



the dplg

Department:
Provincial and Local Government
REPUBLIC OF SOUTH AFRICA



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Umzimkhulu Nodal Economic Development Profile

KwaZulu Natal

Table of Contents

Section 1: Introduction	3
Section 2: An Overview of Umzimkhulu.....	4
Section 3: The Economy of Umzimkhulu.....	7
Section 4: Selected Sectors	10
Section 5: Economic Growth and Investment Opportunities	13
Section 6: Summary	17

Section 1: Introduction

1.1 Purpose

This document is intended to serve as a succinct narrative report on the Umzimkhulu Nodal Economic Development Profile.¹ The profile report is structured to give digestible, user-friendly and easily readable information on the economic character of the Umzimkhulu poverty node.

1.2 The Nodal Economic Profiling Project

In August 2005, in a meeting with the Urban and Rural Development (URD) Branch,² the minister of Local and Provincial Government raised the importance of the dplg programmes playing a crucial role in contributing to the new economic growth targets, as set out in the Accelerated and Shared Growth Initiative of South Africa (ASGISA). He indicated that an economic development programme of action (PoA) for the urban and rural nodes needed to be developed.

In response the URD branch developed a *Programme of Action for Building Productive and Sustainable Nodal Economies* in September 2005. The PoA is intended to stimulate economic growth and development in the poverty nodes. It is important to understand the economic potential of the nodes; to identify opportunities for public and private sector investment; to identify barriers and constraints to economic activity within the nodes; to acknowledge the recommendations on strategic interventions for improving the nodal business climate, and the institutional recommendations for implementation.

Three high-level deliverables form the core of the PoA, namely:

- (a) Nodal Economic Profiles (in which information such as demographics, institutional capacity, potential economic interventions, space economy, competitiveness profiles and so on, is contained).
- (b) the Nodal Investment Atlas (a compendium of public and private sector investment opportunities).
- (c) the Nodal Economic Development Support Agency (recommendations and proposals).

In order to fund the PoA deliverables, various development partners were approached. The Business Trust believed in the credibility of this initiative, and funded it through the Community Investment Programme (CIP). Nonetheless, it needs to be pointed out that the Nodal Economic Profiling Project is a government-based project intended to raise the importance of productive and sustainable nodal economies.

¹ Information is sourced from a detailed PowerPoint profile of Umzimkhulu.

² The Urban and Rural Development Branch is one of the deputy-director-general divisions within the dplg.

Section 2: An Overview of Umzimkhulu

2.1 Administration

Umzimkhulu is a local municipality in KwaZulu Natal. It is one of five local municipalities that make up Sisonke District Municipality, together with a district management area.

2.2 Spatial information

Local wards, population and major towns

- Umzimkhulu is one of the five local municipalities and a district management area that make up Sisonke District Municipality.
- Umzimkhulu is the most populated of the Sisonke municipalities, accounting for 33% of the district's population.
- Umzimkhulu consists of 18 wards, and traditional areas comprise 46% of the region.
- Umzimkhulu town is the area's single urban centre.

Transportation

- There is a rail link connecting Pietermaritzburg with Riverside, Singisi, Kokstad and Matatiele. However, there are no national roads in the municipality; the R56 regional road is the arterial connecting route of the area.
- The total road network length in Umzimkhulu is 1,200 km but the condition of roads is poor, with access to some villages only possible through the use of light delivery vehicles (bakkies). It is estimated that 45% of access roads become unusable during the rainy season. Taxis and buses (neither of which are regulated) are the main modes of transport.

Terrain and natural resources

- The area is characterised by a lush and mountainous landscape, and although the area contains three rivers, there are no dams in the municipality.
- The northern parts of the municipality contain mountaintop wetlands.

2.3 Socio-economic information

The socio-economic character of Umzimkhulu is described below.

Population

- The population is about 174,339 in an area that covers 2,435.4 km².
- Of the population, about 90,8% reside in rural areas, while the remaining 9,2% are urban based. The population density is 71,6 persons/km².
- Around 45,3% of the population of Umzimkhulu are younger than 14 years of age, while 26,1% of the population are between 14 and 34 years of age.
- Households headed by women are in the majority at 64,8% of the population.

