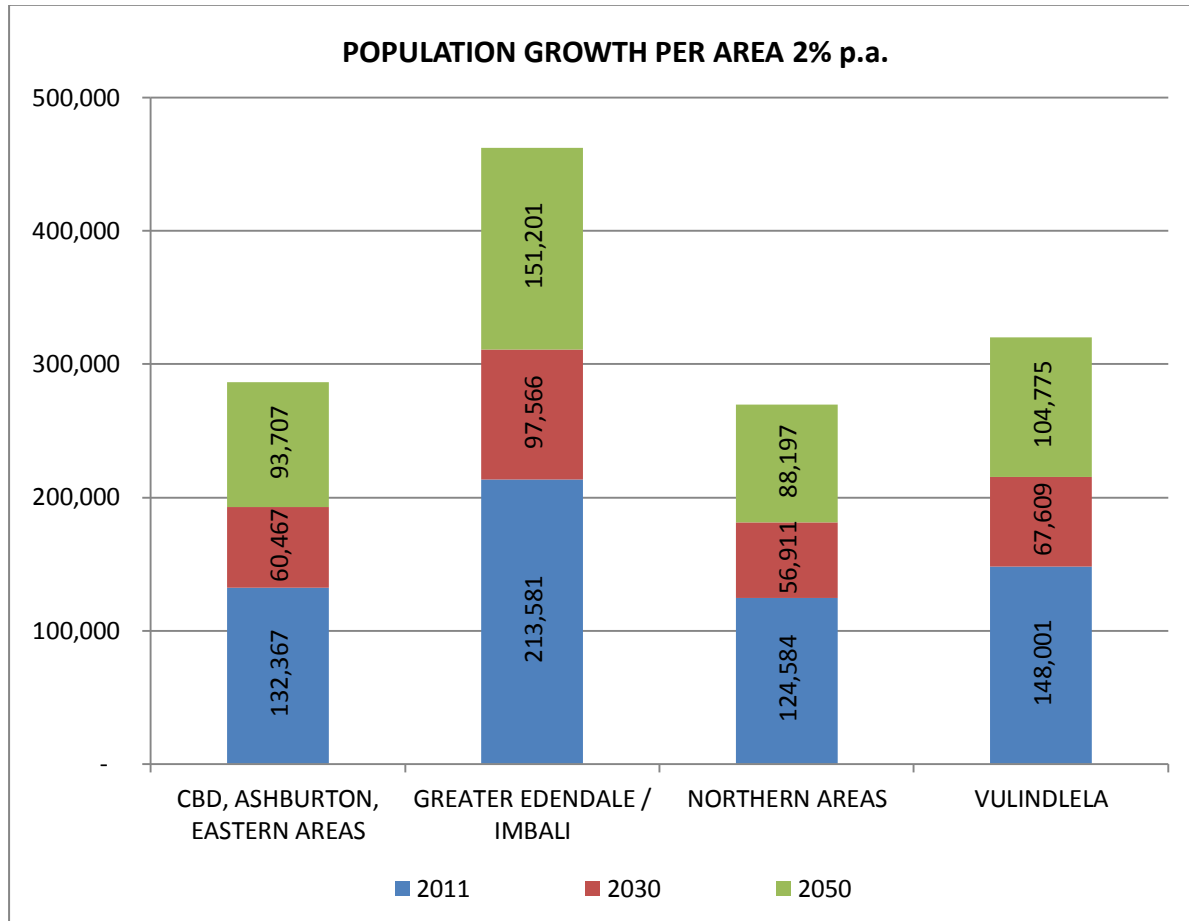


Diagram 3.2 illustrates, based on a number of basic assumptions, the implications of population growth across the four ABM areas of the Municipality. The assumptions are:

- The growth in the Northern Areas will slow down as a result of the developed nature of the area, the low densities and the middle to high income profile of the population in these areas. In similar areas in eThekweni negative growth rates are now being experienced. A growth rate of 0.5% per annum, a positive growth rate but below the natural population growth rate, is thus proposed for the northern areas.
- Greater Edendale Imbali is almost fully developed at fairly high densities. However, because of the low income nature of development in these areas densification will continue to take place through higher occupancy numbers of existing structures and, hopefully, structured attempts to support higher density development (as proposed in the Msunduzi SDF). A growth rate of 1.5% per annum, above the anticipated natural population growth rate, but below the projected 2% growth rate for the municipality is proposed.
- The Vulindlela area will continue to grow through densification in existing development areas where densities are at present still more rural in nature. A higher growth rate of 2% per annum is anticipated here as this is viewed as the most convenient location for those arriving in urban Msunduzi to settle.

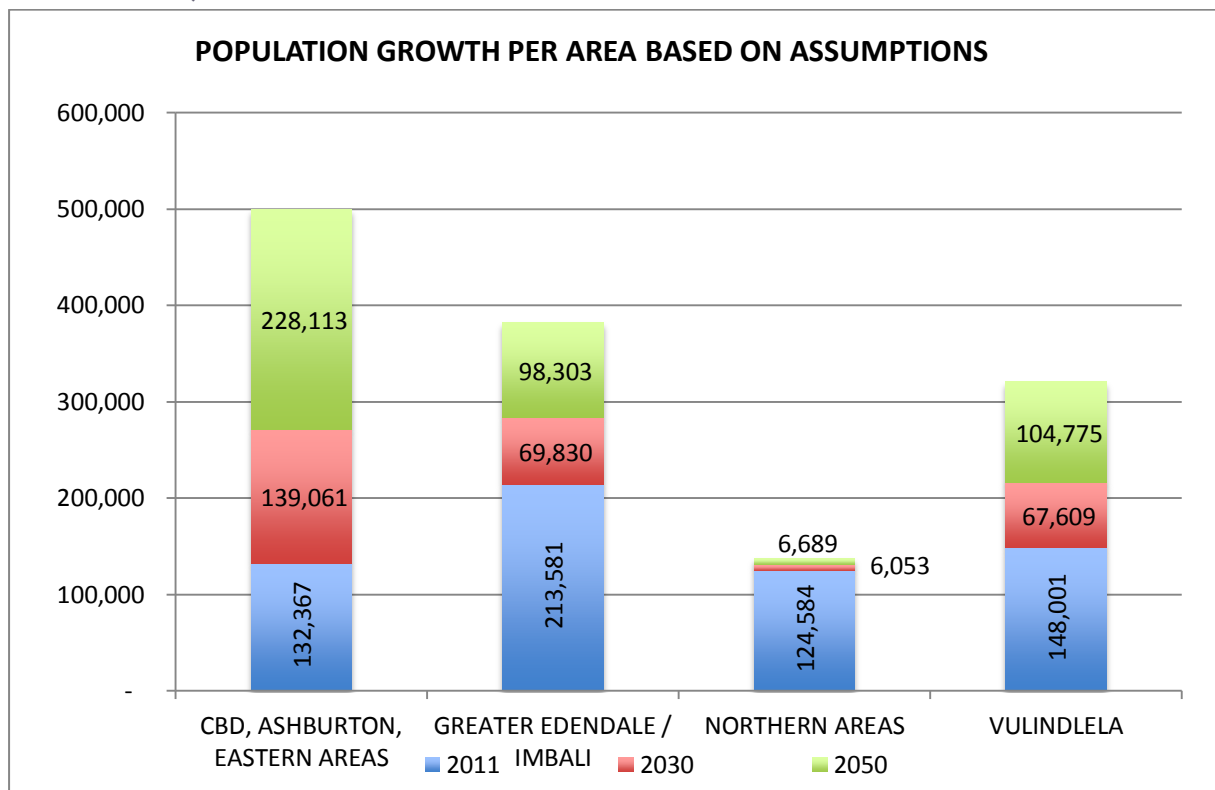
- It is then anticipated that the CBD and Eastern Areas will experience the most substantial population growth over the next 40 years. This is not anticipated to be natural population growth and densification, but rather planned growth resulting from the location of the area in proximity to the N3 corridor and then the anticipated location for the most significant investment in the economy, specifically in the government, manufacturing, logistics and agricultural sectors. This ABM area is the only one in Msunduzi with space available for substantial greenfields development. Residential development should as far as possible be integrated with those localities where job opportunities will be created. A growth rate of 3.5% (actual 3.46% per annum is thus anticipated in these areas).

The 2014 to 2050 growth rates for the respective areas will then be:

TABLE 3.1: 2014 TO 2050 GROWTH RATES

ABM AREA	GROWTH RATE P.A.
CBD And East	3.46% p.a
Gedi / Imbali	1.50% p.a.
Northern Areas	0.50% p.a.
Vulindlela	2.00% p.a.

DIAGRAM 3.3: SCENARIO 2 – POPULATION GROWTH IN ABM AREAS OVER TIME (BASED ON ASSUMPTIONS)

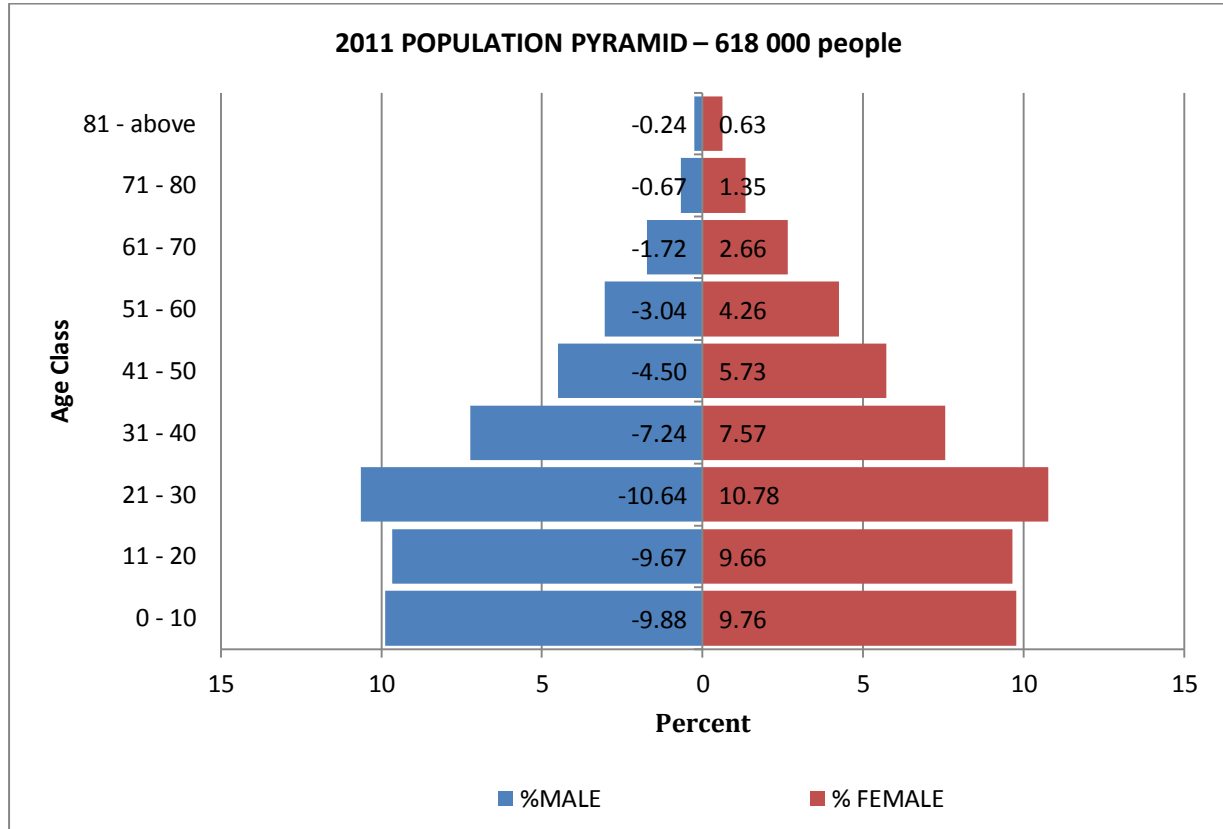


The implications of the above basic assumptions are that the CBD and Eastern Areas will grow at a substantially higher rate, but that substantial growth will also have to be accommodated in the Greater Edendale and Vulindlela areas. In terms of Scenario 2 the population the CBD and Eastern Areas will experience a fourfold increase from 132 367 to close on 500 000 people over the next 40 years. However, the bigger challenge will still remain accommodating the additional growth anticipated in the Greater Edendale and Vulindlela areas.

3.3.3. 2050 POPULATION STRUCTURE

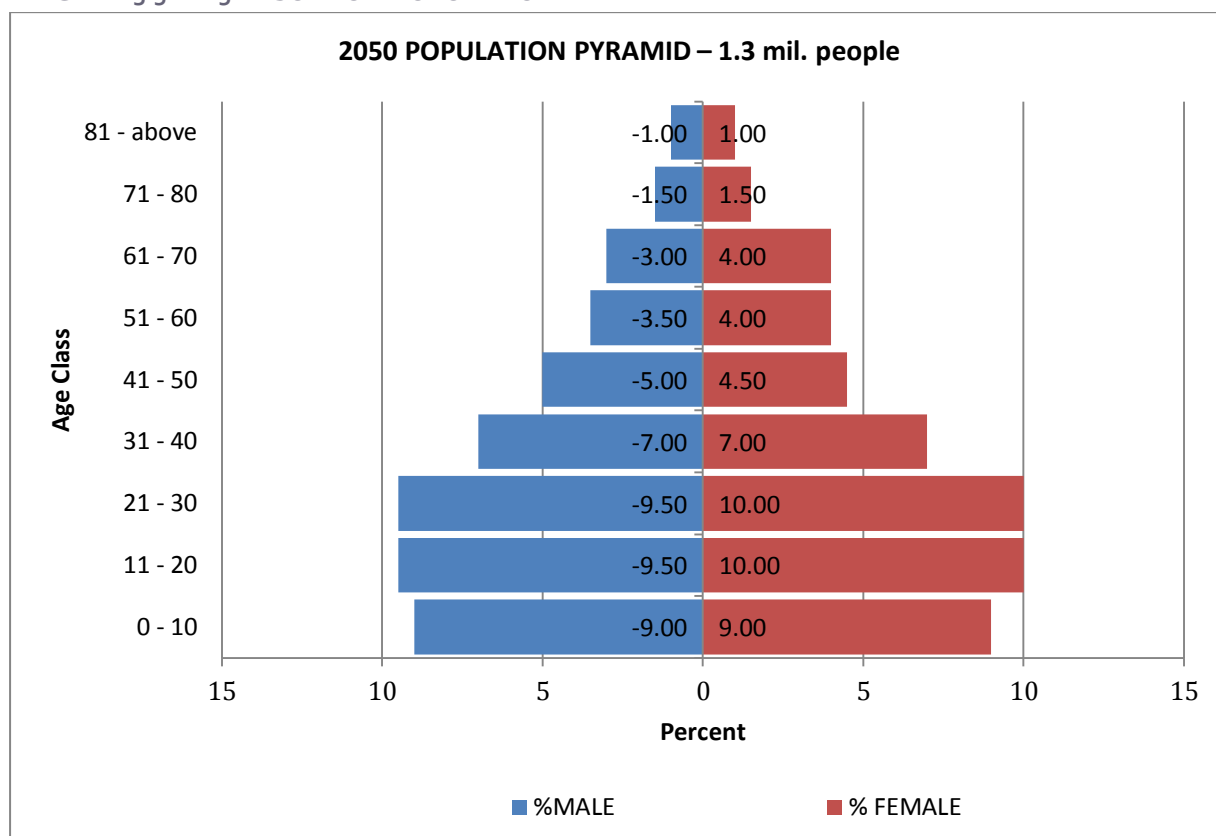
The Diagram below presents the 2011 population pyramid for the Umgungundlovu District based on the latest Census statistics. This pyramid is fairly typical for developing countries with a wide base suggesting a very young population. In this case nearly 40% of the population is below 20 years of age and slightly more than 60% below 30.

DIAGRAM 3.4: 2011 MSUNDUZI POPULATION PYRAMID



It can be anticipated that this population structure will change over the period to 2050 and that the population, in terms of the medium growth scenario, will include a larger percentage of the aged and that the contribution of the younger age categories to total population will become smaller, i.e. the base will start to shrink. The result will potentially be a population pyramid as reflected in the Diagram below.

DIAGRAM 3.5: 2050 MSUNDUZI POPULATION PYRAMID



Applying the above population distribution to the 2050 population estimated for the Medium Growth Scenario provide the results reflected in the table below.

TABLE 3.2: 2050 POPULATION AGE DISTRIBUTION FOR MEDIUM GROWTH SCENARIO

AGE	MALE	FEMALE	TOTAL
0 - 10	120,507	120,507	241,014
11 - 20	127,202	133,897	261,098
21 - 30	127,202	133,897	261,098
31 - 40	93,728	93,728	187,455
41 - 50	66,948	60,253	127,202
51 - 60	46,864	53,559	100,422
61 - 70	40,169	53,559	93,728
71 - 80	20,084	20,084	40,169
81 - above	13,390	13,390	26,779
	656,093	682,873	1,338,966

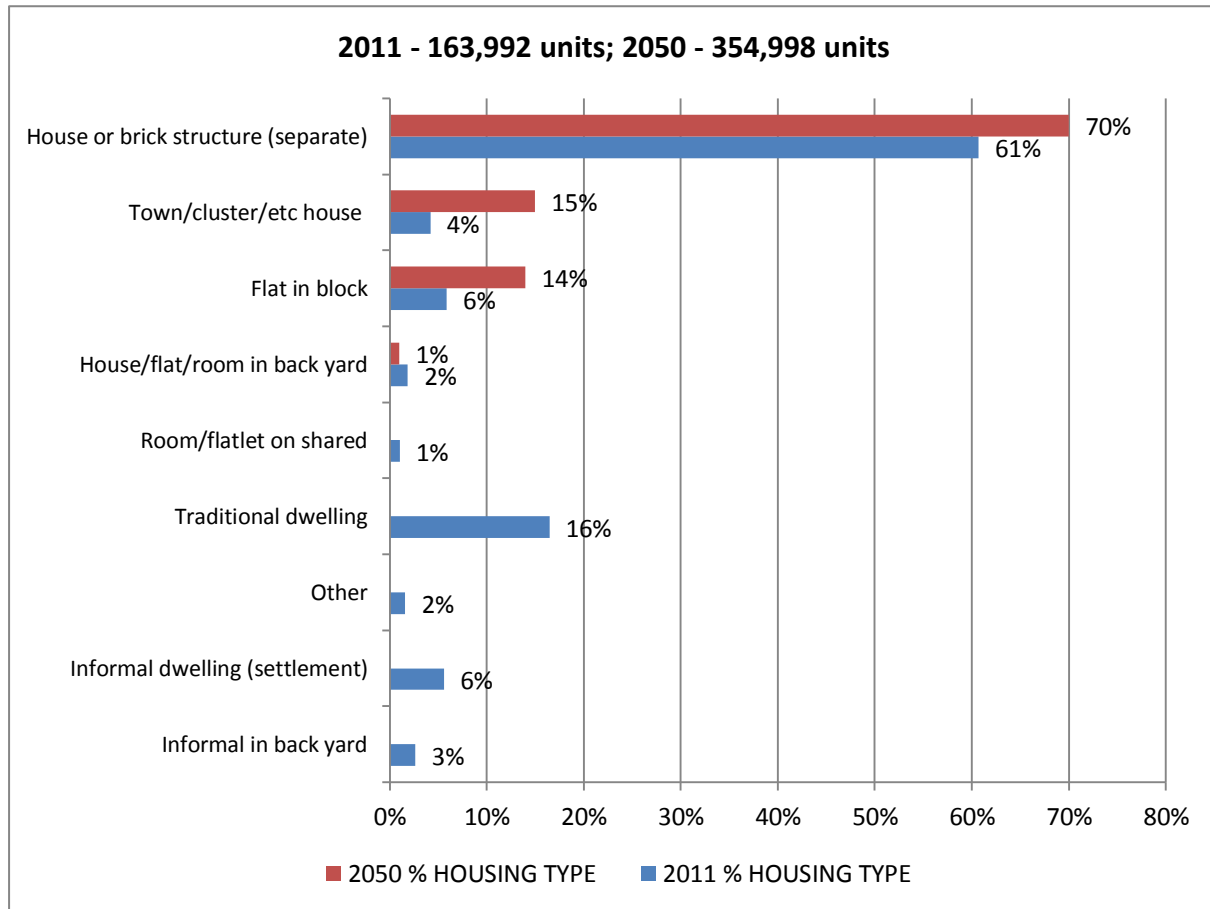
It is noted that although the percentage contribution of the youngest age group will decrease the actual number of people in the 0 – 20 age category will be nearly as high as the total population of the Msunduzi population in 2011. The number of people in the 40 and above categories will also be relatively high when compared to the current population in those age groups.

