

"The City of Heritage"



# ULUNDI MUNICIPALITY LOCAL ECONOMIC DEVELOPMENT STRATEGY

STRATEGIC FRAMEWORK AND  
IMPLEMENTATION REPORT

MAY 2025



" The City of Heritage "



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## Table of Contents

List of Tables.....	iv
List of Figures.....	v
1 INTRODUCTION .....	1
1.1 Background and Purpose of the Strategy.....	1
1.2 Scope of Work .....	1
1.3 Research Methodology .....	2
1.3.1 Secondary Research .....	2
1.3.2 Stakeholder Engagement .....	3
1.4 Report Outline .....	4
2 LED POLICY AND LEGISLATIVE CONTEXT .....	5
2.1 Review of Key National Policy Documents.....	5
2.1.1 National Development Plan.....	5
2.1.2 New Economic Growth Path.....	6
2.1.3 National Framework for Local Economic Development in South Africa (2018-2028) .....	7
2.1.4 One District Plan .....	7
2.2 Review of Key Provincial Policy Documents.....	8
2.2.1 KZN Provincial Growth and Development Strategy (PGDS) 2035 .....	8
2.2.2 Provincial Growth and Development Plan .....	9
2.2.3 KZN Investment Strategy.....	10
2.2.4 KZN Rural and Township Economies Revitalization Strategy .....	10
2.2.5 KZN Industrial Development Strategy .....	11
2.2.6 KZN Small Enterprise Development Strategy .....	11
2.2.7 KZN Tourism Master Plan .....	12
2.3 Review of Key District and Local Policy Documents .....	13
2.3.1 Zululand Integrated Development Plan .....	13
2.3.2 Zululand District Growth and Development Plan.....	14
2.3.3 Ulundi Integrated Development Plan.....	14
2.3.4 Ulundi Spatial Development Plan.....	15
2.3.5 Ulundi Agricultural Development Strategy .....	15
2.3.6 Ulundi Tourism Management Plan.....	15
2.4 Overall, Policy Implications for the Ulundi LED Strategy.....	16

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

3 ASSESSMENT OF THE CURRENT ULUNDI LED STRATEGY (2020) .....	18
3.1 Key Priority Areas Emerging from Current LED Strategy .....	18
3.1.1 Infrastructure and service delivery gaps .....	18
3.1.2 Economic sector development and diversification .....	18
3.1.3 Institutional and policy reforms .....	18
3.1.4 Human resource and skills development .....	19
3.1.5 Land and economic development .....	19
3.2 Main Concerns Emerging from the LED Strategy .....	19
3.3 Identified Challenges .....	19
3.4 LED Project Tracking (2020-2025) .....	22
3.4.1 Key Sector Specific Projects .....	22
3.4.2 Cross- Cutting Projects .....	31
4 ULUNDI LOCAL MUNICIPALITY OVERVIEW .....	36
4.1 Spatial Economy .....	36
4.1.1 Land Administration (Wards and Traditional Councils) .....	38
4.1.2 Existing Development Nodes .....	39
4.1.3 Existing Development Corridors .....	40
4.2 Socio-Economic Profile .....	41
4.2.1 Demographic Profile .....	42
4.2.2 Labour Market Dynamics .....	50
4.2.3 Education Profile .....	54
4.2.4 Household Income and Expenditure .....	55
4.2.5 HIV and Death Trends .....	57
4.2.6 Infrastructure Support .....	58
4.3 Economic Profile .....	65
4.3.1 Regional Economic Contribution .....	65
4.3.2 Sectoral Economic Contribution .....	68
4.3.3 Economic Diversification .....	86
4.3.4 Gross Fixed Capital Formation .....	90
5 ECONOMIC POTENTIAL ANALYSIS (SWOT) .....	94
6 STRATEGIC FRAMEWORK .....	97
6.1 Introduction .....	97

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

6.2 Vision .....	97
6.3 Goals and Objectives .....	98
6.4 Key Priority Areas .....	99
6.4.1 Strengthening Economic Infrastructure and Service Delivery .....	99
6.4.2 Skills Development and Employment Creation .....	100
6.4.3 Business Growth and Retention .....	101
6.4.4 Reduction of Red Tape .....	101
6.4.5 Targeted Sector Growth and Development .....	102
6.5 Strategic Pillars for Local Economic Development .....	102
6.5.1 Investment Promotion .....	103
6.5.2 Red Tape Reduction.....	104
6.5.3 Infrastructure Development.....	105
6.5.4 Targeted Sector Growth and Development .....	106
6.5.5 Human Capital and Skills Development .....	109
6.5.6 Informal Economy and SMME Development.....	110
6.5.7 Business Development, Growth and Retention .....	110
6.6 Strategic Programme Responses.....	112
6.7. Alignment with policies .....	119
7 IMPLEMENTATION PLAN (2025-2030) .....	122
7.1. Introduction.....	122
7.2. LED Functionality and Capacity .....	122
7.2.1. Current LED Institutional Mechanisms in Ulundi Local Municipal Area.....	122
7.3. Roles and Responsibilities .....	124
7.3.1. Local Municipality.....	124
7.3.2. District Municipality .....	124
7.3.3. Supporting Agencies.....	125
7.4. Implementation Action Plan.....	127
7.4.1. Key Action Strategies.....	136
Annexure 1: Alignment with LED Chapter Requirements .....	137

## List of Tables

Table 1: Key Data Sources and Policy .....	3
Table 2: Stakeholder Engagement Sessions .....	3
Table 3: Report Outline .....	4
Table 4: Challenges from the Ulundi Municipality LED Strategy, 2020 .....	19
Table 5: Ulundi Local Municipality Key Sector Specific Projects (LED Strategy 2020-2025) .....	22
Table 6: Ulundi Local Municipality Key Cross Cutting Projects .....	31
Table 7: Profile of Major Towns and Settlements in Ulundi Local Municipality .....	36
Table 8: Demographic Profile of Ulundi, Zululand and KwaZulu Natal, 2022 .....	42
Table 9: Age Dependency Ratio of Ulundi Municipality, 2023 .....	45
Table 10: KZN Local Municipalities Socio-Economic Vulnerability, 2019 .....	48
Table 11: Labour Market Profile of Ulundi Local Municipality, 2023 .....	50
Table 12: Level of Education Growth Within Ulundi Local Municipality Between 2011 and 2022.....	54
Table 13: Average Annual Household Income levels in Ulundi Local Municipality, 2023.....	55
Table 14: Weighted Average Household Income in Ulundi Municipality, 2023.....	56
Table 15: Access to Electricity Within Ulundi Local Municipality, 2013-2023 .....	62
Table 16: Access to Water Within Ulundi Local Municipality, 2013-2023 .....	62
Table 17: Access to Sanitation Services in Ulundi Municipality, 2013-2023 .....	63
Table 18: Access to Refuse Removal Services in Ulundi Local Municipality, 2013-2023 .....	64
Table 19: KZN Local Municipalities Economic Vulnerability, 2019.....	88
Table 20: Economic Potential Analysis of Ulundi Local Municipality .....	95
Table 21: Key Principles and Descriptions of the Ulundi LED Vision .....	98
Table 22: Strategic Programme Responses for Ulundi Municipality (2025-2030) .....	112
Table 23: Economic Sector Growth and Development Strategic Programmes/Projects for Ulundi Municipality .....	115
Table 24: Policy Alignment .....	119
Table 25: Ulundi Local Municipality Implementation Plan (2025-2030).....	129
Table 26: Alignment with LED Chapter Requirements.....	137

## List of Figures

Figure 1: Research Methodology.....	2
Figure 2: Regional Context of Ulundi Local Municipality .....	37
Figure 3: Municipal Context of Ulundi Municipality.....	38
Figure 4: A Comparison of the Population of Ulundi with Municipalities in the Zululand District, 2022 .....	43
Figure 5: Total Population and Growth Dynamics of Ulundi Municipality, 2011-2022 .....	43
Figure 6: Ulundi Local Municipality Age and Gender Profile, 2023.....	44
Figure 7: Average growth rate of age categories in Ulundi Local Municipality, 2013-2023 .....	45
Figure 8: Racial Distribution in Ulundi Local Municipality, 2023.....	46
Figure 9: Population Living Below the Food Poverty Line in 2013 and 2023 at a Local, District and Provincial Level.....	47
Figure 10: Zululand District Regional Socio-Economic Vulnerability, 2011.....	49
Figure 11: Employment by Level of Skills in Ulundi Municipality, 2023.....	51
Figure 12: Municipal Contribution to Employment in the Zululand District Municipality, 2023 .....	51
Figure 13: Sectoral Employment Levels in Ulundi Municipality, 2023 .....	52
Figure 14: Employment Levels per Industry in Ulundi Municipality, 2023 .....	52
Figure 15: Employment Growth Trends per Industry in Ulundi Municipality, 2013-2023.....	53
Figure 16: Household Expenditure, 2023 .....	56
Figure 17: HIV and Death Trends in Ulundi Municipality between 2013 and 2023 .....	57
Figure 18: Ulundi Local Municipality Road Network, 2023 .....	59
Figure 19: Access to Basic Services in Ulundi Local Municipality, 2011-2022.....	61
Figure 20: Ulundi Local Municipality Regional Economic Contribution in GVA Terms, 2023 .....	66
Figure 21: Ulundi Total GVA (R millions), Contribution to District Percentage, and Percentage Growth Rate, 2013-2023.....	66
Figure 22: Ulundi Local Municipality Economic Structure, 2023 .....	67
Figure 23: Compound Annual Growth per Sector, 2013-2023.....	68
Figure 24: Performance of the Agriculture, Forestry and Fishing Sector in Ulundi, 2013-2023 .....	68
Figure 25: Agriculture, Forestry and Fishing Sector Structure, 2023 .....	69
Figure 26: Performance of the Mining and Quarrying Sector in Ulundi, 2013-2023 .....	70
Figure 27: Performance of the Manufacturing Sector, 2013-2023 .....	71
Figure 28: Manufacturing Sector Economic Structure, 2023 .....	72
Figure 29: Performance of the Electricity, Gas and Water Sector, 2012-2023 .....	73

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

Figure 30: Electricity, Gas and Water Sector Structure, 2023 .....	73
Figure 31: Performance of the Construction Sector, 2013-2023 .....	74
Figure 32: Performance of the Transport, Storage and Communication Sector, 2013-2023 .....	75
Figure 33: Transport, Storage and Communication Sector Structure, 2023 .....	75
Figure 34: Performance of the Wholesale and Retail Trade Sector, 2013-2022.....	76
Figure 35: Wholesale and retail trade, catering and accommodation services sector economic structure, 2023 .....	76
Figure 36: Performance of the Finance, Insurance, Real Estate and Business Services.....	77
Figure 37: Structure of the Finance, Insurance and Business Services Sector, 2023 .....	78
Figure 38: Performance of the General Government Sector, 2023 .....	78
Figure 39: Structure of the General Government Sector, 2023 .....	79
Figure 40: Performance of the Community, Social and Personal Services Sector, 2013-2023 .....	79
Figure 41: Structure of the Community, Social and Personal Services Sector, 2023 .....	80
Figure 42: Ulundi Municipality Tourism Statistics, 2019, 2022 and 2023 .....	82
Figure 43: Tourism Spend in Zululand and Ulundi, 2019, 2022 and 2023. ....	83
Figure 44: Performance of Communications in Ulundi's Transport, Storage and Communications Sector, 2023 .....	85
Figure 45: Ulundi LM Tress Index, 2013-2023.....	86
Figure 46: Ulundi Sectoral Location Quotient relative to Zululand District Municipality and to KZN, 2023.....	87
Figure 47: Zululand District Regional Economic Vulnerability, 2011.....	90
Figure 48: Gross Fixed Capital Formation and CAGR Per Sector in Ulundi Local Municipality, 2023 .....	91
Figure 49: Ulundi Local Municipality Sectoral GVA Contributions and Gross Fixed Capital Formation, 2023..	92
Figure 50: Strategic Framework of Ulundi Municipality.....	97
Figure 51: Ulundi Local Municipality LED Strategic Objectives .....	99
Figure 52: Strategic Pillars for Local Economic Development in Ulundi Municipality .....	103
Figure 53: Institutional Arrangement of the LED Unit in Ulundi Local Municipality .....	123
Figure 54: Key Action Strategies.....	136

## 1 INTRODUCTION

### 1.1 Background and Purpose of the Strategy

One of the objectives of this strategy is to review the Ulundi Local Economic Development (LED) Strategy and to ensure alignment with the most recent National, Provincial and Local plans and policies that may not have been considered in the 2020 review. The LED Strategy will serve as a catalyst for driving and propelling economic development, guiding private investment, and functioning as a development guide for the municipality. It is designed to incorporate robust, practical, and implementable interventions that are transformational and forward-looking. The key areas of focus in the LED Strategy are local economic development, transformation, and job creation. Additionally, the LED Strategy clarifies the role of the Municipality in driving economic development and transformation, with an emphasis on creating an enabling environment for inclusive economic growth and facilitating ease of doing business within the municipality.

The LED Strategy is developed within an integrated framework that encompasses other economic development strategies and plans, including the Local and District Integrated Development Plan (IDP), the District Growth and Development Plan (DGDP), and other existing local and district economic planning strategies and programs. Moreover, the LED Strategy must ensure alignment with the overarching themes of the Provincial Growth and Development Strategy (PGDS) and National Development Plan (NDP). The Strategy also considers the approved National Framework for Local Economic Development (NFLED) and the latest frameworks provided by KwaZulu Natal (KZN) Cooperative Governance and Traditional Affairs (COGTA) in formulating the LED Strategies and implementation frameworks for identified projects. Furthermore, the LED Strategy will place emphasis on the following areas:

1. Modernization and revitalization of the township and rural economy
2. Targeted support for small, medium, and micro enterprises (both formal and informal)
3. Initiatives within the green economy.

### 1.2 Scope of Work

The primary objective of reviewing and developing the LED Strategy is to establish a practical and viable roadmap that focuses on identifying solutions for economic development, transformation, and job creation in Ulundi Municipality.

The project involves the following scope of work

- Identify LED stakeholders and provide their roles and responsibilities.
- Review and update the current LED Strategy information.
- Provide the current overview of the Ulundi Local Municipality (LM) economy including sectoral performances.
- Research into the trends of the municipal economy for the past 5 years. This should comprise statistical analysis.
- Demand and Supply analysis of existing economic activities in the Ulundi Local Municipality and the identification of key economic role players and drivers, identification of any further opportunities and

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

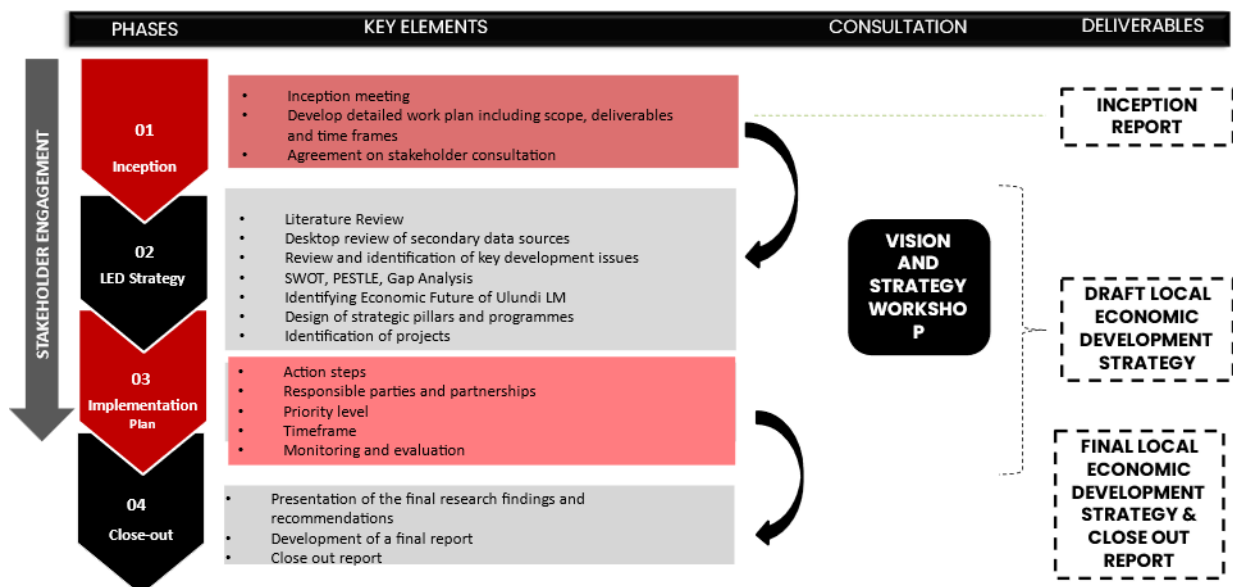
developing an understanding of current and past economic development initiatives and projects, their successes and failures and contributing reasons.

- Formulation of SWOT analysis, including an evaluation of identified strengths and opportunities and an analysis of weaknesses and threats of the municipality.
- Identify areas of intervention for the municipality and develop strategies which target the weaknesses and build on the opportunities identified within the municipality.
- Develop appropriate strategies which are directed at creating an enabling economic environment.
- Develop a project identification matrix which will guide development and prioritize projects for the future.

## 1.3 Research Methodology

The following methodology was followed in the LED Strategy review.

**Figure 1: Research Methodology**



Source: Urban-Econ, 2025

### 1.3.1 Secondary Research

A comprehensive analysis of all documentation relevant to the economic development of Ulundi Municipality was conducted. A collection of documents was compiled and organised into categories namely, provincial policies and strategies, district and local national policies and strategies. The methodology involved a review of these documents along with supplementary background research, used to shape and formulate the LED Strategy.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

**Table 1: Key Data Sources and Policy**

National Documents	Provincial Documents	District and Local Documents	Key Data Sources
National Development Plan	KZN Provincial Growth and Development Strategy and Plan	Zululand Integrated Development Plan	Census 2022
New Economic Growth Path	KZN Small Enterprise Development Strategy	Zululand District Growth and Development Plan	Quantec RSA Tegional Standardised Dataset
National Framework for Local Economic Development	KZN Investment Strategy	Ulundi Integrated Growth and Development Plan	Community and Household Surveys
One District Plan	KZN Rural and Township Economies Revitalisation Strategy	Ulundi Spatial Development Plan	Quarterly Labour Force Surveys
	KZN Industrial Development Strategy	Ulundi Agricultural Development Strategy	
	KZN Tourism Master Plan	Ulundi Tourism Management Plan	
		Ulundi LED Strategy 2020	

## 1.3.2 Stakeholder Engagement

Stakeholder engagement sessions were held at the Ulundi Local Municipality (ULM) Offices on the 3<sup>rd</sup> and the 4<sup>th</sup> of March 2025. The first session focused on the Ulundi Municipal LED Unit, while the second session included other key stakeholders and partner entities.

The stakeholder engagement process included consultations with key sector stakeholders to guide the development of the strategy. Targeted discussions focused on understanding the local economic and business environment. The sessions also explored the challenges faced by businesses while identifying opportunities for expansion and investment in Ulundi, with a special emphasis on LED and investment opportunities, addressing constraints and barriers, and examining financial and non-financial incentives and initiatives that could be employed by both government and the private sector.

The following table presents the entities that were present during the engagement sessions.

**Table 2: Stakeholder Engagement Sessions**

Engagement Sessions	Entities in Attendance
<b>Session 1</b> Ulundi LED Unit	<ul style="list-style-type: none"> <li>Ulundi LED Representatives</li> </ul>
<b>Session 2</b> Government Departments Partner Entities & Stakeholders	<ul style="list-style-type: none"> <li>Ulundi LED Representatives</li> <li>KZN EDTEA</li> <li>KZN AMAFA</li> <li>KZN Business empowerment Chamber</li> <li>Ezemvelo KZN Wildlife</li> <li>BGR Babanango</li> <li>AFRIMAT QUARY MINE</li> <li>Umfanelondawonye waseNkonjeni</li> </ul>

## 1.4 Report Outline

*Table 3: Report Outline*

Chapter	Content
<b>1. Introduction</b>	Provides background information of the Ulundi Local Municipality LED Strategy Review
<b>2. LED Policy and Legislative Context</b>	Provides an assessment of the current economic environment of the area in terms of national/provincial/district and local policy.
<b>3. Assessment of the current LED Strategy</b>	Provides an assessment of the current LED strategy implementation progress.
<b>4. Ulundi Local Municipality Overview</b>	Provides an overview of the municipality's demographic, socio-economic and economic profile and trends. It includes an analysis of Ulundi Local Municipality's socio-economic profile, economic
<b>5. Identification of key intervention areas.</b>	This section provides an overview of the key findings from the SWOT analysis
<b>6. Strategic Framework</b>	This section presents the framework of the strategy and includes the vision, mission, strategic pillars, and projects.

## 2 LED POLICY AND LEGISLATIVE CONTEXT

This section provides a comprehensive review of the most relevant policies within the economic dimension that pertain to LED. With the goal of identifying the most important principles from the policy to direct the formulation of this LED Strategy. The intention of the analysis is not to provide detail on the principles within the various policy documents but to isolate those ones that are most important to the formulation of this LED Strategy.

### 2.1 Review of Key National Policy Documents

#### 2.1.1 National Development Plan

The National Development Plan (NDP) is an all-encompassing and comprehensive long-term development plan in South Africa that seeks to ensure that every South African achieves a respectable standard of living by eradicating unemployment, poverty, and reducing inequality. It outlines the national objectives and targets to be accomplished by the year 2030 and is grounded on a thorough examination of the issues and challenges that the country currently faces. All policies, strategies, and objectives at the national, provincial, and local levels are expected to be in line with the NDP. Supplementary functional and sectoral policies and strategies complement the NDP, providing additional detail and focus for the implementation of the plan. The goal of the NDP is to eradicate poverty and decrease inequality within the country by 2030. The plan proposes that South Africa can achieve these objectives by harnessing the potential of its populace, cultivating an inclusive economy, fostering skill development, strengthening the capacity of the government, and nurturing leadership and partnerships across society.

The NDP also outlines several strategic priorities to address these issues. Among these are the following:

- Economic development
- Job creation.
- Expanding infrastructure.
- Responsible use of resources
- Inclusive planning
- Build a capable developmental state.
- Building an inclusive and integrated rural economy.
- Improving education, innovation, and training.
- Safe and healthy communities
- Environmental sustainability (transitioning to a low carbon economy)
- Transforming human settlements.

Apart from this, a strong focus will also be placed on a more inclusive, dynamic economy, skills development, increased investment, and an acceleration of the growth of the economy.

To bring this about the NDP proposes:

- Realising an environment for sustainable employment and inclusive economic growth
- Promoting employment in labour-absorbing industries
- Raising exports and competitiveness
- Strengthening government's capacity to give leadership to economic development.

- Mobilising all sectors of society around a national vision

### **2.1.1.1 Implications for Ulundi LED Strategy**

The NDP serves as the comprehensive manual outlining the government's economic objectives, with the specific aim of eradicating poverty and diminishing inequality by the year 2030. Three pertinent areas of focus that are accentuated in this guide include bolstering employment opportunities through accelerated economic growth, enhancing the calibre of education, fostering skills development and innovation, and fortifying the capacity of the governing body to assume a developmental, transformative role. Consequently, the advancement of the economy in Ulundi Local Municipality will contribute to the mitigation of poverty and the reduction of unemployment within the region.

### **2.1.2 New Economic Growth Path**

The New Growth Path (NGP) is a comprehensive economic policy framework in South Africa that aims to address the critical challenges of unemployment, poverty, and inequality by restructuring the economy to promote inclusive growth and employment creation. The policy is designed to ensure that economic expansion directly benefits all South Africans, particularly marginalized and disadvantaged communities.

The NGP's primary objective is to create five million new jobs by 2020 by leveraging South Africa's economic potential in key sectors. It is based on a strategic analysis of the country's economic structure, historical constraints, and future opportunities. The framework integrates both macro- and microeconomic interventions, recognizing that sustainable economic development requires a coordinated approach across national, provincial, and local government levels.

The NGP aligns with South Africa's broader development agenda, including the National Development Plan (NDP), and is supported by various sectoral strategies such as the Industrial Policy Action Plan (IPAP) and rural development initiatives. Together, these policies provide a holistic roadmap for economic growth and social equity.

Key Priorities of the New Growth Path:

The NGP identifies several strategic priorities to drive economic transformation:

- Job creation through targeted economic interventions.
- Infrastructure investment to support economic growth and improve service delivery.
- Industrial development with a focus on manufacturing, mining, and agro-processing.
- Skills development and education to enhance workforce productivity.
- Rural development to integrate disadvantaged communities into the mainstream economy.
- Green economy initiatives to promote sustainable and low-carbon economic growth.
- Improved public sector performance to build a capable and developmental state.
- Entrepreneurship and small business support to drive inclusive economic participation.
- Regional economic integration to strengthen trade and investment across Africa.
- Social equity and transformation to ensure fair distribution of economic gains.

To achieve these priorities, the NGP proposes:

- Creating an environment conducive to employment and economic expansion.
- Prioritizing labour-absorbing industries such as manufacturing, agriculture, and services.
- Enhancing export competitiveness to strengthen South Africa's global economic position.
- Expanding public investment in infrastructure, skills, and strategic sectors.

- Encouraging private sector participation through incentives and support mechanisms.
- Strengthening governance and leadership to drive effective policy implementation.
- Fostering collaboration among government, businesses, and labour unions to align economic strategies.

### **2.1.2.1 Implications for Ulundi's LED Strategy**

The NGP serves as a strategic framework aimed at driving economic transformation by creating employment, fostering inclusive growth, and reducing poverty and inequality. It emphasizes expanding job opportunities through investment in key sectors such as infrastructure, agriculture, manufacturing, and services, while also enhancing skills development and education to build a more productive workforce. Additionally, the NGP promotes regional economic integration and rural development to ensure broader economic participation. Aligning Ulundi's LED Strategy with the NGP will support economic expansion, create sustainable employment, and improve livelihoods, ultimately contributing to poverty reduction and long-term economic resilience in the municipality.

### **2.1.3 National Framework for Local Economic Development in South Africa (2018-2028)**

A vision for the design and implementation of Local Economic Development Strategies in South Africa is provided by the National Framework for Local Economic Development (NFLED 2018 – 2028). The purpose of the framework is to set the key priorities for LED and create consensus among stakeholders on the fundamentals of LED in the country. Core pillars include building a diverse economic base, developing learning and skilful economies, developing inclusive economies, enterprise development and support and economic governance. Enabling or support measures for these are monitoring and evaluation, funding, and finance, organisational and institutional, planning & strategy and human resources and capacity development.

#### **2.1.3.1 Implications for Ulundi LED Strategy**

For Ulundi's LED Strategy, this framework underscores the importance of diversifying the local economy, promoting skills development, and fostering inclusive economic participation. By aligning with NFLED's core pillars, Ulundi can focus on enterprise development, small business support, and economic governance to create an enabling environment for investment and job creation. Additionally, leveraging support measures such as funding, capacity building, and strategic planning will strengthen implementation and improve economic resilience. Ultimately, integrating these priorities into Ulundi's LED Strategy will help drive sustainable growth, reduce unemployment, and enhance economic opportunities for local communities.

### **2.1.4 One District Plan**

The KZN One District Plan is a provincial development framework aligned with South Africa's District Development Model (DDM). This model was introduced to foster integrated, coordinated, and efficient service delivery across all levels of government, ensuring that development initiatives address local needs while contributing to national priorities. The One District Plan provides a structured approach to economic development, infrastructure planning, and social transformation by fostering collaboration between government entities, private sector stakeholders, and communities.

The aims and objectives of the KZN One District Plan are centred on promoting inclusive economic growth, sustainable development, and improved governance. The plan seeks to bridge gaps in service delivery by integrating local, provincial, and national planning frameworks. Key objectives include enhancing economic

diversification, expanding infrastructure investment, promoting skills development, strengthening governance and institutional capacity, and ensuring social and environmental sustainability. By aligning district-level interventions with broader provincial and national strategies, the plan aims to eliminate fragmentation in service delivery, reduce socio-economic inequalities, and stimulate long-term development.

To achieve these objectives, the KZN One District Plan adopts a multi-sectoral and collaborative approach. This includes structured engagement with local municipalities, businesses, and community organizations to align investments and projects with local needs. The plan emphasizes spatial integration, ensuring that economic opportunities are equitably distributed across urban and rural areas. It also focuses on economic recovery and industrialization, particularly in sectors such as agriculture, manufacturing, tourism, and infrastructure development. Additionally, the plan prioritizes skills development and capacity building, ensuring that human capital is developed in alignment with economic demands. Through a performance-driven implementation framework, progress is continuously monitored and evaluated to ensure accountability and efficiency.

#### ***2.1.4.1 Implications for the Ulundi LED Strategy***

The KZN One District Plan has some implications for the Ulundi LED Strategy, as it provides a broader framework that influences local economic planning and resource allocation. One key implication is the alignment of development priorities, ensuring that the Ulundi LED Strategy is integrated into the district-wide economic planning framework. The One District Plan's focus on economic diversification and infrastructure investment supports Ulundi's ambitions to enhance industrial growth, agricultural development, and tourism. By aligning with district-level objectives, Ulundi can benefit from coordinated resource allocation, investment promotion, and strategic infrastructure development.

Additionally, the KZN One District Plan's emphasis on skills development presents an opportunity for Ulundi to enhance local workforce capabilities. The plan's focus on technical and vocational training, entrepreneurship support, and digital skills development aligns with Ulundi's need to improve youth employability and business growth. This ensures that the local economy is equipped with the necessary skills to support emerging industries and attract investors.

The plan also reinforces the importance of spatial integration and inclusive development, which is crucial for ensuring that rural and peri-urban areas within Ulundi benefit from economic initiatives. This aligns with Ulundi's objective of reducing economic disparities between urban centres and outlying communities, ensuring that growth is broad-based and inclusive.

Finally, the governance and institutional strengthening component of the KZN One District Plan supports improved coordination between Ulundi's municipal structures, the district, and the province. This enables more efficient planning, better service delivery, and enhanced investor confidence, ultimately fostering a conducive environment for long-term economic development.

## **2.2 Review of Key Provincial Policy Documents**

### **2.2.1 KZN Provincial Growth and Development Strategy (PGDS) 2035**

The revised draft of the 2021 Provincial Growth and Development Strategy (PGDS) presents a comprehensive framework aimed at expediting and disseminating the advantages of an all-encompassing expansion by means of deep-rooted, efficient, and sustainable catalytic and developmental interventions within the KwaZulu-Natal province. The 2021 PGDS is fully in line with the National Development Plan (NDP) and the nationwide

priorities as delineated in the Medium-Term Strategic Framework (MTSF) for the period of 2019 to 2024. Additionally, the PGDS acknowledges, along with all pertinent international, national, and provincial plans, that the District Development Model (DDM) represents a novel approach to the integration of district-level initiatives.

According to the PGDS, KZN strives to be a province that has:

- Maximised its position as a gateway to South and Southern Africa, as well as its human and natural resources, to create a safe, healthy, dignified, and sustainable living environment.
- Radically transformed its socio-economic landscape, eradicated abject poverty, inequality, unemployment and the burden of disease, basic services have reached all of its people, domestic and foreign investors are attracted to our world class infrastructure and a skilled labour force; and
- Delivered an environment where people have healthy and sustainable options on where and how they opt to live, work and play, where the principle of putting people first, living together in dignity and harmony, and where leadership, partnership, and prosperity in action, have become a normal way of life.

### ***2.2.1.1 Implications for Ulundi LED Strategy***

The PGDS is an essential planning document that should provide guidance for the development of the Ulundi LED Strategy. The alignment between the LED Strategy and the provincial strategic goals and vision is crucial for directing interventions effectively. The LED Strategy of Ulundi should incorporate the principles and strategic goals specified in the PGDS and adapt them to be relevant in the local context. This approach ensures that the LED Strategy not only serves as a tool for coordinating local development but also facilitates the practical implementation of government's economic development programs.

### **2.2.2 Provincial Growth and Development Plan**

The Provincial Growth and Development Plan (PGDP) provides for the implementation of the Provincial Growth and Development Strategy (PDGS). It outlines activities to be undertaken towards the attainment of each of the strategic goals and objectives. The Provincial Growth and Development Strategy is in line with the current provincial, national, and international policy frameworks, which include the MDGs, the Diagnostic Report and National Development Plan of the National Planning Commission, the New Growth Path, the Twelve National Outcomes, and the Six Provincial Priorities. These policies serve as the KZN PGDS's backdrop.

The aim of the PGDP is therefore to translate the strategy into a detailed implementation plan, inclusive of a detailed activity level framework with targets and responsibilities assigned to the appropriate government department. Apart from providing a more comprehensive analysis of the interventions that have been identified, the PGDP also suggests benchmarks or objectives that must be met in priority sectors. It suggests metrics by which the PGDP's aims and objectives can be evaluated, and in the process, it suggests how the growth trajectory might be shaped with goals for 2020 and 2030.

### ***2.2.2.1 Implications for Ulundi LED Strategy***

In general, the alignment between the KZN Provincial Growth and Development Plan and the LED Strategy in Ulundi establishes a foundation for synchronized and well-planned development, utilizing available resources and knowledge to promote enduring economic expansion, employment generation, and community advancement within the municipal area.

## 2.2.3 KZN Investment Strategy

The KZN Investment Strategy was formulated to unite all stakeholders in the effort to attract and facilitate both foreign and domestic investment in KwaZulu-Natal. The primary objective of this Strategy is to foster collaboration among all parties involved in the province to promote, attract, and facilitate investment from both the public and private sectors, particularly in industries that generate income and assets, leveraging the province's comparative advantages. The goal is to stimulate job creation and income generation. The Strategy provides a framework for promoting, attracting, and facilitating foreign and direct investment in productive sectors of the economy. Its key elements encompass institutional coordination, targeted investment promotion, information and research synergies, the creation of an enabling environment, and the fulfilment of skills and resource requirements. The Strategy acknowledges the need for local government to continue streamlining bureaucratic processes and reducing red tape. The priority sectors for inward investment are manufacturing, agriculture and agro-processing, transport and logistics, tourism, as well as knowledge, innovation, and the green economy sectors.

### 2.2.3.1 Implications for Ulundi LED Strategy

The LED Strategy for Ulundi Municipality must be developed in accordance with the principles outlined in the provincial investment strategy. This entails ensuring that the municipality fosters a conducive environment that effectively promotes and attracts investment, while also facilitating investment in an efficient manner. In light of this, the LED Strategy should:

- Provide concrete recommendations for enhancing the business environment in Ulundi.
- Strive to improve coordination among key stakeholders who are responsible for promoting and facilitating investment.
- Identify key sectors and specific areas of focus for inward investment, based on comparative advantages.
- Promote the sharing and development of research and information.

## 2.2.4 KZN Rural and Township Economies Revitalization Strategy

The KZN Township and Rural Economies Revitalization Strategy (TRERS) is a comprehensive framework developed to transform the province's rural and township areas into vibrant economic hubs. Spearheaded by the Department of Economic Development, Tourism, and Environmental Affairs (EDTEA) in collaboration with Trade and Investment KwaZulu-Natal (TIKZN), the Strategy aims to address historical economic disparities and promote inclusive growth by creating sustainable economic opportunities that will reduce poverty and improve the quality of life for residents.

The specific aims and objectives of the Strategy include:

- Economic transformation and empowerment, where township and rural communities are transformed into thriving centres of economic activity and are included in the mainstream economy by promoting entrepreneurship and supporting local business.
- Infrastructure development to support business activities. Infrastructure such as roads, electricity, water, and digital connectivity will be improved to create a conducive environment for business activities.
- Skills development programs that are tailored to the needs of the informal sector, township and rural communities.