- There is thus a need to implement youth-development programmes and, for the most part, target women in stimulating nodal economic growth.
- The predominant language in the node is Xhosa (80%).

Infrastructure and services

- Households without access to basic services are as follows: 69% are without electricity, 87% are without piped water, 95% are without waste removal services and 85% are without telephone services.
- A total of 47,9% of households are large, comprising four to seven people per household.
- Most of the population reside in formal dwellings (98,3%), while informal dwellings in the area account for only 1,7% of households.
- The condition of schools in Umzimkhulu is substandard; the European Union has contributed to the building of new schools and the provision of additional classrooms.

Income and employment

- More than 77% of households earn less than R9,600 per annum and live below the poverty line.
- The Umzimkhulu municipality has a high unemployment rate; only 10,2% of the population are employed.

Education

- Functional illiteracy is relatively high: 22% of people have no school education, 32% have some primary education, 8% have completed primary school, 27% of the population have attended secondary school, 7% have completed Std 10, and 4% have tertiary education.
- Compared with other local municipalities in Sisonke, the number of learners per educator in Umzimkhulu is between 32 and 33. However, the number of learners per classroom is the highest in the district, ranging between 47 and 77.

Health care

- The Umzimkhulu municipality has three hospitals, 14 clinics and a mobile health service with 38 service points.
- Together, the three hospitals provide 605 beds.
- Clinics are characterised by restricted hours of operation, shortage of medication and poor accessibility.
- Ambulance services are not available in the remote rural areas.
- The per capita health expenditure per patient is R135 per annum.
- Nurses see, on average, 28,8 patients per day.
- Local communicable diseases include HIV/AIDS.

2.4 Municipal funding and budget breakdown

Municipal funding for Umzimkhulu District Municipality: 2006-2009

	2006/2007	2007/2008	2008/2009
Rates and general services	5 563 061	5 805 000	6 153 000

	2006/2007	2007/2008	2008/2009
Government grants and subsidies	9 318 690	5 165 000	5 475 000
Equitable share/Other funding	29 861 883	25 228 000	26 742 000
Total financing	44 743 634	36 198 000	38 370 000
Total expenditure/Budgeted expenditure	44 615 978	28 168 000	29 858 000

The table above indicates that the government grant transfers represent the most important funding instruments for the district municipality.

2.5 Key remarks about Umzimkhulu

The nodal overview of Umzimkhulu highlights the following development challenges:

- Following the transfer of Umzimkhulu Local Municipality from Alfred Nzo to Sisonke District Municipality, all local economic development projects in Umzimkhulu were placed on hold, as funding was not transferred from Alfred Nzo. Many infrastructure projects also came to a standstill as contractors employed by Alfred Nzo were advised to discontinue work.
- Planning processes and outputs generated under the Eastern Cape have to be re-aligned with the approaches and priorities of KwaZulu Natal province.
- At district level, there are some challenges facing Sisonke in terms of administrating Umzimkhulu as the lone poverty node municipality in the district.
- Umzimkhulu still faces severe backlogs with respect to water, sanitation and electricity provision. In addition, road infrastructure remains poor and provides only limited access to the area.
- As the infrastructure in Umzimkhulu is very old, overloaded electricity networks currently give rise to frequent power-supply interruptions.
- Dispersed settlements patterns make it both costly and difficult to provide basic services.
- Uncertainty regarding land ownership has stunted the progress of several agricultural projects.
- The lengthy process of resolving land-ownership issues results in arable land lying fallow, and all areas under communal land ownership remain highly underutilised by local communities.
- Education levels in Umzimkhulu are low.
- In the public sector, municipal capability suffers as a result of difficulties around attracting highly skilled individuals to Umzimkhulu.
- The private sector is constrained by the migration of skilled workers to bigger cities.
- Limited formal employment opportunities, coupled with the high HIV prevalence in poorer communities, remain a challenge for the node.