3.3.4. IMPLICATIONS FOR HOUSING

The medium growth scenario suggests, considering also a reduction in family size by 2050, that nearly 355 000 housing units will be required by 2050. The current housing stock also includes a large number of informal and traditional dwellings requiring upgrading.

The Diagram below reflects on the 2011 housing stock in Msunduzi and the preferred distribution of housing types in Msunduzi by 2050. This suggests an eradication of informal housing by 2050 and that 70% of the population is accommodated in houses (separated) of brick, 15% in higher density cluster type housing, 14% in blocks of flats and 1% in backyard rooms or flats.

DIAGRAM 3.6: CURRENT AND PROPOSED 2050 DISTRIBUTION OF HOUSING TYPES



Considering the need for 191,007 housing units to be provided, including what can be viewed as the current backlogs (primarily informal and traditional housing), over the 40 year period, the table below reflects the overall number of units to be provided and breaks this down to the annual figure to be provided.

TABLE 3.3: ADDRESSING THE 2011 TO 2050 HOUSING NEED

HOUSING TYPE	2050 HOUSING NEED	TO BE PROVIDED	PER ANNUM
Informal dwelling (settlement)	-	-	-
Informal in back yard	-	-	-
Other	-	-	-
Room/flatlet on shared	-	-	-
Traditional dwelling	-	-	-
House/flat/room in back yard	3,550	472	12
Flat in block	49,700	40,060	1,027
Town/cluster/etc house	53,250	46,369	1,189
House or brick structure (separate)	248,499	148,946	3,819
TOTAL	354,998	191,007	4,898

The table confirms that on average 5 000 units must be supplied per annum to address the anticipated 2050 housing need.

3.4. 2050 ECONOMIC GROWTH AND IMPLICATIONS

3.4.1. THE 2011 BASELINE

The 2011 size and structure of the Umgungundlovu District economy, measured in terms of Gross Value Added, is reflected in the table below and compared with the size and the structure of the eThekweni and Provincial economies.

See Table overleaf: A Comparative 2011 Economic Structure for Msunduzi (GVA in Rm)

Msunduzi makes an 8.5% contribution to the Provincial economy compared to the 12% of the Umgungundlovu District and the 53.3% contribution of the eThekweni economy. The current structure shows the dominance of the manufacturing, finance, government and transport sectors in the Msunduzi economy and this closely mirrors the Provincial economy, with the government sector making a comparatively larger contribution in Msunduzi as can be expected with the Provincial Capital located in the District.

TABLE 3.4: A COMPARATIVE 2010 ECONOMIC STRUCTURE FOR MSUNDUZI (GVA IN RM)

SECTOR	MSUNDUZI		UMGUNGUNDLOVU		KZN PROVINCE	
	Rmillion	% per sector	Rmillion	% per sector	Rmillion	% per sector
Mining and quarrying	R 471	2%	R 532	0%	R 3,381	1%
Construction	R 568	3%	R 910	3%	R 8,126	3%
Electricity, gas and water	R 628	3%	R 729	2%	R 5,899	2%
Agriculture	R 633	3%	R 2,231	2%	R 11,781	4%
Community, social and personal services	R 1,400	6%	R 1,982	6%	R 16,708	6%
Wholesale and retail trade, catering and accommodation	R 2,305	10%	R 3,462	15%	R 37,867	14%
Transport, storage and communication	R 3,255	14%	R 4,064	15%	R 36,412	14%
General government	R 4,218	19%	R 5,376	11%	R 34,424	13%
Finance, insurance, real estate and business services	R 4,422	19%	R 5,909	23%	R 53,444	20%
Manufacturing	R 4,804	21%	R 6,970	22%	R 59,165	22%
TOTAL	R 22,702	100%	R 32,164	100%	R 267,207	100%
CONTRIBUTION TO PROVINCIAL ECONOMY	8.5%		12.0%		100%	

The Table below reflects on the impact of economic growth rates on the growth of the economy over time.

TABLE 3.5: IMPACT OF VARIOUS ECONOMIC GROWTH RATES ON MSUNDUZI GVA (RM) (2011 TO 2050)

YEAR	ANNUAL ECONOMIC GROWTH				
	0%	2%	4%	5%	6%
2011 GVA	R 22,702	R 22,702	R 22,702	R 22,702	R 22,702
2020 GVA	R 22,702	R 27,131	R 32,312	R 35,218	R 38,354
2030 GVA	R 22,702	R 33,072	R 47,829	R 57,367	R 68,687
2040 GVA	R 22,702	R 40,315	R 70,799	R 93,444	R 123,008
2050 GVA	R 22,702	R 49,144	R 104,800	R 152,211	R 220,288
Per Capita GVA 2010 (R)	R 36,703				
Per Capita GVA 2050 (R)		R 36,703	R 78,270	R 113,678	R 164,521

3.4.2. THE 2050 ECONOMIC PROJECTIONS

Using the 2050 GVA contribution based on a 5% per annum growth rate between 2010 and 2050, and a number of assumptions as to the structure of the 2050 Msunduzi economy, the table below reflects on the potential growth and contributions of the various economic sectors by 2050.

TABLE 3.6: 2011 AND 2050 STRUCTURE AND VALUE OF ECONOMY IN GVA (RM)

SECTOR	MSUNDUZI 2011	2011 GVA CONTRIBUTION	2050 WITH 4% GROWTH SCENARIO	2050 GVA CONTRIBUTION
Manufacturing	R 4,804	21%	R 23,056	22%
Finance, insurance, real estate and business services	R 4,422	19%	R 20,960	20%
General government	R 4,218	19%	R 15,720	15%
Transport, storage and communication	R 3,255	14%	R 15,720	15%
Wholesale and retail trade, catering and accommodation	R 2,305	10%	R 12,576	12%
Community, social and personal services	R 1,400	6%	R 6,288	6%
Agriculture	R 633	3%	R 2,096	2%
Electricity, gas and water	R 628	3%	R 3,144	3%
Construction	R 568	3%	R 3,144	3%
Mining and quarrying	R 471	2%	R 2,096	2%
TOTAL	R 22,702	100%	R 104,800	100%

3.4.3. THE SPATIAL ECONOMIC IMPLICATIONS

The above is important from a spatial planning perspective as it illustrates that, considering the anticipated growth rates, the manufacturing economy for instance will grow five times in size (based on current Rand values). This manufacturing sector development will have to be accommodated within the spatial development framework of the Msunduzi Municipality.

The growth of other sectors that has potentially major implications for spatial planning include the finance and government sectors, with additional requirements for primarily well-located office space, the retail sector and transport sector each with unique space requirements, and the importance of retaining high potential agricultural land to allow for growth in this sector. These space implications should be further considered.

The calculations below specifically consider the land implications if the growth in the manufacturing, commercial and government sectors are to be achieved.

TABLE 3.7: LAND IMPLICATIONS

MANUFACTURING SECTOR			
	GVA (Rm)	LAND (HA)	
CURRENT	R 4,804	1,856	ha
2050 @ 4% p.a.	R 23,056	8,909	ha
INCREASE	480.0%	480%	

SUGGEST AT LEAST A DOUBLING OF INDUSTRIAL LAND TO APPROX 4 000ha

COMMERCIAL SECTOR (FINANCE, RETAIL, SERVICES ETC)			
	GVA (Rm)	LAND (HA)	
CURRENT	R 8,126	293	ha
2050 @ 4% p.a.	R 39,824	1,436	ha
INCREASE	490.1%	490%	

SUGGEST AT LEAST A DOUBLING OF COMMERCIAL LAND TO APPROX 600ha

GOVERNMENT SECTOR			
	GVA (Rm)	LAND (HA)	
CURRENT	R 4,218	?	ha
2050 @ 4% p.a.	R 15,720	?	ha
INCREASE	372.7%		

DEDICATED LAND FOR THE DEVELOPMENT OF THE GOVERNMENT SECTOR TO BE IDENTIFIED BASED ON MORE DETAILED ASSESSMENT OF NEEDS

The integration of future housing development with the proposed spatial economic development is to be considered.

3.5. STRATEGIC ISSUES FOR CONSIDERATION

The implications of the medium road scenario to be considered in future spatial and economic development planning in the Msunduzi Municipality are:

- The population of Msunduzi can potentially double over the next 40 years. This suggests, in simple terms, that the current space available for residential development in the Msunduzi Municipality must increase substantially and that higher density housing development must be a key strategy going forward. The expansion of residential areas must therefore be planned for, and in each urban area the spatial implications of expansion and densification must be considered. It is anticipated that the majority of this expansion will take place in the N3 Corridor (the South Eastern District specifically), the area where the most substantial areas of land for development is available and where future economic development will potentially be concentrated.
- In order to accommodate the population it is estimated that 5 000 housing units per annum will have to be provided in the Msunduzi Municipality (for the District this figure is as high as 10 housing units per annum). This will require the release of serviced land for 5 000 units per annum on a continual basis over the next 40 years.
- At an economic growth rate of 4% the requirement for space to accommodate specifically the manufacturing, logistics, commerce and government sectors will continue to place pressure on well-located land in specifically the N3 Corridor (potentially 5 times the current land area for industrial development may be required). The District SDF (Umgungundlovu 2014) suggests that, considering the transport capacity constraints on this corridor, it is evident that alternative corridors and nodes, with the required access and bulk infrastructure, for the expansion of these sectors will have to be provided for.

4. THE STRATEGIC FRAMEWORK FOR LED

4.1. THE STARTING POINT

From an economic development and specifically a spatial economic perspective it is evident that since its establishment right until the 1990s Msunduzi presented a strong location for attracting investment. The City has, however, developed a strong colonial / apartheid city structure causing a number of spatial economic inefficiencies. These inefficiencies must be addressed by ensuring that future economic and social investment is guided in such a way as to transform the City structure.

The development of the Msunduzi economy is currently impacted on by the fact that serviced land for new development / investment in key economic sectors such as manufacturing, logistics, government and commerce is generally not available. For this reason Msunduzi cannot currently or in the short term future benefit from its location on a corridor of national significance. There is then also no clear strategic spatial planning guiding investors to the land development opportunities required to revive the economy and maintain reasonable growth rates.

It is suggested that apart from the obvious focus on supporting the development of the small business sector it is then the responsibility of the economic cluster leaders to ensure that land for future economic investment and development is available.

4.2. RE-THINKING MSUNDUZI'S POTENTIAL

Perhaps the most important issue in the planning of future economic investment is that economic cluster leaders in Msunduzi must plan and act on the basis that Msunduzi is:

- the capital of a province with 1/5th of the national population, this implying that a public sector serving a fifth of the South African population should potentially be based in Msunduzi (despite this there has been very limited investment in government facilities in Msunduzi over the past two decades);
- one of three major economic hubs in a province that has a high, if not the highest in the country, economic potential;
- the regional service node for at least four of the KwaZulu-Natal Districts, generally serving all inland areas, but also providing some service functions for eThekweni and coastal areas;
- located on the most significant development corridor in the country, a corridor acknowledged in national planning; and, against the above background
- located in South Africa, potentially the powerhouse that will drive the African Renaissance over the next 50 years (if we choose to do so).

Following on from the above it is evident that, in order to grow the economy to sustain the local and regional population, that additional space for investment / development in Msunduzi is potentially immense. Whether this space will be needed in 40 years as proposed or 20, 90, or 140 years from now is open for debate, but it should be planned for now.

4.3. THE LED OBJECTIVES

Within the context of the above observations the LED strategy of Msunduzi Municipality has identified the following strategic objectives:

- *To promote and attract both foreign direct investments and local investments in the city;*
- *To position Msunduzi Municipality as a Capital City with highest and reputable standards to attract investment, retain and expand business opportunities;*
- *To Promote Township Development and supporting SMMEs in the city;*
- *To promote Msunduzi Municipality as a low carbon city and encourage investment that will use renewable and energy efficient technologies;*
- *A policy-stable environment;*
- *Implementing area based interventions, including nodes, corridors, town planning schemes with an integrated approach to spatial development framework and local economic development opportunities.*

4.4. THE LED VISION

Local Economic Development Strategy vision for Msunduzi Municipality

THE VISION OF MSUNDUZI MUNICIPALITY IS OF A GLOBALLY COMPETITIVE METROPOLITAN CITY OF CHOICE WHICH CAPITALIZES ON ITS STRATEGIC LOCATION, ENVIRONMENT, CULTURAL HERITAGE AND EDUCATIONAL FACILITIES IN CREATING A CHOICE QUALITY OF LIFE FOR ALL.

4.5. THE LED ROLE / MISSION OF THE MUNICIPALITY

With the above in mind it then becomes important to clarify the role of Municipality in terms of future Economic Development and investment. For discussion purposes and then informing initial strategy proposals it is proposed that the role of the Municipality in Economic Development should be as:

- A FACILITATOR OF ECONOMIC DEVELOPMENT

4.5.1. THE MUNICIPAL STRATEGY

Considering the above role the following strategies are then proposed:

- Strategy 1: Key Sector Focus
- Strategy 2: Land Identification and Development
- Strategy 3: Nurturing the Informal Economy
- Strategy 4: Business Retention and Investment Promotion
- Strategy 5: Drive the Implementation of Catalytic Projects

5. UNPACKING THE STRATEGIES

5.1. INTRODUCTION

In the section following each of the five proposed strategies are unpacked in order to ensure a common understanding of the strategic direction of the Msunduzi Municipality in terms of local economic development. The strategies are unpacked in the “strategy information sheets” in terms of:

- Describing the challenge to which the strategy responds;
- Summarising the strategic approach to be adopted by Msunduzi;
- Highlighting the components of the strategy; and
- Listing the key projects to be pursued over the short to medium term.

Each of the strategy information sheets is followed with a further unpacking of the various components of the strategy describing the approaches to be adopted.

5.2. STRATEGY 1: KEY SECTOR FOCUS

<p>The Challenge:</p>	<p>Msunduzi Municipality has a well-diversified economy which in 2011 made a GVA contribution of R22.702 billion. Manufacturing (21%), finance and real estate (19%) and government (19%) sectors all make a substantial contribution to the economy, suggesting a well-balanced and vibrant economy. The transport, storage and communication sector, as well as the wholesale and retail sector also make a contribution of 14%. The agricultural sector only contributes 3% to the output of the Municipality.</p> <p>In order for Msunduzi to maintain and grow this diverse economy a number of sectors will have to be nurtured and strengthened. A narrow sectoral focus could potentially lead to a decline in growth in major sectors of the economy.</p>
<p>The Strategic Approach:</p>	<p>The Msunduzi Municipality has identified key economic sectors to be actively supported in terms of new investment and development. Each of the sectors identified present unique opportunities, but also require specific interventions. The sectors identified are reflected below in the listing of the components for the strategy.</p>
<p>Components of the Strategy:</p>	<p>The Components of the Strategy listed below is unpacked in more detail in the sections following this overview sheet.</p> <ol style="list-style-type: none"> 1) The Manufacturing Sector Strategy 2) The Government Sector Strategy 3) The Tourism Sector Strategy 4) The Agricultural Intensification Strategy 5) The BPO Sector Strategy 6) The Green Economy Strategy
<p>Key Projects:</p>	<ul style="list-style-type: none"> ▪ Manufacturing Sector Assessment ▪ Establishment of Government Precinct ▪ Intergovernmental Government Sector Assessment ▪ Establish Municipal Tourism Agency ▪ Finalise Tourism Strategy ▪ Implementation of Tourism Strategy ▪ Protection of High Potential Agricultural Land ▪ Promote Intensification of Agricultural Production ▪ Support Subsistence and Small Farmer Development ▪ Finalise the BPO Sector Strategy ▪ Implement the BPO Sector Strategy ▪ Develop Green Economy Guidelines

5.2.1. COMPONENT 1: THE MANUFACTURING SECTOR STRATEGY

5.2.1.1. MANUFACTURING SECTOR OVERVIEW

Economic assessments generally acknowledge the role of the manufacturing sector in the Msunduzi economy. However, whereas the Municipality was once viewed a strong established manufacturing sector the past decade has seen the decline of a number of sub-sectors, most notably clothing and textiles and footwear. New investment in industrial development has also been limited, with Hulamin having been the latest major industrial investment in the municipality, and it would appear as if major companies in both the manufacturing and logistics sectors are now rather locating in the uMngeni and Mkhambathini Municipalities.

Despite this the Municipality still has a strong manufacturing base with major manufacturing concerns already located in Msunduzi and the large region (see list of companies based on 2010 research). This also then confirms the diversity that also exists within the manufacturing sector.

TABLE 5.1: MAJOR MANUFACTURING COMPANIES IDENTIFIED IN MSUNDUZI AND REGION

COMPANY NAME	BASED ON TURNOVER	EMPLOYEES RANGE	PRODUCT CATEGORY
De Heus	Large	Large	Animal Feeds
Aberdare Cables	Large	Large	Cables
Gelvornor Textiles	Large	Large	Textiles
Tai Yuen Textile	Medium	Large	Textiles
Illovo - Noodsberg Sugar Mill	Large	Large	Sugar and Related
Willowton Oil	Large	Large	Soap, Candles and Oil
Belgotex Floorcoverings	Large	Large	Artificial Floor Coverings
Eddels Footwear	Large	Large	Footwear
The Witness	Large	Large	Publishing
Hulamin Limited	Large	Large	Aluminium Products
Carrida Shoes	Large	Large	Shoes
Interpak	Large	Large	Printing
Intrepid Printers	Large	Large	Printing
Meadow Feeds	Large	Large	Animal Feeds
Taiyuen Textiles	Small	Large	Textiles
TDM	Medium	Large	Timber Products
Crouch Footwear	Not provided	Medium	Footwear
Nampak Corrugated	Medium	Medium	Packaging Products
Anderson Engineering Food & Chemical Equipment cc	Medium	Medium	Stainless Steel Products
Howick Metal Products	Medium	Medium	Aluminium Products
Midlands Industrial	Not provided	Medium	Steel Products
GEM Steel Fabrications	Small	Medium	Steel Products
DEMAG Cranes	Medium	Medium	Cranes
CCA Plastic Products	Medium	Medium	Plastic Products
EURO steel	Large	Medium	Steel Products
Omnia	Not provided	Medium	Fertiliser

COMPANY NAME	BASED ON TURNOVER	EMPLOYEES RANGE	PRODUCT CATEGORY
Springquip manufacturers	Medium	Medium	Metal Products
BSI STEEL	Not provided	Not confirmed	Steel
Corobrick	Not provided	Not confirmed	Brick and paving
Mediterranean Textile Mills	Not provided	Not confirmed	Textiles
Richmond Meadow Feed Depot	Not provided	Not confirmed	Animal Feeds
Walton Carpets cc	Not provided	Not confirmed	Carpets
Sew Rite International	Medium	Small	Industrial sewing machines
Metaltek	Small	Small	Steel Products

Source: Isikhungusethu 2012

The 2007 LED Strategy recommended the following manufacturing opportunities to be targeted by Msunduzi, viz.