- Market access where local businesses are assisted in accessing the broader markets and increasing their customer base

To achieve these objectives, the Strategy encourages public-private partnerships, local procurement practices, agricultural development that promotes modern farming techniques and support agro-processing initiatives.

Overall, the Strategy aims to completely transform the townships and rural economies of KZN by creating a variety of diverse, inclusive, and sustainable economic systems that generate wealth. These systems will not only foster the growth of micro, small, medium, and large enterprises, but also play an active role in the economic and social progress of KZN.

#### ***2.2.4.1 Implications for Ulundi LED Strategy***

The objective of RTERS was to tackle socio-economic challenges, diminish disparities, and establish lasting economic opportunities in historically marginalized rural and township communities throughout KwaZulu-Natal. The largest part of Ulundi LM is rural and underdeveloped and one of the main focal points of the LED Strategy is to modernize and revitalize the economy in townships and rural areas. By aligning with the Rural Transformation and Economic Revitalization Strategy (RTERS), the municipality will be able to harness support and resources at the provincial level, while simultaneously customizing interventions to address the specific economic development requirements of these communities. This alignment promotes a more cohesive and coordinated approach to economic revitalization and sustainable growth within the municipality.

#### **2.2.5 KZN Industrial Development Strategy**

The KZN Industrial Development Strategy is a comprehensive framework designed to stimulate economic growth and industrialization within the province. Its primary aim is to diversify the regional economy by promoting various sectors, thereby reducing reliance on traditional industries. The Strategy's objectives include enhancing competitiveness, fostering innovation, and creating sustainable employment opportunities. To achieve these goals, the Strategy outlines initiatives such as infrastructure development, skills training programs, and support for small and medium-sized enterprises (SMEs). Additionally, it emphasizes the importance of public-private partnerships and the utilization of local resources to drive industrialization.

#### ***2.2.5.1 Implications for Ulundi LED Strategy***

The KZN Industrial Development Strategy provides a roadmap for economic diversification and industrial growth in the province. The Ulundi LED Strategy aligns with the broader KZN Industrial Development Strategy by focusing on localizing industrial growth within the municipality. This involves identifying key sectors where Ulundi has a competitive advantage and implementing targeted initiatives to develop these areas. The implications of the provincial Strategy on Ulundi's LED include increased access to provincial resources, policy support, and potential funding opportunities. By integrating the provincial objectives, Ulundi can enhance its economic development efforts, attract investments leading to sustainable economic development which would assist in improving the livelihoods of its residents.

#### **2.2.6 KZN Small Enterprise Development Strategy**

The KwaZulu-Natal (KZN) Small Enterprise Development Strategy is a comprehensive framework designed to foster the growth and sustainability of SMMEs within the province. Recognizing the pivotal role SMMEs play in economic development, job creation, and poverty alleviation, this Strategy aims to create an enabling environment that addresses the unique challenges faced by small businesses.

The specific aims and objectives of the policy include:

- Enhancing access to financial resources through the establishment of special business funds targeting marginalized communities, including youth, women and people with disabilities.
- Capacity building and skills development through training programs. The aim of these is to improve managerial and technical skills of SMME owners and employees.
- Market access and expansion. This is to assist SMMEs in accessing markets by promoting trade and investment opportunities in priority economic sectors.
- Infrastructure support for SMME operations, including digital platforms and physical facilities to enhance business efficiency.
- Advocate for policies that reduce 'Red Tape' and create a conducive regulatory environment for SMME growth.

The policy aims to implement these through public-private partnerships, sector specific interventions where support programs are tailored to the needs of SMMEs in various sectors. Monitoring and evaluation mechanisms will also be put in place to assess the impact of the various support programs and to adjust the strategies where necessary.

### ***2.2.6.1 Implications for Ulundi LED Strategy***

The KZN Small Enterprise Development Strategy provides a provincial framework that Ulundi's LED Strategy can align with to enhance local economic growth. This Strategy, if implemented, ensures that support mechanisms are in place at the grassroots level, ensuring sustainable economic development across the region.

By integrating these strategies, Ulundi can leverage resources and support mechanisms designed for SMME development. This alignment can lead to increased funding opportunities, access to capacity-building programs, and improved market access for local enterprises. Furthermore, by adopting the provincial Strategy's focus on inclusivity, Ulundi can ensure that marginalized groups within the municipality benefit from economic development initiatives, leading to the upliftment of the community.

### **2.2.7 KZN Tourism Master Plan**

The KZN Tourism master plan is a framework that aims to position the province as a premier global tourism destination. The vision of the plan is to make KZN a globally recognized tourism hub, with a strong focus on its coastal attractions, diverse cultural heritage, and adventure tourism opportunities. The plan seeks to unlock the full economic potential of the tourism sector by increasing visitor numbers, boosting investment in tourism infrastructure, and ensuring that the benefits of tourism are spread across the province.

The primary objectives of the KZN Tourism Master Plan include stimulating economic growth through increased tourism revenue, creating sustainable employment opportunities, and diversifying the province's tourism offerings. By expanding beyond traditional tourism experiences, such as beach tourism, the plan promotes cultural, eco, and adventure tourism to attract a broader market. Additionally, a key focus is placed on ensuring geographic spread, so that tourism development is not concentrated in urban centres like Durban but extends to rural and historically underdeveloped areas. Sustainability is also a cornerstone of the Strategy, ensuring that tourism growth does not compromise environmental and cultural heritage but rather supports long-term conservation efforts.

To implement its vision, the plan is structured around four strategic clusters. The first is policy, governance, and research, which ensures that the sector is well-regulated, data-driven, and effectively monitored. The second focuses on planning and product development, identifying key tourism projects and initiatives that will

enhance the visitor experience and increase tourist arrivals. The third cluster, “People in Tourism,” emphasizes the importance of community involvement, capacity building, and domestic tourism growth. Lastly, marketing efforts are central to the Strategy, ensuring that KZN’s tourism products reach key domestic and international markets through targeted promotional campaigns.

Several key initiatives have been identified as catalytic projects within the plan. These include the development of major attractions such as the Drakensberg Cable Car and the Isandlwana Development Precinct, both of which are expected to increase tourism flows into the province. The plan also prioritizes market segmentation, recognizing the importance of domestic tourism as the foundation of the industry while progressively expanding promotional efforts to regional (SADC), continental (Africa), and international markets (Europe, the Americas, and Asia). Additionally, business and event tourism are identified as critical drivers of growth, with a strong emphasis on attracting major conferences, exhibitions, and cultural events to the province.

### ***2.2.7.1 Implications for Ulundi LED Strategy***

The KZN Tourism Master Plan offers a strategic roadmap that Ulundi's LED Strategy can adopt to enhance local tourism development. By aligning with the provincial plan, Ulundi can identify and develop unique tourism products that showcase its cultural and natural assets. This alignment can lead to increased funding opportunities, capacity-building initiatives, and marketing support from provincial tourism bodies. Furthermore, by embracing sustainable tourism practices, Ulundi can ensure the long-term preservation of its heritage while providing economic benefits to the community.

## **2.3 Review of Key District and Local Policy Documents**

### **2.3.1 Zululand Integrated Development Plan**

The Zululand District Municipality Integrated Development Plan (IDP) is a strategic framework designed to guide development and service delivery across the district, ensuring sustainable economic growth, infrastructure development, and improved quality of life for residents. The primary goal of the IDP is to create an integrated and inclusive development approach that aligns with national and provincial priorities while addressing the specific needs of local communities. The plan focuses on key areas such as economic growth and job creation, infrastructure development, social equity, environmental sustainability, and governance efficiency.

Key elements of the IDP include spatial planning and land use management, infrastructure investment, enterprise development, skills development, rural and agricultural transformation, and environmental management. It emphasizes the need for local municipalities to streamline processes, improve service delivery, and create an enabling environment for economic activities. The IDP also prioritizes key economic sectors such as agriculture, tourism, manufacturing, and services, recognizing their potential to drive economic transformation in the district.

#### ***2.3.1.1 Implications for Ulundi LED Strategy***

The IDP provides a structured framework to guide economic initiatives and ensure they align with broader district development goals. By focusing on diversifying the local economy, investing in infrastructure, enhancing skills development, and supporting small businesses and cooperatives, Ulundi can leverage the IDP to create a more inclusive and resilient economy. Additionally, by prioritizing investment in key sectors such

as agriculture, tourism, and manufacturing, the municipality can stimulate job creation, attract investment, and improve the overall socio-economic conditions of its residents.

## **2.3.2 Zululand District Growth and Development Plan**

The Zululand District Growth and Development Plan (DGDP) is a strategic framework designed to guide the district's development trajectory towards 2030. Its primary objectives include establishing a long-term vision for the district, coordinating planning initiatives across local municipalities, providing a spatial context for priority interventions, guiding resource allocation, and aligning departmental strategic plans at the district level. The DGDP emphasizes the importance of institutional arrangements to ensure effective implementation and the commitment of resources towards strategic objectives and catalytic initiatives.

### ***2.3.2.1 Implications for Ulundi LED Strategy***

Aligning with the DGDP implies that Ulundi should focus on diversifying the local economy by promoting sectors such as agriculture, tourism, and small-scale manufacturing. Investing in infrastructure projects, such as enhancing transportation networks and utility services, will facilitate business operations and attract investment. Emphasizing skills development and education will empower the local workforce, making it more adaptable and competitive. Additionally, fostering community participation in economic activities and ensuring environmental sustainability will contribute to inclusive growth and long-term resilience. By integrating these priorities, Ulundi can achieve sustainable development and improve the well-being of its citizens.

## **2.3.3 Ulundi Integrated Development Plan**

The Ulundi Integrated Development Plan (IDP) serves as a strategic roadmap guiding the municipality's development over the 2024/2025 period. It is designed to address key challenges, unlock economic opportunities, and improve service delivery, ensuring sustainable development that aligns with national and provincial planning frameworks. The IDP focuses on several core areas, including basic service delivery, economic development, municipal transformation, good governance, financial management, and spatial planning. These focus areas are structured to create an inclusive and well-coordinated development approach that enhances the quality of life for all residents.

A central component of the IDP is its commitment to Local Economic Development, which seeks to stimulate economic growth, reduce unemployment, and alleviate poverty. Key initiatives include infrastructure development to support businesses, investment in tourism and heritage sectors, and the promotion of SMMEs and cooperatives. The IDP also emphasizes the need for spatial and environmental planning to ensure that development occurs in a sustainable manner, reducing spatial inefficiencies and promoting resilience against climate change. Additionally, it outlines strategies for addressing pressing social issues, such as high unemployment rates and limited access to basic services, through targeted development projects and public-private partnerships.

### ***2.3.3.1 Implications for Ulundi LED Strategy***

The IDP has direct implications for the LED Strategy, as it provides the overarching framework within which economic initiatives are implemented. By prioritizing infrastructure improvements, land-use planning, and investment attraction, the IDP creates the necessary conditions for economic growth. Furthermore, its focus on governance, financial viability, and community participation ensures that economic development is inclusive and sustainable. The alignment between the IDP and the LED Strategy enhances the municipality's

ability to leverage resources effectively, fostering a more dynamic and resilient local economy that benefits businesses and communities alike.

## **2.3.4 Ulundi Spatial Development Plan**

The Ulundi Spatial Development Framework (SDF) is a strategic tool that guides the municipality's spatial planning and land use management, ensuring alignment with national, provincial, and local development priorities. It aims to address spatial inefficiencies, promote sustainable development, and support economic growth while preserving environmental and cultural heritage. The SDF identifies key development nodes and corridors, emphasizing infrastructure investment, service delivery improvements, and the promotion of integrated human settlements. It also considers environmental sustainability by outlining strategies for managing natural resources, mitigating disaster risks, and protecting biodiversity.

A major focus of the SDF is on spatial transformation, ensuring that historically marginalized communities gain access to economic opportunities and essential services. By prioritizing compact and efficient land use, the framework seeks to reduce urban sprawl and promote well-structured development patterns. It highlights the need for better road networks, improved public transport, and enhanced land tenure systems to support economic activities and attract investment. The SDF also integrates tourism and heritage conservation as key economic drivers, recognizing Ulundi's historical significance and potential for cultural tourism.

### ***2.3.4.1 Implications for Ulundi LED Strategy***

The implementation of the SDF has direct implications for Local Economic Development, as it provides the spatial foundation for business growth, investment attraction, and infrastructure development. By designating strategic areas for commercial and industrial expansion, the SDF creates opportunities for employment and enterprise development. Additionally, its emphasis on sustainability and resilience ensures that economic growth is balanced with environmental conservation and long-term viability. The alignment between the SDF and LED Strategy strengthens the municipality's ability to foster inclusive economic development while addressing spatial disparities and service delivery backlogs.

## **2.3.5 Ulundi Agricultural Development Strategy**

The Ulundi Agricultural Development Strategy is a structured approach aimed at leveraging agriculture as a key driver of economic growth, employment creation, and food security in the municipality. Agriculture is one of the main economic activities in Ulundi, providing livelihoods to many rural households and contributing to the local economy. However, the sector faces challenges such as limited access to markets, inadequate infrastructure, climate variability, and low levels of mechanization.

This Strategy focuses on improving agricultural productivity, enhancing value chain development, supporting smallholder and emerging farmers, and promoting sustainable farming practices. It aligns with national and provincial priorities to ensure that agricultural development contributes to inclusive economic growth, rural development, and poverty alleviation.

## **2.3.6 Ulundi Tourism Management Plan**

The Ulundi Tourism Management Plan is a framework that aims to position Ulundi as a destination for heritage and cultural tourism. Developed in alignment with the KwaZulu-Natal Provincial Tourism Strategy, the plan envisions Ulundi as the "Gateway to the Core of Zulu Culture and Heritage," reflecting its significance in Zulu history and its potential to attract both domestic and international tourists.

The specific aims and objectives of the plan include:

- Market development where existing business travellers are converted into leisure tourists by promoting Ulundi's cultural and heritage offerings. This involves strategic marketing initiatives to raise awareness of the municipality's unique attractions.
- Infrastructure Enhancement aimed to improve access to tourist sites, with a focus on upgrading roads and other essential infrastructure to ensure ease of movement and safety of visitors.
- The development of tourism products that showcase Zulu culture and heritage, including the creation of cultural villages, museums, and guided tours that offer authentic experiences.
- Engaging the local community in tourism activities, with the aim of job creation. This includes capacity-building programs that will equip residents with the necessary skills to participate in the tourism sector.

The plan proposes targeted marketing campaigns to rebrand Ulundi as a cultural tourism hub, fostering partnerships between the municipality, local business and cultural institutions to develop tourism products and services.

### ***2.3.6.1 Implications for Ulundi LED Strategy***

The Ulundi Tourism Management Plan presents an opportunity for economic growth and aligns closely with the objectives of the Ulundi LED Strategy. By integrating tourism as a key economic driver, the municipality can achieve greater economic diversification, stimulate business growth, create jobs, and enhance infrastructure development. To maximize the benefits, the LED Strategy should actively support the implementation of tourism initiatives while addressing constraints that may hinder progress. If effectively executed, tourism and local economic development initiatives and strategies can position Ulundi as a thriving economic hub, benefiting both residents and the broader regional economy.

## **2.4 Overall, Policy Implications for the Ulundi LED Strategy**

The formulation and implementation of the Ulundi LED Strategy must be guided by the strategic priorities set in the key national, provincial, district, and local policies. These policies aim to foster sustainable economic growth while addressing socio-economic challenges such as poverty, unemployment, and inequality.

At the core of these policies is a strong focus on job creation, investment attraction, and enterprise development, all of which are central to the Ulundi LED Strategy. By aligning with national and provincial economic frameworks, the municipality can leverage resources, partnerships, and policy support to drive meaningful economic transformation. The Strategy should prioritize initiatives that enhance the competitiveness of key economic sectors, support small businesses and informal traders, and create an enabling environment for investment.

The policies also reinforce the need for human capital development through improved education, skills training, and innovation. A well-structured LED Strategy must incorporate programs that equip the local workforce with relevant skills, thereby increasing employability and encouraging entrepreneurship.

Additionally, the policies emphasize the need for an active and capable local government that can drive economic transformation. Strengthening municipal governance, improving service delivery, and fostering public-private partnerships are essential for creating an environment conducive to business growth. The Ulundi LED Strategy must therefore incorporate mechanisms for effective policy implementation, stakeholder engagement, and ongoing monitoring and evaluation to ensure that development goals are met.

Overall, these policies provide a framework that ensures Ulundi's LED Strategy is comprehensive, inclusive, and aligned with broader economic objectives. By focusing on employment generation, education and skills development, infrastructure investment, and governance capacity, the municipality can position itself as a dynamic and resilient local economy that supports sustainable livelihoods and long-term economic prosperity.

## 3 ASSESSMENT OF THE CURRENT ULUNDI LED STRATEGY (2020)

### 3.1 Key Priority Areas Emerging from Current LED Strategy

The current Ulundi Local LED Strategy (2020) identifies five key priority areas to drive economic growth and improve livelihoods in the Municipality, namely:

- Addressing infrastructure and service delivery gaps
- Economic sector development and diversification
- Institutional and policy reforms
- Human resource and skills development
- Land and economic development

#### 3.1.1 Infrastructure and service delivery gaps

A central theme in the strategy is infrastructure development and service delivery, which is identified as a critical factor in enabling economic activity. The Strategy highlights the need for improved road and rail networks, particularly to enhance connectivity for rural areas. Access to essential services such as water, sanitation, and electricity is also emphasized, with concerns about infrastructure gaps that affect business development and investment. The strategy also identifies the need for improved waste management systems and enhanced bulk services, including solar streetlights and free Wi-Fi in key business areas, to support economic activity and improve the urban environment.

#### 3.1.2 Economic sector development and diversification

In terms of the various sectors, the strategy recognizes tourism as a sector with potential, particularly through the development of tourism-related infrastructure, improved marketing efforts, and the expansion of niche tourism products, such as agri-tourism and cultural tourism. Agriculture is also highlighted as a strategic sector, with a focus on supporting small-scale farmers, strengthening agricultural value chains, and addressing financial and logistical constraints that limit productivity.

The strategy further identifies manufacturing as a sector that requires attention, particularly in terms of diversification and expanding value-added processing to stimulate local industrial growth. The role of small businesses and informal traders is also acknowledged, with emphasis on the need for better market access and supportive business conditions to enhance their sustainability.

#### 3.1.3 Institutional and policy reforms

Institutional and policy frameworks, particularly in strengthening municipal capacity to implement LED initiatives effectively, are also mentioned in the strategy. Governance and intergovernmental coordination are highlighted as areas that require improvement to ensure that LED efforts are aligned with broader economic policies and development plans. The strategy also speaks on the importance of a structured business retention and expansion programme to support existing enterprises while also creating an enabling environment for new investment. It further points to the need for a clear investment policy framework that aligns with regional and provincial economic policies.

## 3.1.4 Human resource and skills development

Human resource and skills development are also central to the strategy, with plans to establish youth development centres in rural areas to enhance education and job readiness. The strategy highlights the need for skills development initiatives that align with industry needs, particularly in key economic sectors such as tourism, agriculture, and manufacturing. Strengthening partnerships between tertiary institutions and businesses is emphasized to align skills training with industry needs. Furthermore, internships and apprenticeships are encouraged to equip young people with relevant, industry-driven skills.

## 3.1.5 Land and economic development

Lastly, land and economic development facilitation is also identified as a key priority, focusing on making land available for investment in agriculture, industry, and commercial ventures. This includes creating partnerships and maintaining a database of available land parcels to support development opportunities. By addressing these priorities, the LED Strategy aims to unlock economic potential, create employment, and improve the overall socio-economic conditions in Ulundi.

## 3.2 Main Concerns Emerging from the LED Strategy

The main issues extracted from the previous LED Strategy are the following:

- Job creation. The Municipality faces a challenge of implementing the suggested strategies that can create job opportunities
- Human resource development. Education levels are a major hindrance to the improvement of Ulundi as individuals lack the required skills
- Infrastructure development. Roads, water, electricity supply among other key infrastructure remains a challenge due to a lack of funding.
- Lack of implementation of suggested strategies
- Lack of alignment of the recommendations to the provincial and national vision
- Spatial Equity. Much of the land in the Municipality is Ingonyama Trust Board (ITB) land, and this poses challenges regarding redistribution, tenure, reform, restitution for housing and other developments.
- Youth unemployment interventions are much needed in the Municipality

## 3.3 Identified Challenges

The main challenges identified in the strategy were grouped according to the various sectors. These are shown in the table below.

*Table 4: Challenges from the Ulundi Municipality LED Strategy, 2020*

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

Sector	Challenges
<b>Tourism</b>	<ul style="list-style-type: none"> <li>• Poor tourism signage and marketing</li> <li>• Limited funding and lack of investment in this sector</li> <li>• Poor state of the town and surrounding areas in terms of cleanliness and road infrastructure</li> <li>• Upgrades needed for the tourism information centre</li> <li>• Lack of comprehensive nodal tourism research</li> <li>• Poor access to historical sites</li> <li>• Crime</li> <li>• Power outages and water restrictions/shortages</li> <li>• Weak cellular signal</li> <li>• Maintenance of heritage sites is poor and not well managed</li> </ul>
<b>Agriculture</b>	<ul style="list-style-type: none"> <li>• Limited support for small-scale and emerging farmers, including financial support</li> <li>• Skills development and capacity building support is needed for critical skills</li> <li>• Government subsidies to the sector are needed</li> <li>• Water and electricity issues</li> <li>• Poor road infrastructure</li> <li>• Development of value-adding approaches that focus on processing, packaging, marketing and distribution of farm produce is needed</li> <li>• Limited encouragement of the growth of agri-processing industries</li> <li>• Fast track of land reform processes is needed</li> </ul>
<b>Manufacturing</b>	<ul style="list-style-type: none"> <li>• Government support is needed for the provision of an incubator where several services can be provided</li> <li>• Lack of technical training for small-scale manufacturers</li> <li>• Provision of zoned industrial space is needed</li> <li>• Limited funds and incentives to encourage industrial development</li> <li>• Diversification of the sector is needed</li> <li>• Manufacturing of renewable energy products is lacking</li> <li>• Regeneration of vacant or under-utilized industrial space</li> </ul>

<b>SMMEs and Traders</b>	<b>Informal</b>	<ul style="list-style-type: none"><li>• Limited access to funding and financial assistance</li><li>• Lack of business support</li><li>• State of the town in terms of cleanliness and overall infrastructure development and maintenance</li><li>• Limited access to training and skills development</li><li>• There is no growth of sustainable SMMEs in the Municipality</li><li>• Red tape making it difficult to obtain business licenses</li></ul>
	<b>Institutional</b>	<ul style="list-style-type: none"><li>• Limited access to funding for the implementation of LED interventions</li><li>• Public/private partnerships need to be strengthened</li><li>• Business retainment and expansion strategies need to be implemented</li><li>• Limited investment promotion and facilitation</li><li>• Reduction of red tape is needed</li></ul>
<b>General</b>		<ul style="list-style-type: none"><li>• Skills development and training is needed across the various sectors</li><li>• Lack of funding for research and development</li><li>• Retention of skilled individuals in Ulundi</li><li>• Job creation to reduce unemployment levels is needed</li></ul>

*Source: Ulundi Municipality LED Strategy, 2020*

## 3.4 LED Project Tracking (2020-2025)

The following sections provide an overview of the key strategic LED projects identified in the previous Ulundi economic development strategy. The Ulundi Local Municipality LED Unit provided insights into the progress and status of each strategic project under past LED initiatives.

### 3.4.1 Key Sector Specific Projects

In the previous LED, several projects were identified for four different key sectors, namely tourism, agriculture, small enterprises and manufacturing. The table below provides a brief overview on the progress of each project, as provided by the Ulundi LED Unit. The main supporting partners include the Department of Cooperative Governance and Traditional Affairs (COGTA), KZN Department of Economic Development, Tourism and Environmental Affairs (EDTEA), Zululand District Municipality (ZDM), The Agribusiness Development Agency (ADA), African Farmers Association of South Africa (AFASA), Department of Rural Development and Land Reform (DRDLR), Small Enterprise Development Agency (SEDA), and Trade and Investment KZN (TIKZN).

*Table 5: Ulundi Local Municipality Key Sector Specific Projects (LED Strategy 2020-2025)*

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

Strategic Programme	Projects	Main Responsible	Supporting Partners	Status
<b>Development and support for the tourism sector</b>				
<b>1.1 Expansion of the tourism attractions and activities</b>	1.1.1 Create a concise tourism events calendar or action plan that can guide event organisers	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development complete
	1.1.2 Promoting the development of adventure tourism and rural tours or tourism experience in Nhlazatshe, Mhlahlane, Zungu, Ezimfabeni, Ntintini, Stedham, Dlebe and Mame/Phangode	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project cancelled
	1.1.3 Constantly upgrade the current tourism information centre	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project implementation- in progress
	1.1.4 Promoting Agri-tourism that can include craft shops at the farms	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development- in progress
	1.1.5 Diversification of the tourism sector by promoting the undertaking of activities such as poetry, music, dancing and book writing competition/contests	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project implementation- in progress
	1.1.6 Empower previously disadvantaged groups to promote rural and African village tourism	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development-in progress

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

	1.1.7 Provide craft co-operatives with training and mentorship support programme	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development-in progress;
	1.1.8 Development of a tourism transformation programme that will allow the full participation of all South Africans in the sector in Ulundi	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development-in progress;
<b>1.2 Information marketing and promotion</b>	1.2.1 Identification and lobbying for funding for new tourism signage in various wards	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development-in progress
	1.2.2 To develop nodal tourism plans (Nhlazatshe, Mhlahlane, Zungu, Ezimfabeni, Ntintini, Stedham, Dlebe, and Mame/Phangode etc)	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Project development-in progress
	1.2.3 Marketing of the region at national and international shows and exhibitions in conjunction with TKZN and te Development Agency around the current tourism products such as the Ondini Museum, Amafa AkwaZulu Heritage Site, OndiniBattlefields, The pirit of Emakhosini, Ceza Cave, Kwagqokli Hill, Ophathe Heritage Park	ULM	EDTEA, COGTA, KZN Tourism, ZDM	Not yet implemented
<b>Expansion of the Agricultural Sector</b>				
<b>2.1 Coordination improvement among all stakeholders involved</b>	2.1.1 Bi-annual agri-workshops/meetings for frequent engagement between Agricultural Association, municipal officials and other relevant stakeholders like the AFASA, ADA, and the Zululand Development Agency	ULM	ZDM, ADA, AFASA	Project implementation-in progress

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

<b>in agricultural development</b>	2.1.2. Regular farmers' satisfaction surveys to understand their needs to be highlighted through a monthly municipal agri-newsletter.	ULM	DRDLR, DARD, ZDM	Not implemented	yet
	2.1.3 Undertake agricultural awareness campaigns, roadshows and exhibition to increase youth interest in agriculture as a viable source of income	ULM	DRDLR, DARD, ZDM	Project implementation-in progress	
	2.1.4 To undertake the comprehensive Agricultural Sector Plan	ULM	DRDLR, DARD, ZDM	Not implemented	yet
	2.1.5 To introduce all local farmers to the Municipal farming value chain	ULM	DRDLR, DARD, ZDM	Project implementation-in progress	
<b>2.2 Supporting Emerging and Small-scale Farmers</b>	2.2.1 Establishing a farmers' production support unit (FPSU) to support all local emerging farmers that will address many issues	ULM	DRDLR, DARD, ZDM, AFASA, ADA	Not implemented	yet
	2.2.2 Coordinate with Zululand District Municipality for the establishment of formal fresh farmers' markets for emerging and small-scale farmers	ULM	ZDM, ADA, DRDLR	Not implemented	yet
	2.2.3 Fight against crops theft by assisting farmers to secure funding for fencing	ULM	ZDM, ADA, DRDLR	Project implementation-in progress	
	2.2.4 Undertake awareness campaign against illegal burning of bushes and use of bush fire	ULM	ZDM, ADA, DRDLR	Project implementation-in progress	

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

	2.2.5 Identify and connect water and electricity to needed farmers	ULM	ZDM, ADA, DRDLR	Project implementation-in progress
	2.2.6 Facilitate the establishment of farmers' cooperatives in order to assist small scale farmers to share transport and other business costs	ULM	ZDM, ADA, DRDLR	Project implementation-in progress
<b>2.3 Commodity and Infrastructure Development</b>	2.3.1 To continually advocate for community garden programmes in rural nodes	ULM	ZDM, ADA, DRDLR	Project implementation-in progress
	2.3.2 To identify and support emerging farmers with the following soft skills: training in organic planting, marketing skills, project management, team building, climate change, quality control, production plan, etc.	ULM	ZDM, ADA, DRDLR	Project development-complete
	2.3.3 To identify and support emerging farmers with the following technical skills: soil testing, pest control and spraying programme, using natural plants, rapid method	ULM	ZDM, ADA, DRDLR	Project implementation-in progress
	2.3.4 To identify and support emerging farmers with inputs (seeds/seedlings)	ULM	ZDM, ADA, DRDLR	Project implementation-in progress
	2.3.5 To identify and support emerging farmers with micro-irrigation scheme to enable macro-agriculture and farming	ULM	ZDM, ADA, DRDLR	Project implementation-in progress

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

2.3.6 To identify and support emerging farmers with installation of boreholes	ULM	ZDM, ADA, DRDLR	Not yet implemented
2.3.7 To identify and support emerging farmers with storage facility	ULM	ZDM, ADA, DRDLR	Project implementation-in progress
2.3.8 To identify and support emerging farmers with fences	ULM	ZDM, ADA, DRDLR	Project implementation-in progress

### Support for Small Enterprises

<b>3.1 Assistance and Support</b>	3.1.1 Develop the Informal Economy Strategy that will plan, regulate and develop the sector	ULM	EDTEA, ZDM, COGTA, SEDA	Project development-complete
	3.1.2 Create standard guideline form that guides new firms to register with the CIPC	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.1.3 Facilitate the establishment of a Local Business Support Centre in Nhlazatshe, Mhlahlane, Zungu, Ezimfabeni, Ntintini, Stedham, Dlebe, and Mame/Phangode	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.1.4 Establishing a Business Incubation centre in Ulundi	ULM	EDTEA, ZDM, COGTA, SEDA	Not yet implemented
	3.1.5 Facilitate the establishment of associations in each area for informal sector traders	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

	3.1.6 Facilitate informal traders to access permits	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.1.7 Provision of trainings to SMMEs and co-operatives	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.1.8 To facilitate offtake agreement for local SMMEs and co-operatives	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
<b>3.2 Value-chain Development and Local Procurement</b>	3.2.1 Facilitate a partnership between SMMEs, cooperatives and local large businesses for procurement purpose	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.2.2 Updating the SMMEs database/details on municipal data systems for supply chain management (SCM) database for various supports	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.2.3 Buy local campaign to be undertaken to motivate and encourage the community to buy local products	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
<b>3.3 Development of innovation</b>	3.3.1 To run an annual small business innovation fair in conjunction with Zululand District Municipality and EDTEA	ULM	EDTEA, ZDM, COGTA, SEDA	Project development-never developed

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

	3.3.2 To consult with informal traders' representatives and associations on any projects that are planned for the informal economy	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.3.3 To regularly maintain all municipal taxi ranks as they are the main points for informal trading	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	3.3.4 Facilitate the establishment of shopping complex at Babanango	ULM	EDTEA, ZDM, COGTA, SEDA	Project development-never developed
	3.3.5 Facilitate the establishment of a shopping complex at Ceza	ULM	EDTEA, ZDM, COGTA, SEDA	Project development-never developed
	3.3.6 Facilitate the establishment of a shopping complex at MpungaMhlophe	ULM	EDTEA, ZDM, COGTA, SEDA	Project development-never developed
	3.3.7 Facilitate the establishment of a shopping complex at Ngqulwane	ULM	EDTEA, ZDM, COGTA, SEDA	Project development-never developed
<b>3.4 Fight against crime in the Municipality</b>	3.4.1 To establish a community policing forum and business against crime in Ulundi to fight the crime	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress

### Expansion of the Manufacturing Sector

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

<b>4.1 Manufacturing sector policy and planning</b>	4.1.1 To develop an investment promotion and facilitation strategy with a focus on the manufacturing sector	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed
	4.1.2 Develop a database of all zoned industrial spaces and all vacant or underutilised industrial spaces	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
	4.1.3 To undertake the Investments promotion seminars, forums and exhibition	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
<b>4.2 SMME participation within the manufacturing sector</b>	4.2.1 Leverage pf national incentives and funds to encourage industrial development	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed
	4.2.2 Government provision of a manufacturing incubator where a number of services can be provided (training, access to funds, water, electricity, transport, business premises, etc.)	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed
	4.2.3 Assist welders to access skills required and provide consistent electricity supply	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed
	4.2.4 Assist brick and block manufacturers to access water, electricity, and business premises	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

4.2.5 Facilitate the manufacturing of wood for timber products for construction furniture	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
4.2.6 Facilitate the establishment of beef processing, deboning/canning and hides processing facility	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed
4.2.7 Establishing a fertilizers production plant	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed
4.2.8 Assist the establishment of firewood processing plant (charcoal manufacturing plant)	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
4.2.9 Assist small scale manufacturers to form co-operatives	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
4.2.10 Establishing a renewable energy information centre to facilitate the production of renewable energy products.	ULM	EDTEA, TIKZN, ZDM, COGTA	Project development-never developed

Source: Ulundi Local LED Strategy 2020; Ulundi Local Municipality LED Unit, 2025

### 3.4.2 Cross- Cutting Projects

**Table 6: Ulundi Local Municipality Key Cross Cutting Projects**

Strategic Programme	Projects	Main Responsible	Supporting Partners	Status
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## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

Improving the institutional and policy environment effective for LED				
<b>5.1 Coordination and communication of LED stakeholders</b>	5.1.1 Hold business breakfast or Economic Development Summit in Ulundi, in which businesses are invited over, and projects are showcased with the aim of attracting investment	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
	5.1.2 Encourage the improvement of intergovernmental relations (all spheres of government, SOEs, NGOs and traditional authorities) through information sharing and project feedback	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
	5.1.3 To improve the efficacy of the LED forum	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
<b>5.2 Funding for LED implementation</b>	5.2.1 Compile a database of all potential funding sources for LED implementation as well as previous examples of funding applications	ULM	EDTEA, TIKZN, ZDM, COGTA	Project implementation-in progress
<b>5.3 Business retention and expansion</b>	5.3.1 Roll-out of a business retention and expansion programme that is run between the Municipality, business bodies and TIKZN	ULM	EDTEA, ZDM, COGTA, SEDA	Project implementation-in progress
	5.3.2 Development of a red tape reduction plan to reduce administrative processing times.	ULM	EDTEA, ZDM, COGTA	Project implementation-in progress
<b>5.4 Improving the capacity of the Ulundi LED Unit</b>	5.4.1 Staffing of the Ulundi LED portfolio including, among others, the following posts: business unit, agriculture unit, LED Capacity and special programmes unit	ULM	EDTEA, ZDM, COGTA	Project development-complete

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

	5.4.2 To develop a municipal wide poverty alleviation plan	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
	5.4.3 Extend monitoring and evaluation systems across Ulundi in conjunction with the EDTEA monitoring and evaluation unit	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
	5.4.4 Undertake the customer satisfaction survey to gauge the level of service delivery in the Municipality	ULM	EDTEA, COGTA	ZDM,	Project development-never developed

### Ensuring Effective Education, Skills, and Capacity Development

<b>6.1 Skills training and development</b>	6.1.1 Facilitate training for SMME and informal businesses (SEDA or EDTEA programme)	ULM	EDTEA, COGTA, SEDA	ZDM,	Project implementation-in progress
	6.1.2. Facilitate the provision of the following technical skills to aspiring entrepreneurs: Carpentry, Plumbing, Tiling, Roofing and Painting	ULM	EDTEA, COGTA, SEDA	ZDM,	Project implementation-in progress
	6.1.3 Provision of the following general skills to existing SMMEs: Financial management, Marketing, Business management	ULM	EDTEA, COGTA, SEDA	ZDM,	Project implementation-in progress
	6.1.4 Awareness campaign promoting trade as employment opportunities to young people (e.g. hairdressers, carpenters, electricians, plumbers, etc.) through linkages with FET college	ULM	EDTEA, COGTA, SEDA	ZDM,	Project implementation-in progress

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

<b>6.2 Developing relationships between industry, tertiary &amp; training institutions</b>	6.2.1 Establish a platform for engagement between tertiary institutions and business to ensure programmes are aligned with industry demand	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
	6.2.2 Establishing youth development centre in one of the rural nodes such as Nhlazatshe, Mhlahlane, Zungu, Emfabeni, Ntintini, Stedham, Dlebe, and Mame/Phangode	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
	6.2.3 Establishing Rural Information and Communication Technology (ICT) Centres in Key Rural Nodes	ULM	EDTEA, COGTA	ZDM,	Not yet implemented
6.3 Retention of skilled residents	6.3.1 Development of a marketing and retention programme in conjunction with the local business bodies that focusses on the quality-of-life promotion to retain skilled residents in Ulundi	ULM	EDTEA, COGTA, SEDA	ZDM,	Not yet implemented
<b>Expansion and Development of Strategic Economic Infrastructure</b>					
<b>7.1 Transportation infrastructure capacity and maintenance (road and rail)</b>	7.1.1 To undertake road patching and park beautification in rural nodes	ULM	EDTEA, COGTA	ZDM,	Not yet implemented
	7.1.2 To undertake ward profiling strategy for nodes development	ULM	EDTEA, COGTA	ZDM,	Project development-complete
	7.1.3 Building a community service centre in rural nodes where necessary	ULM	EDTEA, COGTA	ZDM,	Not yet implemented
<b>7.2 Development of bulk business</b>	7.2.1 To undertake a study for the provision of a free Wi-Fi in Ulundi CBD	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

	7.2.2 Improve the provision of water & sanitation in rural nodes	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
	7.2.3 Provision of solar streetlights in Nhlazatshe, Mhlahlane, Zungu, Ezimfabeni, Ntintini, Stedham, Dlebe, and Mame/Phangode	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
	7.2.4 To undertake a waste management analysis in Ulundi Municipality	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress
<b>7.3 Facilitating easy access to land for development</b>	7.3.1 Entering into partnership agreements around various land parcels. Develop a Database for land parcels made available for commercial, industrial, housing and other current and future developments.	ULM	EDTEA, COGTA	ZDM,	Project implementation-in progress

Source: Ulundi Local LED Strategy 2020; Ulundi Local Municipality LED Unit, 2025

Some of the main reasons cited for the slow implementation of suggested projects and programmes include the following:

- Limited access to funding
- Lack of awareness regarding tourism offerings
- Limited capacity which leads to poor service standards
- Lack of cooperation between the Municipality and the traditional authorities

## 4 ULUNDI LOCAL MUNICIPALITY OVERVIEW

### 4.1 Spatial Economy

Ulundi Local Municipality is situated along the southern boundary of the Zululand District Municipality, covering approximately 22% of the district's total jurisdiction. As one of the key urban centres within the district, Ulundi serves as an important administrative and service hub, housing the municipal offices and key administrative functions of the Zululand District Municipality. Additionally, it provides the district's only air freight access through Prince Mangosuthu Airport.