Section 3: The Economy of Umzimkhulu

The description of the economy of Umzimkhulu is provided at three levels: GDP (output), employment and consolidated sectoral analysis:

3.1 Contribution to GDP by economic sector

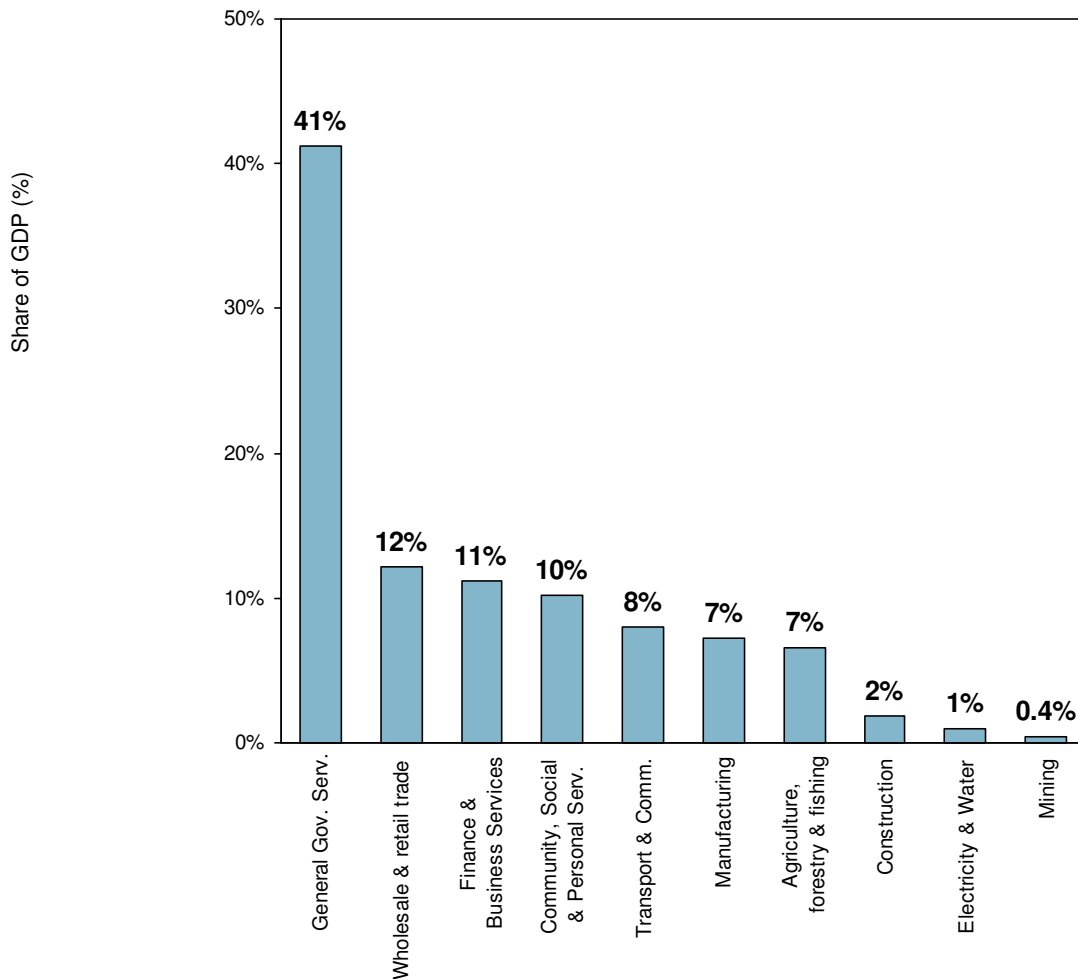


Figure 3.1.1: Contribution to GDP by economic sector: 2004

As illustrated above, government is by far the largest contributor to the GDP of the node (41%). Wholesale and retail trade, finance and business services, and community and social services also play a significant role in the economy of the node, contributing 12%, 11%, and 10% respectively to the GDP.

3.2 Sectoral contribution to employment

The graph below indicates that community services is the most important sector in respect of employment opportunities in the node, employing 47,8% of the node's

workforce. Other sectors such as wholesale and retail; agriculture and manufacturing also play a significant role in employment within the node.