- Assembly / manufacture of solar heating panels;
- Manufacture and assembly of farm irrigation equipment
- Auto components and tool and die industries
- Biofuels
- Wood and wood products

5.2.1.2. THE MANUFACTURING SECTOR FOCUS:

In terms of future focus the Municipality will continue to identify and support established industry sectors, such as clothing and textiles, footwear, metal products, electronic equipment amongst others. However, through more focused research the Municipality will continue to identify opportunities in other sectors and investigate approaches to attracting such industries.

5.2.2. COMPONENT 2: THE GOVERNMENT SECTOR STRATEGY

5.2.2.1. GOVERNMENT SECTOR OVERVIEW:

As a result of the Provincial Capital status of Msunduzi the government sector still remains one of the most significant economic sectors in the municipality. The consolidation of government activities over the past decade, from both Ulundi and eThekweni, has presented major opportunities for Msunduzi, however, indications are that facilities and supporting infrastructure are restricting the growth of this sector. Few new developments have been undertaken in Msunduzi to accommodate specifically the government sector and in general government facilities in the Municipality is outdated and need of upgrading (some departments have initiated processes in this regard).

5.2.2.2. THE GOVERNMENT SECTOR FOCUS:

The short term focus for the development of the sector will be on the establishment of the proposed Government Precinct. Various processes relating to this is underway.

In the longer term a more detailed assessment of the sector and the future development of the sector in Msunduzi will have to be undertaken. Such an assessment should be undertaken by Msunduzi with the support and involvement of key government departments, such as the Department of Public Works, Department of Economic Development, Tourism and Environmental Affairs and others.

5.2.3. COMPONENT 3: THE TOURISM SECTOR STRATEGY

5.2.3.1. THE TOURISM SECTOR OVERVIEW:

The primary tourism potential within the province is in the beach, cultural and eco-tourism (nature based tourism) markets. The areas of national tourism importance within the province are the Southern Zululand and Dolphin Coast, the Elephant Coast and surrounds, the greater Pietermaritzburg (Msunduzi) and Durban region, and the Drakensberg region. The tourism products of provincial importance are:

- Arts & crafts routes in Midlands Meander, Albert Falls Amble and Boston Beat;
- Durban, south coast and north coast beach tourism linked to cultural tourism in the interior
- Drakensberg region
- Greater St Lucia & surrounding big five reserves
- Zulu Heritage & Cultural Trail Battlefields Route

Unfortunately none of these focus on Pietermaritzburg and the surrounding components of the Msunduzi Municipality, and the city lacks specific 'must see' attractions. The general decay of the city centre has removed the attractiveness of its formerly 'quaint Victorian architecture' and it struggles to attract overseas tourists. For these reasons it has attempted to focus on being an events city, having multiple sporting, agricultural and artistic events throughout the year, although more recently many of these have converged around a single week at the end of May. This has undermined the attempt to have sufficient events and activities to sustain its hospitality industry all year round and needs to be addressed as a matter of some urgency. However these events, such as the cycling events which have Msunduzi positioned as a "Bike City" bring considerable economic spin-offs. It has been calculated, for example that the cycling events had a cumulative direct, indirect and induced spend of some R362 million for the period 2008-2014. (Dr C Coetzee, Provincial Treasury). The total revenue generated in the economy was R171 million from 27 events.

Unlike for example, Ethekewini, which has the obvious attraction of the beach and beach-related tourism as its main ingredient, Msunduzi instead has to play to multiple natural and cultural strengths:

- Historical tourism – with more than 50 national monuments
- Cultural and heritage tourism – township tourism, especially in relation to the struggle for liberation
- Event based tourism – the Comrades Marathon, Duzi Canoe Marathon, the Mountain Bike World Cup, amongst others
- Government related tourism – related to Msunduzi being the seat of Provincial Government – also referred to as business tourism
- Scenic tourism – Msunduzi is the gateway to the Midlands and the Drakensberg routes and has its own fauna and flora offerings (Botanical Gardens, trails, etc.)

5.2.3.2. THE TOURISM SECTOR FOCUS:

In an effort to develop these areas, address the challenges and create a year-round tourism industry in the city a Tourism Strategy has been developed in order to outline the direction in which the tourism industry in the Msunduzi Local Municipality should proceed taking into account the local economic conditions and the specific issues that need to be addressed. As an important node within the uMgungundlovu District it is believed that this will support and complement the tourism sector in the District as a whole. Throughout the development of the Plan a systems approach to tourism development was adopted. This approach focuses on more than just improving the available tourism products and services, and includes addressing components that are integral to the efficient functioning of the tourism industry as a whole.

The Plan aims to assist by:

- a) *Assisting the municipality in fulfilling its mandate to promote and grow the local tourism industry,*
- b) *Creating a better understanding of the underlying tourism environment in the Local Municipality so as to enable the Local Municipality, the District and other stakeholders to identify and implement more effective tourism related interventions that will benefit the whole economy,*
- c) *Identifying gaps and key issues in the tourism industry as well as identifying whether opportunities to fill these gaps exist.*

One of the primary aims is to provide a tourism marketing and development strategy that will:

- Guide public and private investment
- Provide an institutional framework for tourism development in the municipality
- Highlight programmes and projects that will grow the tourism sector
- Provide an industry based strategy based on researched target markets
- Focus on the unique selling points of the local municipality
- Provide a coordinated approach to tourism development in the municipality.
- Ensure that institutional capacity exists within the municipality for tourism development
- Establishment of tourism forums or associations to market local tourism products
- Encourage investment in the tourism industry as well as enabling infrastructure within the area
- Encourage entrepreneur development and use it as a strategy for the development of small business;

Currently, Msunduzi's tourism function is housed within the municipality's Economic Development Department – operating through a Community Tourism Association, the Msunduzi –Pietermaritzburg Tourism Association (MPTA). In the near future the Municipality aims to house this function in a properly constituted Municipal Tourism Agency and require a well-crafted strategy to support this initiative. One of the main purposes of the Tourism strategy is therefore to form the basis of the programme of work of a future Municipal Tourism Agency. The outputs for the Tourism sector therefore relate to the establishment of the Tourism Agency, the completion of the tourism strategy by the Agency and Municipality, in consultation with the newly established Tourism Forum, and the implementation of the strategy over the new few years.

5.2.4. COMPONENT 4: THE AGRICULTURAL INTENSIFICATION STRATEGY

5.2.4.1. OVERVIEW OF THE AGRICULTURAL SECTOR:

Under the Provincial Growth and Development Strategy (PGDS) key projects have been identified in Tourism, Agriculture and Agri-Processing for implementation throughout the province. In terms of economic development the PGDS focuses on key sectors in particular the clothing, ICT, wood and wood products sectors. Current provincial focus in terms of agri-processing is the establishment through research of the appropriate and competitive crops that can be grown and processed within the province. The commercial agriculture sector is the major employer in the majority of municipalities in KwaZulu-Natal but not in the case of Msunduzi where it comprises only 3% contribution to GVA. In order to achieve a reduction of unemployment and poverty the challenge is to grow and transform the commercial agricultural sector and improve the linkages between commercial agriculture and subsistence agriculture.

However the area is beset with challenges within the context of an urban and rapidly urbanising area such as Msunduzi. While theoretically land is identified in the Edendale valley area for agriculture, in reality much of that land has been occupied for housing, either by informal settlements and land invaders, or earmarked for low cost housing, which is seen as being the greater priority. Within the Vulindlela area much more of the land is utilised and has the potential to be utilised for agriculture, although this has an uneven topography and is not within the ownership of the Municipality, but belongs to the Ngonyama Trust. There is also limited interest in engaging in

agriculture, which is often perceived as a secondary, less secure or less profitable activity than procuring employment within the city.

The sectors that have been identified as possible areas for intervention by the municipality include the provision of marketing infrastructure for agricultural products, and the transformation of the forestry sector, for which much of the hilly terrain is suited, and much of which is already under forestry, albeit neglected in certain areas.

5.2.4.2. THE AGRICULTURAL SECTOR FOCUS

Agriculture and agribusiness makes an important contribution to the Msunduzi economy in general. However, the agricultural output of the Municipality is limited primarily as a result of the extent of land available for this purpose. A future focus area of the Municipality will be the protection of high potential agricultural land where possible and intensification of agricultural production on the available land. Further to this, where the potential exists the Municipality will in partnership with the Department of Agriculture support subsistence and small farmer development.

5.2.5. COMPONENT 5: THE BPO SECTOR STRATEGY

5.2.5.1. OVERVIEW OF BPO SECTOR

The Msunduzi Municipality has embarked on initiatives to establish and grow the Business Process Services and Offshoring (BPO) sector in the Municipality. To this end Ulwembu Business Services has been appointed to develop a strategy for the sector (only the Phase 1 report could be accessed in November 2014). The following extract from the sector report provides an overview of the activities in the sector.

Business process services and offshoring (BPS&O) has been growing rapidly world-wide. Contracting external agents to perform certain business functions is not new. But collaboration between companies and external service providers who are off-site and increasingly off-shore, has increased rapidly with the universal use of email and the availability of high bandwidth and web-based connections.

This has given birth to a rapidly expanding business process outsourcing and offshoring sector (BPO&O) now referred to as business process services and offshoring. Outsourcing occurs when a company uses a third party to carry out certain of its business processes and offshoring is when these activities are performed in a foreign location. BPS includes:

- IT and technical services;
- call centre functions;
- financial accounting and administration;
- human resource functions;
- data conversion;
- entry and scanning;
- administration and maintenance;
- insurance industry functions; and
- website design and development.

BPS acts as a trigger for job creation and community development in developing countries. Because of the channel through which the service is provided (telephone, email and internet) the service can be provided from anywhere in the world where there is adequate infrastructure and skills at competitive costs.

5.2.5.2. *THE BPO SECTOR FOCUS*

The outcomes of the assessment by Ulwembu Business Services will guide the future focus of Msunduzi relating to the sector.

5.2.6. **COMPONENT 6: THE GREEN ECONOMY STRATEGY**

5.2.6.1. *GREEN ECONOMY OVERVIEW*

Various definitions are currently being put forward for what represents “green economy” activities. A study by the KZN Department of Economic Development put forward the following definition:

“A ‘green economy’ is characterised by substantially increased investments in economic sectors that build on and enhance the earth’s natural capital or reduce ecological scarcities and environmental risks”. The study went further to identify sectors in which green economy opportunities exist which includes (KZN DEDT 2011):

- agriculture,
- forestry,
- fishing,
- indigenous natural products,
- energy,
- water,
- waste,
- transport,
- cities, towns and villages,
- buildings,
- manufacturing,
- retail,
- environmental consulting, policy-making and research,
- tourism, and
- nature conservation.

The range of opportunities for building a Green Economy is then nearly limitless and it is recommended that the Msunduzi Municipality must, from a strategic perspective, provide guidelines as to its focus areas in terms of building the Green Economy.

Within the context of the above, through previous discussions with the Department of Economic Development and Tourism and Trade and Investment KwaZulu-Natal (TIKZN) and the available literature on Green Economy promotion, a guideline for the development of the Green Economy in Msunduzi has been developed (see overleaf). This guideline acknowledges the following components of a future Msunduzi Green Economy:

- Green energy;
- Green industry;
- Green property;
- Green landscape;
- Green infrastructure;
- Green agriculture;
- Green jobs; and
- Green skills development.

These components are unpacked in terms of potential opportunities and projects and comment is provided on the spatial considerations relating to each of the activities.

TABLE 5.2: A GUIDELINE FOR THE ESTABLISHMENT OF A GREEN ECONOMY

	COMPONENT OF STRATEGY	SUB-COMPONENTS	POTENTIAL OPPORTUNITIES
1	GREEN ENERGY	Solar energy	
		Wind farms	
		Ocean energy	
		Biomass	Energy from waste Forestry biomass
		Biogas (anaerobic/methane/abattoirs)	
		Energy Efficiency	Leading by example Awareness campaigns
2	GREEN INDUSTRY	Manufacturing related to alternative technologies: <ul style="list-style-type: none"> Solar panels Wind turbines 	Establishment of Green Industry business parks Attracting green manufacturing industries to Msunduzi (local suppliers)
3	GREEN PROPERTY	Residential	New residential developments
		Industrial	Establishing a Green Industry Estate
		Commercial	Green offices Green retail
4	GREEN LANDSCAPE	Conservation	Formal Community
		Environmental services (green infrastructure)	Municipal zoned conservation areas / servitudes / ecological corridors / setback lines Municipal zoned Public Open Space
5	GREEN INFRASTRUCTURE	Scattered rural (off grid)	<ul style="list-style-type: none"> Solar panels Rainwater harvesting
		De-salination	
6	GREEN AGRICULTURE	Large Scale Commercial	Fresh Produce (incl export products)
		Small Scale Farming	<ul style="list-style-type: none"> Appropriate technology – Ram Pumps, Earth dams
		Subsistence Farming	<ul style="list-style-type: none"> Organic production
7	GREEN JOBS	PWP type rehabilitation programmes	
		Working for Water	
		Working for Fire	
		Recycling and Re-use Initiatives	
		Solar or Wind Farms	Management, Maintenance, Operations staff.
8	GREEN SKILLS DEVELOPMENT	UKZN, DUT	Specialised courses linked to green skills

5.2.6.2. GREEN ECONOMY FOCUS:

The Green Economy focus is to be established by the Msunduzi Municipality based on the guideline as reflected above.

5.3. STRATEGY 2: LAND IDENTIFICATION AND DEVELOPMENT

<p>The Challenge:</p>	<p>From an economic development and specifically a spatial economic perspective it is evident that since its establishment right until the 1990s Msunduzi presented a strong location for attracting investment. The City has, however, developed a strong colonial / apartheid city structure causing a number of spatial economic inefficiencies. These inefficiencies must be addressed by ensuring that future economic and social investment is guided in such a way as to transform the City structure. The most important role of the municipality should be to ensure that land is available for future investment in the economy, both greenfields and brownfields development. This includes the availability of appropriately located land for: Industrial development, Commercial development, Government sector expansion, Agricultural intensification</p>
<p>The Strategic Approach:</p>	<p>The Municipality has already adopted an approach of pro-actively identifying:</p> <ul style="list-style-type: none"> ▪ Municipal land for development; and ▪ Through the 2014 SDF process, land for future large scale urban expansion. <p>These processes will be continued with a focus on specific land development opportunities.</p>
<p>Components of the Strategy:</p>	<p>The Components of the Strategy listed below is unpacked in more detail in the sections following this overview sheet.</p> <ol style="list-style-type: none"> 1) Municipal Land Release Programme <i>And a number of sector specific Land Development Programmes</i> 2) Industrial Land Development Programme 3) Government Sector Land Development Programme 4) Commercial Sector Land Development Programme 5) Economic Zone Land Transformation Programme
<p>Key Projects:</p>	<ul style="list-style-type: none"> ▪ Sale / Release of Municipal Land for Development ▪ Monitor implementation of Lease Management Strategy ▪ Disposal of land parcels earmarked for industrial purposes ▪ Develop and implement 100ha per annum industrial land release programme ▪ Establishment of Government Precinct ▪ Intergovernmental Government Sector Assessment - Space Needs Focus ▪ Land Release for Commercial and Residential Development in Densification Zones ▪ Development of Key IRPTN Nodes ▪ Dorpspruit Precinct Plan Implementation ▪ Scottsville / Woodhouse Road Zone Densification / Intensification

5.3.1. COMPONENT 1: MUNICIPAL LAND RELEASE PROGRAMME

Land release for commercial development is constrained by many of the limitations as described for Industrial land, and the orderly release of land for development is dependent upon the Land Release Programme. Commercial development can take place on smaller land parcels however, and often has fewer infrastructure demands than a large industrial enterprise. Land for residential development is included in this section, and such developments add to the economic growth of the city both through the construction phase and the addition to the rates base and financial sustainability of the Municipality. Such revenue then assists the Council in the provision of services for the release of further land.

Description of the Intervention

Although the Land Audit and Land Release Programme are integral to the release of land for commercial and residential development, in the interim, subsequent to reports submitted by the Development Services Unit to the Council, the following land parcels have been identified for sale and release, and resolutions made to that effect by the Council::

- a) *Portion A of erf 10,000 PMB, Woodhouse Road, Scottsville (Student Accommodation), extent 4.3h*
- b) *The Polocross fields (commercial development)*
- c) *Rem/186/PMB, Montrose Craigie Drive, Extent 3.991h*
- d) *Rem/186/PMB Chase Valley, Chase Valley Road, Extent 19.1187h*
- e) *Rem/1531/PMB Chase Valley, Town Bush Road, Extent 4.0917h*
- f) *Rem/PMB Chase Valley, Town Bush Road, Extent 2.5466h*
- g) *Erf 126 Hayfields, Hayfields Military Way, Extent 6.0567h*
- h) *Rem/1601/PMB, Boughton, off Celtis Road, Extent 5.6447h*
- i) *Erf 1398/PMB, Wembley off Ashbourne Grove, Extent 9.5981h*

While the release and sale of these land parcels can proceed, further land parcels will be identified through the Land Release Programme process, upon its completion in 2015/16.

In addition to the Land Audit the Council has also been engaged in conducting a Lease Audit of all Municipal-owned rental stock. The leases subjected to the audit are those that are administered by the Real Estate unit. There are approximately 680 in number and can be categorized in the following groups, viz. business, airport, recreational/schools, Institutional/NGOs/religious. Residential leases are administered by the Housing Administration Sub Business Unit. The Council-owned Odd Properties which have been purchased for various development purposes are administered by the Housing Administration Unit for the Real Estate and Valuation Sub Business Unit. The tenants in the Odd Properties have requested permission to purchase these dwellings and therefore, Council will need to investigate whether it would be feasible to dispose of these properties, subject to Council's initial reason for acquiring these properties. The lease data base has been established and populated with Msunduzi lease data sets. The final data base with the data will be installed in the municipality once the following have been finalised:

- Identification of the users and their respective access levels;
- Authorisation from IT to install the new system onto the network;
- Customisation of the home page to reflect the Msunduzi branding.