Spanning an area of approximately 3 250 km<sup>2</sup>, Ulundi Local Municipality is predominantly rural and remains largely underdeveloped, with only a few settlements displaying urban characteristics. The town of Ulundi itself is the municipality's sole urban centre, home to approximately 221 977 residents. The broader settlement pattern reflects a high population density within the town and in the surrounding peri-urban areas, particularly along major transport routes such as the R34, R66, and P700. Settlement concentrations are primarily found in the following five nodal areas:

**Table 7: Profile of Major Towns and Settlements in Ulundi Local Municipality**

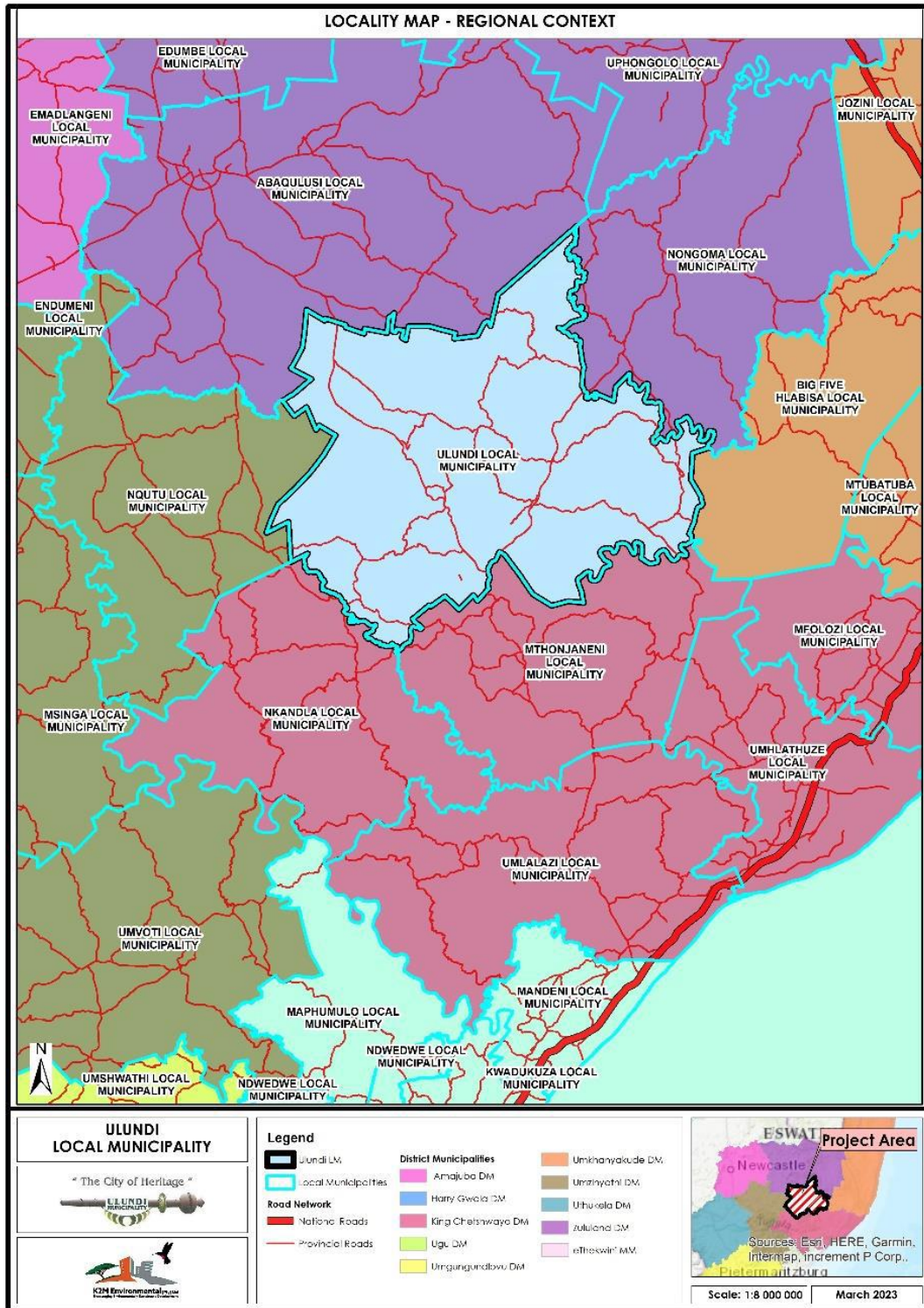
Town/Settlement	Development Profile
<b>Ulundi Town</b>	Developed as a result of heritage and the KZN Government. Ulundi has historically been a centre of administrative and cultural significance due to its significance as the former capital of the Zulu Kingdom under King Cetshwayo. It was the site of the Battle of Ulundi in 1879 and became a municipality that preserves and commemorates Zulu history.
<b>Nqulwane</b>	Located in the eastern part of Ulundi and developed initially due to the Okhukho Coal Mine
<b>Babanango</b>	Developed as a result of the forestry industry
<b>Mpungamhlophe (Denny Dulton)</b>	Developed as a result of road R34 and rail infrastructure
<b>Mahlabathini</b>	Initially developed as a mission station
<b>Ceza</b>	Located to the north of the Municipality, and developed in response to the establishment of supportive land uses such as a hospital, clinic and other related social support services in the area. It is also situated on the road network system. It is therefore a connection and concentration point for people and activities.

Source: Ulundi Local Municipality SDF, 2023

The following figure shows the regional context of Ulundi Municipality.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

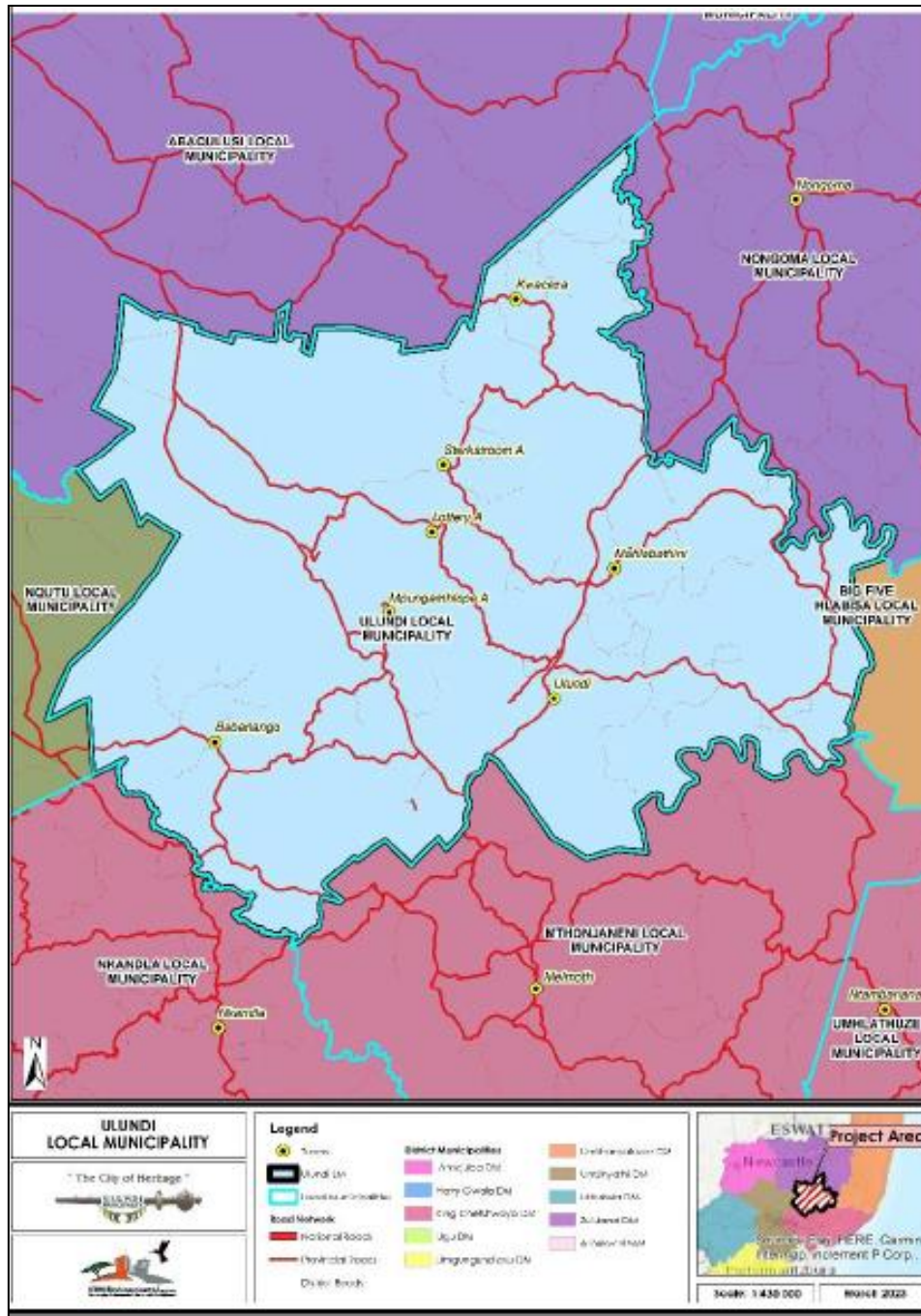
Figure 2: Regional Context of Ulundi Local Municipality



Source: Ulundi Municipality SDF, 2023 Review

The following figure shows the municipal context of Ulundi Municipality.

Figure 3: Municipal Context of Ulundi Municipality



Source: Ulundi Municipality SDF, 2023 Review

## 4.1.1 Land Administration (Wards and Traditional Councils)

The South African Municipal Demarcation Board (MDB), operating under the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998), is responsible for independently determining municipal boundaries. As a result of this process, Ulundi Local Municipality comprises 24 electoral wards and a Council of 47 Councillors.

Many of these electoral wards are concentrated in the eastern part of the municipality, where most settlements and traditional council areas on Ingonyama Trust Land are located. These areas form the core of the municipality's rural population and traditional governance structures.

#### **4.1.1.1 Traditional Authority/Council Areas**

Ulundi Municipality includes eight traditional councils, all situated on Ingonyama Trust Land. These areas cover a large portion of the municipality, primarily in the east, and are predominantly rural with limited infrastructure and service provision.

Only a few areas have formally defined cadastral boundaries, including Ulundi Town, Mahlabathini, Babanango, and Mpungamhlope, as well as smaller settlements near Lottery and Sterkstroom. Other settlements outside traditional council areas include Babanango, Bloubank, Nhlazatshe, Lottery, Sterkstroom, and Ngonweni.

The highest population densities are found around Ulundi Town (exceeding 250 persons per km<sup>2</sup>), with denser settlements also present in the northern municipal area (Wards 1, 2, 3, and 5) and Ward 23 along the P47 main road (Melmoth to Vryheid route), where population densities range from 101 to 250 persons per km<sup>2</sup>.

Among the most densely populated traditional council areas are:

- Mpungamhlope
- Nkonjeni
- Nqulwane
- Ceza (Ward 3, along Road D1724)

These areas stand out for their concentrated settlement patterns, reinforcing their importance in future spatial planning and service delivery initiatives.

## **4.1.2 Existing Development Nodes**

#### **4.1.2.1 Primary Development Node**

Ulundi town has been designated as the Primary Development Node in the Municipality's Spatial Development Framework (SDF). Strategically located along the R66, Ulundi serves as a key connector between Nongoma to the north and Melmoth to the south, ultimately linking to the N2, which provides access to major coastal cities. As the only formal urban node within the municipality, Ulundi accommodates all structured economic activities within the first economy, making it the central hub for trade, commerce, and municipal administration.

The areas surrounding Ulundi town consist largely of expansive, densely populated tribal lands characterized by an informal settlement pattern. These areas are highly dependent on Ulundi for employment opportunities, commercial services, and essential public amenities. Given the concentration of population and the growing demand for services, some portions of these tribal areas exhibit early signs of urbanization and can be classified as emerging urban settlements. Due to its strategic economic and administrative importance, Ulundi town remains the focal point for municipal and government services and is recognized as the primary economic hub within the municipality.

## **4.1.2.2 Secondary Development Node**

Secondary development nodes function as service centres catering to multiple surrounding communities, providing facilities, amenities, and economic activities that extend beyond localized needs. The following areas have been identified as secondary development nodes within the municipality:

- Babanango,
- Ceza,
- Mpungamhlophe,
- Nqulwane.

These nodes serve as important support centres, facilitating access to essential services and fostering economic activity in their respective regions.

## **4.1.2.3 Tertiary/Satellite Development Nodes**

The long-term spatial development vision for Ulundi Municipality includes the establishment of satellite development nodes within clusters of rural settlements. These small centres are intended to serve as access points for localized community services, reducing the need for residents to travel long distances to Ulundi town.

The following settlements have been identified as proposed satellite municipal development nodes:

- Gazini,
- Ezimfabeni,
- Dlebe;
- Nhlazatshe,
- Mhlahlane,
- Ntonjeni,
- Mahlabatini,
- Zungu,
- Okhukho,
- eMakhosini

These nodes aim to enhance service delivery, improve accessibility to essential facilities, and support sustainable development within the municipality's rural landscape.

## **4.1.3 Existing Development Corridors**

### **4.1.3.1 Regional Development Corridor: R34**

The R34 is a major transportation corridor running through the western portion of Ulundi Municipality and serves as one of the primary regional movement routes. Recognized for its strategic importance, the R34 connects Ulundi to Abaqulusi Local Municipality, Melmoth, Eshowe, and ultimately Richards Bay. Despite its potential, the comparative advantages of this corridor remain largely underutilized, presenting an opportunity for economic growth and infrastructure development.

To maximize the benefits of this corridor, the following key interventions are proposed:

- Strengthening intergovernmental communication and coordination to align development efforts along major economic corridors and assess their impact on Ulundi.

- Formulating a localized Corridor Development Strategy, focusing on spatial planning, infrastructure provision, and attracting both public and private sector investment.

#### **4.1.3.2 Primary Development Corridor: R66**

The R66 is the primary development corridor within Ulundi Municipality, running in a northeast-southwest direction and serving as a key regional access route within the Zululand District Municipality. The town of Ulundi, the municipality's economic and administrative centre, is strategically positioned along this corridor, reinforcing its role as the main economic hub.

The following interventions are proposed to enhance the R66 corridor:

- Developing a localized Corridor Development Strategy to guide spatial planning, infrastructure investment, and economic development along the route.
- Ensuring the integration of multimodal transport systems at key points along the corridor, improving connectivity between urban and rural areas.

#### **4.1.3.3 Secondary Development Corridor: R68 and P700**

The R68 and P700 serve as secondary development corridors, playing a role in facilitating regional connectivity. The P700 corridor, in particular, links Ulundi to Richards Bay, Ntambanana, and the Hluhluwe-iMfolozi Park, providing opportunities for tourism development. Additionally, this corridor offers a shorter route to the park from Gauteng and Mpumalanga, enhancing access for domestic and international visitors. The P700 and P701 also provide crucial access to various lower-order development nodes within the Municipality.

Proposed interventions for these corridors include:

- Developing a localized Corridor Development Strategy to ensure efficient spatial structuring, infrastructure investment, and economic growth.
- Promoting multimodal transport integration along these routes to improve accessibility and connectivity for both local communities and regional economic activities.

#### **4.1.3.4 Tertiary Development Corridors**

Tertiary development corridors serve as essential access routes, linking satellite municipal development nodes with public and commercial facilities at a community level. These corridors play a crucial role in enhancing mobility within rural areas and ensuring equitable access to essential services.

The following settlements are connected via tertiary routes and are proposed for further development:

- Dlebe
- Ezimfabeni
- Mhlahlane
- Ntonjeni
- Mahlabatini
- Okhukho
- Zungu

## **4.2 Socio-Economic Profile**

Understanding the social characteristics of the Municipality is important as it provides insight into the broader population dynamics and their potential impact on future economic growth. This socio-economic profile offers

an overview of key characteristics of the Ulundi municipal area, including population, household composition, education, and employment. These factors are analysed at the municipal, district, and provincial levels to provide a comparative perspective.

The section includes the following subsections:

1. Demographic profile
2. Poverty and inequality
3. Education and employment
4. Infrastructure and services
5. Socio-economic vulnerability

## 4.2.1 Demographic Profile

### 4.2.1.1 Population and Household Size

The table below shows the population and household demographic profile of Ulundi Local Municipality in relation to Zululand District and the KZN profile in 2022.

**Table 8: Demographic Profile of Ulundi, Zululand and KwaZulu Natal, 2022**

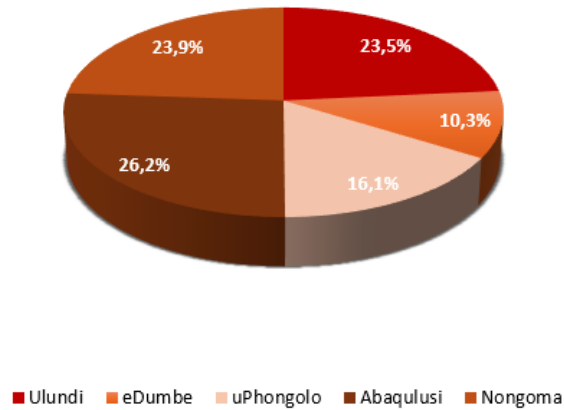
Indicator	Ulundi	Zululand	KwaZulu Natal
Area (km <sup>2</sup> )	3 250 km <sup>2</sup>	14 799 km <sup>2</sup>	94 361 km <sup>2</sup>
Population	221 977	942 794	12 423 907
Population growth rate (2011-2022)	1.6%	1.6%	1.9%
Population density	68.3 persons per km <sup>2</sup>	63.7 persons per km <sup>2</sup>	131.7 persons per km <sup>2</sup>
Number of households	36 390	165 929	2 823 615
Average Household Size	6.1	5.7	4.4

*Source: StatsSA, Census 2022 and Quantec Standardised Regional Data, 2025*

According to Census 2022 data, the total population of Ulundi Local Municipality is estimated at 221 977. This represents 23.5% of the total population of Zululand District Municipality and 1.8% of KwaZulu-Natal's total population. The Municipality has a population density of 68 persons per square kilometre, which is slightly higher than the district average of 63.7 persons per square kilometre. However, in general terms, both Zululand and Ulundi have a relatively sparse population density, especially when compared to urban areas, which often have hundreds or even thousands of people per square kilometre. This suggests that while Ulundi is more densely populated than the district average, it still likely has a mix of settlements, with open spaces and rural characteristics.

The following figure shows the population of Ulundi in comparison to the municipalities within the Zululand District.

**Figure 4: A Comparison of the Population of Ulundi with Municipalities in the Zululand District, 2022**



Source: StatsSA, Census 2022

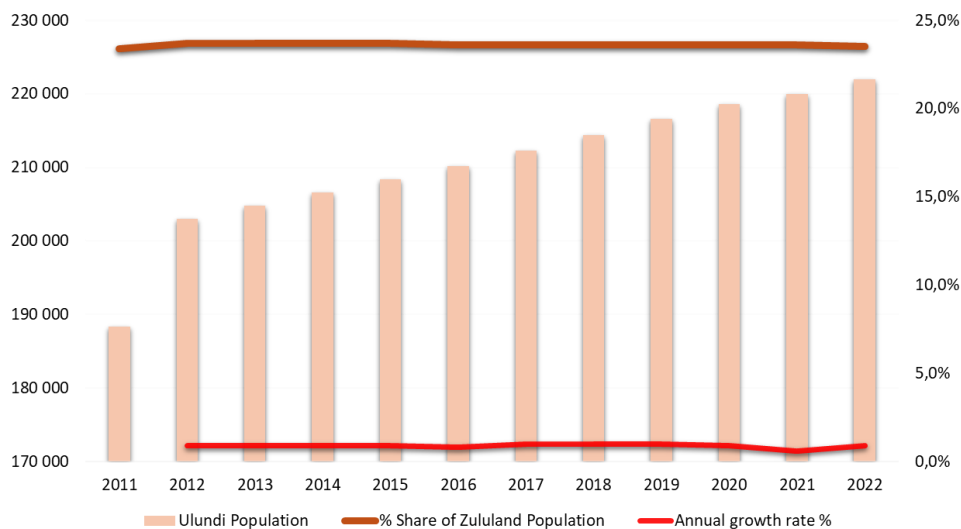
The Zululand District is composed of five local municipalities, with Ulundi Local Municipality accounting for 23.5% of the district's total population. This makes Ulundi the third-largest municipality in terms of population, following Abaqulusi (26.2%) and Nongoma (23.9%).

In 2022, Ulundi Local Municipality had 36 390 households, with an average household size of 6.1 persons. This reflects an increase from the 2011 Census, which recorded an average household size of 5.4 persons. The Municipality's average household size remains higher than both the district average of 5.7 persons and the provincial average of 4.4 persons. Households in Ulundi account for 21.9% of those within Zululand District and 1.2% of those across KwaZulu-Natal.

#### 4.2.1.2 Population Growth

The following figure shows the total population of Ulundi Municipality for the period 2011 to 2022.

**Figure 5: Total Population and Growth Dynamics of Ulundi Municipality, 2011-2022**



Source: StatsSA, Census 2022 and Quantec Standardised Regional Data, 2025

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

Ulundi's population Compound Annual Growth Rate (CAGR) between 2011 and 2022 was estimated at 1.6% per annum, aligning with the district's growth but slightly lower than the KZN provincial rate of 1.9% per annum. Based on this trend, Ulundi's population is expected to reach approximately 238 448 by 2030.

This projected growth carries some implications for LED within Ulundi LM. A rising population will drive increased demand for housing, basic services, and infrastructure, necessitating proactive planning to avoid service delivery bottlenecks. This growth also highlights the need for job creation and economic diversification to accommodate the growing labour force and reduce unemployment.

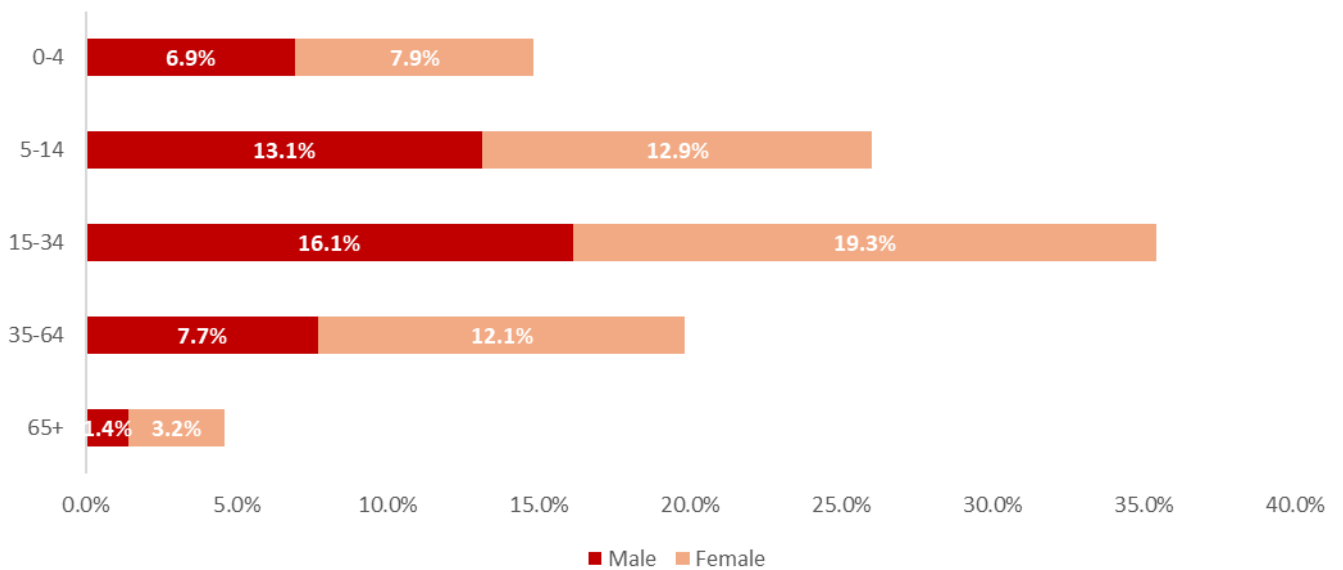
Given Ulundi's predominantly rural character, the Municipality must focus on strengthening key economic sectors such as agriculture, tourism, and small-scale manufacturing while fostering investment in commercial and retail development. The increase in population also presents an opportunity to expand skills development initiatives and entrepreneurship programs, ensuring local businesses can thrive and absorb the expanding workforce.

Strategic interventions in urban planning, transport connectivity, and public service provision will be essential to accommodate this growth effectively while ensuring sustainable economic progress within the Municipality.

### 4.2.1.3 Age and Gender

The figure below shows the age and gender structure within the Ulundi Local Municipality.

**Figure 6: Ulundi Local Municipality Age and Gender Profile, 2023**

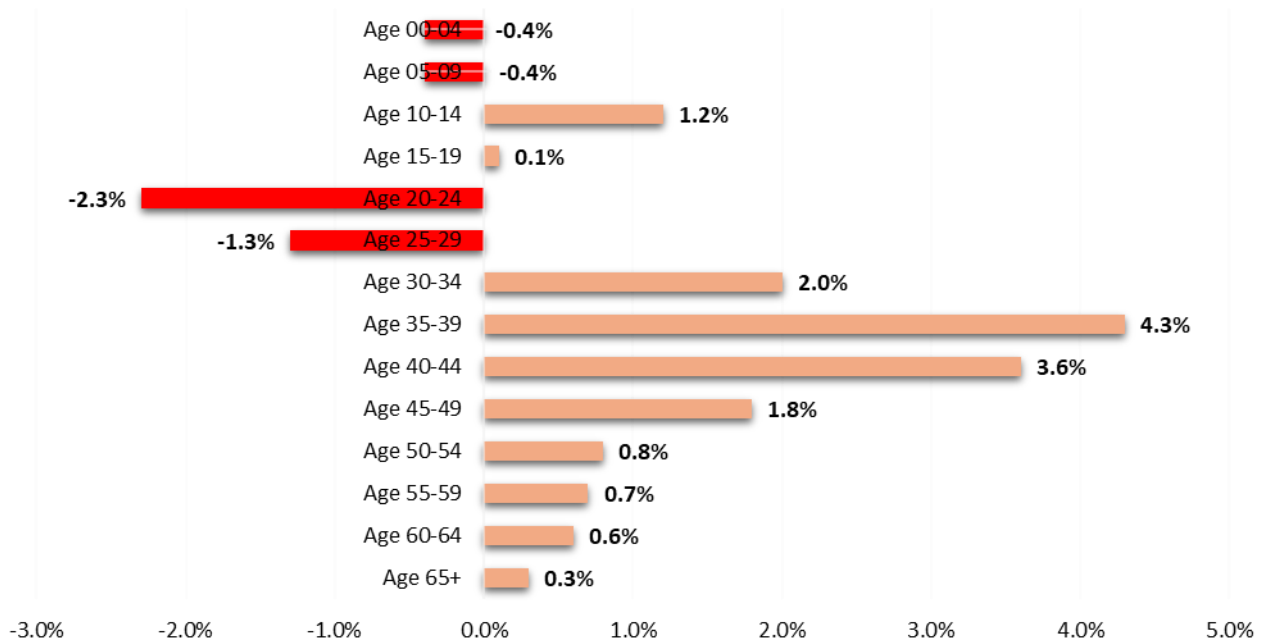


Source: Quantec Standardised Regional Data, 2025

The age and gender profile of Ulundi LM in 2023 indicates a predominantly young population, with about 61.4% of the population falling within the 15–34 age group and a higher female population across all age categories. The Municipality also has a lower percentage of elderly individuals, a trend characteristic of a developing or transitional population.

The figure below shows the changes in the average growth rate in terms of CAGR for each age category between 2013 and 2023.

**Figure 7: Average growth rate of age categories in Ulundi Local Municipality, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

The population growth trends in Ulundi LM reveal notable shifts across different age groups. The decline in younger age categories, particularly ages 00-04 (-0.4%), 05-09 (-0.4%), and 20-24 (-2.3%), suggests lower birth rates or a trend of young people leaving the area, potentially in search of better education or employment opportunities elsewhere. The negative growth in the 25-29 age group (-1.3%) further supports the likelihood of out-migration, which could impact the Municipality’s long-term workforce sustainability and economic growth.

Conversely, age groups 35-39 (4.3%), 40-44 (3.6%), and 45-49 (1.8%) are experiencing the most growth, indicating an ageing workforce and a possible increase in the number of settled, economically active individuals. This could present opportunities for strategies that focus on retaining and supporting middle-aged professionals through improved services, housing, and business incentives. However, the modest growth in the 50+ categories, highlights the need for long-term planning in healthcare, social services, and economic diversification to ensure a sustainable future. Addressing youth retention and employment creation should be a priority for the LED Strategy to balance population dynamics and strengthen the local economy.

The table below shows the dependency ratios in Ulundi LM. The dependency ratio shows the ratio of the dependent age (child and elderly) population as a percentage of the working-age population.

**Table 9: Age Dependency Ratio of Ulundi Municipality, 2023**

Category	Dependency Ratio
Total Dependency	66.4%
Child Dependency	57.3%
Aged/Elderly Dependency	9.1%

Source: Quantec Standardised Regional Data, 2025

The total dependency ratio of 66.4% indicates that for every 100 working-age individuals (15–64 years), there are approximately 66 dependents (children and elderly combined). The child dependency ratio of 57.3% highlights that a large portion of the dependent population consists of children, reinforcing the need for strong

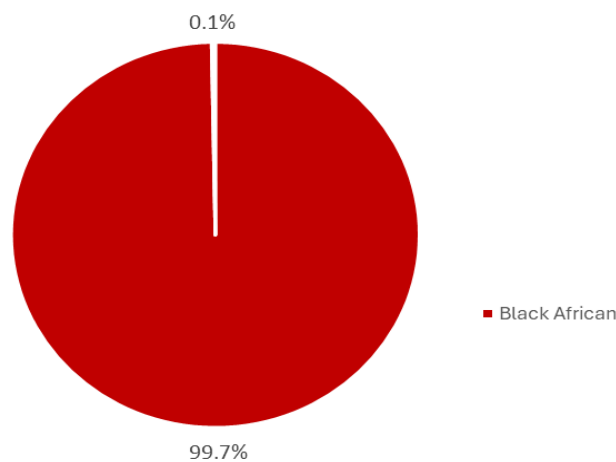
education, healthcare, and social support systems. In contrast, the aged dependency ratio of 9.1% suggests a relatively low burden of elderly dependents.

While the high proportion of working-age individuals suggests a potentially strong labour force, the high dependency ratio, particularly driven by child dependency, underscores the importance of job creation, skills development, and economic opportunities to ensure sustainable development. Strategic planning is needed to support households, strengthen social infrastructure, and enhance employment opportunities to accommodate the Municipality's demographic trends.

#### 4.2.1.4 Race Distribution

The following figure shows the racial distribution in Ulundi Local Municipality.