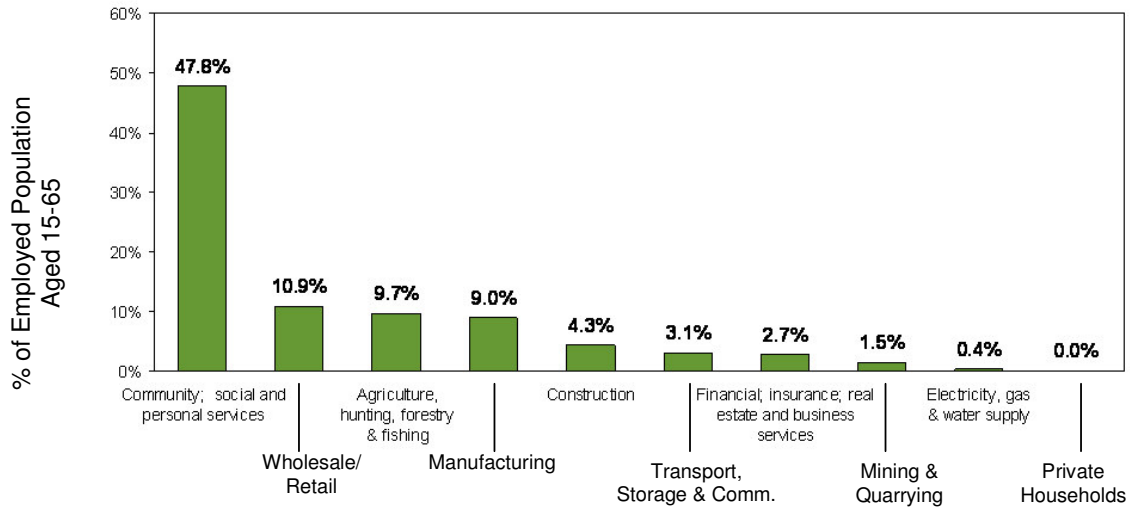


Figure 3.2.1: Employment by economic sector: 2001

3.3 Sectoral prioritisation

The average index³ (from 100, high, to 0, low) represents a quantification of the potential for economic growth and job creation of the ten different sectors.

Sectors	GDP		Employment		Average index
	2004 GDP in constant 2000 prices	GDP index	Number of employees: 2004	Employment index	
General government services	279 566 486	100	2 617	100	100
Community, social and other personal services	69 357 713	25	1 329	51	38
Wholesale and retail trade; catering and accommodation	82 740 005	30	894	34	32
Manufacturing	48 677 387	17	1 106	42	30
Finance and business services	76 146 377	27	329	13	20
Agriculture, forestry and fishing	44 939 946	16	551	21	19
Transport and communication	54 306 009	19	97	4	12
Construction	12 912 033	5	311	12	9
Mining	2 774 157	1	83	3	2
Electricity and water	6 529 781	2	25	1	2
		/100		/100	/100

The average index for both the GDP and employment indicates that community and general government services offer a higher potential for economic growth. Wholesale and retail trade, catering and accommodation; manufacturing; agriculture, forestry and fishing; transport and communication; and finance and business services offer a relatively higher potential for economic growth and job creation.

However, a qualitative assessment of the potential of the top two sectors points to the following economic growth and development options:

Agriculture

Huge tracts of agricultural land are spatially intact but are not being used productively. High rainfall, good climate and rich soil give the area a high propensity for agricultural development. The potential for agriculture is evident in neighbouring municipalities, which, as an example, produce a significant portion of the dairy consumed in KwaZulu Natal. Issues such as land-ownership uncertainty, lack of capital, a shortage of skilled labour and poor infrastructure have stunted the growth of this sector.

Forestry

Mountainous regions in the northern parts of Umzimkhulu are perfect for forestry plantations but presently, only large private companies run commercial forestry operations in the area. There is a demand for forestry products, both within the local municipality and in other regions. Growth is prevented by similar issues to those for crops and livestock, as well as the long sit-time involved in forestry (i.e. it takes many years for a plantation to produce a profit).

Tourism

Although the tourism sector is currently underdeveloped in Umzimkhulu, strategic focus on the sector could lead to a reversal of the declining contribution of this sector to the nodal GDP. A number of existing tourism activities deliver tourists to Umzimkhulu and surrounds; but the challenge will be to capture some of the benefits offered. Careful re-alignment of existing projects could deliver benefits to the local communities in the short term.