The following is a brief analysis of the number of leases that are administered by the Real Estate Sub-unit:

TABLE 5.3: LEASE ANALYSIS PER CATEGORY

TYPE	NUMBER
Long Term	42
<i>Business Leases</i>	14
<i>Institutional</i>	10
<i>Recreational</i>	18
Short Term	639
<i>Business Leases</i>	58
<i>Control Lease</i>	342
<i>Airport</i>	17
<i>Encroachment</i>	147
<i>Grazing</i>	6
<i>Institutional</i>	26
<i>Recreational</i>	16
<i>Water Wayleave</i>	27
Terminated	16
<i>Business Leases</i>	6
<i>Airport</i>	1
<i>Institutional</i>	9
Pending	10
<i>Business Leases</i>	1
<i>Airport</i>	9
Internal	3
<i>Airport</i>	3
Grand Total	710

Short Term leases with inconsistencies have been reviewed according to best practice. Recommended remedial action for these short term leases will be finalised and published along with the lease management strategy to ensure that any and all irregularities are amended. All long term leases have been analysed. Following lease scrutiny, market analysis, discussion with industry experts as well as various cash flow and income stream calculations, all long term lease properties have been allocated the following.

- a) A present and future value based on the existing lease agreements.
- b) Fair market rental
- c) Fair market value
- d) Escalations – Actual and Market
- e) Highest and Best Use and Actual use
- f) Narrative on the site and lease
- g) Recommendations

The lease management strategy has been developed and will provide the guidelines on how new lease applications should be processed and circulated to the various Departments that are required to provide comments on the leasing of Council owned properties. The consultant has also provided recommendations on the management of existing leases and lease terminations.

5.3.2. COMPONENT 2 TO 5: SECTOR SPECIFIC LAND DEVELOPMENT PROGRAMMES

In the case of each of the sector specific Land Development Programmes the following generic process will be followed:

- Step 1: Explore approaches to land development
- Public to Private Sector Continuum
- Step 2: Establish targets for land development
- Adjustable targets based on land take-up
- Step 3: Identity land prioritisation criteria for sector
- Adjust criteria depending on circumstances
- Step 4: Develop a GIS sector land inventory for the City
- Step 5: Prioritise the development of land using basic criteria
- Step 6: Prepare action plans for identified priority land parcels (5 year focus)
- Development approach
- Development applications (rezoning etc)
- Bulk infrastructure supply
- Request Development Proposals / Tenders
- Land development

5.3.3. COMPONENT 2: INDUSTRIAL LAND DEVELOPMENT PROGRAMME

Goal: Using the SDF as a base develop a programme for the release of at least 100ha of industrial land per annum.

Problem Statement

The release of land for Industrial Development is presently constrained by several factors, including the lengthy and complex administrative and consultative processes imposed by local government legislation; the topographical and environmental constraints on a great deal of Municipal owned land; capacity constraints within the Municipal Estates Unit; infrastructure capacity limitations in the former Pietermaritzburg area; the lack of infrastructure in the greater Edendale area and the Vulindlela area; land-legal and land ownership issues within these two parts of the Municipality, the presence of informal housing and unplanned developments on large pieces of land, and the lack of control over electricity supply in the same parts, where the electricity supplier is Eskom. The main land parcels presently available for industrial development are in the Mkondeni and Pentrich areas. Certain land parcels are being transferred for industrial development, but at a very slow pace due to the constraints mentioned.

It is for these reasons that the Land Release Programme as outlined above is essential in order to plan and inform the orderly and rational release of land for industrial development, and to identify all constraints and opportunities arising from the land parcels and properties in the ownership of the Municipality.

Description of the intervention

The Land Release Programme is planned for development during the 2015/16 financial year. However in the interim the Executive Committee of the Municipality at its meeting of 13 March 2014 resolved that certain land parcels can be disposed of for industrial purposes. This is to be undertaken through a transparent, competitive bidding process:

- (i) Murrayfield Park in Mkondeni: 3.18 hectares
- (ii) Murray Road: approximately 17 hectares
- (iii) Skhumbuzo Ngwenya Road: approximately 13.69 hectares.

The disposal of these properties is now to be undertaken by the Estates Unit.

5.3.4. COMPONENT 3: GOVERNMENT SECTOR LAND DEVELOPMENT PROGRAMME

Goal: Establish a government precinct(s) that can accommodate the future expansion of this sector in Msunduzi

As identified in Phase I of the Economic Development Strategy document, the economy of Msunduzi Municipality is strongly dependent upon the government sector, with it contributing 19% of the Gross Value Added. This is to be expected with the City being the Provincial Capital, and the sector contributed R4.218m in 2011. The administration of government departments and related entities occupy large areas of property in the central area of the city, and contribute to the demands for land and rental property. It is a sector that is likely to expand in the medium term, and such expansion assists in driving economic growth and employment.

The major expansion envisaged in the next five year term is the proposed relocation of the parliamentary precinct, which is planned to relocate from its present situation in the very heart of the city, to a large piece of under-utilised land presently owned by the Provincial administration and partly occupied by Town Hill Hospital. This is to the north-west of the city centre, and close to the commercial development nodes of the former Bird sanctuary, Royal Show Grounds and Polo cross fields. Taken cumulatively these could be seen as moving a large part of the business and commercial activity of the city slightly out of the centre.

The plans were originally proposed back in 2007 and since the rezoning was approved in 2009 there has been little movement. However it is now being revived. It would be ideal if this re-development could spark interest from the private sector in the provision of a large conference centre, as the largest in the city presently only accommodates approximately 500 people, and all large government-related conferences have to be held in Durban, with Msunduzi therefore losing out on the associated accommodation and hospitality spend. The more therefore, should this new parliamentary precinct proceed, could stimulate a large amount of related economic activity in the area.

5.3.5. COMPONENT 4: COMMERCIAL SECTOR LAND DEVELOPMENT PROGRAMME (IRPTN AS CATALYST FOR REVIVAL OF ECONOMIC NODES)

Goal: Provide adequate land for the growth of the commercial sector in Msunduzi to continue to support the development of other sectors

Msunduzi is one of 12 cities selected to receive national support for the development of an IRPTN-based project. When complete this project will place 87% of residents of the municipality within 500 metres of the service. The main feature of this network will be a Bus Rapid Transit (BRT) route funning along the main arterial route of the city from Georgetown through the CBD and up the Dr Chota Motala Road to Raisethorpe. There will be 16 stations along this route, and many of the locations cited above will be the sites of such stations. The presence of the stations will act as foci for development nodes to become further established, and the infrastructure construction could give rise the opportunity to improve and consolidate these nodes. Improved lighting, CCTV cameras, planting of trees and other vegetation, and construction of pavements and platforms will improve the safety and environment in these nodes and promote further economic activity.

There will be three terminals along the route, designed so that business enterprises can be developed at them. The implementation of the entire project should be utilized in such a way as to maximize the potential for economic regeneration of those nodes affected. This could be undertaken through the integrated planning and design of infrastructure, trading and retail areas by the relevant municipal departments throughout the design phase and subsequent implementation of the IRPTN. For example the provision of a BRT station at the Georgetown junction should be viewed as an opportunity to produce and construct a layout plan for the entire node, to extend beyond the narrow confines of the station. While many of these nodes have had layout designs produced, there remains a disjunction between these plans and the budgeting process for implementation. The IRPTN gives an opportunity to produce an integrated nodal structural plan as a foundation for economic activity with integrated budgeted infrastructure and precinct plans proceeding simultaneously. The Municipality has established a dedicated unit to work on the IRPTN project implementation, with the main skills required being related to Roads, Infrastructure and Transportation. In so doing the Municipality needs also not to lose sight of the potential economic benefits and to ensure that an inter-departmental, holistic approach is undertaken.

Following the conclusion of the Lease Audit this will also enable certain properties – both land and buildings – to be added into the pool of assets available to be released by the Council for commercial development.

5.3.6. COMPONENT 5: ECONOMIC ZONE LAND TRANSFORMATION PROGRAMME

Goal: Redevelop well located land not optimally utilised for:

- High density housing
- Mixed use development
- Prioritised sector

5.3.6.1. OVERVIEW OF PROGRAMME

In the 2008 LED strategy document the following possible projects were identified:

- Preparation of a 'roster' of Msunduzi owned buildings and the feasibility of redevelopment
- The development of a parliamentary precinct within the City, to include hotels, conference facilities and top level shopping and recreational facilities.
- Specific development and upgrade of Edendale
- Upgrade of Pietermaritzburg town centre with particular reference to architecture
- Upgrade of Pietermaritzburg airport in particular to handle larger aeroplanes for passengers and freight

Considerable progress has been made with these recommended projects in the intervening period. As mentioned in Component 1 an analysis of all municipal fixed property assets has been undertaken, along with a lease audit and the development of the parliamentary precinct is being planned by the Provincial Administration; while the development of Edendale is lagging behind somewhat, it now has two new shopping malls and considerable headway has been made with the complex matters of land ownership which were a pre-requisite for development. The city centre has commenced with an upgrade under the auspices of the Pietermaritzburg Urban Renewal Programme, and the airport has been substantially upgraded and expanded to be able handle 90-seater aircraft, and to handle two scheduled aeroplanes at the same time.

The 2014 Status Quo Assessment alludes to a number of economic zones in the city which are no longer functioning optimally, and recommends that the transformation of these zones be considered to ensure future relevance. These zones are not identified in the report, but could be seen to include: East Street, the Railway Station and Baverstock area. Although these zones are still functioning they have become degraded and have had no municipal investment for many decades. In addition other zones which have the potential to promote development, and which have been neglected for many years include Masons Mill and the Imbali crossing node,

the Georgetown junction node, Edendale Hospital and Plessislaer, Taylors Halt, and Sweetwaters. Other areas, such as Manchester Road and Debi Market have become extremely active trading areas, but have not received municipal investment in facilities and infrastructure to maximize the economic potential of the areas. Finally there are areas such as Scottsville and Hayfields which have infrastructure developed to a high standard, but have remained largely unchanged in their residential character since their construction in the mid 20th century and have untapped potential to be drivers of commercial activity, thus creating employment opportunities and economic growth.

5.3.6.2. PROPOSED FOCUS AREAS

Project: Development of Key IRPTN Nodes

Some areas could receive a boost in activity and interest following the implementation of the Integrated Rapid Public Transport Network (IRPTN). Such areas should be identified and approaches to maximising the economic potential around these nodes should be considered.

Project : Dorpspruit Precinct Plan

Other nodes are not on the direct BRT route, but will be served by supporting bus networks. Those remaining nodes in need of change and investment in infrastructure include the Manchester Road area – a major economic activity zone in need of improved facilities and appearance for the public – and the lower Masukwana Street (East Street) area. The latter has received no attention for many decades and continues to be an unclean, unattractive, unsafe yet heavily traded area of the lower CBD. In 2003 a plan was drawn up for the regeneration of that area, known as the Dorpspruit Precinct plan. The Precinct Plan has been a vision for Msunduzi Municipality for years, and promoted mixed use type of development which consists of decent housing accommodation, open spaces, a commercial component and recreational facilities within the precinct.

The Dorpspruit Precinct plan is another example of a nodal development plan which has not been implemented due to lack of funding and lack of coordination between planning, infrastructure and LED components. This plan is now some years out of date, with certain key projects have taken place since its design including Liberty Mall, the N3/Church street interchange and the development of Brookside Mall. However these have only improved the area and the potential for investment returns as the surrounding area has been considerably improved. but it is recommended that it be revisited, revived, and consideration be given as to how this can be implemented in partnership with the private sector as a catalyst for local economic development in that area.

Project: Scottsville / Woodhouse Road zone

The third group of zones which has under-developed economic potential is the Scottsville/Hayfields area, which is one of the more affluent parts of the city yet, situated on the main arterial routes into the city – from both Durban and the southern route from the Transkei and southern KwaZulu-Natal – it retains largely a residential character with under-developed economic potential. While there are two neighbourhood shopping centres (Hayfields and Scottsville Malls) the presence of the middle-to-upper socio-economic classes, large numbers of tertiary students at the two University campuses, many of whom now possess student grants, and the areas strategic geographical location at the junction of these two entry routes suggest that far higher numbers of commercial, retail, entertainment and restaurant outlets could find support. The majority of these outlets are now clustered on the opposite side of the CBD, around the Liberty Mall / Armitage Road area, and the economic potential of the area to the east of the CBD remains under-developed. Potential exists for the transformation in particular of the area around Woodburn Stadium and Woodhouse road where there are under-utilized land parcels with developments to target both the retail and restaurant needs of the area. The provision of student accommodation and further flat accommodation, given its convenient location within walking distance of both the CBD and the two universities would further accentuate its economic possibilities.

The council has already taken a decision to offer a portion of land along Woodhouse Road, adjacent to the race course, for sale for student accommodation, and proposals are already being considered for the area around the confluence of Alan Paton Road, Alexandra Road, Woodhouse Road and Woodburn Stadium for inter alia commercial and retail developments and an eye hospital. It is recommended that such developments be encouraged as a way of maximizing the potential contribution of this area to the economic growth of the city.

5.4. STRATEGY 3: NURTURING THE INFORMAL ECONOMY

<p>The Challenge:</p>	<p>The informal and small business development sector has been much neglected and maligned essentially since the establishment of a colonial economy in South Africa. This sector employs up to 20% of the employed people in KwaZulu-Natal and this presents the one sector where government can have a major positive impact. A shift away from regulation and control of the sector, to a focus on the development of the sector, is required.</p>
<p>The Strategic Approach:</p>	<p>In line with the Provincial Policy and Strategy on the Informal Economy aim to, <i>through 'radical economic transformation' provide each legal informal sector business in KZN the opportunity to do business and grow the business.</i> This is to be done with a focus on the development of the informal economy rather than the historic focus of regulating the sector. This will require a major shift in thinking from all stakeholders, together with ensuring that appropriate resources, both human and financial, are allocated to the informal economy. There should thus be firstly a mindset change to be followed by a shift in the allocation of resources.</p>
<p>Components of the Strategy:</p>	<p>The Strategy of the Municipality is to be aligned to the Provincial Strategy, specifically ensuring that not only informal trading is considered, but all the sectors engaged in the informal economy. With this in mind key components of the strategy are:</p> <ol style="list-style-type: none"> 1) Raise the profile of the informal economy in Msunduzi 2) Establish a supporting environment for informal economy businesses 3) Build informal economy businesses <p>The above components of the strategy are unpacked in more detail overleaf.</p>
<p>Key Projects:</p>	<ul style="list-style-type: none"> ▪ Facilitate and capacitate Msunduzi Informal Economy Chamber ▪ Build Msunduzi capacity to support Informal Economy ▪ Develop Informal Economy Spatial Plan ▪ Finalise and Implement Informal Economy Strategy ▪ Implement Programme to provide space for the informal economy ▪ Coordinate Business Support Programme for informal economy ▪ Waste Management Small Business Development Programme ▪ Msunduzi SMME Fair

TEXT BOX: VIEWS OF THE INTERNATIONAL LABOUR OFFICE ON TRANSITIONS TO FORMALITY

The High Level Commission on Legal Empowerment of the Poor suggests that a variety of factors contribute to the existence and growth of informality, including rural migration to urban areas, a culture of political elitism and corruption, historical customs and practices, weak judicial systems and inadequate depth in the financial sector. The Commission highlights the rational choices poor enterprise owners make in their attempts to better their position.

“Informality may be a rational choice, given the available options”, says the Commission, “but it is often a costly (both in terms of actual costs and opportunities foregone) and negatively defined response. It is the job of reformers to turn formality itself into a viable and attractive option for the poor”.

Moving out of informality is an important step toward enterprise upgrading. Research shows that formal enterprises are more likely to create more employment than their informal counterparts. There is something in being formal, in being recognised by government and other market actors, which helps these enterprises gather the resources required to create more employment than their informal peers. There are two main reasons for this. Firstly, formalization is an indication of commitment – those enterprise owners-managers who make the effort to comply to the requirements of the State and are successful in doing so are more committed to growing their business over the long-term. Secondly, compliance with the State provides recognition to small enterprises. Formal enterprises are more able to access the business and financial services they require to grow.

Many informal enterprise owners are in business because it is a last resort; should formal employment become available they would likely leave their business. This has significant implications for the transition to formality and the upgrading of informal enterprises. Many informal enterprise owners see their enterprise activities as a stopgap – a survival strategy and not a long-term prospect. **Hence, investing in enterprise growth, either by complying with onerous laws and regulations, learning business management skills, investing in equipment and technology, or training workers is not considered appropriate in a short-term, transition enterprise.** However, the enterprise owner who sees herself/himself in business for the long-term is more likely to invest time and other resources in the growth and development of the enterprise. This is the enterprise owner who is most likely to benefit from policy responses designed to encourage the move out of informality and the upgrading of informal enterprises.

When improving the business environment in which informal enterprises operate, care must be taken to ensure reform does not create conditions that encourage informal enterprises to remain informal. **The move towards formality should introduce benefits that stem from compliance with the legal and regulatory framework.** MSEs should see the move out of informality as opportunity for greater access to markets and growth. In some cases governments have worked with commercial banks to persuade them to lower their cost of lending to enterprises that had committed to formalization, and where a revenue authority allowed newly registered firms to charge higher VAT rates on their products than those they paid to their suppliers – effectively giving them a tax break.

ILO, 2013. **The Informal Economy and Decent Work: A Policy Resource Guide (Supporting Transitions to Formality)**

5.4.1. THE INFORMAL ECONOMY CHALLENGE

The National Strategy for the Development and Promotion of Small Business in South Africa notes the informal economy creates a significant contribution to the economic and social life of majority of South African population. These influences apply also to the majority of the residents in Msunduzi and they include amongst others the following:

- Absorbs workers who would otherwise be without work or income;
- Helps to meet the needs of poor consumers by providing accessible and low priced goods and services;
- Could serve as an incubator for business potential and an opportunity for on-the-job skills acquisition. In this sense, it can be a transitional base for accessibility and graduation to the formal economy, if effective strategies are put in place;
- Apart from job creation, economic growth and equity created the informal economy provides a relatively easy entry point into the first economic activity for those previously excluded.

The informal traders' policy for KwaZulu-Natal was enforced in order to nurture a favourable environment for street vendors and supporting sustainable economic growth in the informal economy. The policy further attempts to weave the informal economy into the mainstream where upon informal traders may be better protected and catered for. As a result of this significant job creation and income generation is envisaged, as its pillars foster the growth of the informal economy. The informal sector is in effect regulated throughout several municipalities across Kwazulu-Natal by way of the informal traders' policy. Municipalities in the province are required to establish an informal economy chamber in an effort to boost the participation of street vendors. Developmental local government is described as local government working with citizens and groups in communities to find sustainable ways to meet social, economic and material needs. It has four key functions, which relate directly to poverty reduction namely:

- Provision of household infrastructure and services;
- Creation of liveable integrated cities, towns and rural areas;
- Promotion of local economic development;
- Facilitation of community empowerment and redistribution

The ultimate responsibility for promoting and controlling street trading lies, therefore, with local government. Countrywide, South Africa's municipalities have focused their attention on street trading as the most visible form of the informal economy, though in very different ways. The issues affecting the informal trading sector in Msunduzi are structural and fundamental. In order to address these issues, the municipality should adopt strategies that have high impact on informal trading. The strategies identified with a view to achieve the vision stated above are as follows: The development of the Informal Economy Chamber by Msunduzi Municipality is a positive step toward addressing the issues of unemployment. Likewise, the municipality is initiating an enabling environment for the informal traders to participate in building / growing the municipal economy through:

- 1) *Provision of infrastructure;*
- 2) *Facilitation of training and capacity building;*
- 3) *Improve the overall regulatory environment for informal traders;*
- 4) *Improve access to markets;*
- 5) *Support services*

5.4.2. GUIDANCE FROM THE PROVINCIAL INFORMAL ECONOMY STRATEGY

The Provincial Informal Economy Strategy currently under preparation considers the Informal Economy in its totality and is not focused only on street trading. The Strategy recognizes the activities reflected in the Table below as forming part of the Informal Economy.