**Figure 8: Racial Distribution in Ulundi Local Municipality, 2023**



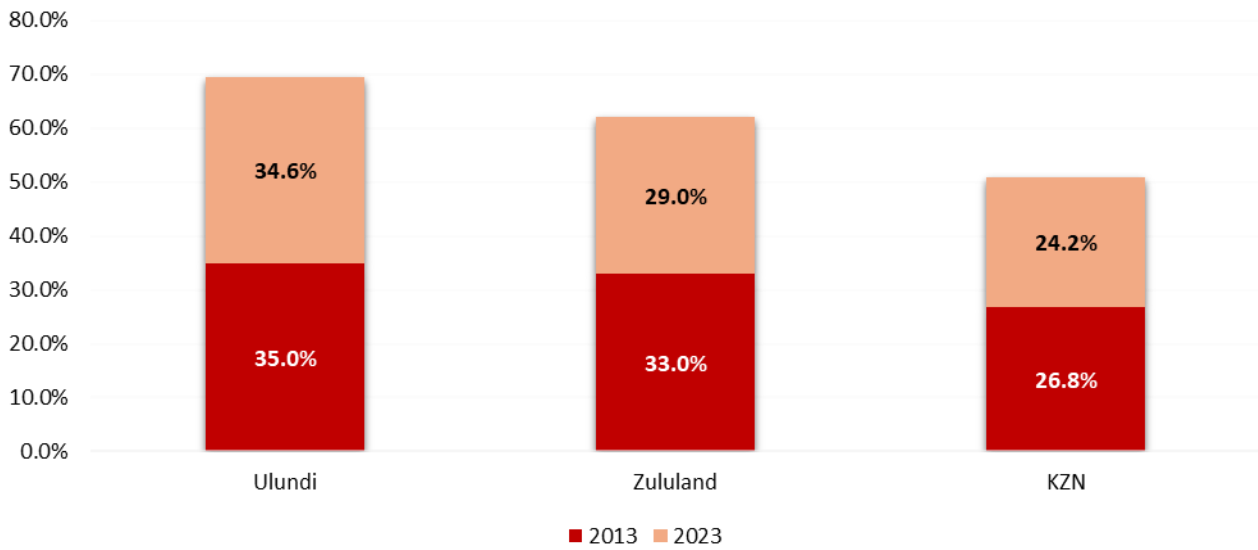
Source: Quantec Standardised Regional Data, 2025

The population of Ulundi LM is predominantly Black/African, comprising 99.7% of the total population. Minority groups, including White, Coloured, and Indian/Asian populations, each account for only 0.1%. This racial composition reflects the historical and socio-economic context of the Municipality, where the Black African population forms the core of the community. Given this demographic structure, local development strategies should focus on addressing the specific economic, social, and infrastructural needs of the majority population while fostering inclusivity and equitable access to opportunities for all residents. Additionally, there is a need for spatial transformation to address historical settlement patterns, improve access to services, and promote integrated development. Empowering the community through skills development, entrepreneurship support, and participatory planning is essential to ensuring sustainable and inclusive growth.

#### 4.2.1.5 Poverty and Inequality

The poverty trends are analysed based on the proportion of the population living below the Food Poverty Line. As of May 2023, this was defined as those individuals surviving on R760 or less per month, also referred to as the “extreme” poverty line (StatsSA, 2019). The figure below shows the percentage of people living below the poverty line in 2013 and 2023 at a local, District and provincial level.

**Figure 9: Population Living Below the Food Poverty Line in 2013 and 2023 at a Local, District and Provincial Level**



Source: Quantec Standardised Regional Data, 2025

Over the past decade, all three areas have experienced a decline in the percentage of people living beyond the poverty line, indicating a worsening economic situation. In 2013, the Ulundi had 35.0% of its population living beyond the poverty line, but by 2023, this had only slightly decreased to 34.6%, indicating that poverty remains persistent with minimal progress. This stagnation suggests that poverty alleviation efforts in Ulundi may not be sufficient, leaving a significant portion of the population trapped below the food poverty line. Zululand District Municipality (DM) saw a 4-percentage point decline, from 33.0% to 29.0%, KZN dropped from 26.8% to 24.2%. Although these reductions are larger than Ulundi, they still reflect a worrying trend where fewer people can move out of extreme poverty over time.

This slow progress can largely be attributed to the overall high unemployment rates and heavy reliance on social grants in South Africa (SA). With limited job creation and slow economic growth, many households struggle to generate sustainable incomes, forcing them to depend on government assistance. While social grants provide essential relief, they do not always translate into long-term poverty reduction, especially if access to employment opportunities remains limited. Without stronger economic interventions such as job creation initiatives, skills development, and support for small businesses poverty levels in Ulundi Municipality may continue to worsen.

#### **4.2.1.6 Socio-economic Vulnerability**

The Socio-Economic Vulnerability Index (SEVI) is a quantitative measure used to assess the susceptibility of individuals, communities, or regions to economic and social risks or shocks. It integrates various socio-economic indicators such as income levels, employment status, education, access to healthcare, housing conditions, and social support networks to gauge the degree of vulnerability within a population. This index helps municipalities, planners, and researchers identify areas or groups that are more vulnerable to economic shocks, environmental changes, or social disruptions, allowing for the development of targeted interventions and policies to mitigate vulnerability and promote resilience.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

It is measured on a scale of 1 – 10. A high vulnerability score (closer to 10) indicates a high number of vulnerable households with regards to household composition, education and health, access to basic services, and safety and security (Greenbook, 2019).

The table below shows the socio-economic vulnerability for local municipalities in KZN from the least socio economically vulnerable to the most socio economically vulnerable.

**Table 10: KZN Local Municipalities Socio-Economic Vulnerability, 2019**

MUNICIPALITY	Socio-Economic Vulnerability	Trend	Ranking
uMngeni	3.63	↓	1
The Msunduzi	3.87	↓	2
uMhlathuze	3.92	↓	3
Endumeni	4.11	↓	4
Greater Kokstad	4.42	↓	5
KwaDukuza	4.65	↓	6
Newcastle	4.94	↗	7
Ray Nkonyeni	5.26	↓	8
Mpofana	5.75	↓	9
Mandeni	5.76	↓	10
Alfred Duma	6.34	↓	11
Abaqulusi	6.43	↓	12
Umdoni	6.66	↗	13
Richmond	6.79	↓	14
Mfolozi	6.89	↓	15
uMshwathi	6.92	↓	16
Mtubatuba	7.05	↓	17
Dannhauser	7.15	↗	18
Inkosi Langalibalele	7.31	↗	19
uPhongolo	7.43	↓	20
eDumbe	7.58	↓	21
Impendle	7.60	↗	22
<b>Ulundi</b>	<b>7.61</b>	<b>↓</b>	<b>23</b>
Umvoti	7.65	↗	24
uMuziwabantu	7.70	↓	25
Dr Nkosazana Dlamini Zuma	7.78	↗	26
Emadlangeni	7.80	↗	27
Ubuhlebezwe	7.81	↓	28
Okhahlamba	7.89	↗	29
Umzimkhulu	7.95	↗	30

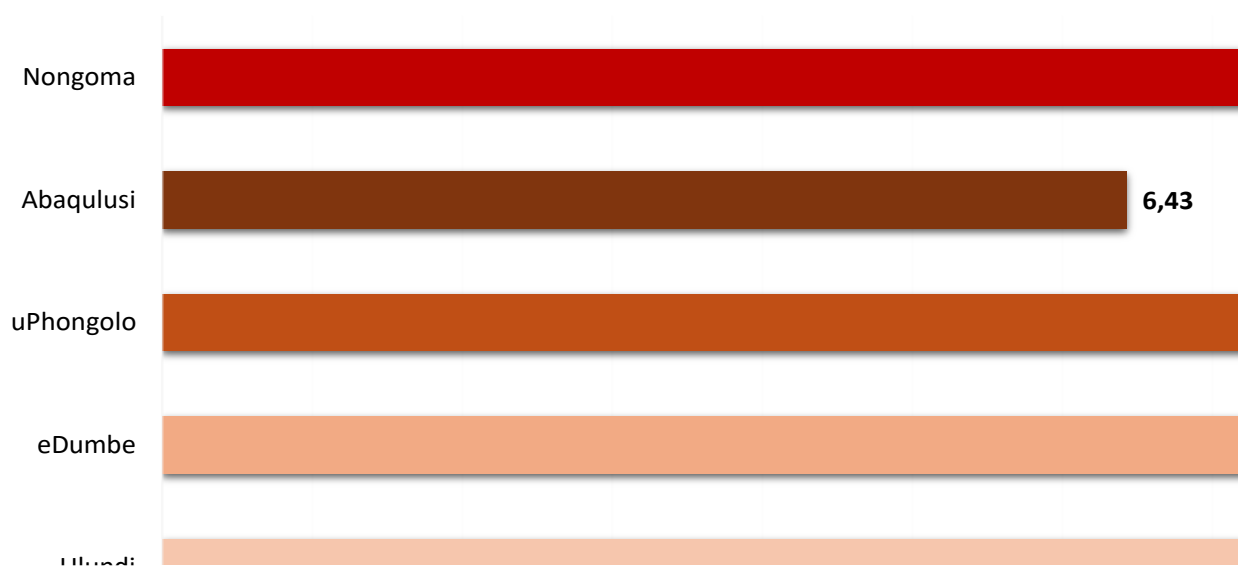
## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

Big Five Hlabisa	7.99	↘	31
uMlalazi	8.04	↗	32
Mthonjaneni	8.26	↘	33
Nqutu	8.33	↘	34
Jozini	8.47	↘	35
Nongoma	8.56	↘	36
Umzumbe	8.58	↗	37
Umhlabuyalingana	8.69	↘	38
Ndwedwe	8.80	↗	39
Nkandla	8.89	↗	40
Maphumulo	9.03	↗	41
Mkhambathini	9.38	↘	42
Msinga	9.94	↗	43

Source: CSIR, 2025

Ulundi ranks 23<sup>rd</sup> out of 43 municipalities, with a vulnerability of 7.61. In terms of the District, Ulundi ranks 4<sup>th</sup> out of the 5 local municipalities, with Nongoma being the lowest as shown in the figure below.

**Figure 10: Zululand District Regional Socio-Economic Vulnerability, 2011**



Source: CSIR Greenbook, 2025

In relation to the other municipalities in the District, Ulundi has the second highest socio-economic vulnerability in Zululand. While the vulnerability in Ulundi has slightly decreased, suggesting a marginal improvement in socio-economic conditions, the progress is slow. The Municipality still faces serious economic and social challenges. The overall ranking indicates that Ulundi still struggles with high levels of poverty and interventions such as job creation, education, and infrastructure development are required to ensure sustained socio-economic progress.

## 4.2.2 Labour Market Dynamics

Analysing the labour market in Ulundi Local Municipality is essential, as it reflects the ability of individuals to secure employment and contribute to the local economy's productivity. Understanding unemployment levels is equally important, as high unemployment rates can lead to various social challenges that may hinder overall development. These challenges can include increased crime rates, inadequate housing, limited access to recreational facilities, and constrained availability of essential services. The following sections provide an overview of the labour market in Ulundi.

### 4.2.2.1 Employment

The following table highlights the labour market profile of Ulundi Local Municipality.

**Table 11: Labour Market Profile of Ulundi Local Municipality, 2023**

Area	Category	Ulundi
Labour Market Profile	Working-age population	60.1%
	Formal employment	43.5%
	Informal employment	7.3%
	Unemployment rate	49.2%
	Not economically active	72.8%
	Labour force participation rate	27.2%
	Labour absorption rate	13.8%

*Source: Quantec Standardised Regional Data, 2025*

The labour market profile of Ulundi Local Municipality presents a challenging landscape characterized by high unemployment and low economic participation.

The working-age population constitutes 60.1% of the total population, providing a substantial potential labour force. However, the labour force participation rate is only 27.2%, indicating that less than a third of the working-age population is either employed or actively seeking employment.

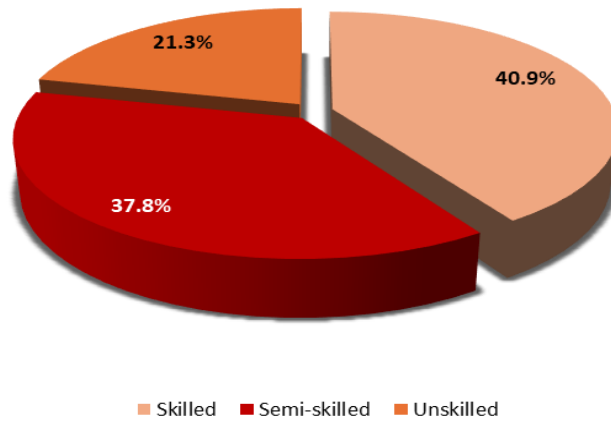
Employment within Ulundi is primarily concentrated in the formal sector, accounting for 43.5% of those in the labour force. Informal employment contributes an additional 7.3%, reflecting a smaller segment of the workforce reliant on informal economic activities.

The unemployment rate stands at a concerning 49.2%, highlighting the challenges faced by residents in securing formal employment. This high unemployment level is indicative of limited job opportunities, economic constraints, and a need for targeted interventions to stimulate job creation and economic development.

72.8% of the working-age population is not economically active, encompassing individuals who are neither employed nor seeking employment. This may include students, homemakers, the elderly, and discouraged job seekers who have ceased searching for work due to a lack of available opportunities.

The following figure shows the employment levels by skills in Ulundi Municipality in 2023.

**Figure 11: Employment by Level of Skills in Ulundi Municipality, 2023**



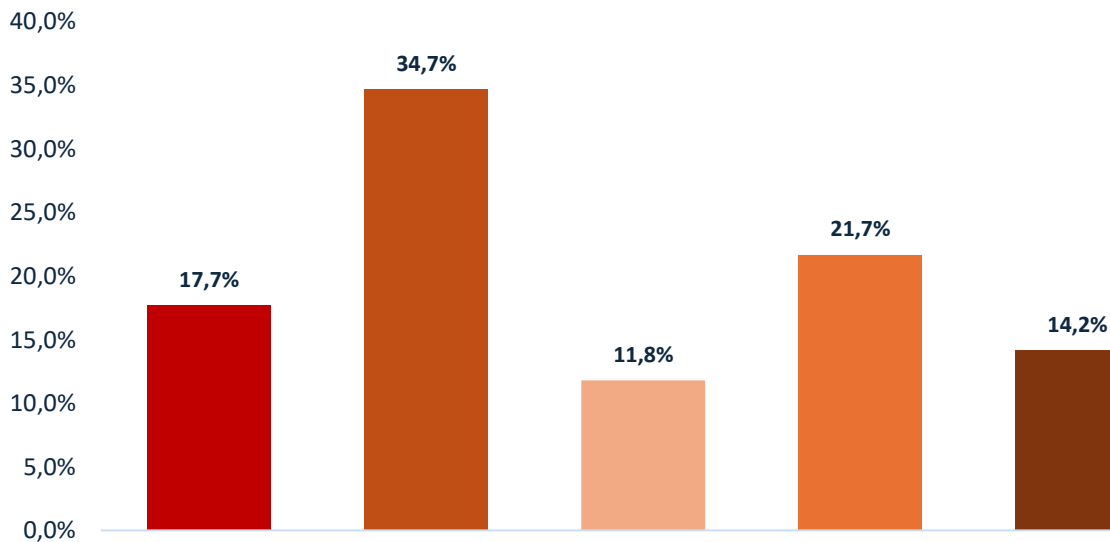
Source: Quantec Standardised Regional Data, 2025

The employment in Ulundi mainly consists of semi-skilled and unskilled workers. Skilled labour in the Municipality accounts for 40.9% and speaks to the need of education and skills development in the Municipality. With a labour absorption rate of only 13.8%, Ulundi faces barriers in integrating its working-age population into productive employment. Enhancing skills development, expanding formal and informal economic opportunities, and supporting small businesses could contribute to reducing unemployment and increasing economic participation, ultimately fostering socio-economic stability and growth in the Municipality.

#### 4.2.2.2 Employment Contribution to Zululand DM

The figure below shows the employment contribution of each local municipality towards the overall district employment levels.

**Figure 12: Municipal Contribution to Employment in the Zululand District Municipality, 2023**



Source: Quantec Standardised Regional Data, 2025

The employment contribution of Ulundi LM within the Zululand District stands at 17.7%, positioning it as a moderate contributor to employment in the region. While Ulundi plays a role, its contribution is notably lower

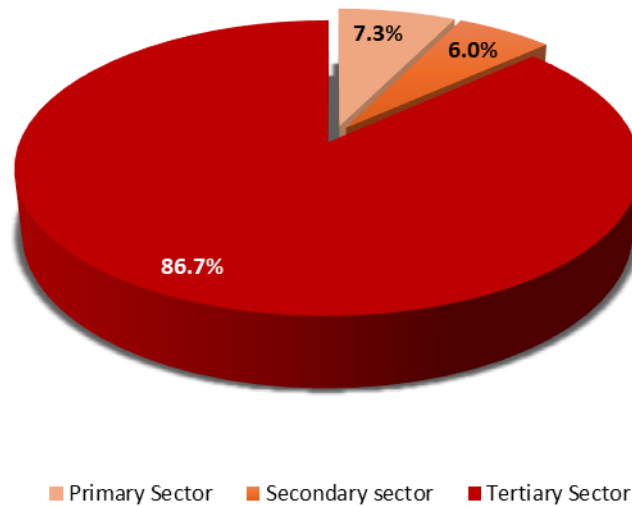
than that of Abaqulusi, which has the highest share at 34.7%. However, it surpasses eDumbe (11.8%) and Nongoma (14.2%), while remaining behind uPhongolo (21.7%).

This comparative positioning suggests that Ulundi has a comparatively active labour market, but there is still room for further job creation and economic growth to close the gap with higher-contributing municipalities like Abaqulusi. The Municipality’s ability to enhance employment opportunities could depend on factors such as economic diversification, investment in key industries, and skills development. Strengthening these areas could bolster Ulundi’s role in the district’s economy and improve overall socio-economic conditions for its residents.

### 4.2.2.3 Sectoral employment and job growth

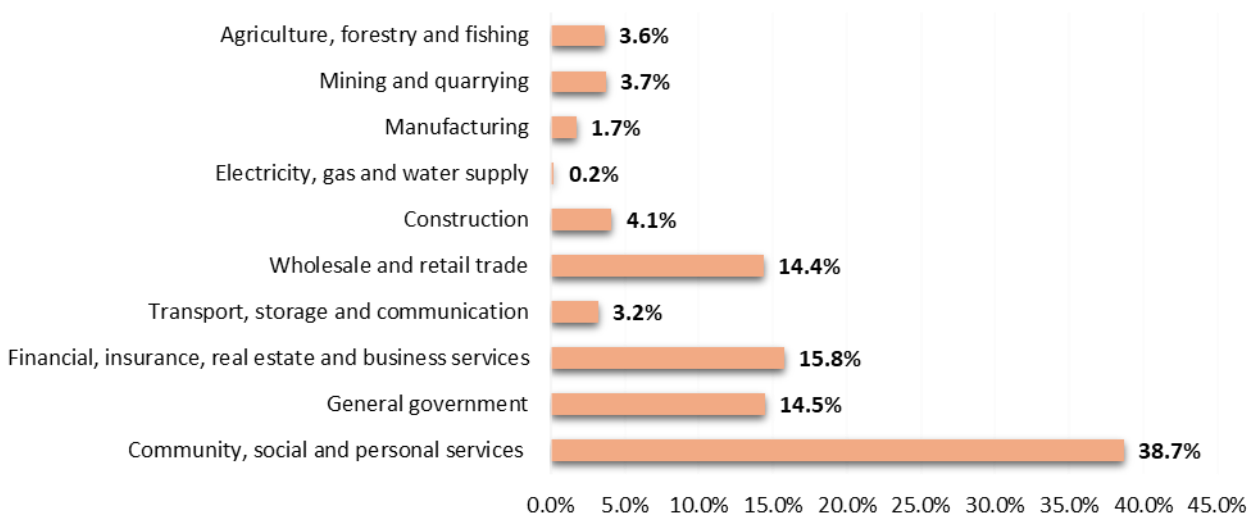
The following figures show the sectoral employment trends in Ulundi Municipality in 2023.

**Figure 13: Sectoral Employment Levels in Ulundi Municipality, 2023**



Source: Quantec Standardised Regional Data, 2025

**Figure 14: Employment Levels per Industry in Ulundi Municipality, 2023**



Source: Quantec Standardised Regional Data, 2025

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

The employment distribution in Ulundi Local Municipality is heavily concentrated in the tertiary sector, which accounts for 86.7% of total employment. The community, social, and personal services sector is the largest employer at 38.7%, highlighting the Municipality's reliance on public services, social support structures, and community-based employment. Government employment (14.5%), financial, insurance, real estate, and business services (15.8%), and wholesale and retail trade (14.4%) further emphasize the dominance of service-related jobs in Ulundi's economy.

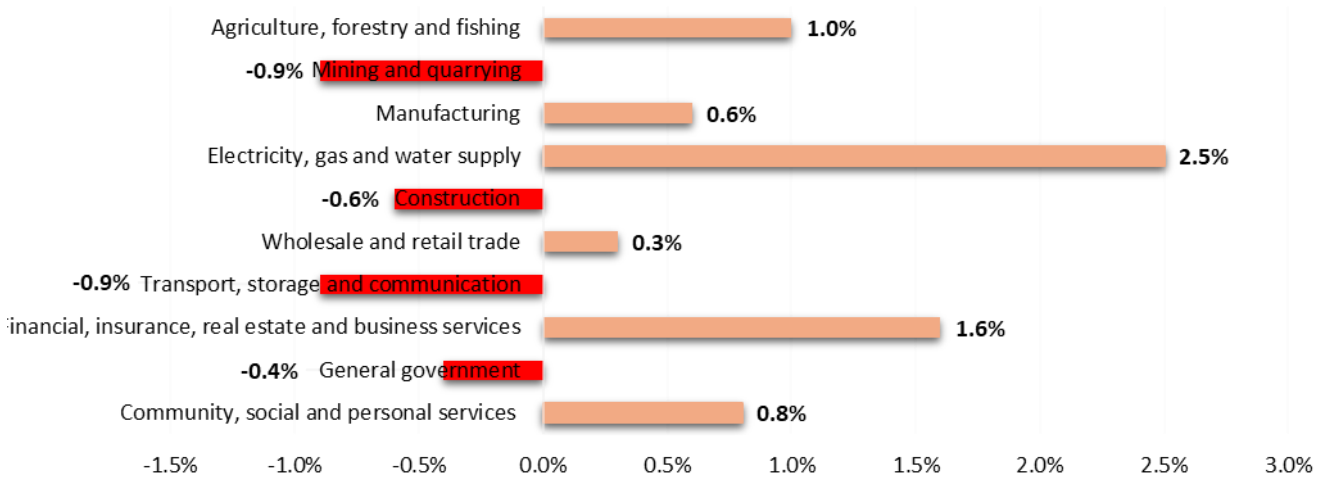
The primary sector, which includes agriculture, forestry, fishing (3.6%) and mining and quarrying (3.7%), contributes a combined 7.3% to employment. This indicates that while natural resource-based industries are present, they are not major employment drivers in the Municipality.

The secondary sector, comprising manufacturing (1.7%), electricity, gas, and water supply (0.2%), and construction (4.1%), makes up 6.0% of employment. The relatively low employment in this sector suggests limited industrial and infrastructure-related activities within the Municipality.

Ulundi's employment structure is highly service-oriented, with minimal employment in primary and secondary industries. This reliance on the tertiary sector presents both strengths and challenges. While it ensures employment in stable government and service-based roles, diversifying the economy by expanding opportunities in trade, construction, and industrial sectors could enhance economic resilience and long-term sustainability.

The figure below shows the CAGR in employment of each industry over a 10-year period from 2013 to 2023.

**Figure 15: Employment Growth Trends per Industry in Ulundi Municipality, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

The sectoral employment growth rates in Ulundi Local Municipality between 2013 and 2023 indicate a mixed performance across industries, with some sectors experiencing modest growth while others declined.

The tertiary sector in Ulundi LM has shown mixed growth trends, with the financial, insurance, real estate, and business services sector experiencing the highest growth at 1.6%, indicating an expansion in financial and business activities. However, the largest employers, including the community, social, and personal services sector (0.8%) and the wholesale and retail trade sector (0.3%), recorded minimal job growth, while general government employment declined by -0.4%. This suggests that these key employment sectors are becoming

saturated, limiting further job creation. As a result, there is a need to diversify the local economy and create opportunities in other sectors to drive sustainable employment and economic growth.

The secondary sector had uneven growth, with electricity, gas, and water supply experiencing the strongest growth at 2.5%, while manufacturing recorded 0.6% growth. This could be a result of public sector-driven initiatives, such as rural electrification programs or water service improvements due to increased demand for utilities. However, construction employment declined by -0.6%, indicating slower infrastructure development or reduced demand in the sector. This trend is not unique to Ulundi but reflects a broader pattern across KZN, where the construction industry has faced challenges, such as reduced public infrastructure spending, economic uncertainties, and shifting investment priorities.

The primary sector showed modest growth in agriculture, forestry, and fishing at 1.0%, while mining and quarrying employment declined by -0.9%. These trends suggest a limited expansion of resource-based industries in the Municipality in terms of employment opportunities.

Overall, Ulundi’s employment landscape has been shaped by slow but steady growth in key service industries, while declines in sectors such as government, construction, and mining highlight potential challenges in job creation and economic diversification. Strengthening emerging sectors and supporting industries with growth potential could contribute to a more resilient and balanced labour market.

### 4.2.3 Education Profile

Education attainment and skills levels are an important determinant of the level of employment in a particular region. Human capital, which includes the knowledge and skills of people, supports economic growth. A population with a high level of education is likely to be more innovative and promote an environment that is conducive for economic growth. In addition, education may also contribute to lowering the level of poverty and inequality in an area as it enables people to participate in the workforce and increase their individual economic opportunities.

The table below shows the levels of education attained within the Ulundi Local Municipality and the percentage change on the levels of education for the population 20 years and above in Ulundi. Over this period, educational attainment has improved, with a notable decline in the number of people with no schooling. The population of people aged 20 and above with no schooling has been decreasing with an average growth rate of -5.8% since 2011 while the proportion of the population 20 years and above higher education increasing by an average growth rate of 1.7% over the same period.

**Table 12: Level of Education Growth Within Ulundi Local Municipality Between 2011 and 2022**

Level of Education (20+ years)	2011	2022	% Change
No Schooling	20.6%	14.8%	-5.8%
At least Matric	30.0%	36.7%	6.7%
Higher Education	5.8%	7.5%	1.7%

Source: Quantec Standardised Regional Data, 2025

Higher education levels play a role in driving economic development as higher education levels contribute to a skilled and innovative workforce, drive technological advancements, and promote entrepreneurship. Municipalities that prioritize and invest in education are most likely to experience sustainable economic growth and an overall improved quality of life for the local population.

## 4.2.4 Household Income and Expenditure

Household income levels provide insights for tailoring interventions and allocating resources effectively within a local economic development strategy. Addressing income disparities and promoting inclusive growth is pivotal for sustainable and equitable development within the community. The following table shows the average annual household income levels of Ulundi LM.

**Table 13: Average Annual Household Income levels in Ulundi Local Municipality, 2023**

Income categories		Percentage of Households
<b>Very Low Income</b>	No income	12.8%
	R1 - R4 800	5.0%
	R4 801 - R 9 600	8.9%
	R9 601 - R 19 200	21.9%
<b>Low Income</b>	R19 201 - R 38 400	25.1%
	R38 401 - R 76 800	12.4%
	R76 801 - R153 600	7.0%
<b>Low emerging middle-class</b>	R153 601 - R307 200	4.1%
<b>Emerging middle class</b>	R307 201 - R614 400	1.9%
<b>Realized middle class</b>	R614 401 - R1 228 800	0.3%
<b>Emerging affluent</b>	R1 228 801 - R2 457 600	0.2%
<b>Affluent and wealthy</b>	R2 457 601 and more	0.2%

Source: Quantec Standardised Regional Data, 2025

Household income distribution in Ulundi Local Municipality reflects significant economic disparities, with a large proportion of households earning low incomes. Over 12.8% of households report no income at all, highlighting the prevalence of extreme poverty in the area. Additionally, 5.0% of households earn between R1 and R4 800 per year, meaning they survive on less than R400 per month.

Most households fall within the lower-income brackets, with 21.9% earning between R9 601 and R19 200 per year and 25.1% earning between R19 201 and R38 400 per year. This means that nearly half of all households subsist on less than R3 200 per month, leaving very little room for savings or discretionary spending. A smaller portion, 12.4%, earns between R38 401 and R76 800 per year, indicating some degree of financial stability, though still within lower-income thresholds.

As household income levels rise, the percentage of households in each bracket declines sharply. Only 7.0% earn between R76 801 and R153 600 per year, and an even smaller 4.1% fall within the R153 601 to R307 200 range. Middle-income households, earning between R307 201 and R614 400 per year, account for just 1.9%, while those in higher-income brackets above R614 401 make up less than 1% of the population.

This income distribution underscores the economic challenges facing most households in Ulundi, where limited earning potential constrains access to quality housing, education, healthcare, and other essential services. The dominance of lower-income brackets suggests a strong reliance on social grants, informal employment, and subsistence activities. To improve economic conditions, initiatives focusing on job creation, skills development, and small business support will be crucial in uplifting households and strengthening financial resilience.

The table below shows the weighted average household income in Ulundi.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

**Table 14: Weighted Average Household Income in Ulundi Municipality, 2023**

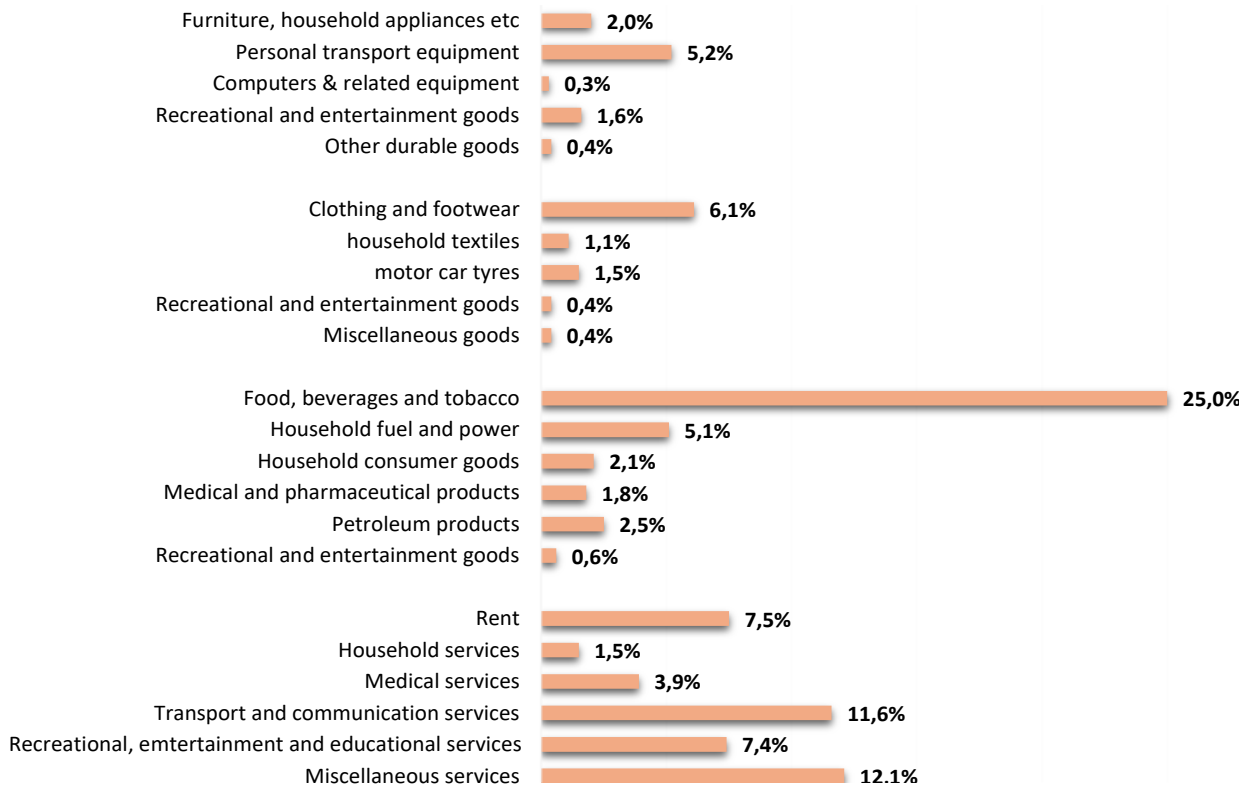
	Annual Income	Monthly Income
<b>Weighted average household income</b>	R4 703.05	R348.03

Source: Quantec Standardised Regional Data, 2025

The average annual household income in Ulundi Local Municipality is estimated at R4,703.05, translating to a monthly income of R348.03. This figure highlights the economic challenges faced by households, as it is substantially lower than the national average and suggests a high level of financial vulnerability among residents.

Given this low-income level, most households rely on social grants, informal employment, and subsistence activities to meet their basic needs. The limited income impacts household spending patterns, with most of the household income directed toward essential goods and services as shown in the figure below.

**Figure 16: Household Expenditure, 2023**



Source: Quantec Standardised Regional Data, 2025

Food, beverages, and tobacco account for the largest share (25.0%) of total expenditure, reflecting the financial reality of many households that prioritize basic sustenance over discretionary spending.

Transport and communication services make up 11.6% of total spending, highlighting the costs associated with mobility in a rural setting, where access to work, education, and healthcare often requires long-distance travel. Similarly, rent absorbs 7.5% of household budgets, indicating the significance of housing costs, though many families may still rely on informal or traditional housing arrangements. Other essential expenses include household fuel and power (5.1%), medical services (3.9%), and clothing and footwear (6.1%), all of which are necessary but carefully managed within limited budgets.

Spending on durable goods, such as furniture and household appliances (2.0%) and personal transport equipment (5.2%), remains low, demonstrating constrained purchasing power for long-term investments. Likewise, discretionary spending on recreational and entertainment services (7.4%) is relatively modest, suggesting that while some resources are allocated toward leisure and education, financial limitations shape these decisions. The reliance on public healthcare is also evident, as medical services account for a small proportion of total expenditure.

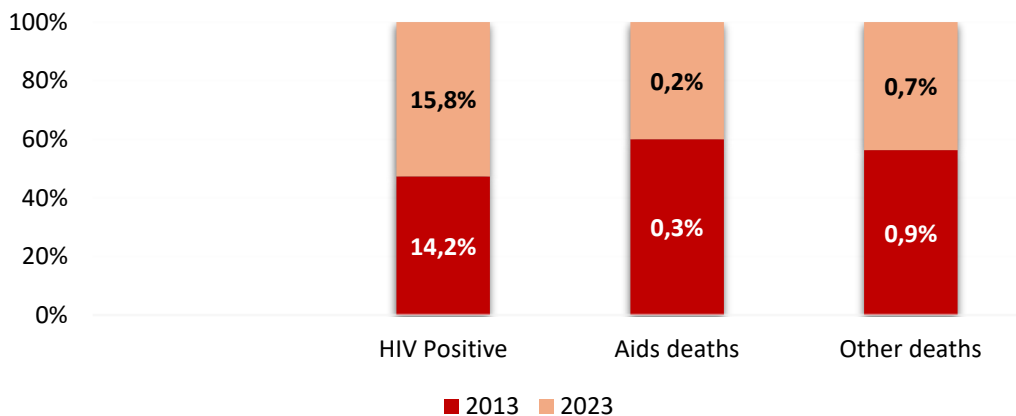
Overall, the household income and expenditure trends in Ulundi reflect the economic hardships faced by residents, with limited disposable income restricting access to non-essential goods and services. Addressing these challenges requires targeted economic development strategies that enhance employment opportunities, improve access to affordable services, and support household financial resilience.