Section 4: Selected Sectors

Huge tracts of available land and favourable climatic conditions make agriculture a key source for future growth. In addition, generating spin-offs from existing tourism activities also have the potential to drive development.

4.1 Agriculture (Crops and livestock)

Umzimkhulu has exceptional conditions for agricultural production, including favourable climatic and soil conditions. However, most agricultural activities are undertaken at a subsistence level, with only a few examples of commercial operations. Products particularly suitable to the region's conditions include maize, beef and dairy cattle, sugar cane, citrus fruit, vegetables, poultry, wool and timber. The region is a net importer of agricultural products, indicating the presence of a sizeable market for any such products which might be produced locally in the future. The biggest barriers to the development of the sector include:

- Uncertainty over land ownership
- A shortage of capital and equipment
- A shortage of technical, marketing and management skills
- Lack of suitable supporting infrastructure.

Several agricultural development projects have been funded in the area, but many of these have failed in the implementation stage. Export potential exists, with markets in Durban and Pietermaritzburg that can be targeted going forward. This sector has the potential to provide much-needed employment and uplift the community.

A wide variety of products is currently produced, including cattle, red meat and dairy, poultry, wool, maize, sugar cane, citrus, vegetables and timber. However, most operations are at subsistence level, in spite of the potential for commercial-scale operations.

There is a marked shortage of skilled farmers and labourers in the area, in terms of both technical and managerial skills. In addition, farmers in the area lack access to the financial capital required to purchase seeds, fertilisers and pesticides, and there is a shortage of farming machinery. The condition of roads in the area is generally poor and there is a lack of transportation and storage facilities. This makes it difficult to transport cattle and crops to buyers.

The high rainfall in Umzimkhulu coupled with moderate temperatures contribute to its potential as an agricultural region. Although the surrounding municipalities have a fair amount of artificial irrigation, Umzimkhulu presently has no artificial irrigation systems.

Different markets can be targeted, and fresh produce and maize can be supplied to local shops. Meat can be supplied to local butcheries and timber could be used in the production of furniture. There is a potential to supply Ixopo, Pietermaritzburg and Durban with maize, vegetables, citrus and meat, and a strong national demand

exists for forestry products. Citrus could also be exported to Europe and Asia, and woodchips to Japan.

4.2 Tourism

While the tourism sector employed 1,4% of the total workforce in Umzimkhulu in 2004, the contribution from tourism to the total GDP was only 0.8%. KwaZulu Natal is South Africa's premier domestic tourist destination, attracting 36% of all local holidaymakers and hosting some 1,6 million foreign trips every year. However, Umzimkhulu does not benefit from the popularity of the province, and with the provincial tourism strategy focused on coastal areas, it is unlikely that there will be a provincial drive to develop tourism in the area. The fact that the tourism sector performs so badly is, in part, due to the lack of a compelling tourism offer, and the tourism infrastructure is underdeveloped. Current attractions include the Ntsikeni Nature Reserve which is a birders' paradise; historic architecture at Roman Catholic mission stations; the Fodo Cultural Village and the Kromhoek Caves. In addition, the Bhaca and Ntlangwini tribes are unique to this region, as are some rare bird species found in the plantations and mountaintop wetlands; the Bisi and Umzimkhulu rivers offer water-tourism opportunities.

There is potential to build on tourism activities initiated by neighbouring municipalities, while in the long term, capturing a share of the KwaZulu Natal tourist market should be investigated. The current visitor profile comprises a mix of passing tradespeople, government officials and niche-purpose travellers. At present, Umzimkhulu town serves as a gateway between Kokstad and Pietermaritzburg. The rerouting of the N2 along the KwaZulu Natal coast has left Umzimkhulu with only one tarred thoroughfare, and all other areas in the municipality are accessible only via gravel or minor dirt roads. Accommodation options in Umzimkhulu are also limited and cater primarily for the passing trade along the R56.