TABLE 5.4: PRELIMINARY CATEGORIES AND TYPES OF INFORMAL BUSINESSES

CATEGORY	TYPE	PRODUCTS/SERVICES
Retail/Trade	Home based shops (Tuck shops / Spaza shops)	Snacks and sweets
		Groceries
		Fruits and vegetables
		Bread and milk
		Cold drinks
		Sugar, spices and salt
		Flour, rice and mieliemeal
	Street traders	Fruits and vegetables
		Cooked food
		Airtime
		Traditional muthi
		Vetkoek
		Newspapers
		Cigarettes
	Markets (Permanent / Periodic)	Traditional clothing
		Blankets
		Spices
		Cooked food
		Muthi
		Clothing
Beadwork		
Livestock traders	Poultry	
	Goats	
	Sheep	
	Cattle	
Mobile traders	Fruit and vegetables	
	Meat	
	Other manufactured products	
Manufacturing	Home based activities	Dress making
		Welding
		Carpentry
		Upholstery
		Food / catering
		Various arts, crafts, consumables, food stuffs etc.
	Hive industries (Incubation centre)	As per home based activities
Personal Services	Home based services	Salons
		Photography
		Manicure and pedicure
		Nursery Schools
		Traditional healers (Sangoma)
	On street services	Salons
		Photography
		Manicure and pedicure
Business Services	Home based services	Public phone services
		Admin services
		Mashonisa (Loan sharks - illegal)
	On street services	Public phone services
		Admin services
		Mashonisa (Loan sharks – illegal)

CATEGORY	TYPE	PRODUCTS/SERVICES
Services	Home based services	Car mechanics
		Panel beaters
		Plumbers
		Electricians
	On street services	Car mechanics
		Panel beaters
		Auto electricians
		Car wash
Domestic employment	Home based services	Gardening services
		Home helpers/care
		Child minders
Agriculture	Subsistence producers	Vegetables and fruit
		Livestock
		Poultry
	Small scale commercial	Vegetables and fruit
		Livestock
		Poultry
		Sugar cane
		Plantations
	Co-operatives	Vegetables and fruit
		Livestock
		Poultry
		Sugar cane
Recycling	Waste collectors	Plastic
		Cans
		Paper and cardboard
		Glass
		Metal

Note: The transport and mini-bus taxi industry is excluded from the above listing as it is regulated by specific legislation.

The KZN Provincial Informal Economy Strategy then propose three strategies to be implemented on a provincial level. It is recommended that these strategies also be adopted and amended for Msunduzi. The Informal Economy Strategy for Msunduzi will then include three components, viz.

Component 1: Raise the profile of the informal economy in Msunduzi

Component 2: Establish a supporting environment for informal economy businesses in Msunduzi

Component 3: Build informal economy businesses in Msunduzi.

The three components are further unpacked below.

5.4.2.1. *Component 1: Raise the profile of the informal economy in Msunduzi*

Establish municipal informal economy capacity

- Strengthen the informal economy capacity in Msunduzi

Access informal economy budget

- Establish funding available for supporting the sector from various sources

5.4.2.2. *Component 2: Establish a supporting environment for informal economy businesses in Msunduzi*

Establish municipal informal economy capacity

- Appoint Informal Economy Officers
- Re-focus LED Officers to focus on Informal Economy

Develop municipal informal economy strategies (goals)

- Capture Informal Economy Goals in IDP, LED Plan, Spatial Framework
- Prepare Informal Economy Strategies
- Prepare Informal Economy By-laws

Establish municipal informal economy management guidelines / support (including spatial plans, database)

- Manage Informal Economy Business Chamber
- Establish Municipal Informal Economy Business Database
- Establish Municipal Informal Economy Spatial Plan

Clarify the regulatory framework

- What constitutes an informal business
- When is an informal business illegal
- Foreigners in the informal economy

5.4.2.3. *Component 3: Build informal economy businesses in Msunduzi*

Provide access to facilities:

- Trading space (demarcated)
 - CBD Space
 - Key Routes and Nodes
 - Retail / Shopping Centre
 - Informal Economy Markets
- Trading facilities (physical structure)
 - Informal Economy Markets
 - CBD Space
 - Key Routes and Nodes
 - Retail / Shopping Centre
- Production facilities
 - Production Space
 - Incubators
 - Home facilities (decentralised)

Provide access to business support:

- Public sector business support
- NPO business support
- Private sector business support

Provide access to finance:

- Public sector funding
- Private sector funding
- NPO funding / saving schemes

5.4.3. THE FOCUS: THE MSUNDUZI INFORMAL ECONOMY STRATEGY

The steps to be taken in addressing the above are already underway, and include a review of the Street Trading Bylaws, which have been drafted and are presently in the process of being presented to the Municipality, and secondly the formulation of the specific Informal Economy Strategy. Arising from the Informal Traders strategy will be specific strategies as indicated in summary form on the Table below. These will then be implemented according to the implementation plan within the Strategy. It is expected that this strategy will be presented to Council and adopted within the next few months.

TABLE 5.5: DRAFT MSUNDUZI INFORMAL ECONOMY STRATEGY

STRATEGIC OBJECTIVES	STRATEGIES
1. Provision of infrastructure	1.1. Provision of trading furniture; 1.2. Provision of basic services like drainage systems, sanitation and ablution facilities
2. Facilitation of training and capacity building	2.1. Facilitate training of informal traders; 2.2. Facilitate training of informal trading portfolio councillors; 2.3. Training of municipal staff
3. Improve the regulatory environment for informal traders	3.1. Review / update Informal Traders Database; 3.2. Sensitize the informal traders on the bylaws; 3.3. Computerize Informal Traders' Management & Monitoring System; 3.4. Remove illegal informal trading structures;
4. Improve access to markets	4.1. Link informal traders to local markets
5. Support Services	5.1. Improve access to information; 5.2. Develop communication strategy

Source: Isibuko se Africa

The strategy around the informal sector will therefore be to complete the submission and adoption of the Informal Economy Strategy, presently being drafted by Isibuko se Africa, to the Council. Inclusion of the Provincial Strategy guidelines into this Municipal Strategy is proposed. Following its adoption the next phase will be to implement the recommendations.

In addition it is planned to review and promulgate the new Street Trading Bylaws and also to establish a unit which is more integrated in its approach to the development and control of informal and street traders.

5.4.4. THE FOCUS: PREMISES FOR SMALL BUSINESSES:

It has been observed that one of the major blockages to the development of small businesses, and to the movement from informal to formal traders, is the great shortage of suitable small business premises or shops that can be rented in high traffic areas. The move away from high street shopping to malls by the middle-to-upper income groups has led to a dominance of chain stores and franchise outlets in the formal malls, where large trading spaces cost a very high rental. This is an impediment to the establishment and success of start-up businesses by local entrepreneurs and shopkeepers. Many previously successful local businesses have failed in an up-market mall environment where there is fierce competition against the large corporate retailers, the size of shops is large and the overheads high.

There is little retail space available in the CBD – particularly in the places with high foot traffic – and due to the lack of parking and perception of crime, these places are not frequented by the more affluent. Small businesses therefore tend to operate either from premises in the more remote areas of the city centre – where they may go unnoticed and therefore lose customers – or alternatively from converted houses, where they both miss the passing trade and risk raising complaints from neighbours. However these small businesses have the potential to provide income for both the owners and for the few people they employ. It would appear that the Municipality could play a role in creating, or facilitating the creation of opportunities for small shops and businesses. The following methods are suggested:

- *Engage with shopping mall developers to motivate for a percentage of the retail space some small/micro retail spaces to be created within the mall, specifically for Msunduzi residents to open shops;*
- *Identify land parcels in high trading areas and either construct small outlets, or alternatively call for proposals for the same from the private sector.*
- *Review the bylaws in respect of running businesses from home, with a view to liberalizing this sector, particularly along arterial routes into the city with high pedestrian traffic where a more open policy should be entertained.*

5.5. STRATEGY 4: BUSINESS RETENTION AND INVESTMENT PROMOTION

<p>The Challenge:</p>	<p><i>The promotion of inward investment means to attract businesses to an area from elsewhere in the country and from other countries. Attracting large manufacturing and service sector employers into communities is one of the most difficult, frustrating and riskiest of all LED strategies. This is partly because there are far fewer investors than there are communities seeking to attract them and many communities are prepared to offer massive incentives to inward investors. Foreign direct investors often prefer greenfield, edge-of-town sites.</i></p>
<p>The Strategic Approach:</p>	<p>Firstly, it is viewed as essential to ensure that existing investment in Msunduzi is retained. For this purpose the focus will always be on establishing and maintaining communication with businesses already located in Msunduzi. This communication is and will in future be facilitated by the Pietermaritzburg Chamber of Commerce. It is, however, also noted that for Msunduzi to achieve its real potential investment must be attracted to the Municipality. For various reasons investment in Msunduzi has slowed down substantially. Short term focus areas to address this will be the possible introduction of an incentive scheme and marketing what the city has to offer through events.</p>
<p>Components of the Strategy:</p>	<p>The Strategy has three main components:</p> <ol style="list-style-type: none"> 1) Business Retention Programme 2) Investment Incentive Scheme 3) Investment Conference and Business Fair <p>These components are discussed in more detail overleaf.</p>
<p>Key Projects:</p>	<ul style="list-style-type: none"> ▪ Business Retention Programme ▪ Investigate appropriateness of incentive scheme ▪ Investment Conference and Business Fair

5.5.1. COMPONENT 1: BUSINESS RETENTION

it is viewed as essential to ensure that existing investment in Msunduzi is retained. For this purpose the focus will always be on establishing and maintaining communication with businesses already located in Msunduzi. This communication is and will in future be facilitated by the Pietermaritzburg Chamber of Commerce. A formal Business Retention programme will, however, be developed by the Municipality.

5.5.2. COMPONENT 1: INVESTMENT INCENTIVE SCHEME

It has been generally acknowledged that the rate of growth and survival of SMMEs and the number of SMMEs in an area are indicators of growth. Many governments and local authorities therefore make major efforts to assist new businesses to start up, and offer support to SMMEs to facilitate their growth. However in Msunduzi the business incentive scheme was stopped when the Municipality went under Administration in 2010, and has not been reinstated.

At present the only incentives offered to investors, developers or expanding businesses are around the payment of rates where the incentive applicable is a developers' rebate, where Developer means "an owner who purchases raw land and installs the necessary infrastructure for development of the land for residential, industrial or commercial purpose"

In terms of the policy the rebate may be granted in the following circumstances:

"18.5 The Municipality may grant a rebate to developers who own property and install the necessary infrastructure for the development of the vacant land and which results in an enhanced market value of the land, provided that the owner of such property satisfies the criteria for such rebate as may be determined by the Municipality.

18.6 A rebate granted on the rate payable on any property referred to in sections 18.2 – 18.5, inclusive, is conditional upon there being no outstanding rates or service charges owing and payable on such property except to an owner who is in receipt of an old age pension, disability grant or child headed household, provided that an arrangement in terms of the credit control policy for any arrears is in place, and is being maintained".

In its current form it is therefore directed at larger scale developments rather than individuals or SMMEs. It is noted however that the Property Rates Act does not allow for differentiation within a category i.e. business caution would be needed if this were revised.

The tariff register reflects the current rebates. An extract from the 2014/2015 tariff register reads:

TABLE 5.6: DEVELOPERS REBATE

	2013/14	2014/15
Year 1	100 %	100%
Year 2	66 %	66 %
Year 3	33 %	33%

The absence of a comprehensive programme of rebates and incentives does little to attract new investment to the city, or to assist new SMMEs to become established. The escalating costs of electricity in particular, as applied by Eskom and passed on to the Municipal consumer, are proving particularly challenging to business. Even if incentives are to be introduced, the supply of electricity by Eskom to the Imbali/Edendale/Vulindlela area means that the Municipality has no control over either the supply or cost of electricity in those areas, and means that even if electricity incentives were applied in the Pietermaritzburg area of supply this may act as a disincentive to investment in those Eskom areas.

It must also be noted that the cost of implementation of incentives to new or expanding businesses has to be recouped elsewhere – either from other consumers, be it existing business or residential – or from the general rates income. Both existing businesses and general residents are similarly finding it difficult to meet ever escalating electricity and other municipal charges, and so this matter needs to be planned carefully with due consideration given to the possible financial impact on other sectors of the population.

5.5.3. COMPONENT 3: INVESTMENT CONFERENCE AND BUSINESS FAIR

The role of the SMME's cannot be understated as it is the main driver of economy and job creation, therefore municipal officials have been engaging with eThekweni Municipality in order to commence a learning partnership, to improve on LED initiatives and above all to create an enabling environment for business to thrive in the city. Visits were made by Economic Development officials to the Durban Business Fair to meet with their counterparts in eThekweni and gain knowledge in how these events are arranged. A follow-up visit was made by eThekweni to Msunduzi, and further training will be provided by Ethekewini in the near future.

In both the city centre and the Edendale area development and investment has largely focussed on shopping malls and lower-to-middle class housing developments, with very little other new investment being noted over the last 10 years. Several manufacturers have relocated to Durban and the sector is not expanding. Many private sector projects have been proposed, but remain delayed for years due to financial or environmental issues. Others have been lost through the difficulties in disposing of municipal land since the introduction of the MFMA, and the turmoil in municipal administration before and during the period of the Administrators.

- However the city has now entered a period of stability and administrative improvement, and is benefitting from renewed confidence from the Provincial Government with several key projects receiving financial support from both the Province and other Government departments or entities which have the potential to re-vitalise the economy. These projects which are detailed elsewhere in this document include:
 - The expansion of the airport and associated technology hub; (COGTA)
 - The renovations of the Municipal market in Mkondeni (COGTA)
 - The IRPTN system (National Dept of Transport)
 - The Imbali education precinct plan (National Dept of Higher Education and Provincial Dept of Arts and Culture)
 - The upgrade to the electricity network
 - The tourism hub; (COGTA)

- The city centre improvements through PURP (COGTA)
- The creation of a new parliamentary precinct (Provincial Dept. of Work)
- The Leather Hub project (Dept. of Economic Development, Tourism and Environmental Affairs)

It is therefore considered that the time is appropriate to take steps to actively market the city to industrial and other developers, and to showcase both the improvements that have occurred and the opportunities that are arising. There have been two previous investment conferences since 1994. Some 15 years ago the City held an Investment conference for the Municipality, aimed at showcasing development opportunities in the city to investors and developers. It was successful in attracting investment from developers who would otherwise not have considered Pietermaritzburg as an investment destination. Around 2003 a second one was held, which unfortunately got side-tracked into dealing with more community and non-governmental organization issues, so while showcasing the City did not have the same impact in bringing in the large corporate investors, who got somewhat disillusioned with the process. It is also suggested that there be a particular focus on business opportunities in the Edendale/Imbali/Vulindlela areas as these have been excluded from previous investment conferences and these areas have generally overlooked for general and mixed-use investment aside from two shopping malls. These areas remain without the commercial facilities and enterprises that one would take for granted in an ordinary town or large suburb, such as office parks, motor-vehicle related services, hotels and bed-and-breakfasts for example. The challenge in these areas however remains the land ownership issue.

The conference is still at a conceptual stage. As a result of the interactions with Ethekewini the following points are suggested regarding the format:

- The event should be held over a one week period (five days) in the first half of 2015;
- The first day should be a high-level conference event with speakers talking to the key drivers of investment and change in the Municipality, as well as those technical areas of interest to large investors/developers. This should include an outline of investment incentives, and a policy around this will need to be presented.
- There should be a Gala Dinner in the evening with a high profile Key Speaker and other political input to demonstrate support and a favourable investment climate.
- The second day it is suggested that there be two streams:
 - an informal trader/micro enterprise day talks on policies around informal trading, and the support services that are offered by various Government departments etc.
 - a second stream larger formal businesses. This can include a tour of the municipality, and possibly tours to key industries which could give rise to down-stream possibilities or beneficial linkages.
- Days 3–5 should be for the Business Fair, at which companies will have registered and paid to put up display stands, in an indoor setting, where there can be free movement and exchange of ideas and contact between companies. Stalls by relevant Municipal service providers – in particular Electricity, Water and Sanitation, Town Planning, Tourism and Licensing, amongst others – should also be provided to be able to engage directly on service-related issues pertaining to investment and construction.
- There should be opportunities to explore the linkages between the large formal sector and the smaller and emerging sector, and the support that can be offered from the large companies to the smaller.

The success of this project will depend on the buy-in from the business sector. It is therefore proposed that a Steering committee be established by the LED unit to include representatives of the private sector, organised business and commerce, the tourism sector, major industry representatives and relevant officials from other levels of Government, to guide the process.