## 4.2.5 HIV and Death Trends

The health profile of a population plays a role in shaping economic development, as a healthier workforce contributes to productivity, business growth, and overall economic stability. Understanding trends in HIV prevalence and mortality rates provides valuable insights into the health challenges and progress within Ulundi.

The following figure shows the changes in HIV prevalence, AIDS-related deaths, and overall mortality between 2013 and 2023

**Figure 17: HIV and Death Trends in Ulundi Municipality between 2013 and 2023**



Source: Quantec Standardised Regional Data, 2025

There has been a small rise in the HIV prevalence rate in Ulundi over the past decade, increasing from 14.2% in 2013 to 15.8% in 2023. This suggests that while efforts to control the spread of HIV have continued, new infections remain a concern. The increase may be influenced by factors such as population growth, improved HIV testing coverage, and longer life expectancy due to antiretroviral (ARV) treatment, which allows more individuals with HIV to live longer.

Despite the rise in HIV prevalence, the percentage of deaths attributed to AIDS-related illnesses has declined slightly from 0.3% in 2013 to 0.2% in 2023. This positive trend likely reflects the impact of improved access to ARVs, better healthcare interventions, and increased awareness of HIV management strategies.

Similarly, deaths from other causes have also decreased from 0.9% in 2013 to 0.7% in 2023, which may indicate improvements in healthcare services, disease prevention, and overall living conditions.

These trends highlight the importance of continued investment in healthcare infrastructure, workplace wellness programmes, and community health education within the Municipality. A healthier workforce is essential for economic growth, and targeted interventions to support those living with HIV can enhance productivity and reduce healthcare burdens. Furthermore, improving access to healthcare and social support services can help sustain the downward trend in mortality rates, contributing to a more resilient and economically active population.

## 4.2.6 Infrastructure Support

The report published by the National Planning Commission (NPC) concerning the evaluation of the NDP emphasizes the crucial role of local government in the implementation and preservation of fundamental services infrastructure throughout the country. The capacity of all municipalities to construct and uphold local infrastructure is a vital element of the NDP's objective to address spatial inequality and ensure that every household has access to a comprehensive range of basic services.

The NPC further asserts that the deteriorating condition of local government finances, particularly the inadequate and declining rates of revenue collection, is the primary cause of the insufficient level of infrastructure maintenance, accompanied by deficiencies in technical planning and project management skills. The NPC affirms that the backlog in infrastructure maintenance poses a threat to the accomplishments that have already been made. Special attention must be given to the maintenance of infrastructure in local government.

Infrastructure development has been identified in the Provincial Growth and Development Strategy (PGDS) as one of the principal measures to propel KZN towards Vision 2035. With this aim in mind, the province has designated the following types of infrastructure as high priority for the period leading up to 2035 and beyond:

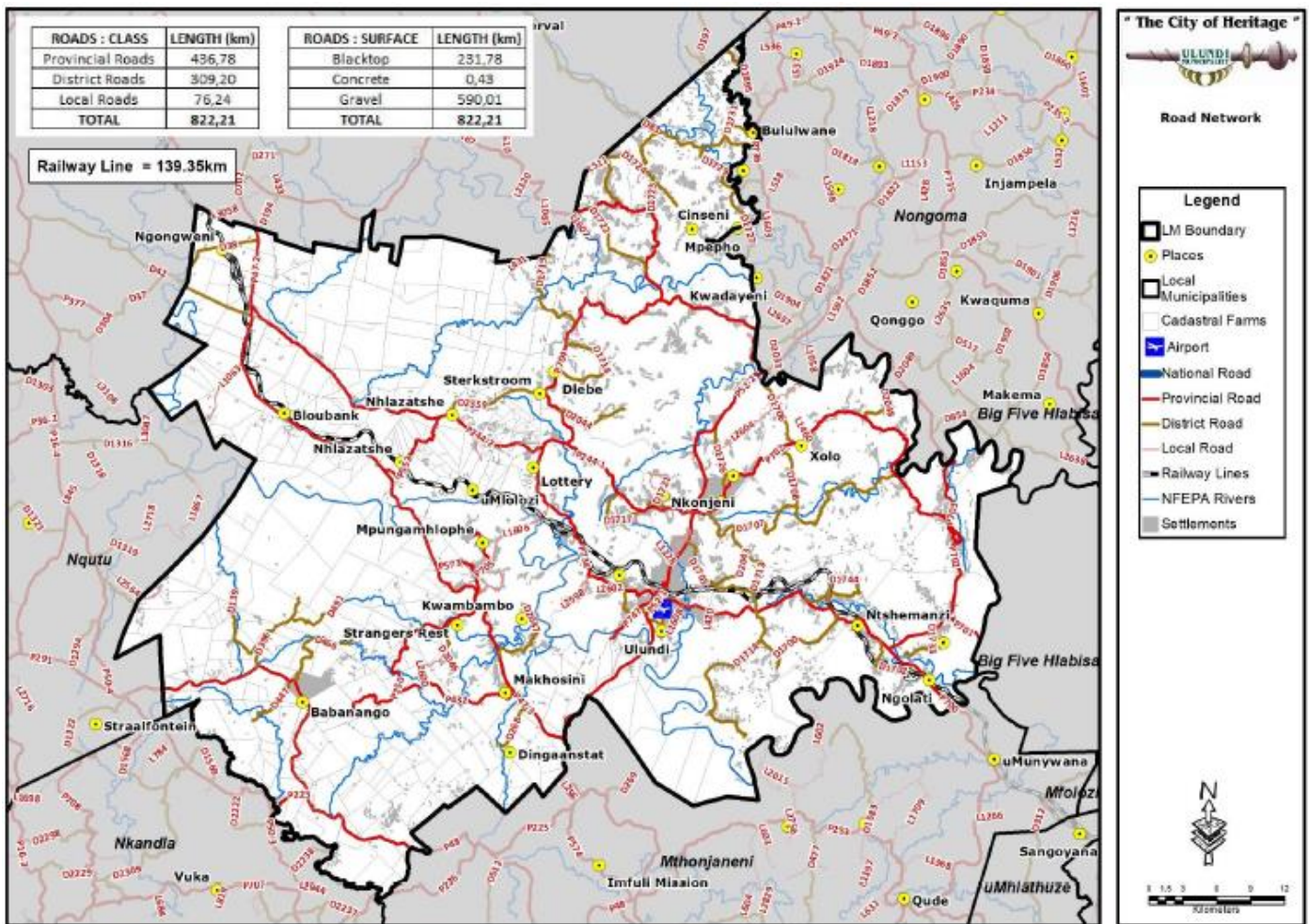
### 4.2.5.1 Roads

The Ulundi Municipality is served by a network of key regional and provincial routes that support connectivity within the Municipality and link it to surrounding areas. The R66, a major provincial road, runs through Ulundi town and serves as a primary transport corridor. It extends northward to Nongoma Municipality and further connects to the R34, providing access to Abaqulusi Municipality (Vryheid) in the north and Mthonjaneni Municipality (Melmoth) in the south. The R34 is particularly important as it links Ulundi to uMhlathuze Municipality and the N2, a national road that connects to Richards Bay Coal Terminal and Durban Port, key economic hubs for trade and logistics.

Additionally, the P432 provides an essential link to the R68, offering direct access to Babanango and extending westward to Nqutu Municipality. Several other provincial roads, such as the R66 (P52-1) via P734, connect Ulundi to Nkonjeni settlement, while P734 extends further to Hlahlane, linking to P707 and Nhlazatshe settlement. The D700 road provides access to Ntshemanzi settlement in the southeast and connects further to the Munywana rural areas in Mthonjaneni Municipality.

The following figure shows Ulundi Municipality's Road network.

Figure 18: Ulundi Local Municipality Road Network, 2023



Source: Ulundi Local Municipality SDF, 2023 Review

While these roads play a crucial role in facilitating movement and economic activity, challenges remain. Many district and local roads, which connect settlements and provide access to public facilities, suffer from poor maintenance, making travel difficult, especially in rural areas. Inadequate road infrastructure can hinder economic development, restrict access to essential services, and limit opportunities for investment. To address these challenges, the Municipality needs to prioritize road upgrades, improve maintenance programs, and secure funding for infrastructure development. Investing in better road networks will enhance connectivity, boost economic activity, and improve the quality of life for residents.

#### 4.2.5.2 Rail

Ulundi Municipality has a freight railway line that is approximately 139.35km, and it traverses the Municipal area in an east west direction stretching from Ngongweni in the west, via Ulundi through Ngqolothi in the east to Richards Bay. The railway line facilitates the delivery of coal to Richard's Bay Coal terminal and transportation of logging to the port. According to the Ulundi IDP 2023/2024, the railway line is still functional however, it is at full capacity meaning it is operating at its maximum load and cannot accommodate additional demand without upgrades or expansion.

However, despite this, the railway remains an economic asset in the Municipality, offering opportunities for investment in expansion, upgrades, or alternative logistics solutions to enhance Ulundi's comparative advantage in trade and connectivity.

## 4.2.5.3 Airports

The Prince Mangosuthu Buthelezi Airport is situated just to the South of Ulundi and is accessible from the R66. In March 2011, it was announced that Ulundi Municipal Airport would resume daily commercial flights between Ulundi and Pietermaritzburg on a promotional basis. This development followed the transfer of airport ownership from the Office of the Premier to the Zululand District Municipality in April 2007, a process initiated in 2004 after the cessation of government-subsidized flights in 2003. To support this transition, the



KwaZulu-Natal provincial government provided financial assistance to the District Municipality for three years, subsidizing operational costs and facilitating staff training for airport management. The Civil Aviation Authority (CAA) has granted clearance for the resumption of commercial flights.

Recognizing the airport's potential role in local development, the KwaZulu-Natal Provincial Government, in collaboration with the Zululand District Municipality and local municipalities, established the Airport Development Committee (ADC). This committee comprises representatives from various government tiers, local and regional businesses, and parastatal organizations. The ADC's mandate is to evaluate and develop components that translate into tangible benefits for the community. To actualize this, the provincial government allocated a R30 million grant to the Zululand District Municipality for airport upgrades and rehabilitation. Additionally, the development of a tourism hub adjacent to the airport has enhanced security by relocating unrelated activities from the main airport premises to this new facility.

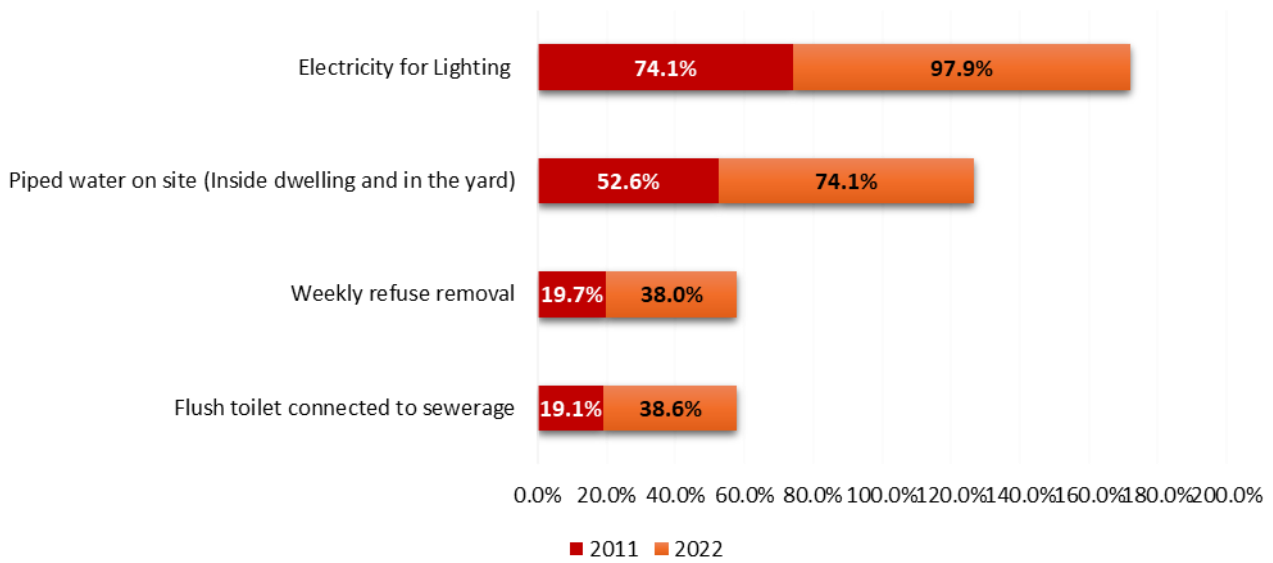
The revitalization of Ulundi Airport is integral to the Municipality's LED Strategy. By reinstating commercial flights, the airport enhances regional connectivity, facilitating business travel, tourism, and intergovernmental engagements. Improved air access is expected to attract investment, stimulate local businesses, and create employment opportunities, thereby reducing economic vulnerability. The establishment of the tourism hub not only boosts tourism but also diversifies the local economy, aligning with strategic objectives to strengthen sectors such as manufacturing, tourism, and agriculture. These initiatives collectively aim to foster sustainable economic growth and improve the quality of life for Ulundi's residents.

## 4.2.5.4 Access to Services

Access to basic services such as water, sanitation, electricity, and waste management is a fundamental pillar of socio-economic development. These services not only improve the quality of life for residents but also create an enabling environment for investment, economic growth, public health, and social stability. Assessing access to these services is essential to identifying gaps, addressing inequalities, and ensuring that infrastructure development supports sustainable economic opportunities. Reliable service delivery strengthens investment potential, enhances livelihoods, and fosters inclusive growth, making it a key focus for long-term municipal development.

The figure below shows the changes in access to basic services in Ulundi between 2011 and 2022.

**Figure 19: Access to Basic Services in Ulundi Local Municipality, 2011-2022**



Source: Quantec Standardised Regional Data, 2025

The figure above shows that Ulundi has improved access to basic services over the period. The most notable increase is in access to electricity, which rose from 74.1% in 2013 to 97.9% in 2023, indicating progress in electrification efforts. Similarly, access to piped water improved from 52.6% to 74.1%, reflecting investments in water infrastructure but still leaving a considerable portion of the population without reliable access.

Access to sanitation increased from 19.7% to 38.0%, and refuse removal increased from 19.1% to 38.6%. While these improvements indicate progress, a substantial number of households still lack adequate sanitation and waste management services, highlighting ongoing infrastructure challenges.

While access to services has improved in Ulundi, gaps remain. A large portion of the population still lacks access to proper refuse removal and adequate sanitation facilities, with many relying on pit latrines. These challenges highlight the need for continued investment in infrastructure and service delivery to ensure that all residents have access to essential services, improving public health and overall quality of life.

The access to different services between 2013 and 2023 is broken down below.

### Electricity

There are two electricity distribution service providers within the area of jurisdiction of the Ulundi Municipality (the Municipality itself and Eskom), each having a distribution license issued by the National Electricity Regulator of South Africa (NERSA). Ulundi Municipality has access to electricity, which is supplied by Eskom, the sole service provider of electrical energy to the Municipality.

As seen in the figure below, access to electricity for the households in Ulundi has improved between 2013 and 2023.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

**Table 15: Access to Electricity Within Ulundi Local Municipality, 2013-2023**

Access to Service	2013	2023
<b>ENERGY FOR LIGHTING</b>		
Electricity incl.generator	76.2%	97.7%
Gas	0.5%	0.1%
Paraffin	0.6%	0.1%
Candles	21.8%	1.8%
Solar	0.4%	0.1%
None	0.6%	0.1%

Source: Quantec Standardised Regional Data, 2025

The percentage of households with access to electricity for lighting has shown a significant improvement from 76.2% in 2013 to 97.7% in 2023.

Many of the households utilize electricity as a source of energy, whilst households in more remote less densely settled areas operate on an off-grid basis and still depend on wood, gas and paraffin for lighting and heating requirements. This has provided an opportunity and prompted the Municipality to identify and explore interventions in the Energy sector to produce more sustainable and renewable sources of energy that are environmentally sustainable as part of strategic planning processes.

Furthermore, the National Department of Energy has embarked on an initiative known as the Integrated Energy Programme. An Integrated Energy Centre (IEC) is a one-stop energy shop owned and operated by a community cooperative and organised as a community project. The Department of Energy has commenced the process of establishing an IEC within the Ulundi municipal area with the site for this entity in the vicinity of the intersection of the R34 and R66. The community cooperative for this project has already been formed and registered. This initiative is expected to act as a catalyst for other participants in the local SMME sector to participate by offering related products and services. Considering the location of this IEC, it can beneficially be used by the Municipality as part of its tourism marketing initiative.

## Water

Zululand District Municipality is the water service provider for Ulundi Municipality. Zululand falls under UMhlatuze Water as the Water Service Provider (WSP). There are four Water Treatment Works in Ulundi Municipality.

As seen in the table below, access to water has improved in the Municipality between 2013 and 2023.

**Table 16: Access to Water Within Ulundi Local Municipality, 2013-2023**

Access to Service	2013	2023
<b>ACCESS TO WATER</b>		
Piped water inside dwelling	23.7%	35.3%
Piped water inside yard	31.1%	36.9%
Public, communal/neighbour's tap	13.8%	5.7%
Borehole/rain-water tank/well	4.9%	5.6%
Watercarrier/tanker/water vendor	2.5%	3.1%
Dam/river/stream/spring	51.6%	12.0%
Other incl. stagnant water/dam/pool	2.4%	1.4%

Source: Quantec Standardised Regional Data, 2025

Between 2013 and 2023, Ulundi Local Municipality saw a notable improvement in household access to piped water. The percentage of households with piped water inside the dwelling increased from 23.7% to 35.3%,

reflecting progress in infrastructure development and service delivery. Additionally, the proportion of households with piped water within their yard rose from 31.1% to 36.9%, indicating gradual expansion in water accessibility. Despite these improvements, a portion of the population continues to rely on alternative water sources such as boreholes, dams, and communal taps, highlighting the ongoing challenge of ensuring universal and consistent water supply. In rural areas, water is generally sourced through rivers and boreholes.

Improved access to water is crucial for economic growth and social well-being as it improves living conditions but also makes Ulundi a more attractive location for investment and economic activity, supporting long-term development and resilience. Reliable water supply enhances the quality of life for residents, supports local businesses, and enables the expansion of industries such as agriculture, manufacturing, and tourism. However, limited access to piped water in certain areas presents challenges for economic development, as water scarcity can hinder business operations, affect food security, and impact overall productivity.

To address these challenges, the Municipality should prioritize further investment in water infrastructure, particularly in underserved areas. Expanding the municipal water network, improving maintenance of existing infrastructure, and integrating sustainable water management practices can enhance service delivery. Additionally, public/private partnerships can accelerate water access projects.

## Sanitation

The table below shows the changes in the access to sanitation services in Ulundi between 2013 and 2023.

**Table 17: Access to Sanitation Services in Ulundi Municipality, 2013-2023**

Access to Service	2013	2023
<b>TOILET FACILITY</b>		
Flush toilet (connected to sewerage system)	20.6%	33.3%
Flush toilet (with septic tank)	1.2%	0.7%
Chemical toilet	17.7%	13.9%
Pit latrine with ventilation	21.5%	24.3%
Pit latrine without ventilation	16.4%	13.9%
Bucket toilet	1.4%	2.3%
None, open defecation (e.g. no facilities, field, bush)	16.1%	2.4%

*Source: Quantec Standardised Regional Data, 2025*

Between 2013 and 2023, Ulundi Local Municipality made notable strides in improving access to sanitation services. The percentage of households with flush toilets connected to the sewerage system increased from 20.6% to 33.3%, indicating an expansion of municipal wastewater infrastructure. However, access to flush toilets with septic tanks declined slightly from 1.2% to 0.7%, likely due to shifts in service provision or maintenance challenges. Encouragingly, open defecation saw a dramatic reduction from 16.1% to just 2.4%, demonstrating the success of sanitation interventions.

Despite these improvements, the most common sanitation facility remains the pit latrine (both ventilated and unventilated), used by several households. Ventilated pit latrines (VIPs) increased slightly from 21.5% to 24.3%, while non-ventilated pit latrines remained at 13.9%. Meanwhile, the reliance on chemical toilets decreased from 17.7% to 13.9%, and the use of bucket toilets—considered a poor sanitation option—increased slightly from 1.4% to 2.3%.

There are three primary levels of sanitation in Ulundi LM, namely:

- i. Urban Areas (Ulundi CBD, Mahlabathini, and surrounding settlements)

These areas benefit from higher levels of sanitation service, with full waterborne sewerage networks discharging into wastewater treatment works (WWTWs). Some households rely on on-site septic or conservancy tanks, which are periodically emptied and disposed of at treatment plants. The expansion of sewerage infrastructure in these urban nodes has contributed to the increase in flush toilets connected to the sewerage system.

ii. Rural areas with Government sponsored sanitation programs

Many rural households rely on Ventilated Improved Pit Latrines (VIPs), which are considered a basic level of service. The increase in VIP usage reflects the progress of sanitation programs in extending improved facilities to rural communities. However, areas without sufficient water supply struggle to transition to higher service levels due to the dependency of waterborne sewerage systems on reliable water access.

iii. Rural areas without sanitation programs

Some rural communities continue to rely on informal pit latrines or, in worse cases, open defecation. While open defecation has decreased, the use of substandard sanitation facilities still poses public health and environmental risks.

Improved sanitation services are essential for enhancing public health, increasing productivity, and attracting investment. Reliable and hygienic sanitation reduces the spread of disease, improves living conditions, and creates a more sustainable urban and rural environment. However, the continued use of bucket toilets (which increased from 1.4% to 2.3%) and non-ventilated pit latrines (which remain at 13.9%) indicates that certain areas still lack adequate sanitation infrastructure.

Investment in wastewater treatment facilities, public-private partnerships for sanitation projects, and the promotion of eco-friendly sanitation solutions—such as bio-toilets or improved pit latrines—can further enhance service delivery. Additionally, community education on hygiene and proper waste management can help sustain these improvements, ensuring long-term health benefits and economic growth. Strengthening sanitation infrastructure not only improves the quality of life for residents but also supports tourism, business investment, and overall economic resilience in Ulundi.

## Waste Management

The following table shows the access to refuse removal in Ulundi LM between 2013 and 2023.

**Table 18: Access to Refuse Removal Services in Ulundi Local Municipality, 2013-2023**

Access to Service	2013	2023
<b>REFUSE REMOVAL</b>		
Removed at least once a week by private or public sector	21.1%	33.3%
Removed less often than once a week by private or public sector	0.8%	0.2%
Communal refuse dump/container/central collection point	1.8%	1.5%
Own refuse dump	64.6%	55.7%
No rubbish disposal	10.3%	7.4%

Source: Quantec Standardised Regional Data, 2025

Between 2013 and 2023, there was a notable improvement in waste management services within Ulundi Municipality. The percentage of households receiving refuse removal services at least once a week increased from 21.1% to 33.3%, reflecting enhanced municipal efforts in waste collection. However, several households (55.7%) still rely on their own refuse dumps, despite a reduction from 64.6% in 2013. This indicates that while access to formal waste removal services has improved, many households remain without regular municipal collection, particularly in rural and informal areas.

Key waste management interventions by the Municipality include:

- Integrated Waste Management Plan (IWMP): Guides sustainable waste collection and disposal while ensuring environmental protection.
- Service Coverage: Waste collection extends to formal settlements, Ulundi CBD, and three hospitals (Nkonjeni, Ceza, and Thulasizwe).
- Private Contractors: Two external service providers handle daily waste collection in Ulundi CBD and taxi ranks, with bi-weekly collection in Babanango.
- Communal Waste Facilities: Three refuse skips placed in high-traffic areas and a small waste disposal cage in Mkhazane.
- Fleet Expansion: Three new refuse trucks were purchased in 2019 under a full maintenance lease, with dedicated municipal teams for waste collection.
- Babanango Landfill Closure: Due to compliance issues, the site is being decommissioned. Waste will be transported to Ulundi Transfer Station and then to King Cetshwayo Landfill.

Improved waste management services contribute to public health, environmental sustainability, and economic development. A clean urban environment attracts investment and enhances the quality of life for residents. Furthermore, the expansion of waste collection services creates job opportunities, particularly in waste transportation, recycling, and landfill management. The Municipality's strategy to optimize waste management is aligned with LED objectives, as it seeks to maximize resource efficiency, promote sustainability, and enhance service delivery. Expanding waste removal to underserved areas, supporting recycling initiatives, and integrating waste management with economic activities such as waste-to-energy projects could further strengthen local economic growth

## 4.3 Economic Profile

The analysis of the economic characteristics and patterns within the Ulundi Local Municipality lays the groundwork for identification of its relative strengths and weaknesses in an economic context, as well as the potential economic prospects that can be harnessed by Ulundi for the betterment of the local population.

In this chapter, a comprehensive outline of the current trends observed in the local economy and various economic sectors operating within the borders of Ulundi is provided. The findings presented herein will serve as the basis for conducting the economic potential assessment and identifying specific local economic development projects and initiatives.

The chapter is discussed under the following sub-sections:

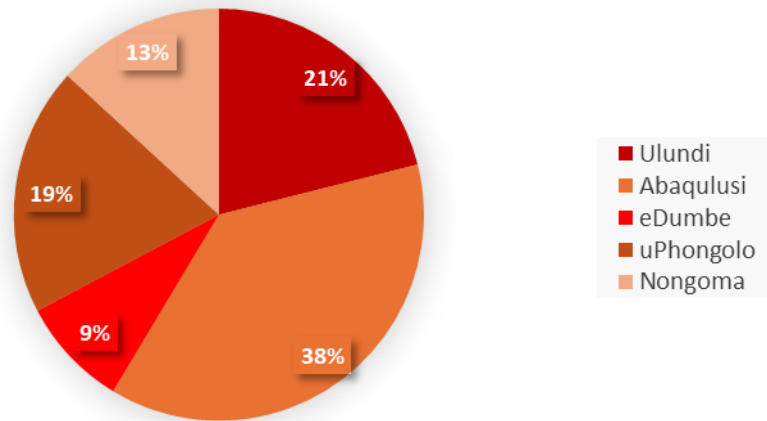
- i. Regional Economic Contribution
- ii. Local Economic Contribution
- iii. Sector Profiles
- iv. Synopsis

### 4.3.1 Regional Economic Contribution

The figure below shows the economic contribution of Ulundi LM to Zululand District in terms of Gross Value Added (GVA).

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

**Figure 20: Ulundi Local Municipality Regional Economic Contribution in GVA Terms, 2023**

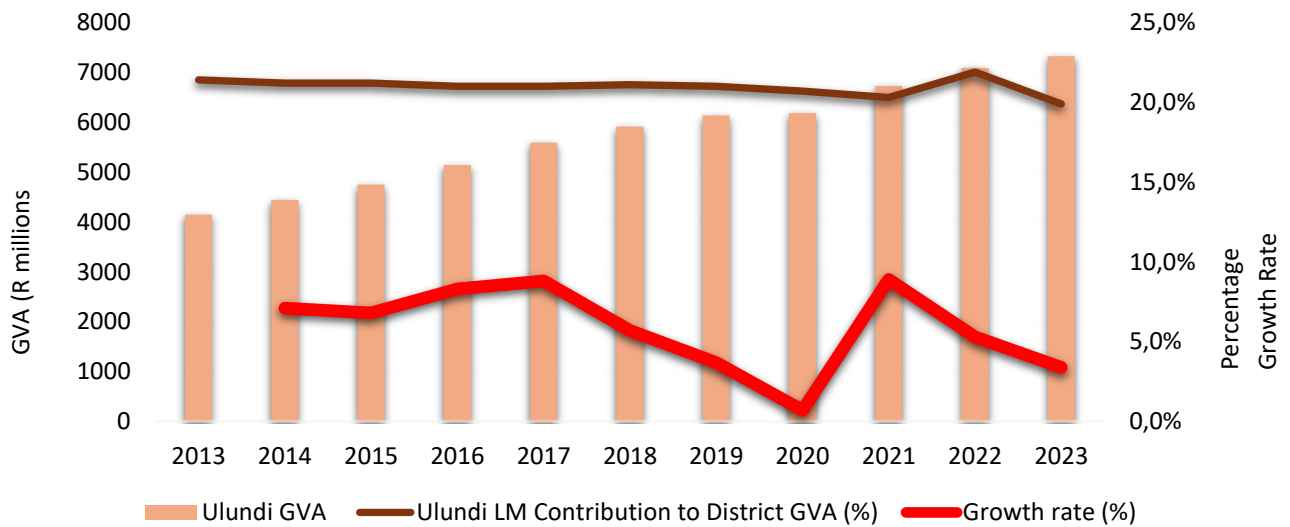


Source: Quantec Standardised Regional Data, 2025

Ulundi LM accounts for 21.4% of the total GVA in the Zululand District, making it the second-largest contributor after Abaqulusi LM, which contributes 38.1%. This highlights Ulundi’s economic role within the district. uPhongolo follows closely behind with 19.8%, while Nongoma and eDumbe contribute 13.4% and 8.8%, respectively.

The following figure provides an overview of Ulundi LM’s GVA performance over time, its contribution to the Zululand District, and the associated growth rate trends between 2013-2023.

**Figure 21: Ulundi Total GVA (R millions), Contribution to District Percentage, and Percentage Growth Rate, 2013-2023**

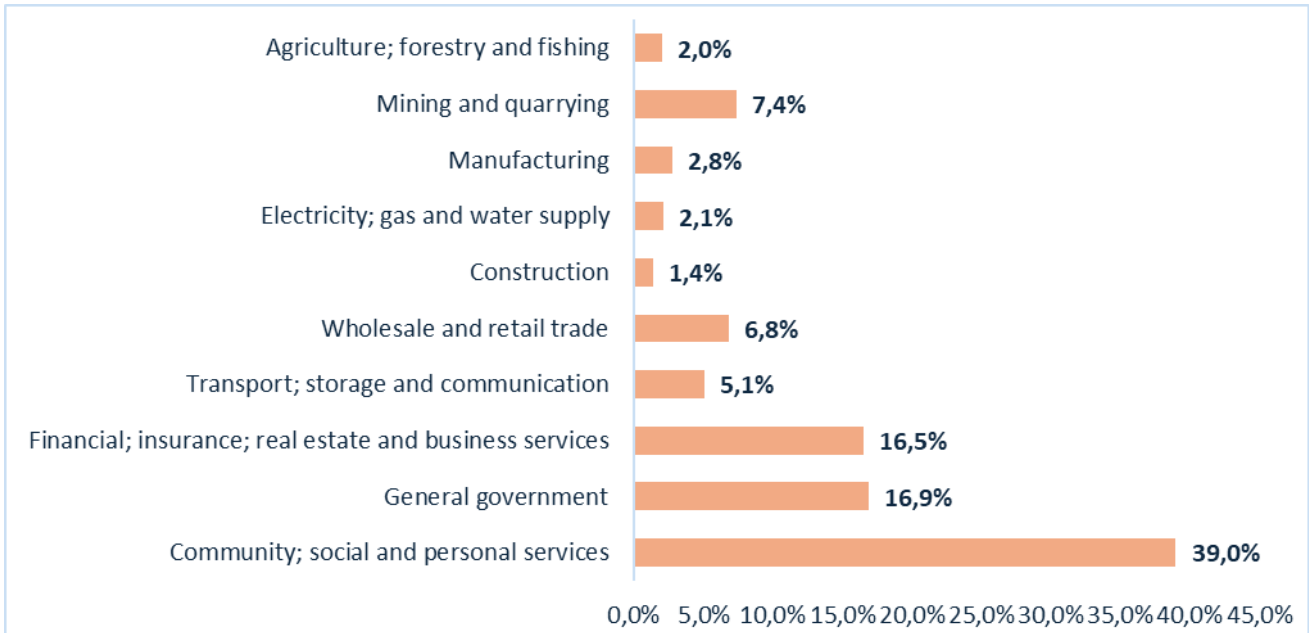


Source: Quantec Standardised Regional Data, 2025

The Ulundi Local Municipality's GVA has shown an overall upward trend from 2013 to 2023, indicating steady economic activity. However, this is followed by a sharp drop in 2020 that was likely due to the impact of the COVID-19 pandemic. The economy recovered in 2021, with growth peaking to 8.9% likely due to post pandemic recovery efforts before gradually slowing down towards 2023 (3.4%). The economy is currently on a downward trend since 2021.

The figure below shows the economic structure of Ulundi Local Municipality for the year 2023.

**Figure 22: Ulundi Local Municipality Economic Structure, 2023**



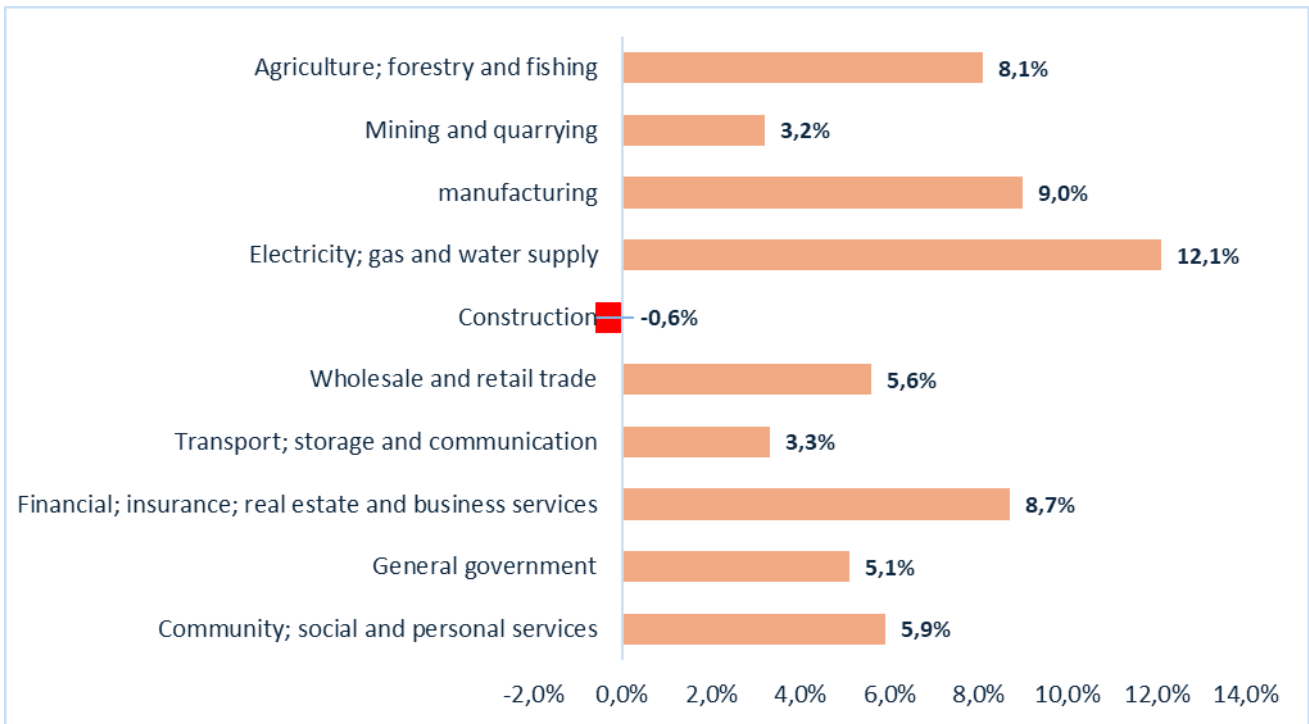
Source: Quantec Standardised Regional Data, 2025

Ulundi Local Municipality functions as one of the main service sectors for the district as is evident from the economic structure of the Municipality. The largest contributing sector in the Municipality is the Community, social and personal services, accounting for 39.0% of the total municipal GVA. Other major economic contributors in Ulundi include:

- General Government (16.9%)
- Finance, insurance, real estate and business services (16.5%)
- Wholesale and retail trade (6.8%)

Despite being one of the lowest contributors to the municipal GVA, the electricity, gas and water supply sector has exhibited the most rapid growth in GVA terms between 2013 and 2023 at 12.1%. The manufacturing, finance and agriculture sectors have also shown notable growth rates at 9.0%, 8.7%, and 8.1% respectively. The construction sector is the only sector that has shown a decline of 0.6% during the 10-year period as shown in the figure below.