4.3 Development projects

Development projects currently in progress are listed in the table below:

Project name	Project description	Value
Wood cluster	Establishment of a furniture incubator to develop furniture manufacturing in Umzimkhulu and encourage downstream forestry diversification	5 644 272
Umzimkhulu Gateway	Conversion of a former border-gate building in Umzimkhulu town into a tourism information centre, including a craft centre, museum and coffee shop	3 381 424
Ntsikeni eco-tourism	Development of an existing nature reserve to offer accommodation and a variety of activities as well as conference facilities	3 258 994
Fruit project	Reviving citrus production in Umzimkhulu on two pilot sites, Ebutha and Mfulamde	5 697 987
Vegetable project	Reviving crop production through the establishment of open field farming, irrigation schemes, hydroponics farming and household food gardens	3 675 000

Project name	Project description	Value
Summerfield Beef Project and Umzimkhulu Feedlot	Reviving commercial beef and dairy cattle farming in Umzimkhulu through livestock improvement programmes, training and infrastructure support	15 900 000
N2 & R56 tourism	Development and promotion of Fodo Cultural Village, Kromhoek Caves and river-based tourism	3 762 848

Section 5: Economic Growth and Investment Opportunities

5.1 Introduction

The Umzimkhulu District Municipality has identified agriculture and tourism as the areas of economic growth and investment opportunities. The following potential growth opportunities exist.

5.2 Tourism

- **Ntsikeni Nature Reserve**

The nature reserve covers 9 200 ha (of which 1 114 ha are protected wetland). Current accommodation consists of four chalets, and activities include bird and game watching, hiking, mountain-biking and horse riding. An opportunity exists to increase accommodation capacity and expand the current tourism offering, as the demand for ecotourism destinations is high.

Ntsikeni offers a mountaintop wetland and spectacular scenery, as well as many rare bird species – a particular drawcard for avitourism. The reserve already attracts visitors, and expanding the accommodation facilities and product offering could enhance its income-generation potential. Ntsikeni Reserve is expected to hire around 50 people when fully operational.

During construction, ten more jobs will be made available.

Approximately R1,5 million is required for the project to become fully operational. However, the Sisonke District Municipality has called for this project to be halted until a thorough feasibility study has been conducted.

- **Paton's Country Railway Project**

This project involves the rehabilitation of disused railway lines and trains. The main attraction is the oldest working narrow-gauge steam locomotive, which travels from Ixopo through the countryside, and which is described by Alan Paton in his book "Cry the Beloved Country".

An opportunity exists to extend the railway line to Umzimkhulu, thereby delivering tourists to the node. Significant investments in infrastructure have already been made. In addition, Paton's Country Railway (PCR) is an established operation as it has been running steam-train trips since 2003. The current PCR owner has past steam-train tourism experience and was previously involved with the Port Shepstone Banana Express.

There is a distinct target market for the project, including people familiar with Paton's literature. Steam-train enthusiasts who seek out remaining operational steam locomotives across the globe are willing to pay up to R150,000 for the opportunity to photograph particularly unique trains.

It is estimated that around 30 people would be employed in the Paton's Express Project once the line has been extended to Umzimkulu town. Local people will also be able to sell their wares at the points of departure and arrival, creating employment for more people.

Additional funding of R1,7 million is needed to lay the remaining 7 km of railway line to reach Umzimkulu town.

The railway line will also need to be marketed and brought to the attention of literature lovers and steam-train enthusiasts.

- **Malowe Holiday Resort**

There is an opportunity to set up a resort, namely the Malowe Holiday resort, just outside Umzimkulu town, which will serve as a tourist destination offering accommodation and food, entertainment in the form of traditional dancers, conference and wedding facilities. The surrounding areas (e.g. Ixopo) generally do not have sufficient accommodation to meet current demand. The excess demand from the Sani/Drakensberg Gardens resorts could also spill over to this location. There are also no conference facilities in Umzimkhulu, creating a gap in the market which Malowe hopes to fill.

The planned capacity of 50 to 100 beds is large enough to achieve these goals, but not over-ambitious. Exact employment figures are not available, although employment is expected to be around 50 people. There will also be an opportunity for people from the nearby village to cultivate vegetables which can be sold to the resort, and locals will be able to sell their crafts to tourists at the resort.

The land allocation has been approved by both the traditional leadership as well as the local municipality. An in-depth feasibility study needs to take place, and a business plan drawn up. Start-up finances will be required.