5.6. STRATEGY 5: DRIVE IMPLEMENTATION OF CATALYTIC PROJECTS

<p>The Challenge:</p>	<p>Msunduzi, the Capital of KwaZulu-Natal, located on the priority N3 Corridor, has for a considerable period been unable to attract major catalytic projects with the ability to revive development in sectors or specific geographical areas. Over time a number of catalytic projects has been identified, but not implemented due to a number of reasons.</p>
<p>The Strategic Approach:</p>	<p>Over and above the ongoing planning, management and implementation of economic development initiatives Msunduzi management has also taken the decision to pursue the implementation of a number of catalytic projects. These projects have the potential to have a major impact on the economy of Msunduzi and the Region or, at the very least impact positively on the future of a specific economic sector. Msunduzi will assign relevant dedicated capacity to drive the identified catalytic projects.</p>
<p>Components of the Strategy:</p>	<p>Various projects aimed at maximising the potential and attractiveness of the City as an investment destination.</p>
<p>Key Projects:</p>	<ul style="list-style-type: none"> ▪ Central Business District Revitalisation ▪ N3 Corridor Development ▪ Setting up the Msunduzi Leather Hub ▪ Pietermaritzburg Airport Master Plan and Expansion ▪ Airport Technology Hub ▪ Imbali Education Precinct ▪ Imbali Hub Development (NDPG) ▪ Municipal Forestry Strategy

5.6.1. COMPONENT 1: CENTRAL BUSINESS DISTRICT (CBD) REVITALISATION

The revitalisation of the CBD is recognised as being critical for the revival of the City, particularly as it affects business confidence, civic pride and tourism. In addition investors and developers which also to be sited in a city which is, in addition to making good business sense, a pleasant and attractive environment for senior employees and managers to live in, relocate a family to and network in. Commonly known as PURP, the Pietermaritzburg Urban Renewal Programme is aimed at restoring the pride and dignity of the citizens of our Municipality as we move towards realizing our Vision 2030 to reinforce Pietermaritzburg as the City of Choice, Second to None. The birth of PURP came about as a result of a number of challenges within the heart of the city centre that soon, if not attended to, would result in serious urban decay. Amongst others, these challenges included:

- *Unregulated informal trading*
- *Poor waste management*
- *Unregulated parking management*
- *Non- working street lights compromising safety and security*
- *Poor roads infrastructure*
- *Unregulated outdoor advertising management*
- *Unreliable Electricity power supply*
- *Poor transportation planning, road traffic signage and signals*
- *Lack of City beautification and landscaping (Public spaces and parks)*
- *Growing number of children living on the streets and vagrants*

Based on the challenges above, the PURP involves the coordination of a number of municipal activities to which different business units within the municipality need to contribute. The PURP was initiated towards the end of 2012 and is coordinated in the office of the Municipal Manager. In addressing the challenges as outlined above, the PURP will equally have positive spin-offs towards the realization of the following objectives:

- *Creation of conducive and attractive environment*
- *Enhancement of rates revenue*
- *Job Creation*
- *Climate change - "Clean and Green"*
- *Infrastructure upgrade*
- *Energy efficiency*
- *Improving safety & security*
- *By-law regulation and enforcement*
- *To transform the face and the image of the City centre*

To date, a number of initiatives have already been successfully implemented towards addressing the challenges that were identified early on in the project. These include:

- *Launch of the Informal Trade chamber.*
- *Management of Outdoor advertising commenced as from 01 Nov 2012 and is now being properly regulated, increasing revenue generation for the municipality from this.*
- *Pot-hole repair programme and regular road marking.*
- *Regulated parking management system within the city centre.*
- *Urban beautification: Roadway in front of the City Hall has been completely resurfaced and the upgrade of pedestrian walkways in Langalibalele between Chief Albert and Boshoff streets (Office of the Premier) is currently being undertaken. The next immediate phase will be between Chief Albert Luthuli and Peter Kerchoff streets (Legislature).*
- *Solar Street lights phase 1, between Chief Albert Luthuli and Boshoff Streets.*

- Traffic management enforcement has commenced with the employment of approximately 40 traffic wardens patrolling the streets on a daily basis.
- Street lighting implementation programme – replacement of faulty fittings.
- 150 Expanded Public Works Programme (EPWP) workers have been employed to improve waste management within the City

The Department of Cooperative Governance and Traditional Affairs, KZN (COGTA) has been a strategic partner in the implementation of the PURP. To date COGTA have provided funding to the amount of R14.5 million. This funding has been utilized primarily for the urban beautification project as has been outlined above. Currently, the focus of the PURP is on the City Centre, it is however the intention of council to widen the programme to intervene in all urban centres within the Municipality which, ideally, will also include such peri-urban centres as Mpumuzi, Machibisa, Imbali junction and Georgetown.

5.6.2. COMPONENT 2: N3 CORRIDOR DEVELOPMENT

The primary corridor between eThekweni and uMngeni serves to underpin the importance of the link between eThekweni and Msunduzi while the secondary corridors between Msunduzi and Kokstad, and Msunduzi and Ulundi emphasise the importance of linking areas of the hinterland with some economic potential, to the Msunduzi powerhouse. The N3 corridor from Ethekeeni uMngeni has been recognised in both Provincial and National plans as a critical developmental route, as discussed in Phase 1 of this Strategy. Msunduzi links to eThekweni and Gauteng and its easy access to both the hinterland and the coastal ports offer a set of opportunities linked to manufacturing for export as well as the supply of logistics and other essential services. Msunduzi is particularly well located to attract investment in the six focus industries of national significance as well as those identified by the KZN PGDS, such as Business Process Outsourcing and specialized ICT services. For Msunduzi in partnership with uMngeni, the specialised medical (health) cluster and the education clusters are both capable of profitable expansion and if appropriately incentivised will attract more investment and create sustainable and skilled employment. The private medical sector is particularly under pressure in the Municipality, and there are continuous upgrades and expansions in the three main private hospitals. The addition of an Eye hospital, and private hospital on the edge of Imbali/Edendale, are initiatives which are already being planned, and which are facilitated by the ease of access to the midlands towns and rural hinterland.

Support for the development of the N3 corridor facilities has already been received from the Provincial Government as referred to earlier for the Fresh Produce Market upgrade, and also for the Pietermaritzburg regional airport upgrade, to be mentioned below.

In addition there are multiple applications from the private sector for projects – residential, commercial and industrial – along both sides of the N3 to the east of the city, as mentioned in the Phase 1 report. These are however slow moving due to the size and complexity of the developments and the lack of bulk services in that area, in particular sewerage. The role of the municipality thus far has been to receive, assist and facilitate these proposals in whichever way is within its means, and it is generally supportive. Other delays have been due to road access and the matter of connections to the N3 which fall under SANRAL. This has delayed certain developments in particular the Hayfields site known as the Caravan Park site, which suffers from inadequate access roads, yet is ideally situated in other respects for large retail developments. The Dorpspruit Precinct Plan would be another development along the N3 corridor, but has been referred to elsewhere in the document and is at an early conceptual stage.

The private sector developments currently underway or in the planning stage on the N3 corridor route, the value of which will exceed R3 billion, include:

- **Liberty Mall Extension:** Phase 3 expansion of the shopping centre in Sanctuary Road incorporating a lifestyle centre, some offices for Liberty, and additional parking. An additional 17,000 m² will be added with an investment in the region of R380 million.
- **Mpushini Business Park:** This was a proposed mixed use development, comprising mainly a logistics park and offices. The development is on a 20.5 hectare site in Ashburton to the south of the N3, and the investment value is R1.7 billion. The site was sold to another developer and the new owner is proposing to change the condition of the development rights granted for the property. The new developer is now discussing with DEDTEA the need to develop another EIA if they change the approved concept, and is in a process of lodging a new DFA application. The Layout Services plan that has been approved for the Bulk Earthworks may require an amended layout plan to be submitted and approved prior to construction if there are to be changes.
- **Hayfields Hotel and Residential Development:** The 2.14 hectare site is at the corner of New England Road and the N3 access road in Hayfields. A 24 apartment residential development is proposed in the first phase, with the hotel proposed to be developed in phase 2. The investment value is R200 million. Construction is now well in progress with the fencing, entrance road, traffic circle and bulk infrastructure now under construction within the complex.
- **Hayfields Superspar:** This supermarket development Blackburrow Road, Hayfield, adjacent to the N3 but without direct access, will be 6,000 m² in extent and the investment value is R100 million. Construction is in progress.
- **Hillcove Hills:** This is one of the largest residential developments in the municipality on a site 513 hectares in extent in Ashburton, to the north of the N3. The development will be done in two phases, with the second phase requiring a major upgrade of bulk services, which will be to the developer's cost. The development was delayed due to SANRAL shelving its plans to build the Bellevue Interchange which would have given direct access to the new township. The EIA application has been lodged and the outcome is awaited. The proposed layout plan shows many separate secure villages which are proposed to be gated for security purposes.
- **Willowood Park:** This development is proposed for the vacant PG Bison property in Willowton, parallel to the N3 in the industrial centre of the municipality. The developers are proposing a light industrial/commercial development.
- **Brookside Shopping Centre:** This is a Checkers Hypermarket-based shopping centre development located on a 7.6h site adjacent to the N3/Church Street interchange. The investment value is R200 million. and construction is now well in progress. The developers anticipate that it will be opening around November 2014.

5.6.3. COMPONENT 3: LEATHER HUB

The Department of Economic Development, Tourism and Environmental Affairs (DEDTEA) has been investigating the establishment of key industrial hubs in each district of the Province. In each District it has identified the most appropriate sector to develop, which in the case of Umgungundlovu District Municipality was considered to be the leather industry. This emanated from the understanding of the historic role the leather industry played in Pietermaritzburg as an economic driver and employer with the presence of two tanneries, and several large shoe manufacturers in the city which have unfortunately suffered from the arrival of cheap imported leather products over recent years. However Msunduzi remains the leading footwear producer in South Africa, at 65%. It has in excess of 90 small footwear factories, including artisanal products such as those made on the Midlands Meander, which would benefit from access to the latest technology and raw material supply, The DEDTEA then commissioned studies and employed a leather industry expert to develop the proposal further. A Stakeholders Leather Forum has been established which first met on 12 June 2014 where the presentation was given by the Deputy Director General of the Department. The Proposal also includes the support of key partners such as the Department of Trade and Industry, TIKZN and other government programmes. T

The proposal is to establish a leather processing and manufacturing hub, which will include a pilot and commercial tannery, a shoe factory, leather garment and handbag factories, (including mini-factories). It would target SA raw materials including Dorper sheep skins, goat skins, and possibly merino sheep skins, by processing from raw or pickled (semi-processed) to finished leathers and 'ready to sell' leather goods: shoes, garments, bags etc. As it is a

new sector of the industry the proposal is for the DEDTEA to establish the goat and sheep processing tannery as a pilot project. With the cattle hides there is due to be a change in legislation preventing the export of unprocessed leather from the country, which should greatly stimulate that industry. This Leather hub would be the first of its kind in South Africa to do on-site beneficiation of skins and down-stream manufacturing, and draws extensively on the example of Turkey, where a highly profitable exporting leather industry has been established in a period of just 16 years. It aims to create approximately 360 jobs and would restore Pietermaritzburg's status as the leading leather centre in the country, by being the first industrial centre in the country with vertical integration in leather products. It would also be supported by training in the sector to be conducted in the FET colleges.

The DEDTEA have been looking at potential sites and so far have identified the land adjacent to Sutherland Tannery in Plessislaer, as well as a possible site in Pentrich, as being suitable. It now remains for them to make a final decision over the acquisition of the land. It now remains for the Municipality to give every support to this initiative, possibly including the provision of municipal land at Pentrich, and technical assistance, particularly in respect of the complex environmental and sewerage implications.

5.6.4. COMPONENT 4: PIETERMARITZBURG AIRPORT DEVELOPMENT AND TECHNOLOGY HUB

The development of the Pietermaritzburg Airport has five major components:

- 1) A short term investment of R40m by the Provincial Treasury for the resurfacing of the runway, extension of the apron, expansion of the terminal building, replacement of the beacons and other urgently needed improvements.*
- 2) The preparation of a master plan to guide the development of the airport into the future*
- 3) The associated development of a technology hub*
- 4) The establishment of a Municipal Entity to take the airport into the future.*
- 5) The development of an Airport Precinct Plan.*

The first part of this development – the investment of R40m grant funding from the Provincial Government – is now complete, as is the related Master Plan.

The establishment of a Municipal Entity is now well underway, with it due to be completed in the next few months. The Council has resolved that the airport entity will also manage development in the airport precinct. The Feasibility Study has been completed, Council's intention was advertised for public comment, consultations with organized labour are underway, and the Business plan and corporate governance framework are being completed.

The remaining parts now are the development of the Technology Hub which is being driven largely by the Provincial Treasury, and the development of the Airport Precinct Plan. The Airport Precinct Plan must flow out of the Master Plan, and be aligned to the SDF and IDP. It must provide a detailed framework for development and investment and provide a blue print for development in terms of the three Phases of the Infrastructure Master Plan. The precinct plan should then focus on the implementation of the following:

- Phase 1, 2 and 3 options for development on the North East side of the runway
- Additional vacant land to be incorporated into the precinct
- Terminal building expansion and other landside facilities
- Vehicle parking
- Light industrial/non airside requirements
- Mixed commercial activities
- General aviation, hangars, airside related business
- Fuel Farm
- Control Tower

The requirements for implementation will require a market assessment to define potential land use; an investigation into the demand for light industrial and commercial land; best option for hangars, and types of hangars; recommendations on land use, zoning, sub-divisions and how the available land can be marketed. A business model will be needed on which the development will take place, outlining aspects such as land lease terms, property management structure and operations, amongst others.

The Technology Hub planning and design will fit into the precinct plan – a technical team is being appointed by Treasury for this. A Technology Hub is defined as "An enterprise associated with research, development, design and related activities in the high-technology sector which is accommodated in a park-type work environment which is specifically created for the industrial needs for the enterprises concerned". The main aim is the commercialisation of innovative ideas through which products, processes, strategies and services are formulated to create jobs and wealth. The land adjacent to the Pietermaritzburg Airport site on the western portion has been chosen for a technology hub to augment the airport upgrade. The conceptual zones entail the following functions and sub-zones:

- A Mind Zone, for research, laboratories (analytical, science and computer), studios for Masters and PhD students and an interpretation centre which could be used by schools as part of science education;
- Innovation Zone: Testing, development, experimentation, materials and products testing for innovations designed, laboratories for simulations and product design; LAN lab;
- Enterprise Zone: business support, hub management and marketing/branding, start-up incubator, innovator/entrepreneur development programme, central services (boardrooms, video-conferencing, computer lab, ICT); studios for small tenants;
- Public Zone: exhibition space, conference space, retail space, gym, hotels;
- Business zone: tenanted office buildings
- Energy Zone: roof mounted solar farm, ground based solar panel farm.

The project is phased over an eight year planning and construction period. The anticipated job creation is 2,676 permanent jobs and 12,000 including multiplier and temporary jobs. This project will be a partnership driven by the Provincial Treasury, Msunduzi Municipality and the Pietermaritzburg Airport Entity (to be created).

5.6.5. COMPONENT 6: THE IMBALI HUB DEVELOPMENT

Planning is currently underway for the Imbali Hub development to be funded by the Neighbourhood Development Project Grant of National Treasury. The planning proposals, aimed at establishing a vibrant multi-purpose activity node in the Imbali area of Edendale, are currently being considered by Council. The proposals include for the making available of land for a number of economic activities including services, retail, informal economy and others.

5.6.6. COMPONENT 5: THE IMBALI EDUCATION PRECINCT

The second major government sector expansion which will impact on economic development is the Imbali Education Precinct. The Minister of Higher Education and Training has established a task team to investigate the feasibility and possible models for the establishment of an integrated education precinct within the Imbali-Edendale-Vulindlela pre-urban context of the Msunduzi Municipality. Imbali was chosen as the focus for this precinct development as it already comprises a variety of school and post-school facilities, including a university campus (Durban University of Technology, DUT), high school and other related amenities including residential accommodation and sporting facilities. The aim is to improve and integrate the various tiers of education. This is now being augmented by the development of a library by the Department of Arts and Culture: Provincial Library Services, in collaboration with the Municipality, in the same Imbali node. The development of plans is now underway to provide short term, medium term and long term goals. The vision is of a symbol of an education system that is democratised, inclusive, well-connected, and embedded in local and global contexts. It is to become

a symbol of pride, locally and nationally, able to attract the best academics, lecturers and teachers. The hallmark of the development must be academic excellence underpinned by quality leadership. It must also enable maximum access and contribute to the economic and cultural development of the city and its communities.

A broader student, academic and researcher life as envisaged in the precinct must be integral to education, and will be factored into the academic and social fabric of the educational precinct from the beginning, including cultural, artistic and sporting activities. The design of the infrastructure and facilities will reflect the iconic nature of the education precinct concept, and the setting within the city and configuration in the community will be planned to accentuate its stature. It must aim to accommodate a large proportion of the student population in on-campus residences, within walking distance of the main academic and social spaces to facilitate the integration of the academic community with the broader society around the precinct. Creating spaces to engage and exchange with the greater community through academic, cultural and social spaces will be an important aspect of the development. Shared resources could include sports facilities, libraries, ICT facilities, laboratories and workshops. Ancillary commercial facilities such as shops, banks, catering, restaurants, entertainment venues, bookshops etc will assist to regenerate an underdeveloped urban node, and revitalise the local economy. The acquisition of the Transnet hostel facility is seen as an important first step in developing a student village.

The development of the Imbali Education Precinct is an important one in the local economic growth of the Imbali area in particular and the Municipality in general. The injection of funds required for the construction phase and its attendant temporary job creation; the provision of greatly improved educational facilities; the attraction and retention of large numbers of student and academics to both work and live in the area and the construction and provision of ancillary facilities will stimulate the economic development of Imbali on a significant scale. The consequent job creation and creation of SMME opportunities are like to provide a key stimulus for transformation of the entire neighbourhood.

While the implementation of this strategy rests with the Department of Higher Education and Training, it is clear that the support of this strategy must be a key feature of the Msunduzi Municipality's Local Economic Development plan.

5.6.7. COMPONENT 6: MUNICIPAL FORESTRY STRATEGY

To this end a study was commissioned on the Municipal plantations which surround the city to the northwest. The Msunduzi Municipal Forest has existed for more than a century when the plantations were started to meet the demand for timber from both the mining industry on the Reef and for local construction. . In 1988 a Forestry Board was established with equal representation from the City Council and the Natal Cooperative Timbers Ltd (NCT). Ownership of the forest vests within Msunduzi Municipality. However, the forestry operations are managed by a subsidiary of NCT in return for management fees and five percent of the net profits. The Municipality is entitled to 95 percent of the profits but, in fact, a proportion of the net profits are retained to fund capital expenditure. The profit sharing agreement does not seem to provide a large enough incentive to the management to contain costs and increase profits. In addition the presence of Municipal Councillors on the Board has been rendered illegal by the new Municipal Finance Management Act of 2005, which means the governance structure is no longer functioning. The existing system of ownership and management needs to be reviewed.

The Msunduzi Municipality Internal Audit section has conducted an audit for the forestry plantation and they have submitted their audit findings to the Council. An audit action plan has been developed and one of the audit recommendations is to establish a fully constituted forestry board to oversee the activities of the plantation. The unit has decided to establish a new board that will be made up of sector specialists to provide informed advice on the operation of the plantation and also monitor and guide the management transition from the management company to municipality. Protocols need to be developed that will guide the operations of the plantations in line with the Municipal Finance Management Act. Currently the accounts of the Msunduzi Forestry Board are maintained independently of the municipal accounts. Profits are paid over to the Municipality by the Board in the

form of an annual dividend. A study was commissioned in 2010 into the Municipal Forestry undertaking. According to this report, a forestry plantation which provides the raw materials for industries such as pulp-milling and saw-milling is a risky business, beyond the core function of a municipality. Consideration should be given to ways of transferring some or all of this risk. The existing system of ownership and management needs to be reviewed.

Council has since approved the investigation of managing the forestry plantation as a municipal entity and the following activities have been done towards the establishment of the entity: the business case, the public notice issued, meetings with the forestry union representative and a cost benefit analysis of the status quo and the proposed entity together with a business plan with the projected financial statements is currently being prepared.

The municipal forests cover a vast proportion of the Municipal owned land, and the returns are minimal. Some of the reasons for this include the difficult topography, the separation of many of the forestry land parcels into discreet areas in between residential areas, as well as the high cost of maintenance of the plantations, which include the road network within them as well as the clearing of alien vegetation. However the review of the governance and management model gives the Municipality the chance to revisit the sector and attempt to maximize the economic benefits, job opportunities and financial returns from the forestry undertaking. The completion of this review and restructuring should be complete by 2017.

Snathing Forests

In addition to the formal, managed plantation around the north west of the city centre there remain many areas in the municipality which were formerly under forestry plantations but which have fallen into neglect. These present an opportunity to create new openings in the forestry sector. The forests on the farm New Politique, which includes the areas of Snathing and Willowfountain to the south of Edendale, are to be another key strategy in the forestry sector.