**Figure 23: Compound Annual Growth per Sector, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

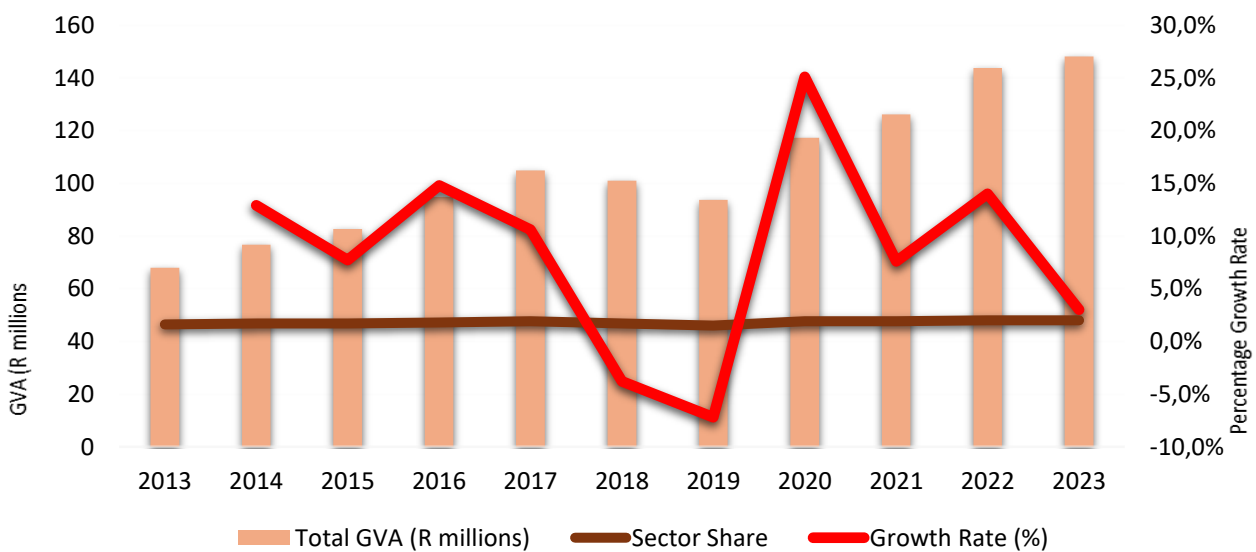
## 4.3.2 Sectoral Economic Contribution

The following subsections provide an analysis of the various sectors within the Ulundi Local Municipality.

### 4.3.2.1 Agriculture, Forestry and Fishing

The following figure shows the performance of the agriculture, forestry and fishing sector within Ulundi Local Municipality between 2013 and 2023.

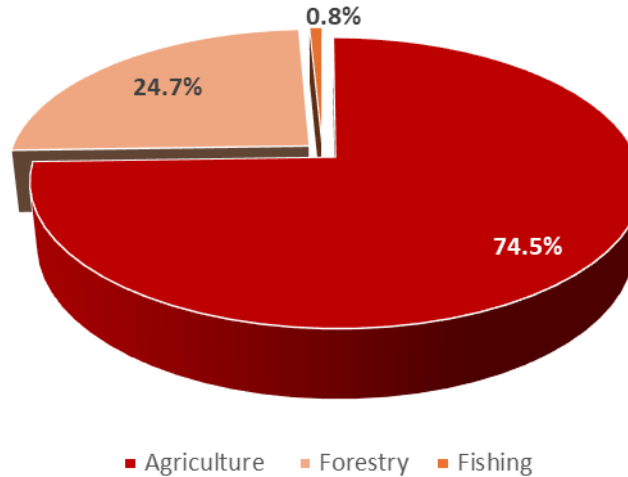
**Figure 24: Performance of the Agriculture, Forestry and Fishing Sector in Ulundi, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

The sector accounts for only 2.0% of the total economy in Ulundi and it is dominated by the agriculture subsector, accounting for 74% whilst forestry accounts for 24.7% and fishing accounts for less than 1% as shown in the figure below.

**Figure 25: Agriculture, Forestry and Fishing Sector Structure, 2023**



*Source: Quantec Standardised Regional Data, 2023*

The agricultural sector, though relatively small in terms of its contribution to the overall economy, remains an important sector, particularly in supporting food security within the Municipality. The sector's low contribution to GVA is partly due to the dominance of subsistence farming, which is often not reflected in official economic statistics, as well as the nature of agricultural output, which primarily consists of vegetables and some timber, both of which tend to have relatively low productive value.

Agricultural activities in Ulundi are largely concentrated along the Municipality's boundary, with a cluster of formal farming operations situated north of Mpepho. While smaller cultivated areas are scattered throughout the Municipality, commercial farming remains limited and dispersed. The sector faces several challenges that constrain its growth, including the scarcity of high-potential agricultural land, as much of the land is under the control of traditional authorities and not always conducive for large-scale crop farming. Additionally, inadequate infrastructure, limited agricultural skills, and restricted access to markets for harvested produce further hinder productivity and economic viability.

Despite these challenges, agriculture remains an important sector with the potential to drive employment and enhance food security. The KwaZulu-Natal Department of Agriculture and Rural Development (KZN DARD) has introduced programs aimed at supporting emerging farmers within the Municipality. In contrast, large commercial farms, primarily located in the western part of Ulundi, require minimal intervention. Each ward has a dedicated farmers' association representing the interests of both commercial and emerging farmers.

To strengthen the agricultural sector, Ulundi Local Municipality, in collaboration with KZN DARD, has implemented various interventions, including:

- The "One Home, One Garden" program promotes household food security by supplying basic gardening tools and seeds, encouraging self-sufficiency and improved nutrition at the community level.

- Mechanisation Programme assists indigent and subsistence farmers by providing tractor services for ploughing and supplying maize and vegetable seeds. The Department sub-contracts small operators to provide tractor services, with costs covered by the Department.
- Veterinary Health Services Programme supports farmers in managing livestock health through immunisation campaigns and disease prevention initiatives. The Department deploys six veterinary technicians within Ulundi Municipality to administer vaccines and respond to disease outbreaks, while a State Veterinarian oversees animal health across the Zululand District Municipality.

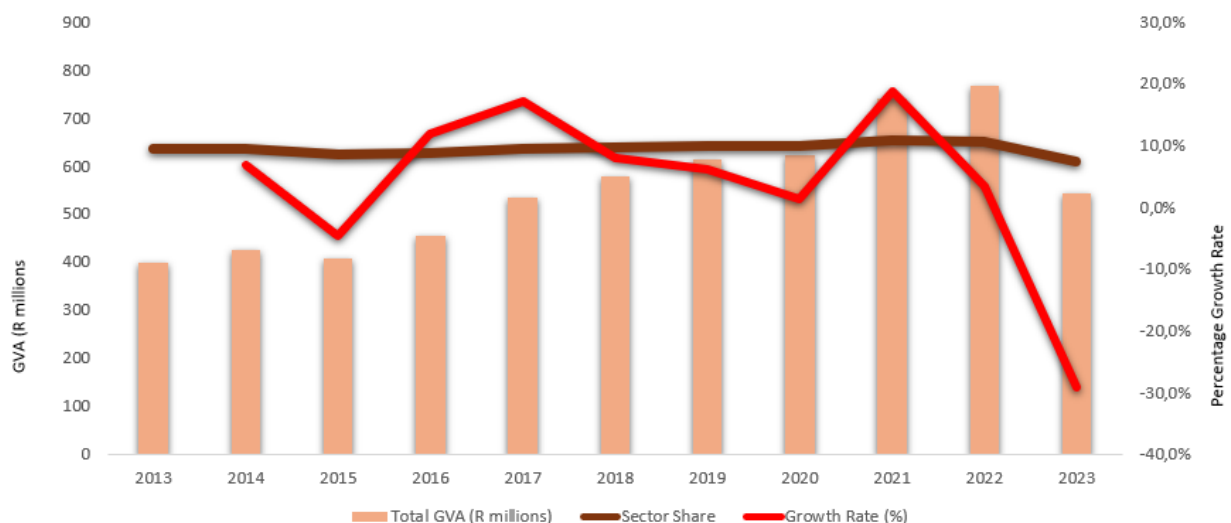
These initiatives aim to enhance agricultural productivity, support emerging farmers, and ensure sustainable food production within the Municipality. However, their effectiveness is constrained by the challenges faced by small-scale and informal farmers, particularly in accessing formal markets. Many of these farmers operate at a subsistence level, producing primarily for household consumption or local trade, which limits their integration into commercial supply chains. Without formalized access to markets, small-scale farmers often struggle to secure consistent buyers or negotiate fair prices, making it difficult for them to expand their operations or achieve financial sustainability. Addressing these barriers will allow the Municipality to unlock the full potential of Ulundi’s agricultural sector and ensure that small-scale farmers can contribute more meaningfully to the local economy.

### 4.3.2.2 Mining and Quarrying

Mining includes the extracting, beneficiating of minerals occurring naturally, including solids, liquids and crude petroleum and gases. It also includes underground and surface mines, quarries and the operation of oil and gas wells and all supplemental activities for dressing and beneficiating for ores and other crude materials.

The figure below depicts the performance of the mining and quarrying sector within Ulundi Municipality between 2013 and 2023.

**Figure 26: Performance of the Mining and Quarrying Sector in Ulundi, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

Mining activity in Ulundi Local Municipality is limited, with only a few operations currently in place. The sector consists of one large-scale coal mine and several small-scale rock, quarry, and sand-mining operations. These activities are primarily concentrated in Ceza and Makhalathini, where key mining operations include ZAC Zululand Anthracite Colliery, Kwethu Quarry, and Afrimat Ulundi Quarry.

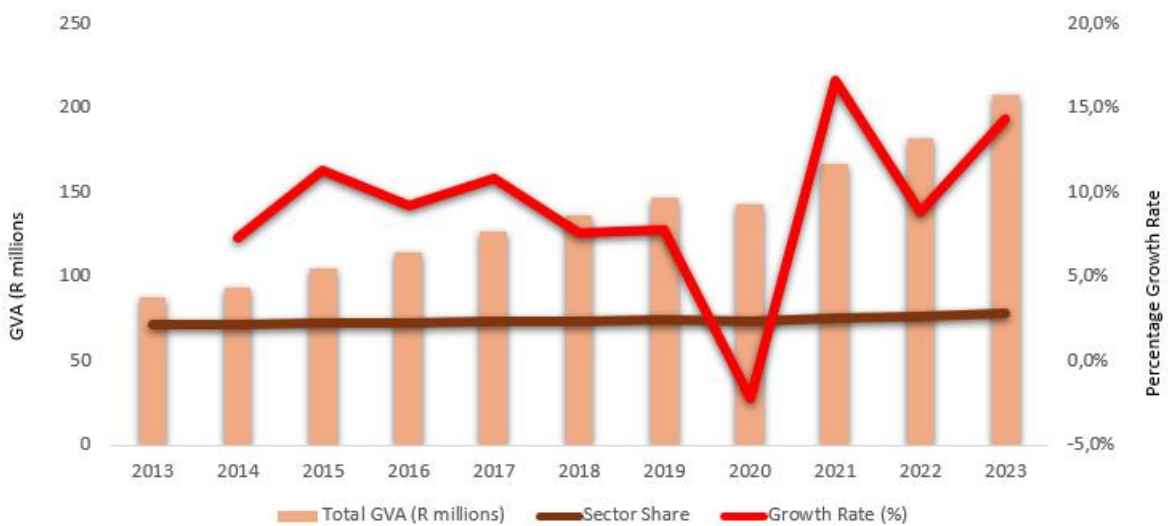
The commodities that are mined are relatively cheap and do not contribute heavily to the overall GVA of the Municipality. The limited scale of mining operations, combined with the lower value of the materials extracted, means that the sector’s impact on Ulundi’s broader economy remains modest. However, there is potential for growth in this sector, particularly with increased investment in infrastructure, better resource management, and diversification of mining activities.

There are some potential investment opportunities in mining, particularly in the Nqulwane area, where further exploration could be pursued. The mining sector in Ulundi is closely linked to the energy and construction industries, presenting opportunities for growth and potential diversification within these sectors.

### 4.3.2.3 Manufacturing and Industry

The manufacturing sector involves the physical or chemical transformation of materials or compounds into new products. The figure below depicts the performance of the manufacturing sector in Ulundi Municipality between 2013 and 2023.

**Figure 27: Performance of the Manufacturing Sector, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

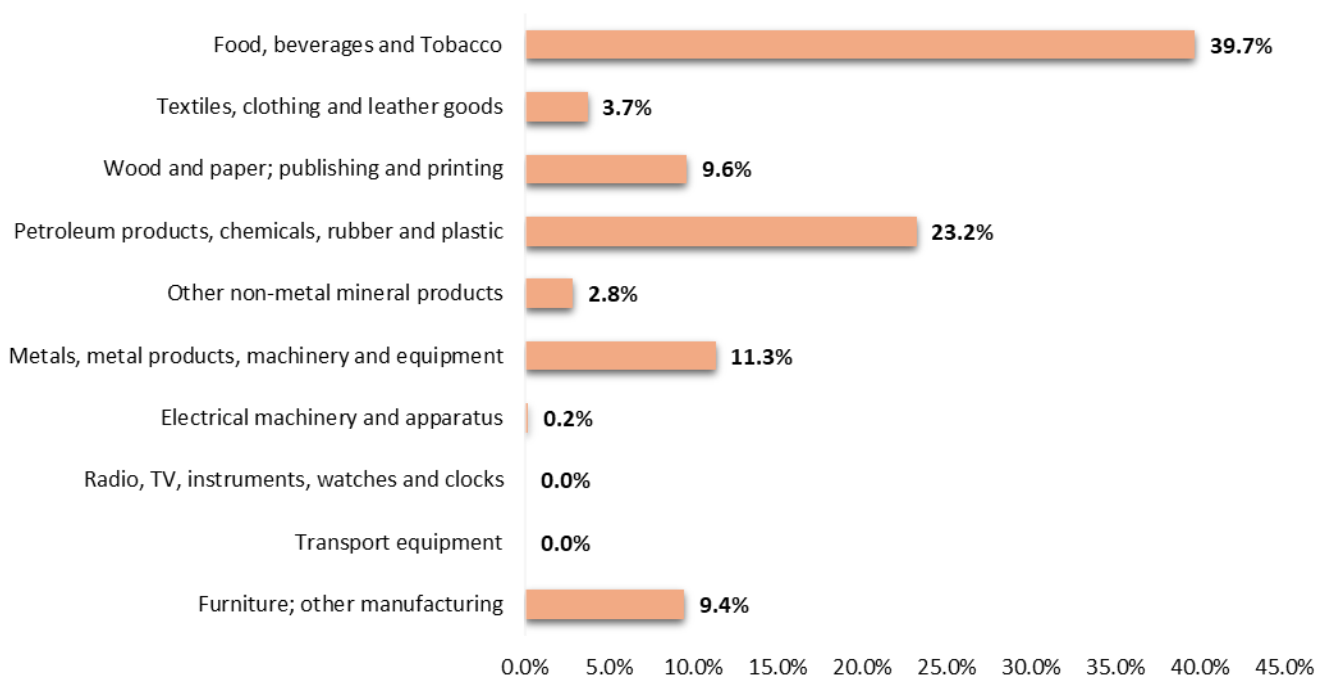
Manufacturing remains one of the smallest contributors to Ulundi’s economy, accounting for only 2.8% of the Municipality’s GVA in 2023. However, the sector has been on an upward trajectory since 2022, showing signs of gradual growth and increasing potential for economic diversification.

In 2023, the manufacturing sector accounted for 2.8% of the municipal GVA. Between 2013 and 2023, the manufacturing sector has experienced fluctuating growth, with a sharp decline in 2020 due to the Covid-19 pandemic. The sector recovered in 2021 with annual growth reaching 14.3% in 2023.

The manufacturing sector in Ulundi comprises of various manufacturing products. The products with the largest share in this sector include the following:

- i. food, beverages and tobacco (39.7%)
- ii. petroleum products (23.2%)
- iii. metals, machinery and equipment (11.3%)
- iv. wood and paper (9.6%)
- v. furniture (9.4%)

**Figure 28: Manufacturing Sector Economic Structure, 2023**



Source: Quantec Standardised Regional Data, 2025

The sector is dominated by small-scale industries, including food and beverage processing, metal fabrication, wood processing, and furniture production. These industries are scattered across the Municipality, with no major industrial hubs due to limited large-scale investment.

A key constraint is the absence of medium-to-large manufacturing firms, which restricts job creation and economic diversification. However, the presence of the railway line and Ulundi Airport presents a strategic opportunity to develop logistics-driven industries, agro-processing facilities, and small-scale industrial parks. Encouraging investment in manufacturing through incentives and infrastructure support could help unlock the sector’s growth potential.

#### **4.3.2.4 Electricity, Gas and Water**

In the context of the Ulundi LM, the electricity, gas, and water sector pertain to the provision, management, and distribution of utilities essential for daily living and economic activities. The figure below shows the performance of the Electricity, gas, and water sector within Ulundi Municipality between 2013 and 2023.

**Figure 29: Performance of the Electricity, Gas and Water Sector, 2012-2023**

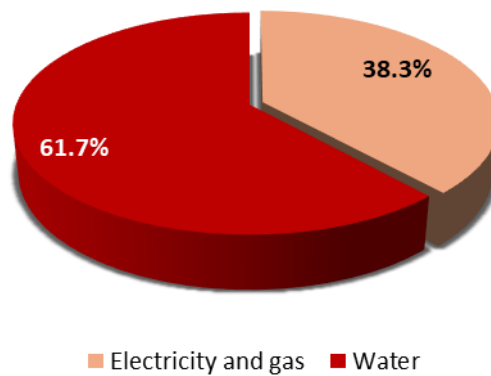


Source: Quantec Standardised Regional Data, 2025

In 2023, this sector accounted for only 2.1% of the total Ulundi GVA. As shown in the figure above, despite being one of the lower contributors to the economy, the sector has been growing steadily since 2021, reaching a growth rate of 17.0% in 2023, which is the highest growth the sector has had in the 10-year period.

The figure below shows the economic structure of the electricity, gas and water sector in Ulundi in 2023.

**Figure 30: Electricity, Gas and Water Sector Structure, 2023**



Source: Quantec Standardised Regional Data, 2025

The utilities sector, while contributing only a small share to Ulundi’s Municipal GVA, plays an important role in facilitating economic activity by ensuring essential services that support various industries and daily operations. The sector is dominated by electricity and gas supply services, which together account for 61.7% of its total economic output.

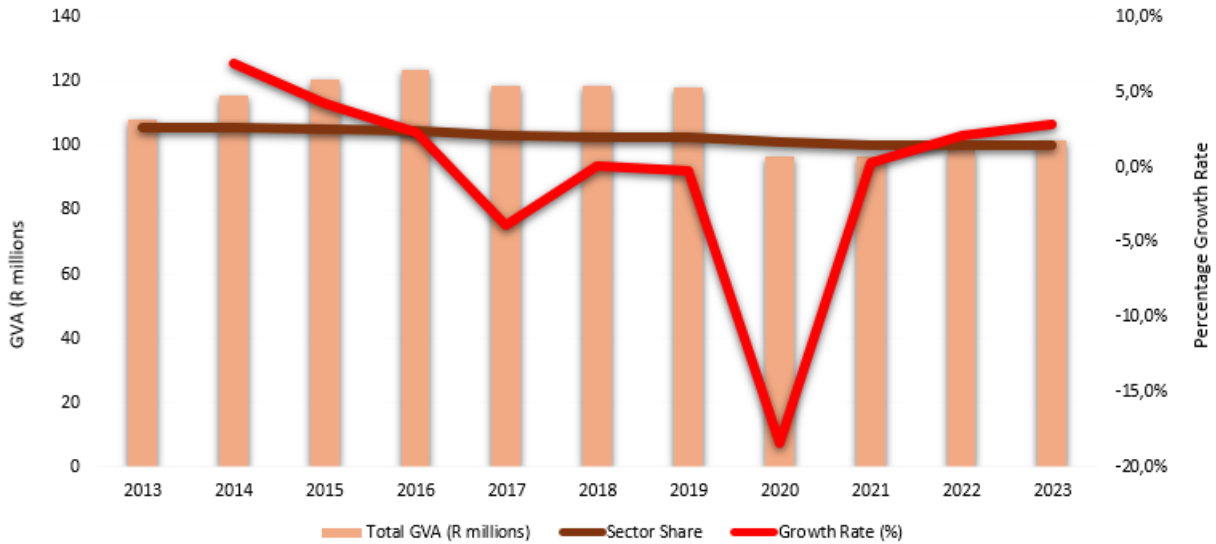
Infrastructure development in this sector is essential for improving service delivery to businesses and households. While steady growth has been recorded, challenges remain in expanding access to reliable electricity and water supply. Investing in renewable energy projects, such as solar power, and improving water resource management can strengthen sustainability, enhance resilience, and support economic expansion.

These efforts also align with green economy initiatives, creating opportunities for sustainable job growth and more efficient resource use.

### 4.3.2.5 Construction

The figure below shows the performance of the construction sector within the Ulundi Municipality between 2013 and 2023.

**Figure 31: Performance of the Construction Sector, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

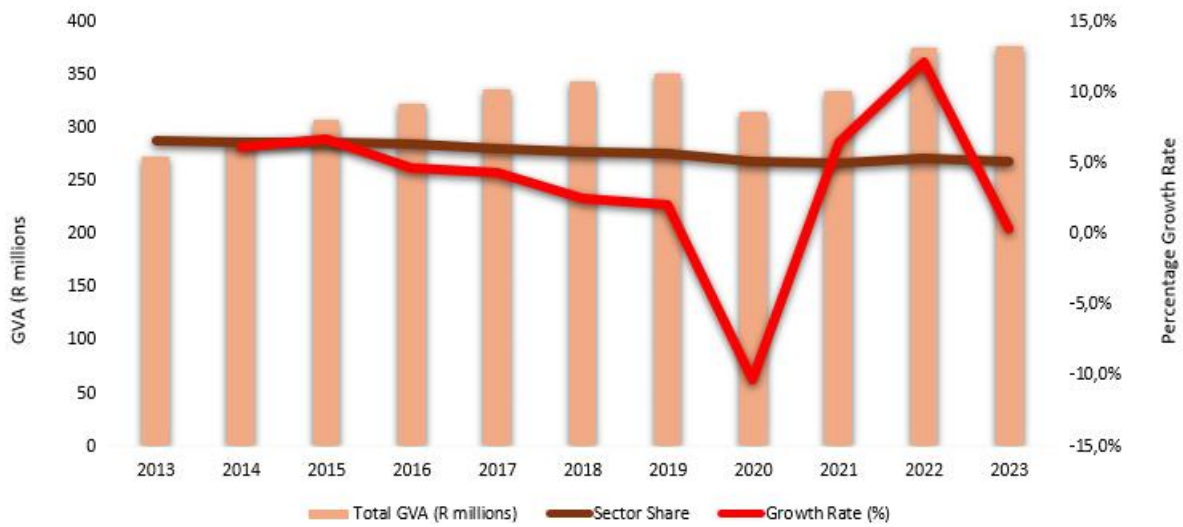
Construction is one of the weakest performing sectors in Ulundi, contributing just 1.4% to municipal GVA in 2023. The sector suffered a contraction during the COVID-19 pandemic, with a decline of -18.4% in 2020, and has struggled to recover, recording only a 2.8% growth in 2023.

The slow recovery is largely due to limited private-sector investment and a lack of large-scale construction projects. However, demand for infrastructure development, including housing, roads, and commercial buildings, presents opportunities for growth. Public-sector investment in housing projects, road rehabilitation, and municipal infrastructure can stimulate demand in the construction sector, creating employment opportunities and supporting local suppliers of building materials.

### 4.3.2.6 Transport, Storage and Communication

The transport, storage, and communications sector in Ulundi plays a crucial role in facilitating economic activities, connecting the Municipality to broader markets, and improving overall infrastructure. The figure below shows the Transport, storage, and communication sector within Ulundi between 2013 and 2023.

**Figure 32: Performance of the Transport, Storage and Communication Sector, 2013-2023**

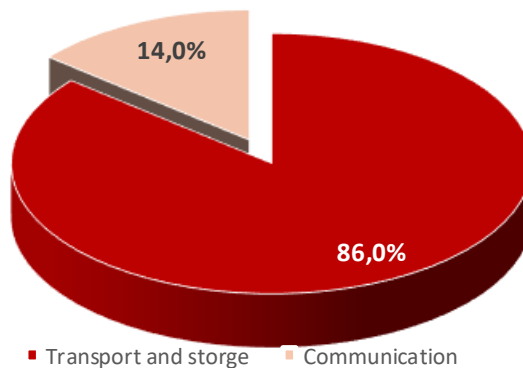


Source: Quantec Standardised Regional Data, 2025

In 2023, the sector is the sixth largest contributor to the Municipality’s GVA accounting for 5.1% of the total economic performance. Following the Covid-19 pandemic, the sector has been growing and managed to surpass the pre-pandemic levels. However, the sector declined from 12.1% in 2022 to 0.3% in 2023.

The figure below shows the economic structure of the transport, storage and communication sector.

**Figure 33: Transport, Storage and Communication Sector Structure, 2023**



Source: Quantec Standardised Regional Data, 2025

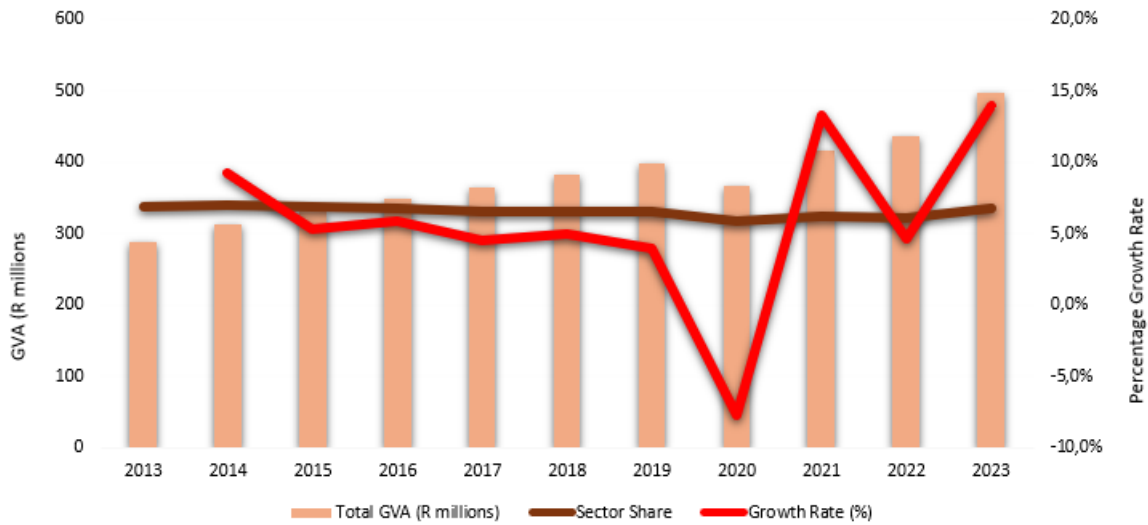
The sector is largely made up of transport and storage activities, accounting for 86.0% of the sectors GVA contribution. The Municipality’s transport infrastructure, including its railway line and airport, presents untapped potential for logistics and trade-related activities. Improving road networks and expanding digital infrastructure can enhance mobility and communication services, supporting other sectors such as manufacturing, retail, and business services. Encouraging investment in public transport and logistics hubs could further strengthen the sector’s role in economic development.

#### 4.3.2.7 Wholesale and Retail Trade

Wholesale and retail trade is one of the most dynamic sectors in Ulundi, supporting both formal and informal businesses. The sector comprises supermarkets, small traders, and a range of retail services that cater to the

local population. The figure below shows the performance of the Wholesale and retail trade sector in Ulundi between 2013 and 2023.

**Figure 34: Performance of the Wholesale and Retail Trade Sector, 2013-2022**

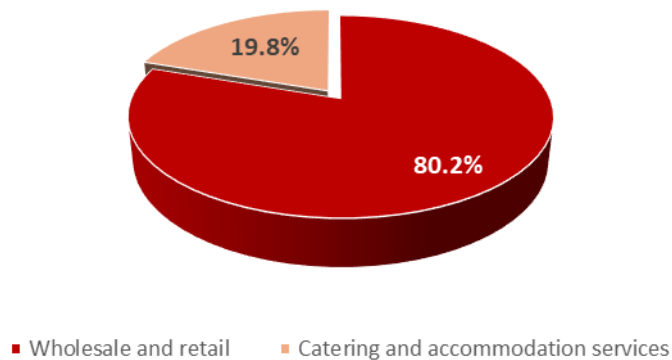


Source: Quantec Standardised Regional Data, 2025

Over the 10-year period, the sector has experienced fluctuating growth rates, with the lowest growth being in 2020 at -7.8% due to the Covid-19 Pandemic. The sector has been on an upward trajectory, recovering with a 13.3% annual growth rate in 2021 and rising to 14.0% in 2023, despite experiencing a slight dip in 2022.

The figure below shows the structure of the wholesale and retail trade, catering and accommodation sector in 2023.

**Figure 35: Wholesale and retail trade, catering and accommodation services sector economic structure, 2023**



Source: Quantec Standardised Regional Data, 2025

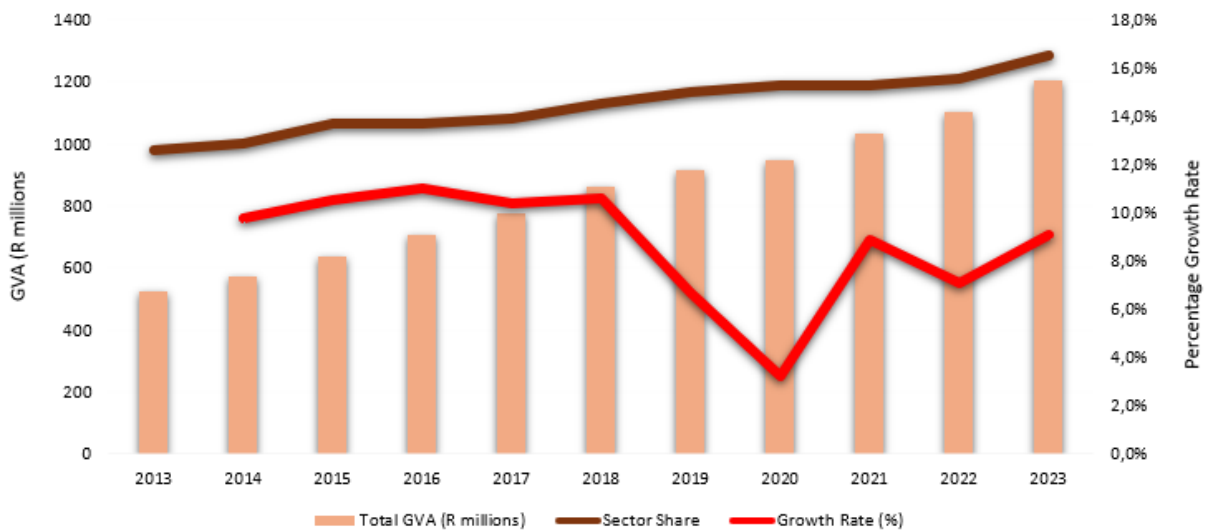
The sector is dominated by the wholesale and retail trade subsector, accounting for 80.2% of the total sectoral GVA. Catering and accommodation services within the tourism sector account for 19.8% of the total sector GVA. Despite fluctuations in growth over the past decade, retail remains a key employer and driver of local commerce.

A challenge facing the sector is limited access to diverse suppliers and competitive pricing, which affects the sustainability of small businesses. Strengthening local supply chains, supporting township retail enterprises, and improving market access can enhance the sector’s growth and resilience.

### 4.3.2.8 Finance, Insurance, Real Estate, and Business Services

In Ulundi, the finance, insurance, real estate, and business services sector may not be as prominent or influential as in larger urban areas, given the Municipality’s focus on other sectors like agriculture and manufacturing. However, the sector still plays a role in supporting economic development and contributing to business stability. The sector also helps provide essential services that support both businesses and households, contributing to the broader business environment. The figure below shows the performance of the Finance, insurance, real estate, and business services sector in Ulundi Municipality Figure from 2013 to 2023.

**Figure 36: Performance of the Finance, Insurance, Real Estate and Business Services**

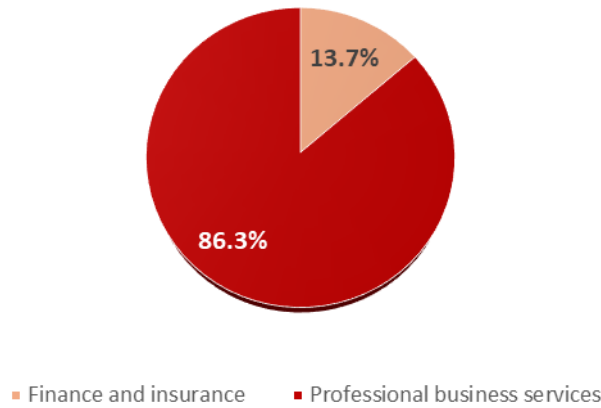


Source: Quantec Standardised Regional Data, 2025

Over the past decade, the finance sector has been the third largest sector in the Municipality, accounting for 16.5% of the total GVA in Ulundi in 2023. Over the 10-year period, the Municipality has experienced fluctuating growth with the lowest growth in 2020 at 3.2%. The sector has managed to recover and has been experiencing increased growth, with a growth rate of 9.1% in 2023.

The figure below shows the economic structure of the finance, insurance, real estate, and business services sector in Ulundi, 2023.

**Figure 37: Structure of the Finance, Insurance and Business Services Sector, 2023**



Source: Quantec Standardised Regional Data, 2025

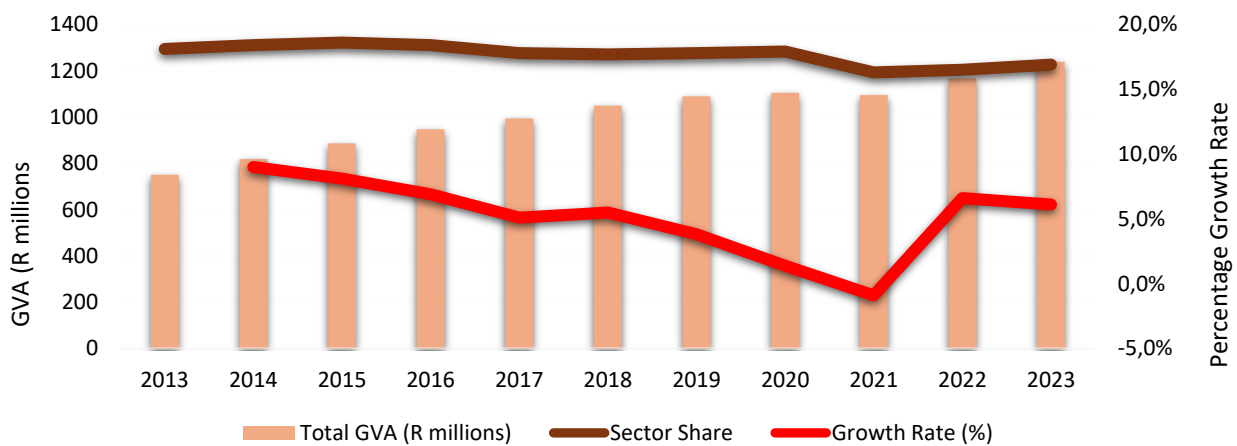
The sector is dominated by the finance and insurance subsector, accounting for 86.3% of the sectoral GVA. Professional business services account for 13.7% of the sectoral GVA.