- **Waterfront Development**

The Umzimkhulu River forms the boundary of the Umzimkhulu Local Municipality. There is a stretch of slow-flowing river that provides a good location for the development of chalets and a caravan park. This site is close to the main road (the R56). There is a possibility that it could be linked to the Paton's Country Railway Project. There is also an opportunity for the development of water-recreation activities, such as boating on the river. This project would be an effort to create a tourism destination in Umzimkhulu.

There is no clear indication of the number of people that will be employed by this project. Around R1,8 million in capital is required to get the project off the ground, which will entail the construction of chalets, ablution blocks, jetties and fencing.

- **Fodo Cultural Village**

The cultural village overlooks the Ibisi gorge and could serve as a platform for showcasing traditional activities, customs, rituals and marriage ceremonies to the tourist market.

The project is owned by the community and led by Chief Fodo. Accommodation, rondawels recognising the five chiefs under Chief Fodo Dlamini, a nursery for indigenous plants, an arts and culture curio shop, a dancers' arch area, as well as ablutions and relevant fencing have already been constructed. An opportunity exists for the expansion of the village to include a conference centre and restaurant.

The cultural village could serve as a drawcard for foreign tourists who are perceived as being interested in local culture. In addition, expanding the tourism offer of the village will increase its income potential.

It is estimated that Fodo Cultural Village will employ around 150 people, which includes crafters, herb growers, singers and dancers, actors and management of the village.

Marketing and sufficient signage to draw people is vitally important, as is assistance from the government in repairing the roads leading to the village.

The Sisonke District Municipality has called for this project to be halted until a thorough feasibility study has been completed.

5.3 Agriculture: forestry

- **Landa's Woodwork CC**

The company specialises in manufacturing wooden crutches and produces school furniture, Wendy houses, doors and windows. Crutches are made in three sizes from Salinga wood in accordance with Department of Health regulations. The target market for the crutches includes private and government hospitals, private clinics, the United Nations, the Red Cross and exports to other African countries. Crutches are sold for R42 each. The woodwork products have been SABS certified.

The company is not operating at capacity. It currently produces 2,000 crutches per month, although it has the capacity to produce 8,000 per month. With only one other supplier of wooden crutches to SA hospitals, demand currently exceeds supply.

The company will employ around 50 people when it is operating at capacity. However, R1,6 million is needed to obtain machinery (a wood-drying rack) and a transportation truck, and to upgrade the current workshop. In addition, wood is imported from other regions, making it expensive.

5.4 Other opportunities

- **Roof sheeting plant**

The aim of the project is to provide low-cost roof sheeting and the opportunity exists for rolling out this project in two phases. Initially, only corrugated iron roof sheets will be produced, and steel window and door-frame manufacturing will follow at a later stage.

Sheeting will be transported to either the Eastern Cape or KwaZulu Natal, and exported to Lesotho and other neighbouring Southern African Development Community (SADC) countries. Women and disabled people will be able to use the off-cuts to make and sell buckets, pots, bath tubs, paint and decorative tins, which will translate into spin-off benefits for the local community. The high employment equity status (it is a 100% BEE company), coupled with good workmanship, will greatly assist in obtaining contracts. It is expected that 30 direct and 20 indirect jobs will be created by this project.

- **The Ekhaya B&B**

Since Umzimkhulu was identified as one of the presidential poverty nodes, there has been a lot of focus on the area, including numerous visits by various stakeholders. However, the area does not have sufficient accommodation to support this influx and, as a result, most visitors to Umzimkhulu are forced to find lodging outside the local municipality (e.g. in Ixopo).

Ekhaya Bed and Breakfast provides meals and accommodation for civil servants and passing trade. There are seven rooms at present, each with a double bed and en-suite bathroom. An opportunity exists to expand the operation to provide more accommodation, as well as conference facilities. There is no clear indication of the number of additional people that will be employed by this project.

Section 6: Summary

Previously an island of the Eastern Cape province located in KwaZulu Natal, the municipality was incorporated into KwaZulu Natal in 2005 and is characterised by service backlogs and disintegrating infrastructure. Villages and settlements are scattered across the node, with Umzimkhulu town serving as the only semi-urban centre.