The New Politique plantation area (1,012 hectares) has been abandoned for over fourteen years and is in a state of disrepair. It has however the potential to be revived and contribute to job creation and economy of the Msunduzi Local Municipality. The viability of tree growing in the area has been established and found to be equal to the good growing conditions found in the KwaZulu Natal midlands area where forestry is the prevailing land use. The potential was recognized by a few local people and through the intervention of Amahlathi a business opportunity was motivated for the Msunduzi municipality leading up to the preparation of a business plan to quantify the required inputs and potential outputs of a forestry venture.

The nature of the disrepair requires an overall infrastructure upgrade that would require resources outside of a conventional business startup and these would be needed to be sourced before the plantation business could be commissioned. Such rehabilitation will also reduce the spread of alien invaders into riparian areas thereby conserving water, address erosion and reduce water shedding thereby reducing the impact of localized flooding. The management of the plantation will also reduce the impact of fire damage to other tree growers in the area such as NCT and Mondi Shanduka. In order to spread the load a three year establishment phase is proposed.

The plantation work will require a minimum of fifty eight full time employees to carry out all of the planting, maintenance and fire protection work. Over and above that this there will be an opportunity for part time jobs in setting up the road infrastructure, building, fencing and clearing.

This scenic area is located close to Pietermaritzburg and ideal as an educational centre for forestry and environmental awareness within a commercial land use venture. Integrated land management practice can be demonstrated and additional livelihoods options explored such as honey production, charcoal, firewood, building poles and eco-tourism potential. Many schoolchildren could be exposed to this industry that dominates the commercial land production areas of KwaZulu Natal. Forestry is soon to be incorporated into the national school curriculum and therefore this centre would provide the vehicle for experiential learning to happen. It has also been

identified as a key sector in driving the growth of rural economies through linking the first and second economies. The Department of Economic Development and Tourism and Environmental Affairs is interested in supporting this initiative as it has a high potential of growing Msunduzi's economy, job creation whilst providing experiential learning for the schoolchildren and eradicating alien species.

The project will be given technical assistance by Mondi Forests, but is presently at an early stage due to land invasions on some of the land.

6. IMPLEMENTATION, MONITORING AND EVALUATION

6.1. INTRODUCTION

The key success factor of the implementation of the LED strategy depends on responsiveness, effectiveness and efficiency of the administration. The Economic Development Business unit will be required to integrate all proposed strategies and include key performance indicators in the Service Delivery and budget implementation plan.

The identified programmes and interventions must be included in the Medium Term Revenue and Expenditure Framework (MTREF) process and budget provisions made by Economic Development Business Unit.

6.2. TOWARDS AN IMPLEMENTATION PLAN

The projects database reflected overleaf is the final product from this strategic document. This projects database needs to be further developed into a Business Plan for the Economic Development Business unit to guide short to medium term implementation. In order to achieve this the following needs to be done:

- Step 1: Review and finalise the project / activity list;
- Step 2: Establish budget and resource availability for implementation;
- Step 3: Prioritise projects / activities;
- Step 4: Allocate responsibilities;
- Step 5: Allocate funding; and
- Step 6: Ongoing monitoring of implementation.

TABLE 6.1: CONSOLIDATED LED PROJECT LIST FOR CONSIDERATION

NO	PROJECT / ACTIVITY	COMPONENT	MSUNDUZI RESPONSIBILITY	OTHER STAKEHOLDERS
STRATEGY 1: KEY SECTOR FOCUS				
1.1	Manufacturing Sector Assessment	Manufacturing Sector Strategy	Economic Development Unit	
1.2	Establishment of Government Precinct	Government Sector Strategy	Economic Development Unit	Planning Unit, Infrastructure Unit
1.3	Intergovernmental Government Sector Assessment	Government Sector Strategy	Economic Development Unit	City Manager's Office, All relevant gov. departments
1.4	Establish Municipal Tourism Agency	Tourism Sector Strategy	Economic Development Unit	
1.5	Finalise Tourism Strategy	Tourism Sector Strategy	Economic Development Unit	
1.6	Implementation of Tourism Strategy	Tourism Sector Strategy	Economic Development Unit	
1.7	Protection of High Potential Agricultural Land	Agricultural Intensification Strategy	Planning Unit	
1.8	Promote Intensification of Agricultural Production	Agricultural Intensification Strategy	Economic Development Unit	Dept of Agriculture
1.9	Support Subsistence and Small Farmer Development	Agricultural Intensification Strategy	Dept. of Agriculture	Economic Development Unit
1.10	Finalise the BPO Sector Strategy	BPO Sector Strategy	Economic Development Unit	
1.11	Implement the BPO Sector Strategy	BPO Sector Strategy	Economic Development Unit	
1.12	Develop Green Economy Guidelines	Green Economy Strategy	Environmental Management Unit	
STRATEGY 2: LAND IDENTIFICATION AND DEVELOPMENT				
2.1	Sale / Release of Municipal Land for Development	Municipal Land Release Programme	Estates Unit	Economic Development Unit
2.2	Monitor implementation of Lease Management Strategy	Municipal Land Release Programme	Economic Development Unit	Estates Unit
2.3	Disposal of land parcels earmarked for industrial purposes (Mkondeni/Pentrich)	Industrial Land Development Programme	Estates Unit	Planning Unit
2.4	Develop and implement 100ha per annum industrial land release programme	Industrial Land Development Programme	Economic Development Unit	Planning Unit
2.5	Establishment of Government Precinct	Government Sector Land Development Programme	Economic Development Unit	Planning Unit, Infrastructure Unit

NO	PROJECT / ACTIVITY	COMPONENT	MSUNDUZI RESPONSIBILITY	OTHER STAKEHOLDERS
2.6	Intergovernmental Government Sector Assessment - Space Needs Focus	Government Sector Land Development Programme	Planning Unit	Economic Development Unit, All relevant government departments
2.7	Land Release for Commercial and Residential Development in Densification Zones	Commercial Sector Land Development Programme	Estates Unit	Housing Administration
2.8	Development of Key IRPTN Nodes	Economic Zone Transformation Programme	Economic Development Unit	Planning Unit
2.9	Dorpspruit Precinct Plan Implementation	Economic Zone Transformation Programme	Economic Development Unit	Planning Unit
2.10	Scottsville / Woodhouse Road Zone Densification / Intensification	Economic Zone Transformation Programme	Economic Development Unit	Planning Unit
STRATEGY 3: NURTURING THE INFORMAL ECONOMY				
3.1	Facilitate and capacitate Msunduzi Informal Economy Chamber	Establishing a Supporting Environment for Informal Economy	Economic Development Unit	EDTEA
3.2	Build Msunduzi capacity to support Informal Economy	Establishing a Supporting Environment for Informal Economy	Economic Development Unit	
3.3	Develop Informal Economy Spatial Plan	Establishing a Supporting Environment for Informal Economy	Economic Development Unit	Planning Unit
3.4	Finalise and Implement Informal Economy Strategy	Establishing a Supporting Environment for Informal Economy	Economic Development Unit	
3.5	Implement Programme to provide space for the informal economy	Build Informal Economy Businesses in Msunduzi	Economic Development Unit	Community Services Unit
3.6	Coordinate Business Support Programme for informal economy	Build Informal Economy Businesses in Msunduzi	Economic Development Unit	Community Services Unit, NPOs
3.7	Waste Management Small Business Development Programme	Build Informal Economy Businesses in Msunduzi	Economic Development Unit	Community Services Unit, Environmental Management
3.8	Msunduzi SMME Fair	Build Informal Economy Businesses in Msunduzi	Economic Development Unit	Chamber of Commerce
STRATEGY 4: BUSINESS RETENTION AND INVESTMENT PROMOTION				
4.1	Business Retention Programme	Business Retention Programme	Economic Development Unit	
4.2	Investigate Appropriateness of Incentive Scheme	Investment Incentive Scheme	Economic Development Unit	
4.3	Investment Conference and Business Fair	Investment Conference and Business Fair	Economic Development Unit	

NO	PROJECT / ACTIVITY	COMPONENT	MSUNDUZI RESPONSIBILITY	OTHER STAKEHOLDERS
STRATEGY 5: DRIVE IMPLEMENTATION OF CATALYTIC PROJECTS				
5.1	Central Business District Revitalisation	Catalytic Projects	City Manager's Office	Infrastructure Unity, Community Services Unit, Chamber of Commerce
5.2	N3 Corridor Development	Catalytic Projects	Economic Development Unit	Infrastructure Unit, SIP2 Programme, EDTEA, Private Sector
5.3	Setting up the Msunduzi Leather Hub	Catalytic Projects	EDTEA	Economic Development Unit, Infrastructure Unit
5.4	Pietermaritzburg Airport Master Plan and Expansion	Catalytic Projects	Economic Development Unit	Provincial Treasury
5.5	Airport Technology Hub	Catalytic Projects	Economic Development Unit	Provincial Treasury
5.6	Imbali Education Precinct	Catalytic Projects	Planning Unit	Economic Development Unit
5.7	Imbali Hub Development (NDPG)	Catalytic Projects	Planning Unit	Economic Development Unit, National Treasury
5.8	Municipal Forestry Strategy	Catalytic Projects	Economic Development Unit	

6.3. MONITORING AND EVALUATION

Monitoring and Evaluation are integral components of the LED strategy. The main focus is to establish early warning signals and effectively monitor progress and goals of the strategy. The key performance indicators must be carefully selected and data collected accordingly.

Indicators of the sustainability and cost-effectiveness of interventions must be included. These must be appropriate and readily available to Deputy Municipal Manager in order to make monitoring effective. Responsibility for the monitoring process should be assigned as part of the Economic Development portfolio processes, and regular monitoring reports collated, reported and reviewed.

After a defined period of time, suggested to be three years, the Economic Development Business Unit in partnership with others will drive the process of evaluation and review of the strategy and the impact on growth, competitiveness and poverty reduction components of the Strategy

A review of the LED Strategy shall be submitted to relevant Committees by the 30th June every year.

9. ABBREVIATIONS

BRT	Bus Rapid Transport
CBD	Central Business District
COGTA	Department of Cooperative Governance and Traditional Affairs (Provincial)
DEDTEA	Department of Economic Development, Tourism and Environmental Affairs (Provincial)
DUT	Durban University of Technology
FET	Further Education and Training (college)
GVA	Gross Value Added
IDP	Integrated Development Plan
IRPTN	Integrated Rapid Public Transport Network
KZN	KwaZulu-Natal (Province)
LED	Local Economic Development
N3	The main national highway from Durban to Johannesburg
NCT	Natal Cooperative Timbers Ltd
NGO	Non-Governmental Organisation
PGDS	Provincial Growth and Development Strategy
PURP	Pietermaritzburg Urban Renewal Programme
SANRAL	South African National Roads Agency Limited
SDF	Spatial Development Framework
SMME	Small, Medium and Micro Enterprises
TIKZN	Trade and Investment KwaZulu-Natal (Provincial Entity)

BIBLIOGRAPHY

Isikhungusethu, March 2012. **Umgungundlovu District Municipality: A Spatial Economic Overview.** KZN PSEDS Profiling District Economic Drivers, Department of Economic Development and Tourism.

Isikhungusethu, 2012a. **Umgungundlovu District Municipality Strategic Environmental Assessment and Strategic Environmental Management Plan – Status Quo Report.**

Msunduzi, 2009. **Msunduzi Spatial Development Framework 2009.**

Msunduzi, 2013. **Msunduzi Municipality Integrated Development Plan 2013/2014 Review.**

National Planning Commission, 2012. **Our Future – Make it Work.** A summary of the National Development Plan, 2030.

Presidential Infrastructure Coordinating Commission, 2012. **Provincial and Local Government Conference: A Summary of the Infrastructure Plan.**

Robbins, Glen. 2013. **Technical Note Economic Context: Central Area and CBD Extension Node Local Area Plan.**

Robbins, Glen. 2013. **Status Quo Technical Note Economic: South Eastern District Local Area Plan.**

Statistics South Africa, 2013. Census 2011 Statistics.

StratPlan, 2013. **Spatial Economic Inputs for Umgungundlovu SDF.** Prepared for the Umgungundlovu District Municipality.

StratPlan, 2013. **Community Service Centres: A District Spatial Economic Analysis.** Prepared for Uddi and the KwaZulu-Natal Department of Cooperative Governance and Traditional Affairs.

Ulwembu Business Services, March 2014. **Strategic Policy Review: Towards the development of a Local Strategy for Msunduzi Municipality Business Process Services and Offshoring (BPS&O).**

Uddi, 2009. **uMngeni Municipality: N3 Corridor Management Plan.** Final Draft Report

Wills, Trevor. 1988. **The Segregated City.** As in **Pietermaritzburg 1838-1988: a new portrait of an African city** (University of Natal Press and Shuter & Shooter, 1988) edited by John Laband and Robert Haswell.

INTERNAL DOCUMENTS

The Msunduzi Land Audit; c/o Municipal Estates Unit, Msunduzi Municipality (Metgovis)

The Msunduzi Spatial Development Framework, Msunduzi Municipality.

Development Framework for the Establishment of the Imbali Education Precinct: Department of Higher Education and Training.

Imbali Educational Precinct: Draft Development Plan; Msunduzi Innovation and Development Institute (MIDI)

The Msunduzi Lease Audit, Municipal Estates Unit, Msunduzi Municipality. (Metgovis)

Msunduzi Public Enterprise Feasibility and Economic Assessment Study, Municipal Market; KwaZulu-Natal Provincial Treasury, Clive Coetzee.

The Draft Msunduzi Informal Traders Strategy: Discussion Document; Isibuko se Africa Development Planners, 2014

Msunduzi Tourism Proposed Business Plan 2014

Preliminary Design of the Integrated Rapid Public Transport Network for Msunduzi; Volume 1: Preface and Executive Summary; GOBA (Pty) Ltd 2013.

Msunduzi Technology Hub Executive Summary, March 2013; Arup, Urban Econ, De Leeuw group, and Architecture Fabrik; document produced for DEDTEA and Provincial Treasury.

KwaZulu-Natal Industrial Economic Hubs: uMgungundlovu District Leather Hub; Nicolae Sfarlea for DEDTEA, April 2014.

SMME Business Support Services Strategy and Policy; Economic Development Unit, Msunduzi Municipality, 2013.

ANNEXURE A

**WARD LEVEL DEMOGRAPHIC AND SOCIO-ECONOMIC
INFORMATION – 2011 CENSUS STATSSA**

2011 POPULATION DISTRIBUTION IN MSUNDUZI WARDS

WARD	AREA	POPULATION	PERCENTAGE OF POPULATION
CBD, ASHBURTON, EASTERN AREAS		132367	21%
Ward 18	Ambleton	20708	16%
Ward 36	Mkhondeni	19480	15%
Ward 26	Prestbury	17786	13%
Ward 35	Mountain Rise	16843	13%
Ward 24	Bisley	16181	12%
Ward 37	Asburton	15424	12%
Ward 27	City	13037	10%
Ward 33	Scottsville	12908	10%
GREATER EDENDALE / IMBALI		213581	35%
Ward 13	Slangspruit	21953	10%
Ward 17	Ematshaheni	21531	10%
Ward 16	Dambuza	21231	10%
Ward 11	Sinathini / Georgetown	19946	9%
Ward 15	Imbali Unit 18	18542	9%
Ward 19	Imbali	16444	8%
Ward 14	Willowfontein	15318	7%
Ward 22	Imbali	14666	7%
Ward 23	Ashdown	14384	7%
Ward 10	KwaPata	14152	7%
Ward 20	Caluza	13667	6%
Ward 12	Edendale	11775	6%
Ward 21		9972	5%
NORTHERN AREAS		124584	20%
Ward 34	Eastwood	21407	17%
Ward 28	Northdale	20581	17%
Ward 30	Raisethorpe	20087	16%
Ward 29	Copesville	18981	15%
Ward 32	Woodlands	15972	13%
Ward 25	Chase Valley	15461	12%
Ward 31	Bombay Heights / Northdale	12095	10%
VULINDLELA		148001	24%
Ward 4		14223	10%
Ward 9	Mafakatini	14538	10%
Ward 8	Emaswazini	15289	10%
Ward 3	KwaMpande	15576	11%
Ward 5	Gezubuso	15840	11%
Ward 6	Qande	17283	12%
Ward 7	Enzondweni	18049	12%
Ward 2	Sweetwaters	18433	12%
Ward 1	Phayiphini	18770	13%
MSUNDUZI		618533	100%

2011 GENDER DISTRIBUTION IN MSUNDUZI WARDS

WARD	AREA	POPULATION	MALE	FEMALE
CBD, ASHBURTON, EASTERN AREAS		132367	48%	52%
Ward 18	Ambleton	20708	48%	52%
Ward 36	Mkhondeni	19480	47%	53%
Ward 26	Prestbury	17786	53%	47%
Ward 35	Mountain Rise	16843	48%	52%
Ward 24	Bisley	16181	46%	54%
Ward 37	Asburton	15424	49%	51%
Ward 27	City	13037	47%	53%
Ward 33	Scottsville	12908	49%	51%
GREATER EDENDALE / IMBALI		213581	47%	53%
Ward 13	Slangspruit	21953	48%	52%
Ward 17	Ematshaheni	21531	47%	53%
Ward 16	Dambuza	21231	47%	53%
Ward 11	Sinathini / Georgetown	19946	47%	53%
Ward 15	Imbali Unit 18	18542	47%	53%
Ward 19	Imbali	16444	47%	53%
Ward 14	Willowfontein	15318	48%	52%
Ward 22	Imbali	14666	47%	53%
Ward 23	Ashdown	14384	48%	52%
Ward 10	KwaPata	14152	47%	53%
Ward 20	Caluza	13667	47%	53%
Ward 12	Edendale	11775	47%	53%
Ward 21		9972	47%	53%
NORTHERN AREAS		124584	48%	52%
Ward 34	Eastwood	21407	47%	53%
Ward 28	Northdale	20581	48%	52%
Ward 30	Raisethorpe	20087	48%	52%
Ward 29	Copesville	18981	49%	51%
Ward 32	Woodlands	15972	48%	52%
Ward 25	Chase Valley	15461	46%	54%
Ward 31	Bombay Heights / Northdale	12095	47%	53%
VULINDLELA		148001	48%	52%
Ward 4		14223	47%	53%
Ward 9	Mafakatini	14538	47%	53%
Ward 8	Emaswazini	15289	48%	52%
Ward 3	KwaMpande	15576	47%	53%
Ward 5	Gezubuso	15840	48%	52%
Ward 6	Qande	17283	48%	52%
Ward 7	Enzondweni	18049	47%	53%
Ward 2	Sweetwaters	18433	48%	52%
Ward 1	Phayiphini	18770	48%	52%
MSUNDUZI		618533	48%	52%