Access to financial services in Ulundi remains limited for small enterprises and informal businesses within the Municipality. Expanding microfinance initiatives, improving access to banking services, and supporting real estate development could further enhance sectoral growth and stimulate entrepreneurship.

#### 4.3.2.9 General Government

The figure below shows the performance of the general government sector in the Municipality between 2013 and 2023.

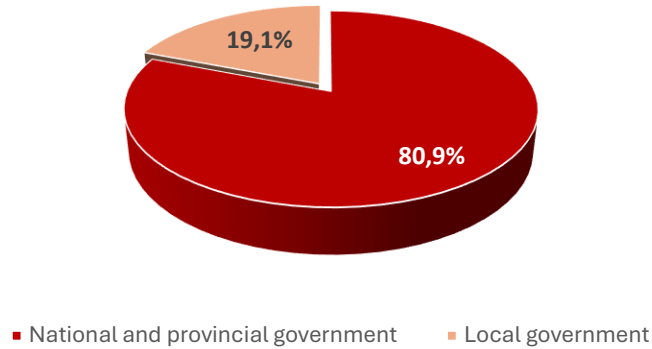
**Figure 38: Performance of the General Government Sector, 2023**



Source: Quantec Standardised Regional Data, 2025

The sector has had fluctuating growth over the 10-year period, reaching its lowest growth in 2021 at -0.9%. Despite the decline, the sector has managed to recover with growth reaching 6.1% in 2023. The figure below shows the economic structure of the subsectors that make up the general government sector in 2023.

**Figure 39: Structure of the General Government Sector, 2023**



Source: Quantec Standardised Regional Data, 2025

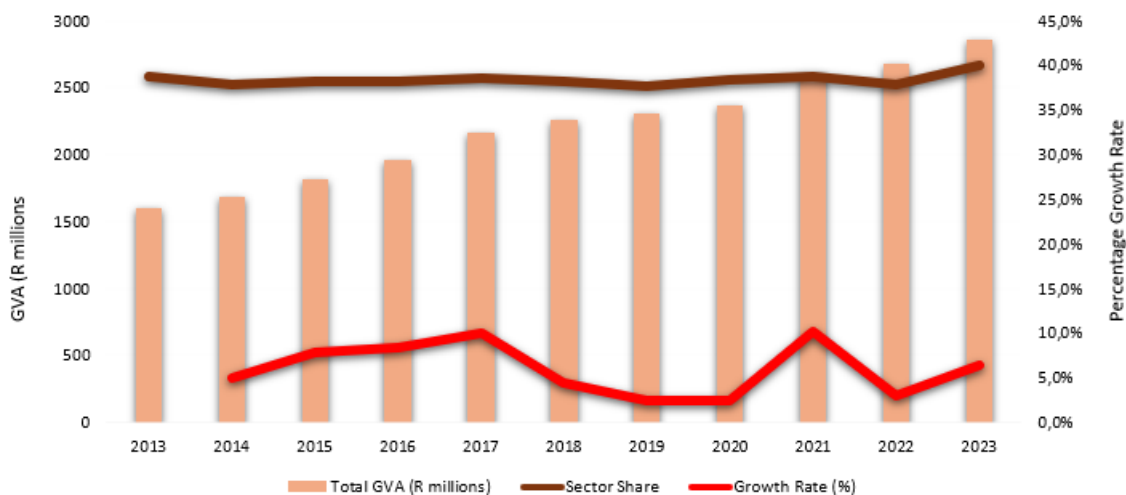
The sector comprises of the national and local government subsectors. The national government accounts for the highest contribution to the sector’s total GVA at 80.9% while the local government accounts for 19.1%.

The government sector is a key pillar of Ulundi’s economy, offering stability and employment opportunities. As the administrative seat of the Zululand district, Ulundi’s government operations, public services, and municipal functions make a notable contribution to both GVA and local employment. Further investment in public infrastructure, service delivery, and administrative efficiency could amplify the sector’s role in driving economic development.

#### 4.3.2.10 Community, Social and Personal Services

The figure below shows the economic performance in terms of GVA of the community, social and personal services sector between 2013 and 2023.

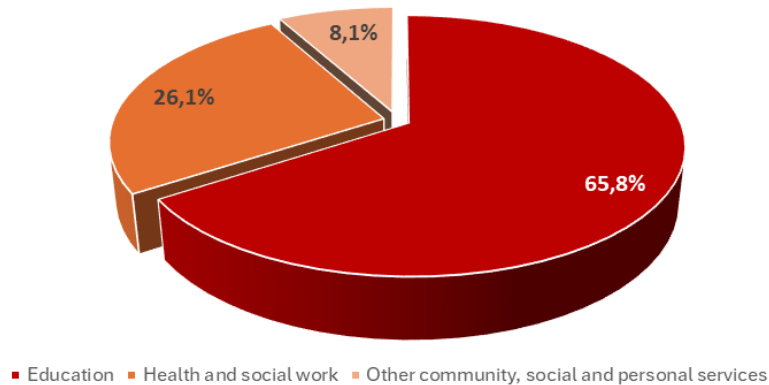
**Figure 40: Performance of the Community, Social and Personal Services Sector, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

The sector is one of the highest contributors to the municipal GVA and has had fluctuating growth over the 10-year period, with the lowest growth in 2019 and 2020 at 2.4%. The sector has managed to recover, and the growth reached 6.4% in 2023. The figure below shows the structure of the sector in 2023.

**Figure 41: Structure of the Community, Social and Personal Services Sector, 2023**



Source: Quantec Standardised Regional Data, 2025

The sector is dominated by the education subsector at 65.8%, followed by health and social work at 26.1%, and other community, social, and personal services at 8.1%. Growth in this sector is primarily driven by population needs and public-sector investment in community services. Ulundi plays a crucial role as a service



centre, supported by key institutions such as Ceza Hospital and Nkonjeni Hospital, which serve as vital healthcare providers to both the local population and surrounding areas. In addition, schools like James Nxumalo Agricultural School, once well-regarded for its contributions to agricultural education, further strengthen Ulundi’s role in providing essential services.

The education and healthcare services are foundational to the area’s development, supporting not only local employment but also attracting residents from neighbouring regions. The continued investment in these institutions, alongside expansion in skills development programs, healthcare services, and local enterprises in the personal services industry, is key to creating jobs and improving the quality of life. The sector’s strong performance reflects its central role in meeting the needs of the community and reinforcing Ulundi’s importance as a service hub.

#### **4.3.2.11 Tourism**

The tourism sector is an important contributor to the economy of Ulundi Local Municipality, forming part of the broader trade sector, which accounts for approximately 8% of the local economy and 15% of formal employment. Ulundi is rich in cultural heritage and historical significance, offering great potential for tourism. As the former capital of the Zulu Kingdom, it is home to key landmarks like the Ulundi Royal Palace and battlefields from the Anglo-Zulu War, including the site of the Battle of Ulundi. The region’s cultural traditions, such as music, dance, and crafts, further enhance its appeal to tourists interested in Zulu history. By capitalizing on these cultural and historical assets, Ulundi can develop a thriving tourism sector, which could create economic opportunities while preserving its heritage.

Ulundi is home to a rich collection of historical and cultural heritage sites that play a key role in the region's tourism sector. Many of these sites are managed in partnership with Amafa, the provincial heritage agency responsible for preserving and promoting historical landmarks. The Ulundi Municipality works closely with Amafa to develop and enhance these sites, ensuring they remain accessible to visitors and contribute to local economic development.

### **Ondini Museum and Heritage Site**

Located in Ulundi, the Ondini Museum is built on the site of King Cetshwayo's royal kraal and serves as a central point for understanding the history of the Zulu kingdom. The museum features reconstructed historical structures, symbolic Zulu art, and a collection of traditional beadworks that reflects the cultural heritage of the region. It is a major attraction for both domestic and international tourists.

### **Ulundi multi-Media Centre**

Situated in eMakhosini, the Valley of the Kings, this centre is built on the site of King Dingane's kraal and serves as a hub for interactive learning about Zulu history. It also houses the grave of Piet Retief, a key figure in South African history. The centre, which received substantial investment from the Office of the Premier, provides a modern, technology-driven experience where visitors can explore historical events at the touch of a button.

### **Spirit of eMakhosini**

Overlooking the Valley of the Kings, this open-air site celebrates the legacy of Zulu monarchs. Guided tours provide insights into the history of the Zulu nation, while artifacts and symbolic displays—such as a collection of animal horns—highlight the cultural significance of the site.

### **KwaGqokli Hill**

This site marks the famous battle where King Shaka's strategic military tactics led to a decisive victory over the Ndwandwe forces. It is recognized as an important historical landmark and has been earmarked for further development as a tourism attraction.

### **Ceza Cave**

Nestled in Ceza Mountain, this cave served as a refuge for King Dinuzulu during the late 19th century as he evaded British forces. The site remains an important part of Zulu history, with original remnants of the King's settlement still visible. Efforts are underway to preserve and develop this site to enhance its accessibility and historical significance.

### **Ophathe Heritage Park**

Located along the R66 near the town of Ulundi, this park serves as both a conservation area and a cultural heritage site. It includes a game breeding facility and offers game viewing opportunities. Although currently underutilized, plans for development include improving infrastructure, enhancing visitor experiences, and incorporating a small conference facility to attract business tourism.

Recognizing the importance of tourism, the Ulundi Tourism and Marketing Strategy was reviewed to strengthen the sector through product development, improved marketing, infrastructure enhancement, and institutional growth. The strategy identifies four key tourist access channels:

- Ulundi Airport, providing direct access for business and government travellers.
- The R66 road, a major route linking Ulundi to surrounding areas.
- Travel agents and tour operators, promoting tourism experiences.
- Road signage, which is generally good but requires some upgrading for improved visitor navigation.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY

The current Tourism Information Centre and Amafa AkwaZulu are both mandated by the KwaZulu-Natal Provincial Government to administer all the heritage sites within the Zululand District.

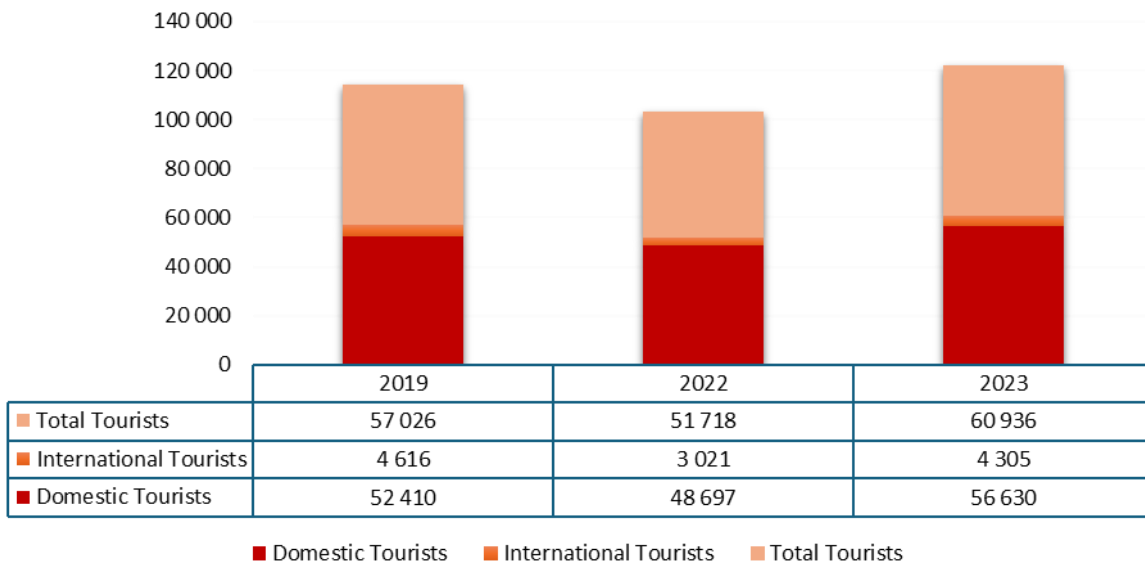
To support and grow the tourism sector, the Municipality has a Tourism Information Centre which is mandated, along with KZN Amafa, which is the provincial heritage conservation agency for KZN, to administer all the heritage sites within the Zululand District. The Municipality, in collaboration with Amafa, plays a central role in preserving and promoting historical sites in Ulundi. The partnership focuses on:

- Enhancing infrastructure and visitor facilities at key heritage sites
- Supporting tourism initiatives that create employment and boost local businesses
- Promote Ulundi as a cultural tourism destination through marketing and heritage education programs.

Despite these efforts, Ulundi’s tourism potential remains largely untapped, and additional initiatives are needed to enhance the sector.

The figure below shows the number of domestic and international tourists in Ulundi Municipality in 2019, 2022 and 2023.

**Figure 42: Ulundi Municipality Tourism Statistics, 2019, 2022 and 2023**



Source: Tourism KZN, 2025

Tourism data indicates a recovery in visitor numbers following the pandemic-related decline in 2022. The total number of tourists increased from 51 718 in 2022 to 60 936 in 2023, marking a 17.8% year-on-year growth. This recovery was driven primarily by a rise in domestic tourists, who grew from 48 697 in 2022 to 56 630 in 2023. However, international tourism remains relatively low, with international arrivals increasing only slightly from 3 021 in 2022 to 4 305 in 2023, still below the 4 616 visitors recorded in 2019.

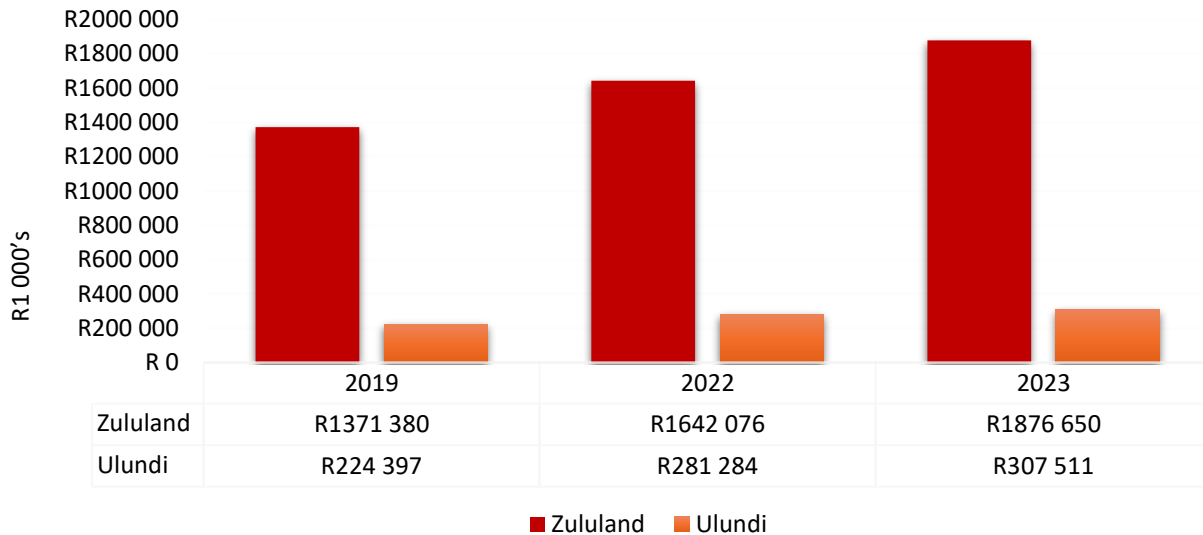
While domestic tourism has shown strong recovery, international tourism remains relatively low, accounting for only 7% of total visitors in 2023, up slightly from 6% in 2022 but still below 2019 levels. However, international tourist arrivals peak during the annual Reed Dance, indicating an opportunity to expand cultural and heritage tourism offerings to attract more global visitors.

Currently, business tourism is the primary driver of visitor traffic to Ulundi. Due to its role as a government and administrative hub, the Municipality attracts domestic business travellers, including corporate

representatives, sales professionals, and government officials, who typically fall within the 25 to 45 age group. These visitors are classified as “highlife enthusiasts” and “spontaneous budget spenders”, meaning they travel frequently and are willing to spend, but primarily for business purposes rather than leisure.

The figure below shows the tourism spend in Zululand and Ulundi in 2019, 2022 and 2023.

**Figure 43: Tourism Spend in Zululand and Ulundi, 2019, 2022 and 2023.**



Source: Tourism KZN, 2025

While tourism spending in Ulundi has shown a slight increase, it remains a relatively small portion of the overall tourism expenditure within the Zululand District. Specifically, Ulundi accounts for only 16.4% of the district’s total tourism spend. This suggests that while there has been some growth, Ulundi’s share of the regional tourism market is still limited, highlighting the need for targeted strategies to enhance its appeal and competitiveness within the district.

### 4.3.2.12 Green Economy

The green economy is defined as an economy that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities. A green economy approach recognises that the environmental system has that the economic sub-system should be embedded within, and shaped by, the environmental assets and services available in a particular region. A shift to the green economy thus involves the restructuring of business, infrastructure, and institutions towards more sustainable (green) production, consumption and distribution processes, creating new economic opportunities and green jobs.

Ulundi Municipality has the intention of becoming a leader in terms of Green Economy development. The green economy initiatives include several components, namely:

- Green Energy
- Green Industry
- Green Property
- Green Landscape
- Green Infrastructure
- Green Agriculture
- Green Jobs

- Green Skills Development

While the green economy is one of the sectors targeted by the Municipality as part of the Provincial Growth and Development Plan's recommendations, this sector is not yet fully undertaken by the Municipality. The main green economy activity in the Municipality currently is a Buy-Back Centre, which is operational during the week and allows residents to bring in waste products such as paper, plastics, cans and glass, in exchange for monetary compensation. The purpose of this centre is to promote and encourage recycling within the Municipality.

Once Ulundi embarks on more green economy activities, the targeted markets will be, among others, green industry projects, manufacturers, energy services companies, consultancies, SMMEs, co-operatives, youth enterprises, research institutions, test laboratories, training providers and engineering companies.

#### **4.3.2.13 Informal Sector and Township Economy**

SMMEs and informal traders in Ulundi are predominantly concentrated in the Ulundi CBD, where they offer both formal and informal retail and commercial services. The Municipality has developed several economic development strategies, including the Tourism and Marketing Strategy, LED Strategy, Business Retention and Expansion Strategy, and the Informal Economy Policy, all of which support the growth of SMMEs and the informal economy. These strategies have been recently reviewed to align with national, provincial, and district development priorities. Additionally, the Municipality maintains a comprehensive database of registered SMMEs and cooperatives, alongside its Business Retention and Expansion Strategy.

To support SMMEs and informal traders, Ulundi has implemented various initiatives, such as the development of market stalls, Wendy houses, and the licensing of SMMEs. These efforts aim to create a conducive environment for the sector's growth and sustainability. The Municipality recognizes the diverse range of informal trading activities, including street/kerbside trading, transport interchange trading, mobile traders, market vendors, and specialized services like car washing, hairdressing, construction, livestock trading, and more. These activities contribute to the local economy, particularly by providing income for the unemployed and offering alternatives to traditional formal retail.

Ulundi aims to formalize and strengthen the informal economy by providing infrastructure support, entrepreneurship development, and strategic spatial planning. The Municipality has put measures in place to prevent uncontrolled growth in the informal sector, which could have negative consequences. The Informal Economy Policy is designed to guide sustainable growth, while mentorship and incubation programs help reduce bureaucratic barriers and promote ease of doing business.

The Municipality has supported SMMEs and cooperatives through various initiatives, including financial support, the provision of tools and raw materials, and skills development programs. For example, the Indonsa Arts and Crafts Centre trains 40 unemployed community members annually in visual arts and fashion design. The Integrated Energy Centre (IEC), supported by the National Department of Energy, is another initiative that will act as a catalyst for SMME participation, with a community cooperative managing the facility.

Moreover, the Municipality has organized events like the Inkunz'isematholeni Youth in Business Training Workshop and Competition, in collaboration with Ithala Development Finance Corporation and other partners, to empower youth with the necessary skills to pursue sustainable business ventures.

In terms of formal commercial establishments, the Ulundi CBD is home to important retail and service sectors, including the Holiday Inn, Ulundi Plaza, and King Senzangakhona Shopping Centre, which host major retailers like Spar, Boxer, Clicks, and several food outlets. The Ezulwini Mall, developed in 2013, has further contributed

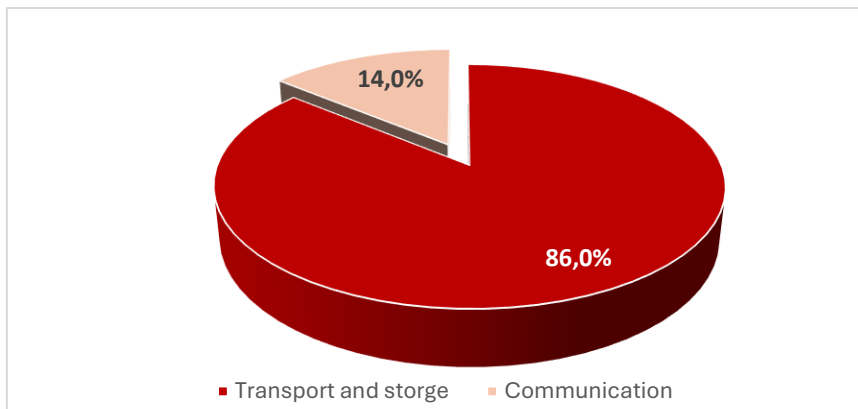
to the town's economic growth, alongside the Ulundi Intermodal Facility. Despite growth in these areas, the construction sector remains underdeveloped, with the Municipality focusing on enhancing technical skills and access to financing for emerging contractors.

Overall, the informal economy and SMME sector play an essential role in Ulundi's economic landscape, contributing approximately 12% to the formal economy. The Municipality is committed to fostering the growth of these sectors through strategic policies, development initiatives, and ongoing support, such as workshops, access to funding, and market access facilitation. Through these efforts, Ulundi seeks to develop a commercially viable and dynamic economic sector that enhances both economic growth and the quality of life for its citizens.

#### 4.3.2.14 The ICT Sector

As shown in the figure below, the performance of the communications sector only makes up 14% of the total GVA contribution of the Transport, storage and communications sector. While this may reflect a smaller share within the broader economic context, the increasing importance of digital connectivity in business, government and socially, highlights the need for this sectors growth and development.

**Figure 44: Performance of Communications in Ulundi's Transport, Storage and Communications Sector, 2023**



Source: Quantec Standardised Regional Data, 2025

The Municipality, however, continues to face challenges with its telecommunications infrastructure, particularly in the more outlying areas, where cellular services are often inadequate. This highlights a backlog in ICT infrastructure, especially in the rural regions. Access to broadband connectivity is crucial for attracting external investment into the Municipality, as it is a key driver of economic growth.

To address this, securing funding is essential to roll out broadband infrastructure, ensuring that businesses have better access to information, and providing greater access to educational resources for students. High-speed broadband, when made universally available, is strategically important as it will enable:

- Businesses to compete globally, regardless of their size or location.
- Improved education and skills development through better access to resources and learning materials.
- Innovators and entrepreneurs to create and exploit new applications and services, no matter where they are based.

## 4.3.3 Economic Diversification

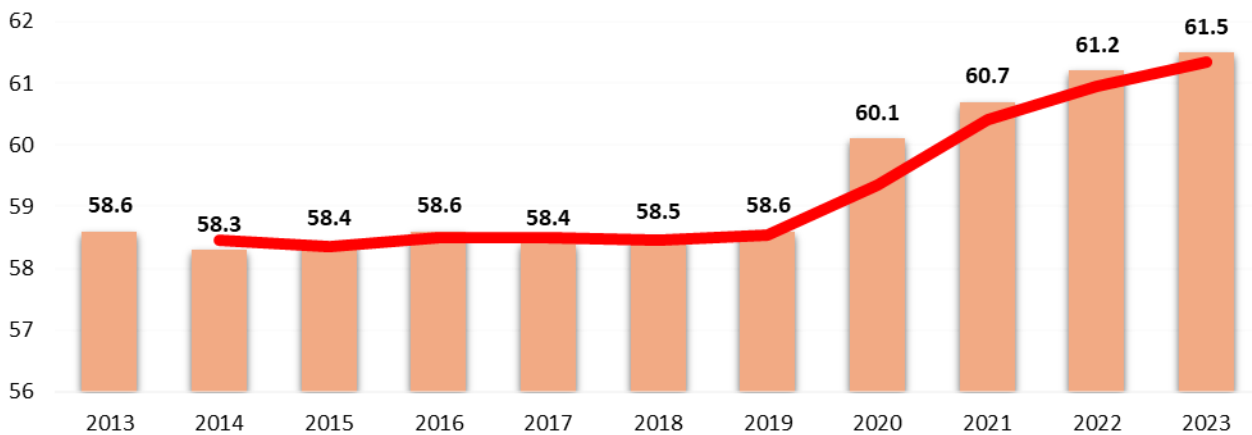
### 4.3.3.1 Tress Index

The Tress Index is a widely used economic indicator that measures the level of economic concentration within a region. It provides insights into how dependent an economy is on specific industries or sectors. A lower Tress Index indicates a more diversified economy, which is generally more resilient to economic shocks, while a higher Tress Index suggests a higher level of economic concentration, making the economy more vulnerable to downturns in dominant industries.

In the context of LED, the Tress Index is an essential tool for assessing the structure of the local economy and identifying opportunities for economic diversification. A well-diversified economy creates employment stability, encourages investment, and reduces the risks associated with economic dependence on a few key industries.

The figure below shows the tress index for Ulundi LM from 2013 to 2023.

**Figure 45: Ulundi LM Tress Index, 2013-2023**



Source: Quantec Standardised Regional Data, 2025

The figure shows that Ulundi’s Tress Index remained relatively stable between 2013 and 2019, fluctuating around 58.3 to 58.6. This indicates that during this period, the Municipality’s economy was largely concentrated in a few dominant industries, with minimal diversification. From 2020 onwards, there is an increase in the Tress Index, rising from 60.1 in 2020 to 61.5 in 2023. This suggests a trend towards greater economic concentration, meaning that certain industries such as the community, social and personal services and finance, have become more dominant within the local economy.

The rising Tress Index highlights the need for strategic interventions to promote economic diversification within Ulundi. Increased economic concentration can pose risks, particularly if these dominant industries face downturns or external shocks. Interventions such as investment promotion, especially in underdeveloped or emerging sectors such as manufacturing, development of small businesses and informal trade, skills development and innovation, will ensure a more balanced and resilient economy.

### 4.3.3.2 Location Quotient

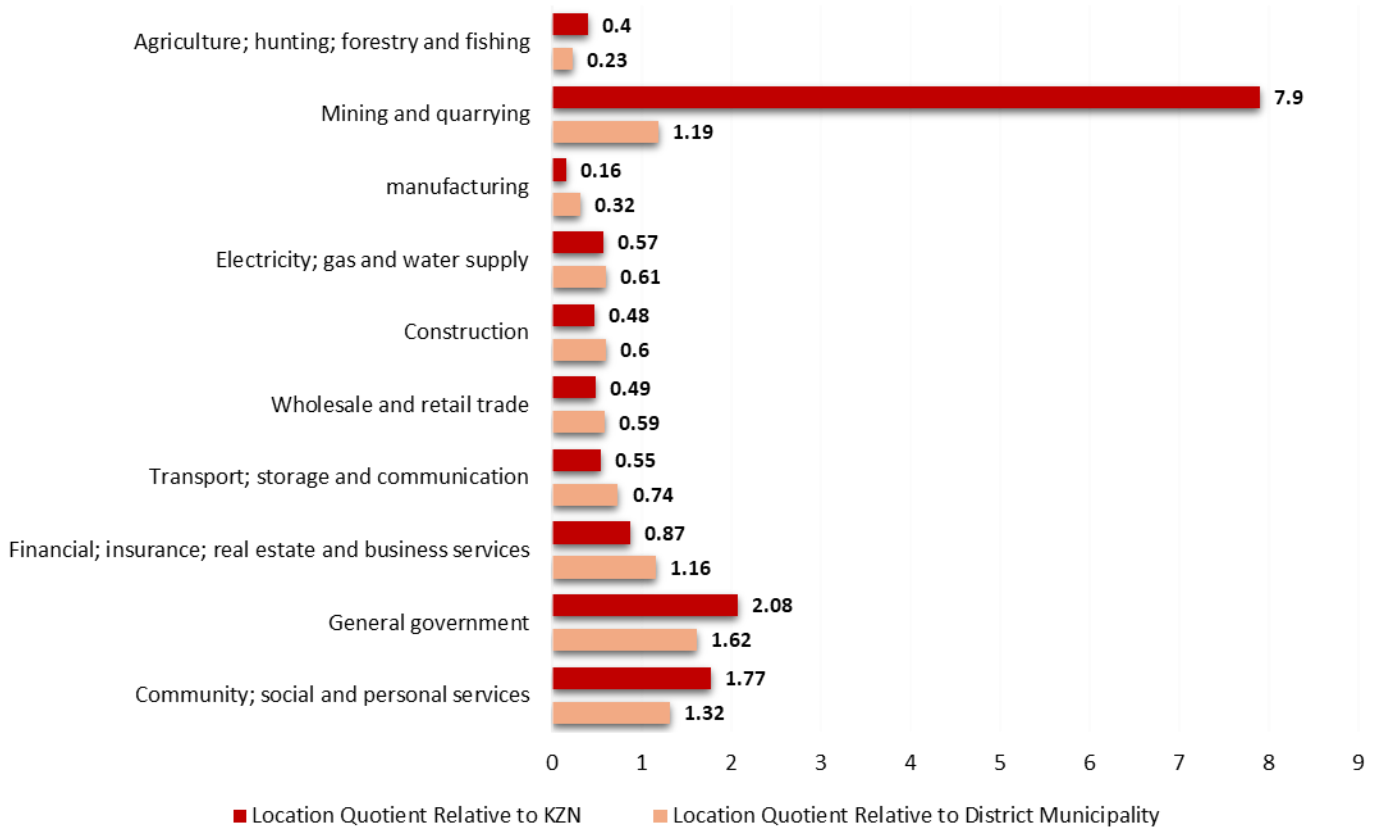
The Location Quotient (LQ) is a valuable economic metric that measures the concentration of a specific industry within a local economy compared to a broader regional or national economy. An LQ greater than 1 indicates that the sector is more dominant in the local economy than in the reference economy, suggesting a

comparative advantage. Conversely, an LQ of less than 1 suggests that the sector is underrepresented relative to the broader economy.

By analysing the LQ, policymakers and economic planners can identify key strengths and potential opportunities for economic diversification. A high LQ indicates industries that could be leveraged for further development, while a low LQ does not necessarily imply a lack of potential but rather highlights areas where targeted interventions could enhance growth.

The overall LQ for Ulundi LM relative to both the Zululand DM and KZN is 1.0, indicating that the Municipality's economic composition is generally in line with these broader economies. However, a closer look at sector-specific LQs shown in the figure below provides deeper insights into areas of strength and potential gaps.

**Figure 46: Ulundi Sectoral Location Quotient relative to Zululand District Municipality and to KZN, 2023**



Source: Quantec Standardised Regional Data, 2025

Ulundi's economy has a comparative advantage in the government services sector, which play a key role in employment and administration (LQ: 1.62 relative to the district; 2.08 relative to KZN). It also has a comparative advantage in the community, social, and personal services sector encompassing essential services such as education and healthcare (LQ: 1.32 relative to the district; 1.77 relative to KZN).

Mining and quarrying, with an exceptionally high LQ of 7.9 relative to KZN. This highlights that Ulundi has a clear comparative advantage in mining relative to the province and district economies, presenting both economic opportunities and risks that necessitate sustainable practices and value-added processing.

In contrast, sectors such as manufacturing (LQ: 0.32 relative to the district; 0.16 relative to KZN), agriculture (LQ: 0.23 relative to the district; 0.4 relative to KZN), retail trade (LQ: 0.59 relative to the district; 0.49 relative to KZN), and transport (LQ: 0.74 relative to the district; 0.55 relative to KZN) remain underdeveloped. These

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

sectors offer opportunities to grow Ulundi’s economy by investing in local manufacturing, farming businesses, retail development, and better transport systems. To build a stronger and more stable economy, Ulundi should build on its strengths in government, social services, and mining while also developing smaller industries to create more jobs and long-term growth.

### 4.3.3.3 Economic Vulnerability

Economic Vulnerability Index (EVI) measures the resilience of an economy and its ability to effectively absorb external economic shocks and hazards on economic assets. Economic vulnerability refers to how exposed a municipality’s economy is to challenges such as job losses, industry downturns, or financial pressures, and reflects its abilities to withstand these challenges. A municipality with high economic vulnerability may struggle to cope with economic shocks, making it harder to create jobs, attract investment, and maintain steady growth. This can result from factors like dependence on a single industry, high unemployment, or a lack of infrastructure to support business development.

When considering economic vulnerability, factors such as income levels, employment stability, economic diversity and access to essential services are considered. Municipalities that rely too heavily on one sector are at a greater risk if that sector declines due to economic shocks or any other setbacks.

EVI is calculated as an index on a scale of between 1 and 10. The higher the economic vulnerability (closer to 10) the more susceptible the municipality is to external shocks.

The table below highlights the economic vulnerability of KZN local municipalities in 2019.