The estimated current population (2006) in the node is 174 339; and 90,8% of the population live in dense rural settlements characterised by a lack of services. The remaining 9,2% are urban based. Only 10% of Umzimkhulu's population are employed, with close to 90% of the population living below the poverty line. There is high dependency on the public sector in terms of employment and social grants.

Large tracts of arable land are available in Umzimkhulu. The area experiences high rainfall and a climate conducive to the practice of agriculture. However, land-ownership uncertainty is a constraint. Once this is resolved, there is potential to produce livestock and a variety of crops commercially.

The tourism industry in Umzimkhulu is underdeveloped, currently employing only 1,4% of the nodal workforce and contributing 0,8% to the nodal GDP.

Following the transfer of Umzimkhulu Local Municipality from Alfred Nzo to Sisonke District Municipality, all local economic development projects in Umzimkhulu were placed on hold as funding was not transferred from Alfred Nzo. Many infrastructure projects also came to a standstill as contractors employed by Alfred Nzo were advised to discontinue work. As a result, planning processes and outputs generated under the Eastern Cape have to be re-aligned with the approaches and priorities of KwaZulu Natal.

At district level, there are challenges facing Sisonke in terms of administrating Umzimkhulu as the lone poverty node municipality in the district.

Umzimkhulu still faces severe backlogs with respect to water, sanitation and electricity provision; and the road infrastructure remains poor and provides only limited access to the area. Infrastructure in Umzimkhulu is very old, and overloaded electricity networks currently give rise to frequent power-supply interruptions. In addition, dispersed settlements patterns make it both costly and difficult to provide basic services.

Uncertainty regarding land ownership has stunted the progress of a number of agricultural projects. The lengthy process of resolving land-ownership issues results in arable land lying fallow. Additionally, areas under communal land ownership remain highly underutilised by local communities.

A further constraint is that education levels in Umzimkhulu are very low.

In the public sector, municipal capability suffers as a result of the difficulty in attracting skilled individuals to Umzimkhulu. The private sector is constrained by the migration of skilled workers to bigger cities.

The following potential sources for economic growth have been identified:

Short term	Long term
<ul style="list-style-type: none"> • <i>Upscale current agricultural production</i> <ul style="list-style-type: none"> o Focus on achieving food security and becoming self-sufficient in those products the area can produce o Satisfy local market demand so that the cost of living is cheaper and spend is retained in the area • <i>Capacity building</i> <ul style="list-style-type: none"> o There should be focus on building capacity to drive development in the local municipality o Sector-related expertise is required o Agricultural training programmes should be targeted rather than indiscriminate • <i>Selective development</i> <ul style="list-style-type: none"> o Tourism planning should be centred on maximising the existing potential in the node rather than attempting to create new offers • <i>Enabling environment</i> <ul style="list-style-type: none"> o Reliable water and electricity supply are key requirements for creating an enabling business environment o The road infrastructure must be improved to address accessibility concerns 	<ul style="list-style-type: none"> • <i>Agri-processing</i> <ul style="list-style-type: none"> o Concentrate on producing a surplus for export to realise a net inflow of funds o Target Durban and Pietermaritzburg markets o By combining private and communal farming output, agri-processing could be developed • <i>Progress from subsistence to commercial farming</i> <ul style="list-style-type: none"> o Focus on agricultural selling and marketing skills o Drive the development of agricultural clusters to facilitate market access o Develop capabilities to identify tourism growth opportunities • <i>Develop the tourism offer</i> <ul style="list-style-type: none"> o In the long term, additional tourist attractions and infrastructure can be developed • <i>Public-private partnerships</i> <ul style="list-style-type: none"> o Investigate the optimal use of this type of ownership structure for future projects o Foster linkages between the local municipality and the local business community

The involvement of the following stakeholders is required for the process to move forward:

- Local government (municipal and district)
- Department of Local Government and Traditional Affairs, KwaZulu Natal; Department of Provincial and Local Government
- Spoornet, Eskom
- Independent Development Trust
- Department of Land Affairs, Department of Agriculture, Department of Water Affairs and Forestry, Department of Trade and Industry, Department of Economic Affairs and Tourism, Department of Transport
- District tourism bodies, operators, experts
- Local business people.