2011 AGE DISTRIBUTION IN MSUNDUZI WARDS

WARD	AREA	POPULATION	0 - 20	21 - 40	41 - 60	61 - and above
CBD, ASHBURTON, EASTERN AREAS		132364	33%	39%	19%	9%
Ward 18	Ambleton	20708	43%	38%	15%	4%
Ward 36	Mkhondeni	19479	29%	37%	21%	13%
Ward 26	Prestbury	17786	28%	38%	23%	11%
Ward 35	Mountain Rise	16842	33%	37%	21%	9%
Ward 24	Bisley	16181	38%	35%	22%	6%
Ward 37	Asburton	15423	31%	37%	21%	10%
Ward 27	City	13037	31%	49%	12%	7%
Ward 33	Scottsville	12908	30%	42%	17%	11%
GREATER EDENDALE / IMBALI		213583	41%	38%	16%	5%
Ward 13	Slangspruit	21954	42%	38%	16%	4%
Ward 17	Ematshaheni	21531	42%	37%	16%	5%
Ward 16	Dambuza	21232	41%	39%	15%	5%
Ward 11	Sinathini / Georgetown	19945	43%	35%	16%	6%
Ward 15	Imbali Unit 18	18543	41%	37%	16%	6%
Ward 19	Imbali	16445	39%	40%	15%	7%
Ward 14	Willowfontein	15317	43%	36%	15%	6%
Ward 22	Imbali	14666	39%	39%	17%	5%
Ward 23	Ashdown	14384	40%	39%	15%	6%
Ward 10	KwaPata	14151	43%	36%	16%	5%
Ward 20	Caluza	13667	42%	36%	16%	6%
Ward 12	Edendale	11776	40%	36%	17%	7%
Ward 21		9972	40%	39%	15%	6%
NORTHERN AREAS		124587	34%	36%	22%	9%
Ward 34	Eastwood	21407	40%	38%	18%	4%
Ward 28	Northdale	20582	31%	32%	25%	12%
Ward 30	Raisethorpe	20087	33%	34%	23%	9%
Ward 29	Copesville	18982	38%	41%	17%	4%
Ward 32	Woodlands	15973	36%	37%	19%	8%
Ward 25	Chase Valley	15461	25%	33%	25%	17%
Ward 31	Bombay Heights / Northdale	12095	31%	32%	25%	12%
VULINDLELA		147999	45%	33%	15%	7%
Ward 1	Phayiphini	18769	43%	34%	16%	7%
Ward 2	Sweetwaters	18432	43%	34%	16%	7%
Ward 7	Enzondweni	18050	47%	32%	15%	6%
Ward 6	Qande	17283	47%	32%	15%	6%
Ward 5	Gezubuso	15839	46%	31%	16%	7%
Ward 3	KwaMpande	15576	44%	33%	16%	7%
Ward 8	Emaswazini	15290	46%	33%	14%	7%
Ward 9	Mafakatini	14537	45%	33%	15%	7%
Ward 4		14223	45%	32%	15%	7%
MSUNDUZI		618533	39%	36%	18%	7%

2011 LEVELS OF EDUCATION IN THE WARDS OF MSUNDUZI

WARD	AREA	TOTAL	No schooling	Primary education	Secondary education	Matric	Diploma and Certificate	Tertiary education
CBD, ASHBURTON, EASTERN AREAS		88052	2%	8%	28%	34%	11%	16%
Ward 18	Ambleton	13528	6%	17%	45%	28%	3%	1%
Ward 24	Bisley	11554	1%	5%	24%	40%	11%	20%
Ward 26	Prestbury	10344	1%	6%	21%	32%	17%	24%
Ward 27	City	9240	1%	4%	22%	40%	14%	20%
Ward 33	Scottsville	7961	2%	10%	29%	34%	9%	14%
Ward 35	Mountain Rise	11767	1%	9%	32%	35%	11%	13%
Ward 36	Mkhondeni	12953	1%	3%	18%	38%	16%	25%
Ward 37	Asburton	10705	5%	11%	30%	30%	9%	14%
GREATER EDENDALE / IMBALI		142765	4%	13%	42%	33%	5%	3%
Ward 10	KwaPata	9332	3%	16%	44%	33%	2%	1%
Ward 11	Sinathini / Georgetown	13230	3%	16%	48%	30%	3%	1%
Ward 12	Edendale	7907	2%	12%	43%	33%	6%	3%
Ward 13	Slangspruit	14767	2%	12%	44%	32%	5%	4%
Ward 14	Willowfontein	10091	3%	19%	45%	29%	2%	1%
Ward 15	Imbali Unit 18	12572	2%	10%	40%	37%	8%	3%
Ward 16	Dambuza	14438	6%	14%	40%	34%	3%	3%
Ward 17	Ematshaheni	14508	2%	10%	39%	38%	7%	4%
Ward 19	Imbali	10111	5%	8%	36%	39%	6%	5%
Ward 20	Caluza	9059	3%	15%	45%	32%	4%	1%
Ward 21		6729	19%	14%	40%	22%	3%	2%
Ward 22	Imbali	10081	2%	12%	37%	36%	9%	4%
Ward 23	Ashdown	9940	2%	12%	44%	32%	8%	3%
NORTHERN AREAS		86419	3%	12%	36%	34%	6%	9%
Ward 25	Chase Valley	9573	0%	4%	16%	30%	14%	36%
Ward 28	Northdale	14750	2%	9%	34%	44%	5%	7%
Ward 29	Copesville	13608	7%	23%	45%	23%	2%	1%
Ward 30	Raisethorpe	14276	4%	12%	33%	35%	5%	11%
Ward 31	Bombay Heights / Northdale	8462	2%	12%	38%	39%	4%	5%
Ward 32	Woodlands	10915	2%	11%	40%	35%	7%	5%
Ward 34	Eastwood	14835	2%	11%	40%	34%	6%	6%
VULINDLELA		94527	6%	17%	44%	30%	3%	1%
Ward 1	Phayiphini	12204	3%	17%	43%	31%	4%	2%
Ward 2	Sweetwaters	12124	5%	14%	44%	31%	5%	1%
Ward 3	KwaMpande	10064	8%	19%	42%	28%	2%	1%
Ward 4		9049	3%	16%	46%	31%	3%	2%
Ward 5	Gezubuso	10052	5%	16%	43%	30%	4%	1%
Ward 6	Qande	10845	6%	19%	42%	30%	2%	2%
Ward 7	Enzondweni	11249	7%	16%	44%	29%	2%	1%
Ward 8	Emaswazini	9636	11%	15%	43%	28%	2%	1%
Ward 9	Mafakatini	9304	6%	17%	44%	31%	1%	1%
MSUNDUZI		411763	4%	13%	38%	33%	6%	7%

2011 EMPLOYMENT STATUS IN THE WARDS OF MSUNDUZI

WARD	AREA	Total workforce	Employed	Unemployed	Other
CBD, ASHBURTON, EASTERN AREAS		95140	49%	11%	40%
Ward 36	Mkhondeni	14256	58%	4%	38%
Ward 18	Ambleton	13556	34%	20%	46%
Ward 26	Prestbury	13116	54%	6%	40%
Ward 35	Mountain Rise	11879	50%	14%	36%
Ward 24	Bisley	11624	51%	14%	35%
Ward 37	Asburton	10984	51%	11%	37%
Ward 27	City	10138	52%	10%	38%
Ward 33	Scottsville	9587	42%	10%	48%
GREATER EDENDALE / IMBALI		144823	30%	24%	46%
Ward 13	Slangspruit	14846	36%	21%	43%
Ward 17	Ematshaheni	14519	38%	21%	41%
Ward 16	Dambuza	14483	27%	25%	48%
Ward 11	Sinathini / Georgetown	13267	24%	30%	46%
Ward 15	Imbali Unit 18	12590	34%	19%	46%
Ward 19	Imbali	11770	26%	26%	47%
Ward 22	Imbali	10171	34%	17%	49%
Ward 14	Willowfontein	10104	24%	22%	54%
Ward 23	Ashdown	9997	33%	30%	38%
Ward 10	KwaPata	9343	23%	26%	51%
Ward 20	Caluza	9070	26%	27%	47%
Ward 12	Edendale	7923	32%	18%	50%
Ward 21		6740	30%	24%	46%
NORTHERN AREAS		88286	47%	13%	40%
Ward 34	Eastwood	14868	44%	21%	36%
Ward 28	Northdale	14836	49%	10%	41%
Ward 30	Raisethorpe	14322	51%	8%	41%
Ward 29	Copesville	13645	41%	20%	39%
Ward 32	Woodlands	11272	42%	13%	45%
Ward 25	Chase Valley	10756	65%	4%	31%
Ward 31	Bombay Heights / Northdale	8587	36%	10%	53%
VULINDLELA		94687	23%	21%	56%
Ward 1	Phayiphini	12223	31%	23%	47%
Ward 2	Sweetwaters	12127	30%	20%	51%
Ward 7	Enzondweni	11260	17%	22%	61%
Ward 6	Qande	10851	20%	16%	64%
Ward 3	KwaMpande	10086	26%	23%	51%
Ward 5	Gezubuso	10070	24%	20%	56%
Ward 8	Emaswazini	9661	16%	16%	68%
Ward 9	Mafakatini	9306	22%	21%	58%
Ward 4		9103	23%	28%	48%
MSUNDUZI		422936	36%	18%	46%

2011 EMPLOYMENT PER SECTOR IN THE MSUNDUZI WARDS

WARD	AREA	TOTAL EMPLOYED WORKFORCE	THE FORMAL SECTOR	THE INFORMAL SECTOR	PRIVATE HOUSE-HOLD
CBD, ASHBURTON, EASTERN AREAS		46917	83%	7%	10%
Ward 36	Mkhondeni	8339	86%	7%	8%
Ward 26	Prestbury	7223	85%	6%	9%
Ward 35	Mountain Rise	5974	84%	4%	12%
Ward 24	Bisley	5920	82%	8%	9%
Ward 37	Asburton	5673	87%	5%	8%
Ward 27	City	5214	79%	6%	15%
Ward 18	Ambleton	4498	70%	15%	15%
Ward 33	Scottsville	4076	83%	7%	10%
GREATER EDENDALE / IMBALI		43008	74%	14%	12%
Ward 17	Ematshaheni	5448	75%	13%	12%
Ward 13	Slangspruit	5199	81%	9%	10%
Ward 15	Imbali Unit 18	4307	81%	9%	10%
Ward 16	Dambuza	3895	57%	29%	14%
Ward 22	Imbali	3404	82%	8%	10%
Ward 23	Ashdown	3318	73%	15%	13%
Ward 19	Imbali	3122	77%	10%	13%
Ward 11	Sinathini / Georgetown	3085	70%	18%	12%
Ward 12	Edendale	2563	71%	15%	14%
Ward 14	Willowfontein	2401	68%	18%	14%
Ward 20	Caluza	2322	77%	14%	9%
Ward 21		1973	65%	22%	13%
Ward 10	KwaPata	1971	82%	11%	7%
NORTHERN AREAS		41311	81%	9%	10%
Ward 30	Raisethorpe	7306	83%	6%	11%
Ward 25	Chase Valley	7302	88%	5%	7%
Ward 28	Northdale	7278	84%	6%	10%
Ward 34	Eastwood	6494	81%	12%	7%
Ward 29	Copesville	5138	64%	12%	24%
Ward 32	Woodlands	4663	78%	16%	6%
Ward 31	Bombay Heights / Northdale	3130	81%	12%	7%
VULINDLELA		21999	70%	20%	10%
Ward 1	Phayiphini	3817	72%	22%	6%
Ward 2	Sweetwaters	3661	78%	13%	10%
Ward 3	KwaMpande	2538	73%	13%	14%
Ward 5	Gezubuso	2406	69%	16%	15%
Ward 6	Qande	2183	63%	21%	16%
Ward 4		2003	72%	19%	9%
Ward 9	Mafakatini	1986	48%	41%	11%
Ward 7	Enzondweni	1861	73%	18%	8%
Ward 8	Emaswazini	1544	75%	20%	5%
MSUNDUZI		153235	78%	11%	11%

2011 MONTHLY INDIVIDUAL INCOME LEVELS IN THE WARDS OF MSUNDUZI

WARD	AREA	Total workforce	R 1 - R 1 600	R 1 601 - R 6 400	R 6 401 - R 12 800	R 12 801 - R 25 600	R 25 601 or more
CBD, ASHBURTON, EASTERN AREAS		66153	37%	25%	17%	14%	8%
Ward 18	Ambleton	10610	78%	18%	2%	1%	1%
Ward 36	Mkhondeni	10357	17%	26%	23%	22%	12%
Ward 35	Mountain Rise	8634	41%	24%	15%	13%	7%
Ward 37	Asburton	8174	40%	23%	14%	14%	9%
Ward 26	Prestbury	8064	15%	24%	25%	22%	15%
Ward 24	Bisley	7352	24%	27%	22%	20%	6%
Ward 27	City	6882	31%	30%	19%	14%	5%
Ward 33	Scottsville	6080	40%	29%	14%	11%	5%
GREATER EDENDALE / IMBALI		92703	69%	22%	6%	3%	1%
Ward 11	Sinathini / Georgetown	10258	82%	15%	2%	1%	0%
Ward 17	Ematshaheni	9809	60%	27%	9%	4%	1%
Ward 13	Slangspruit	9518	64%	25%	6%	4%	1%
Ward 16	Dambuza	8749	70%	21%	7%	3%	1%
Ward 15	Imbali Unit 18	7521	60%	26%	9%	3%	1%
Ward 14	Willowfontein	7068	81%	15%	2%	1%	1%
Ward 20	Caluza	6499	78%	17%	3%	2%	1%
Ward 10	KwaPata	6369	78%	18%	3%	1%	1%
Ward 12	Edendale	6019	72%	20%	5%	2%	1%
Ward 19	Imbali	5554	57%	27%	12%	4%	1%
Ward 23	Ashdown	5528	64%	25%	8%	3%	1%
Ward 22	Imbali	5504	56%	26%	11%	6%	1%
Ward 21		4307	74%	20%	3%	2%	0%
NORTHERN AREAS		60470	45%	27%	13%	9%	5%
Ward 34	Eastwood	10526	55%	25%	12%	7%	2%
Ward 28	Northdale	10225	38%	35%	17%	8%	2%
Ward 30	Raisethorpe	9459	41%	27%	16%	12%	4%
Ward 25	Chase Valley	8886	13%	19%	20%	25%	23%
Ward 29	Copesville	8769	74%	22%	3%	1%	0%
Ward 32	Woodlands	7029	46%	33%	13%	7%	2%
Ward 31	Bombay Heights / Northdale	5576	49%	33%	11%	5%	2%
VULINDLELA		70876	82%	14%	3%	1%	1%
Ward 2	Sweetwaters	8731	79%	18%	2%	1%	0%
Ward 5	Gezibuso	8356	83%	13%	3%	1%	1%
Ward 1	Phayiphini	8329	78%	17%	3%	1%	1%
Ward 6	Qande	8302	86%	10%	3%	1%	0%
Ward 7	Enzondweni	8301	85%	12%	2%	0%	0%
Ward 3	KwaMpande	7989	79%	18%	2%	1%	0%
Ward 9	Mafakatini	7235	82%	13%	4%	1%	1%
Ward 4		6900	82%	13%	3%	1%	1%
Ward 8	Emaswazini	6733	84%	13%	2%	1%	1%
MSUNDUZI		290202	60%	22%	9%	6%	3%

TYPES OF MAIN DWELLING

WARD	AREA	TOTAL	House or brick/concrete block structure on a separate stand or yard or on a farm	Traditional dwelling /hut /structure made of traditional materials	Informal dwelling (shack; in backyard)	Informal dwelling (shack; not in backyard; e.g. in an informal/ squatter settlement or on a farm)	House /flat / room in backyard	Flat or apartment in a block of flats	Other
CBD, ASHBURTON, EASTERN AREAS		43064	62%	2%	2%	5%	3%	14%	12%
Ward 36	Mkhondeni	6797	59%	1%	0%	0%	2%	25%	13%
Ward 18	Ambleton	6072	90%	6%	1%	0%	0%	0%	2%
Ward 37	Asburton	5862	50%	3%	2%	24%	3%	1%	17%
Ward 27	City	5348	37%	0%	1%	0%	8%	44%	9%
Ward 26	Prestbury	5333	66%	1%	1%	6%	2%	16%	9%
Ward 35	Mountain Rise	4941	56%	1%	5%	4%	2%	1%	31%
Ward 24	Bisley	4514	80%	1%	0%	1%	1%	13%	5%
Ward 33	Scottsville	4197	58%	0%	4%	6%	2%	16%	13%
GREATER EDENDALE / IMBALI		54907	69%	14%	4%	6%	2%	2%	5%
Ward 13	Slangspruit	6559	84%	8%	2%	2%	0%	0%	4%
Ward 16	Dambuza	6160	69%	14%	11%	2%	1%	0%	3%
Ward 17	Ematshaheni	5544	93%	5%	0%	0%	0%	0%	1%
Ward 11	Sinathini / Georgetown	5064	50%	22%	0%	12%	8%	6%	1%
Ward 15	Imbali Unit 18	4407	86%	5%	1%	6%	1%	0%	1%
Ward 22	Imbali	3929	65%	10%	4%	6%	2%	3%	10%
Ward 23	Ashdown	3642	69%	3%	4%	16%	0%	0%	8%
Ward 19	Imbali	3629	89%	0%	0%	0%	0%	8%	2%
Ward 10	KwaPata	3577	84%	8%	1%	2%	0%	0%	4%
Ward 20	Caluza	3368	46%	32%	2%	9%	2%	0%	7%
Ward 14	Willowfontein	3039	44%	34%	1%	10%	2%	1%	9%
Ward 12	Edendale	3024	52%	25%	7%	4%	4%	1%	7%
Ward 21		2965	27%	26%	20%	9%	2%	1%	15%

WARD	AREA	TOTAL	House or brick/concrete block structure on a separate stand or yard or on a farm	Traditional dwelling /hut /structure made of traditional materials	Informal dwelling (shack; in backyard)	Informal dwelling (shack; not in backyard; e.g. in an informal/ squatter settlement or on a farm)	House /flat / room in backyard	Flat or apartment in a block of flats	Other
NORTHERN AREAS		36826	67%	6%	3%	10%	1%	4%	8%
Ward 34	Eastwood	6352	67%	14%	7%	7%	1%	1%	2%
Ward 25	Chase Valley	5865	68%	0%	0%	0%	1%	9%	21%
Ward 28	Northdale	5813	90%	2%	0%	3%	1%	1%	4%
Ward 29	Copesville	5503	48%	8%	11%	29%	1%	0%	3%
Ward 30	Raisethorpe	5469	62%	6%	2%	17%	3%	5%	6%
Ward 32	Woodlands	4446	57%	5%	1%	5%	4%	13%	15%
Ward 31	Bombay Heights / Northdale	3378	83%	1%	0%	11%	1%	1%	3%
VULINDLELA		29194	35%	58%	1%	0%	2%	3%	1%
Ward 1	Phayiphini	4012	42%	56%	0%	0%	0%	0%	2%
Ward 2	Sweetwaters	3770	40%	56%	1%	0%	1%	1%	1%
Ward 5	Gezubuso	3499	40%	51%	4%	0%	1%	4%	1%
Ward 7	Enzondweni	3296	30%	64%	0%	0%	0%	3%	2%
Ward 6	Qande	3235	29%	63%	0%	0%	3%	5%	0%
Ward 3	KwaMpande	3024	27%	61%	3%	0%	2%	4%	3%
Ward 4		2803	44%	44%	0%	0%	7%	3%	1%
Ward 8	Emaswazini	2802	30%	63%	0%	0%	0%	5%	1%
Ward 9	Mafakatini	2753	32%	61%	1%	0%	1%	5%	0%
MSUNDUZI		163991	61%	16%	3%	6%	2%	6%	7%