**Table 19: KZN Local Municipalities Economic Vulnerability, 2019**

MUNICIPALITY	Economic Vulnerability	Trend	Ranking
Nongoma	2.56	↘	1
Nquthu	2.71	↘	2
Dr Nkosazana Dlamini Zuma	2.94	↘	3
Nkandla	3.13	↘	4
Okhahlamba	3.33	↘	5
Maphumulo	3.44	↘	6
uMuziwabantu	3.45	↘	7
Mtubatuba	3.59	↘	8
Msinga	3.65	↘	9
Emadlangeni	4.02	↘	10
Big Five Hlabisa	4.12	↘	11
Mandeni	4.31	↘	12
Umzimkhulu	4.34	↘	13
Impendle	4.38	↘	14
Richmond	4.47	↘	15
Mpofana	4.55	↗	16
Umvoti	4.56	↘	17
Jozini	4.66	↘	18

## ULUNDI LOCAL MUNICIPALITY LED STRATEGY

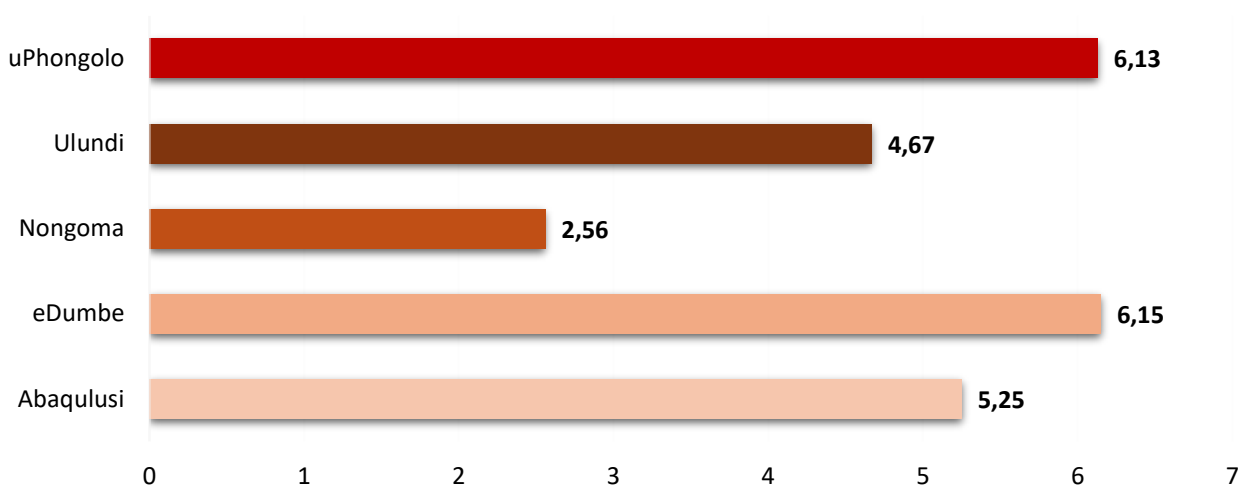
<b>Ulundi</b>	4.67	↓	19
<b>Mfolozi</b>	4.68	↓	20
<b>Mkhambathini</b>	4.68	↓	21
<b>uMshwathi</b>	4.83	↓	22
<b>Umhlabuyalingana</b>	4.88	↓	23
<b>Inkosi Langalibalele</b>	4.88	↓	24
<b>Umzumbe</b>	5.05	↓	25
<b>Mthonjaneni</b>	5.09	↓	26
<b>Endumeni</b>	5.24	↓	27
<b>Abaqulusi</b>	5.25	↓	28
<b>Ubuhlebezwe</b>	5.43	↓	29
<b>Greater Kokstad</b>	5.44	↗	30
<b>Ray Nkonyeni</b>	5.56	↗	31
<b>Alfred Duma</b>	5.59	↗	32
<b>uMhlathuze</b>	5.60	↗	33
<b>uMlalazi</b>	5.64	↓	34
<b>Ndwedwe</b>	5.77	↓	35
<b>uPhongolo</b>	6.13	↓	36
<b>eDumbe</b>	6.15	↓	37
<b>uMngeni</b>	6.17	↗	38
<b>The Msunduzi</b>	6.28	↗	39
<b>Umdoni</b>	6.76	↗	40
<b>KwaDukuza</b>	7.03	↗	41
<b>Dannhauser</b>	7.05	↓	42
<b>Newcastle</b>	7.06	↗	43

Source: CSIR, 2025

Ulundi Local Municipality ranks 19th out of 43 local municipalities in terms of economic vulnerability, with a current vulnerability score of 4.67. This indicates a moderate level of economic risk and exposure to financial instability. Within the Zululand District, Ulundi ranks 2nd out of the five local municipalities, meaning it is less vulnerable compared to most of its district counterparts, with eDumbe being the most economically vulnerable.

The following figure shows the economic vulnerability of the municipalities within the Zululand District.

**Figure 47: Zululand District Regional Economic Vulnerability, 2011**



Source: CSIR, 2025

Ulundi’s vulnerability level highlights the importance of continuing efforts to diversify the local economy, attract investment, and create employment opportunities. While there is some improvement, strategic interventions are still needed to reduce the municipalities dependence on a few industries and to strengthen sectors such as manufacturing, tourism, and agriculture. Interventions such as infrastructure development, skills training, and support for small businesses can further enhance economic stability and reduce vulnerability in the long term.

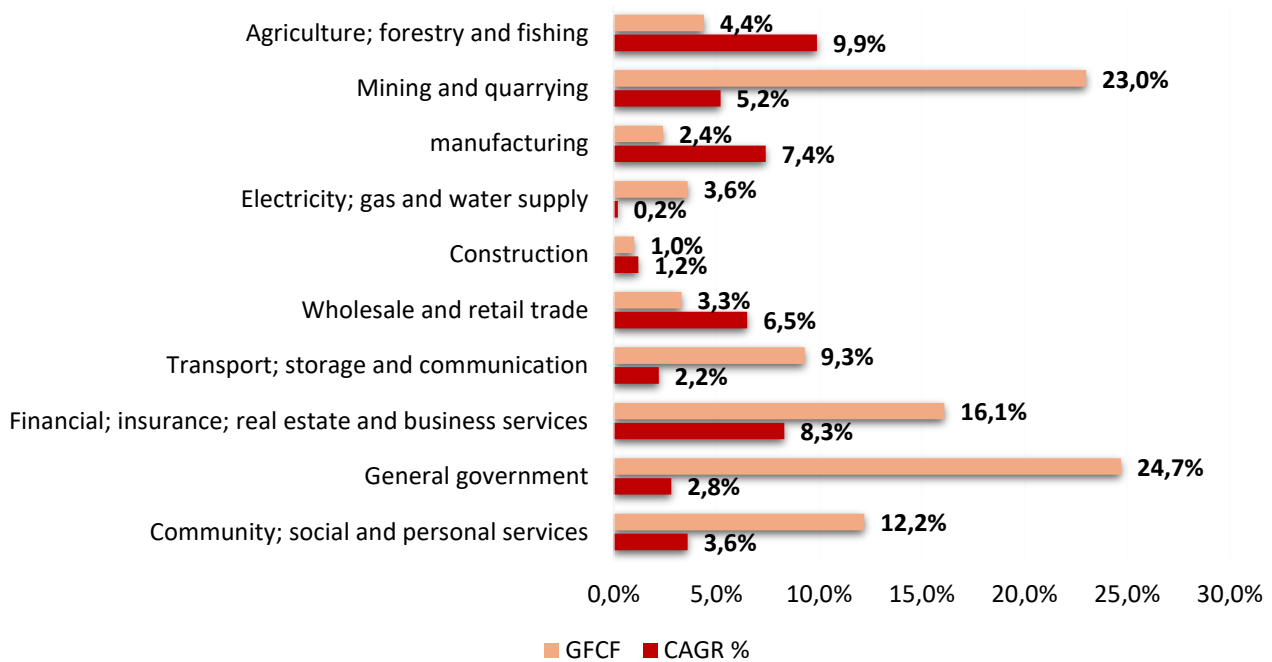
#### 4.3.4 Gross Fixed Capital Formation

Gross Fixed Capital Formation (GFCF) refers to the investment in fixed assets, such as machinery, equipment, buildings, infrastructure, etc., that is used in the production process. It is a macroeconomic indicator that represents the total value of acquisitions of new or existing fixed assets by the business sector, government, and households in an economy over a specific period, minus the value of disposals. It essentially measures the investment in physical assets.

The distribution of GFCF across different sectors provides insights into the investment patterns and priorities within an economy. It reflects the priorities of different sectors in terms of capital investment, indicating where resources are being allocated for future growth and sustainability. Additionally, shifts in GFCF distribution over time can signal changes in economic priorities and development strategies.

The following figure shows the investment levels to each sector and the average growth in terms of CAGR over a 10-year period for each sector.

**Figure 48: Gross Fixed Capital Formation and CAGR Per Sector in Ulundi Local Municipality, 2023**



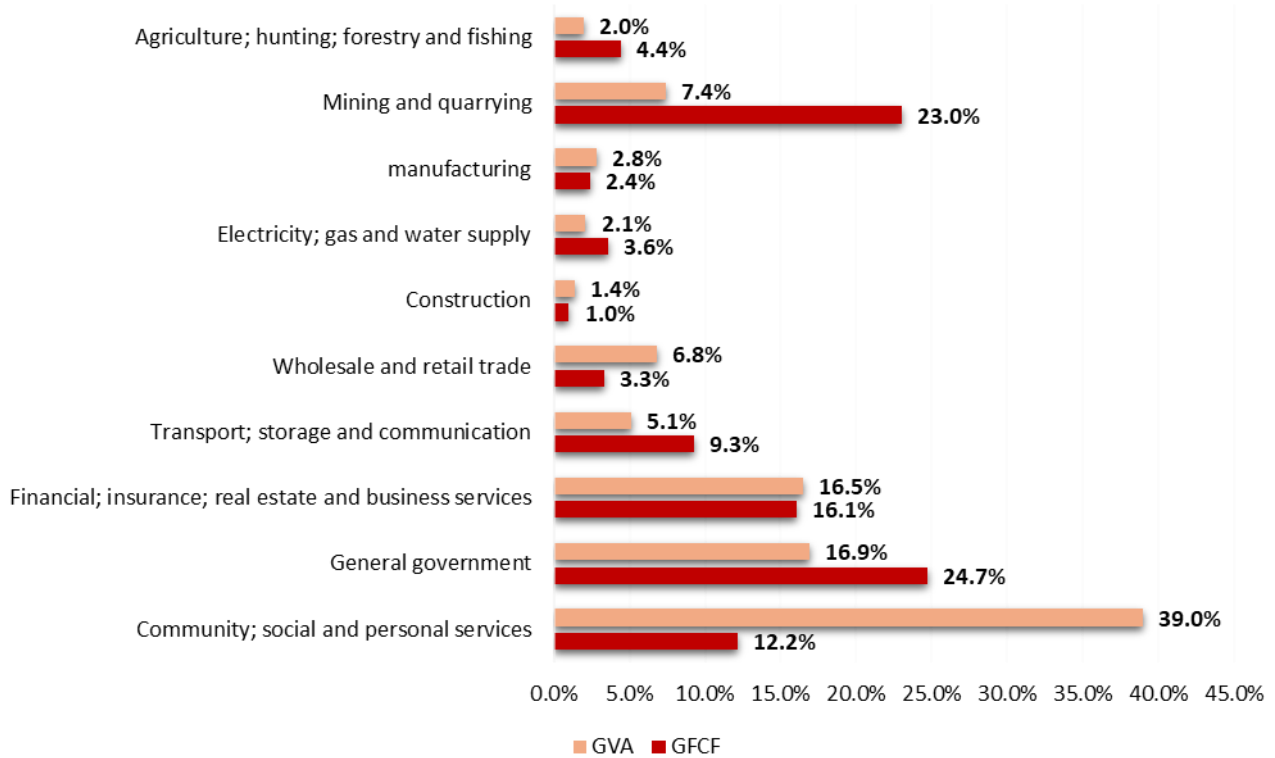
Source: Quantec Standardised Regional Data, 2025

A significant portion of the GFCF is allocated to the general government sector, comprising 24.7%. This indicates a substantial investment in public services, infrastructure, and government-led initiatives aimed at supporting development within the Municipality. The focus on improving infrastructure, such as transportation networks, energy supply, and water resources, is crucial for supporting the broader economy and enhancing service delivery. Furthermore, government investment in public services creates essential employment opportunities and strengthens the local economy, ensuring that the needs of both businesses and residents are met. These investments are essential to the continued growth and sustainability of Ulundi, solidifying its position as the administrative seat of Zululand and enabling it to support regional governance effectively.

This is closely followed by mining and quarrying (23.0%), financial, insurance, real estate and business services (16.1%) and community, social, and personal services, which account for 12.2% of the GFCF.

The figure below provides a comparison between each sectors contribution to GVA and the level of investment for each sector.

**Figure 49: Ulundi Local Municipality Sectoral GVA Contributions and Gross Fixed Capital Formation, 2023**



Source: Quantec Standardised Regional Data, 2025

Ulundi’s investment patterns reveal interesting disparities between capital allocation and economic output across various sectors. One of the most notable anomalies is the mining sector, which receives a significant share of investment (23.0% of GFCF) while contributing only 7.4% to the local economy’s GVA due to the limited mining activities and the relatively cheap commodities that are mined in the Municipality. Despite limited large-scale mining activities in the Municipality, this high level of investment may be driven by ongoing infrastructure development, mineral exploration, and long-term strategic planning aimed at unlocking future economic potential. Additionally, the Zululand Anthracite Colliery (ZAC) mine and Afrimat mine play a key role in local economic activity, with corporate social responsibility initiatives that support surrounding communities. These interventions, including infrastructure development, education programs, and employment creation, could partially explain the continued capital inflows into the sector despite its current low contribution to overall economic output.

In contrast, the community, social, and personal services sector, despite being the backbone of Ulundi’s economy, receives a relatively modest 12.2% of investment. This suggests that the sector is more labour-intensive than capital-intensive, with economic output driven by services such as education, healthcare, and other social programs.

The financial, insurance, and real estate sector presents a well-balanced investment-to-output relationship, with 16.1% of GFCF aligning closely with its 16.5% contribution to GVA. Notably, this sector has one of the highest growth rates in GFCF (8.3%), indicating strong economic returns on investment and reinforcing its role as a growing pillar of the local economy. Its expansion could be linked to increasing demand for financial services, business support, and property development, signalling a shift towards a more service-oriented economy.

Investment in transport, storage, and communication stands at 9.3% of GFCF, yet its GVA contribution remains low at 5.1%. This indicates that infrastructure development in this sector is still lagging behind economic demand, potentially restricting broader economic growth. Limited transport networks and communication infrastructure could hinder business activity, trade, and connectivity, underscoring the need for greater investment to improve mobility and digital access.

Overall, Ulundi's investment landscape reflects a mix of strategic priorities and economic realities. While mining receives substantial investment despite its limited immediate economic returns, this may be justified by long-term development goals and community support programs. Meanwhile, community services remain the dominant economic sector, delivering high output with relatively low capital input. Sectors such as finance are experiencing strong growth and efficient capital allocation, while transport infrastructure remains an area requiring further investment. Addressing these imbalances through targeted investment could enhance economic diversification and long-term sustainability.

## 5 ECONOMIC POTENTIAL ANALYSIS (SWOT)

This section aims to explore opportunities for local economic growth and development within the Ulundi municipal area by assessing the current economic conditions. Understanding the Municipality's economic potential is essential for identifying viable and impactful development projects that can drive long-term economic growth. A structured assessment of economic potential enables decision-makers to prioritize sustainable initiatives that contribute to economic advancement and improved livelihoods within the Municipality.

To identify economically impactful projects with strong development potential, it is necessary to establish clear criteria for evaluating opportunities. These criteria help determine which projects align with the Municipality's broader economic strategy and have the capacity to drive sustainable economic progress. This requires a comprehensive understanding of economic potential, which refers to the resources, infrastructure, and economic capacity needed to facilitate growth.

Local Economic Development can be defined as a process that enhances the economic potential of a specific region, improving both its future growth prospects and the well-being of its residents. LED involves collaboration between public, private, and non-governmental stakeholders to foster an environment that supports economic growth, job creation, and sustainable development (Rodríguez-Pose & Wilkie, 2017). The success of local economic development depends on strategic planning, infrastructure development, investment attraction, and the ability to leverage local resources efficiently.

This section will analyse the economic potential in the Ulundi municipal area under the following sub-headings:

- Strengths
- Opportunities
- Weaknesses
- Threats

The following table presents the economic potential analysis (SWOT) for the Ulundi LM in terms of strengths, weaknesses, opportunities and threats.

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Table 20: Economic Potential Analysis of Ulundi Local Municipality

S	W	O	T
STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>• <b>Strategic Location.</b> Ulundi is a key administrative and service hub within the Zululand District, allowing for opportunities for economic planning and development. The strong public sector base also provides employment opportunities.</li> <li>• <b>Cultural and heritage tourism.</b> Ulundi is known as the city of heritage. Ulundi has the potential to leverage sites such as Ondini Battlefields, Ondini Museum and Amafa Akwazulu Heritage Site, for tourism purposes.</li> <li>• <b>Agricultural potential.</b> The Municipality has agricultural land that can support small-scale and commercial farming.</li> <li>• <b>Improved access to basic services.</b> Recent improvements in the supply of services such as water, electricity and road networks provide a foundation for economic expansion.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>High unemployment and Joblessness.</b> The Municipality faces issues of high unemployment and a large portion of the working-age population that is discouraged or not economically active.</li> <li>• <b>Skills Gap.</b> A significant portion of the working-age population lacks the skills that match industry needs. Even traders do not have the necessary skills to grow their business.</li> <li>• <b>Lack of Investment Promotion.</b> The Municipality struggles to attract private investment due to regulatory constraints and limited incentives.</li> <li>• <b>Limited access to funding.</b> SMME growth is very slow in the Municipality due to funding constraints.</li> <li>• <b>Limited Economic Diversification.</b> The economy in Ulundi heavily relies on certain sectors such as</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Tourism Development and Expansion.</b> While Ulundi has cultural and heritage sites, these are not properly marketed and leveraged for tourism expansion. The Municipality should invest in tourism infrastructure, better marketing, and develop cultural and eco-tourism experiences that could enhance the sector and promote economic growth.</li> <li>• <b>Youth and skills development.</b> Investing in programs that aim to strengthen skills training amongst the youth and provide opportunities for apprenticeships and business mentorships could help close the skills gap and decrease the levels of unemployment in the Municipality.</li> <li>• <b>Infrastructure Investment.</b> The Municipality could enhance economic growth and development by investing in infrastructure improvement projects. By</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Land Tenure and Development Challenges.</b> Large portions of land are undeveloped and are under traditional authority control, such as the Ingonyama Trust Board, making investment and development challenging, and limiting agricultural potential.</li> <li>• <b>Regulatory Challenges.</b> Red tape and long administrative processes continue to slow down business growth and development.</li> <li>• <b>Lack of Infrastructure Development.</b> The infrastructure in Ulundi has deteriorated and negatively affects business activities and tourism. This limits the Municipalities' growth potential and investor confidence.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

	<p>community and social services, and the government sector, while other sectors are underdeveloped, such as the manufacturing and construction sector. This leaves the Municipality vulnerable to economic shocks.</p> <ul style="list-style-type: none"><li>• <b>Slow Infrastructure Development.</b> The Municipality faces challenges of poor road networks leading to rural areas and some heritage sites, limited rail access and inconsistent water and electricity supply which affect the ability of businesses to operate efficiently.</li><li>• <b>Lack of investment in the Green Economy.</b> Despite being a priority area, there has been little action to promote green initiatives such as renewable energy usage, waste recycling and eco-friendly business initiatives and practices.</li></ul>	<p>improving road networks, water and sanitation services, the Municipality could increase the chances of attracting both visitors and business into the area.</p> <ul style="list-style-type: none"><li>• <b>Manufacturing and SMME Growth.</b> Establishing small-scale manufacturing hubs, reducing red tape and providing financial support for businesses could lead to the improvement of these sectors.</li></ul>	
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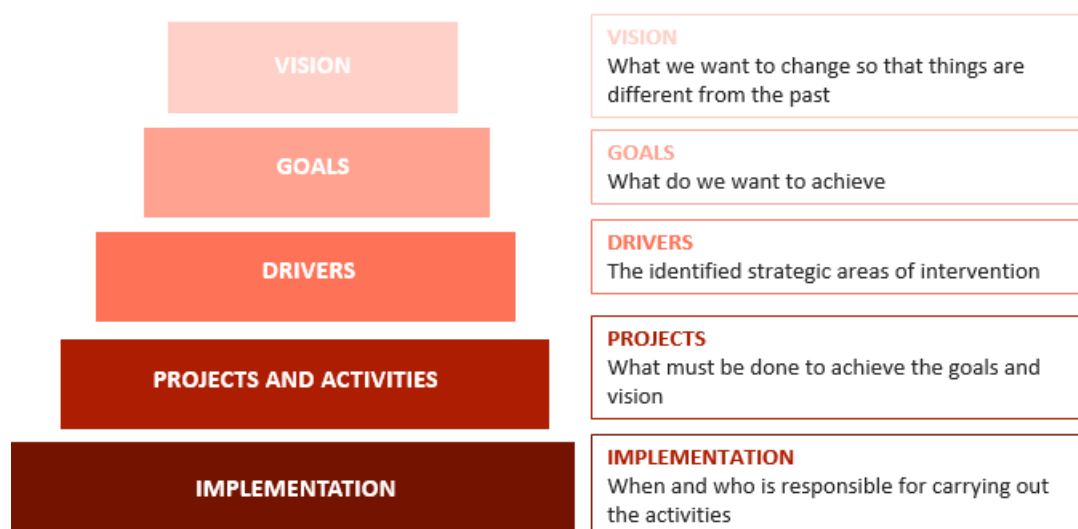
## 6 STRATEGIC FRAMEWORK

### 6.1 Introduction

The purpose of this section is to present the developmental framework for the Ulundi Local Municipality LED Strategy and describe the rationale for the composition of each element within the framework. The strategic framework has been developed within the context of the municipal profile presented in the previous sections, and within the context of stakeholder engagement sessions.

Based on an analysis of the policy landscape, stakeholder input, and a comprehensive assessment of the Ulundi Municipal Area’s economic conditions, key strategic pillars have been identified as the foundation of the LED Strategy. These pillars are designed to address priority issues and challenges while aligning with the long-term vision for local economic development. Each pillar includes specific projects that have been carefully selected to support the plan’s objectives and contribute to the broader economic vision for the Ulundi Municipal Area.

**Figure 50: Strategic Framework of Ulundi Municipality**



### 6.2 Vision

The LED Strategy’s vision serves as a foundational pillar in addressing key economic challenges within Ulundi. In formulating this vision, it is essential to ensure close alignment with the objectives set out in the Ulundi IDP and the 2020 LED Strategy. By incorporating stakeholder insights and aligning with the Municipality’s commitment to good governance, economic growth, and heritage preservation, the LED Strategy is positioned for effective implementation and meaningful impact.

Through stakeholder consultations, the following key themes emerged as key components of Ulundi’s long-term economic vision:

- Infrastructure development
- Market access
- Unemployment reduction

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

- Business retention and growth
- Investment attraction
- Tourism development







Ulundi's long-term economic vision is:

**"The vision of Ulundi Municipality is to become a thriving and inclusive economy by 2030 that champions sustainable infrastructure, economic growth, and investment, while preserving heritage and creating opportunities for all."**

This vision highlights the Municipality's commitment to fostering an enabling environment for businesses, tackling socio-economic challenges such as unemployment, and ensuring that economic development initiatives contribute to long-term sustainability.

The long-term economic vision contains key principles which are outlined in the following table.

**Table 21: Key Principles and Descriptions of the Ulundi LED Vision**

Key Principle	Description
<b>Sustainable Infrastructure Development</b> 	Prioritize the development and maintenance of infrastructure that supports economic activity, enhances service delivery, and improves overall quality of life.
<b>Market Access and Economic Growth</b> 	Foster an environment where businesses can expand market reach, access necessary resources, and contribute to a dynamic and competitive local economy.
<b>Job Creation and Skills Development</b> 	Address unemployment through targeted training, skills development, and job creation initiatives, particularly for youth and vulnerable groups.
<b>Investment Attraction and Business Retention</b> 	Enhance Ulundi's attractiveness as an investment destination by ensuring regulatory efficiency, providing business support, and fostering strategic partnerships.
<b>Tourism and Heritage Development</b> 	Leverage Ulundi's cultural and historical sites and attractions to drive tourism, stimulate local enterprises, and create sustainable livelihoods.
<b>Good Governance and Inclusive Decision-Making</b> 	Promote transparency, accountability, and stakeholder engagement to ensure economic policies and initiatives are well-informed and inclusive.

## 6.3 Goals and Objectives

Within the context of the above observations, the LED Strategy of Ulundi Municipality has identified the following strategic objectives:

Figure 51: Ulundi Local Municipality LED Strategic Objectives



## 6.4 Key Priority Areas

The following key priority areas outline strategic interventions to address the weaknesses and threats identified in the Municipality's SWOT analysis.

### 6.4.1 Strengthening Economic Infrastructure and Service Delivery

A well-developed infrastructure network is essential for stimulating economic activity, attracting investment, and improving the ease of doing business in Ulundi Municipality. However, challenges such as poor road conditions, inconsistent water and electricity supply, and limited digital connectivity continue to hinder business operations and economic growth. Addressing these infrastructure gaps will enhance Ulundi's competitiveness, unlock investment opportunities, and create a more resilient local economy.

To achieve this, the Municipality should prioritize securing funding from provincial and national government entities to implement key infrastructure projects focused on roads, water, and electricity. These improvements will not only enhance business efficiency but also create a more attractive environment for potential investors. In addition, a comprehensive infrastructure maintenance plan should be developed to ensure the sustainability of service delivery, minimize disruptions, and support long-term economic and social development.

Investments in road and transport infrastructure will improve connectivity between urban and rural areas, facilitating the movement of goods and people, and will also allow for easy access to tourism attraction sites. Expanding access to reliable water and electricity supply will support business operations and industrial activities, reducing constraints on economic growth. To address the challenge of restricted investment in bulk infrastructure, attracting investment through public-private partnerships, implementing innovative financing mechanisms, and enhancing project management processes can be beneficial.

To support digital transformation, the Municipality can also focus on upgrading Information and Communication Technology (ICT) infrastructure. Ensuring reliable, high-speed internet and uninterrupted network access will enhance business operations, enable seamless communication, and provide young people with better access to online resources, education, and economic opportunities.

### 6.4.2 Skills Development and Employment Creation

High unemployment, particularly among youth and women, remains a challenge in Ulundi Municipality. Nearly half of the labour force is unemployed, with many individuals discouraged from seeking work due to limited opportunities. Addressing this requires a proactive approach to skills development, employment creation, and private sector collaboration.

One of the key national interventions aimed at reducing unemployment is the Expanded Public Works Programme (EPWP), which provides short-term work opportunities combined with skills training to improve employability. Ulundi Local Municipality has currently adopted and started to implement the EPWP Phase 5, which places greater emphasis on sustainability, innovation, and alignment with local economic priorities. This will help the Municipality expand employment opportunities, strengthen community-based projects, and enhance the skills profile of local workers in areas such as infrastructure, environment, and social services. This shift will support the broader LED strategy by contributing to inclusive job creation and building a more capable and employable workforce.

To support the objectives of Phase 5 of the Expanded Public Works Programme (EPWP) Policy, the municipality has established a Public-Private Partnership with Cialeetez, Vision Projects and Development, and Brand Partners. This partnership aims to revitalise the underutilised Multi-Purpose Community Centre along Princess Mkabayi Street by transforming it into a dedicated Youth Development and Job Creation Manufacturing Plant.

As part of this initiative, EPWP participants will be empowered to become 50% shareholders in the project and will receive training in furniture manufacturing, marketing, and essential business skills. This approach not only promotes sustainable job creation but also supports local economic development through skills transfer and enterprise development.

In support of its broader skills development agenda, the Municipality previously established a multipurpose site dedicated to training and development initiatives outside of tourism. While this facility is currently not operational, it once served as a valuable resource for exposing young people to a variety of practical skills. Encouragingly, funding has been promised to revitalise the site, which could once again play a crucial role in preparing local youth for employment and entrepreneurship across multiple sectors.

Further demonstrating its commitment to human capital development, the Municipality has entered into a Service Level Agreement with We Invest Africa (Pty) Ltd, an accredited training provider, to deliver structured learnerships and skills programmes for students who have tertiary qualifications. These programmes span a wide range of sectors, including municipal financial management, environmental services, civil construction, office administration, supply chain, and customer relations. Many of these qualifications are nationally recognised through various Sector Education and Training Authorities (SETAs), ensuring that the training is both credible and market aligned.

In a separate initiative, the Municipality is also working in partnership with ULUMA AFRICAH which specialises in education and economic justice, with a particular focus on expanding economic opportunities for women and girls in rural communities. This partnership further reflects the Municipality's inclusive approach to development and its focus on creating meaningful, targeted interventions that address the specific needs of

vulnerable groups. These partnerships reflect a targeted approach to improving employability and provides residents with meaningful opportunities to access accredited training linked to real economic needs.

The Municipality can also strengthen partnerships with businesses and organizations across various sectors to create additional employment opportunities for residents. Companies such as Afrimat Mine have already taken steps to empower youth and women through internships, learnerships, and training programs. Expanding these efforts by encouraging more businesses to participate will further strengthen employment prospects and skills development in the region.

In addition, the Municipality should implement skills enhancement initiatives that provide training aligned with market demands. This includes vocational training, apprenticeships, and targeted development programs that equip young people with practical knowledge and experience, improving their employability and entrepreneurial potential. Access to education and training opportunities—including scholarships and industry-specific programs—will also be promoted to ensure that residents are qualified to participate in the evolving economy.

The Municipality is currently engaging with the University of Zululand to formalise a partnership or Memorandum of Understanding (MoU) focused on economic development research, particularly in the field of agriculture. These discussions are aligned with the advanced plans to establish a new university campus in Ulundi, which will specialise in agriculture and education. This partnership is expected to strengthen research collaboration, support local agricultural development, and enhance skills training aligned with regional economic priorities.

### **6.4.3 Business Growth and Retention**

To drive economic growth and job creation, Ulundi Municipality aims to attract large businesses while also supporting the growth and sustainability of SMMEs and informal traders. Many businesses face challenges related to finance, market access, and regulatory compliance.

### **6.4.4 Reduction of Red Tape**

Reducing administrative barriers and providing targeted support will create a more business-friendly environment, fostering long-term economic resilience. Excessive red tape, however, remains an obstacle to business growth and development in Ulundi, particularly affecting both the informal sector and efforts to attract investment. For small and informal businesses, complex regulatory requirements, lengthy approval processes, and unclear compliance procedures can stifle entrepreneurship, making it difficult for these businesses to formalize, access financing, or expand their operations. As a result, many entrepreneurs remain trapped in a cycle of informality, limiting their ability to contribute fully to the local economy.

Similarly, red tape can discourage potential investors who seek efficiency and clarity when entering a new market. Delays in obtaining permits, inconsistent regulatory enforcement, and bureaucratic inefficiencies can create uncertainty, making Ulundi less attractive to businesses looking to establish or expand operations. This not only slows economic diversification but also hinders job creation and skills development in the region.

Ulundi Municipality currently maintains a 21-day turnaround time for the filing of documentation. This existing timeframe can be a valuable tool in reducing delays related to business registration and administrative processes. If this standard is clearly communicated to applicants and consistently applied, it can help minimise bottlenecks, improve responsiveness, and build trust in the municipality's efficiency. Aligning LED processes

with this turnaround time, or enhancing it where possible, would demonstrate the municipality's commitment to streamlined service delivery.

Although the Municipality has access to the KZN Automated Business Licensing and Information Management System, it is currently not used to its full potential and remains inefficient in practice. To fully benefit from this provincial system, Ulundi should prioritise its integration into day-to-day business registration and licensing processes. Effective utilisation of the system would enable faster approvals, centralised record-keeping, and improved transparency, key elements in creating a more predictable and investor-friendly environment.

This approach can significantly reduce perceived red tape, encourage private sector investment, and enhance the overall ease of doing business in the area. By continuing to improve administrative efficiency, simplifying regulatory processes, and providing targeted support to both informal traders and formal investors, Ulundi can position itself as a more agile and competitive local economy, unlocking new pathways for inclusive and sustainable growth.

## **6.4.5 Targeted Sector Growth and Development**

Ulundi Local Municipality's economy is predominantly driven by service-based sectors, particularly government, community, and social services. While these sectors play a crucial role in sustaining the local economy, long-term economic resilience requires a more diverse and sustainable economic base. To achieve this, the Municipality must broaden its economic focus by fostering growth in high-potential sectors such as tourism, agriculture, and manufacturing, while also creating a supportive environment for small businesses and entrepreneurs.

To build long-term resilience and create sustainable economic opportunities, Ulundi Municipality must diversify its economic base by fostering growth in other key sectors such as tourism, agriculture, and manufacturing. In addition, the Municipality can encourage economic diversification by supporting the growth of small businesses and local entrepreneurs. This will help reduce dependence on a single sector and enhance the economy's resilience to economic shocks.

## **6.5 Strategic Pillars for Local Economic Development**

Considering the economic possibilities associated with the Ulundi Municipal area, alongside the mentioned economic vision, goals, and objectives, five fundamental pillars have been recognized. These pillars, when executed in a coordinated manner, are anticipated to effectively enhance economic growth and development within the region. These pillars are displayed in the figure below.

*Figure 52: Strategic Pillars for Local Economic Development in Ulundi Municipality*



Each of the strategic pillars contains a series of priority initiatives. The six strategic pillars that have been identified, along with their corresponding projects, are further elaborated upon in the subsequent sections. Special attention is given to explaining the reasons behind selecting these strategic Programmes and outlining the proposed projects associated with each of them

## 6.5.1 Investment Promotion

Investment plays a crucial role in fostering a thriving and growing economy, as it enables businesses to allocate resources toward expanding existing enterprises or establishing new ones. Investment promotion should be aimed at attracting potential investors who have not yet selected an investment destination. Investment plays a vital role in achieving sustainable development. Under the right conditions, investment has the potential to enhance economic growth, raise living standards, generate employment, facilitate the transfer of technology and expertise, and lead to improvements in the supply chain. The responsibility of Ulundi entails fostering an atmosphere conducive to local area investment. This can primarily be accomplished by supplying essential physical infrastructure, such as roads, railways, water supply, and addressing electricity shortages, which can enhance the area's appeal for business investments. Additionally, it involves facilitating enhancements in soft infrastructure, which pertains to improving government policies and procedures to streamline business operations in Ulundi, advancing skills through development and training, investing in research and development, simplifying access to capital and financing, and supporting the establishment of trade and business associations, among other measures.

In the context of LED, investment can be assessed based on several key factors:

- The financial value of the investment – the overall capital injected into the local economy.

- The employment opportunities created – the number and quality of jobs generated for the local population.
- The transformative impact – the ability of the investment to attract further business activity and complementary investments, strengthening the local economic base.

To drive sustainable development, investment promotion should focus on attracting potential investors who have not yet committed to a specific location. When the right conditions are in place, investment can contribute largely to economic growth, improve living standards, create employment opportunities, introduce new technologies, and enhance supply chain efficiencies.

Despite the critical role of investment in driving economic growth, Ulundi faces several challenges that hinder its ability to attract businesses and foster local economic development. One of the primary obstacles is budget constraints, which limit the municipality's ability to fund LED programs, improve infrastructure, and provide business incentives. Without sufficient financial resources, efforts to create a competitive and business-friendly environment remain restricted.

Another challenge is limited investor confidence, largely due to the absence of established industries and business hubs. Without visible economic activity, supporting infrastructure, and a proven track record of successful investments, potential investors may perceive Ulundi as a high-risk investment destination, making them hesitant to commit their resources.

The lack of a skilled workforce also may limit investor confidence. Ulundi currently has just over 40% of skilled workers, with the rest of the working-age population being either semi-skilled or unskilled. Businesses are often reluctant to establish operations in areas where they must incur high training costs to develop local talent. As a result, many companies prefer locations with an existing pool of skilled workers, further discouraging investment in Ulundi.

Furthermore, inadequate stakeholder engagement has weakened collaboration between the municipality, local businesses, and key community stakeholders. Limited interaction and coordination reduce the effectiveness of investment promotion efforts and prevent the development of a unified strategy for economic growth. Strengthening these partnerships is essential for building investor trust, aligning development priorities, and unlocking new opportunities for the local economy.

To address the challenge of low investment in Ulundi, the Municipality should look within and assign an individual to serve as the initial point of contact for potential investors seeking new development opportunities in the area. This individual would focus on promoting investment opportunities within Ulundi, providing guidance on regulatory processes, and assisting with administrative support. Their role would involve engaging with potential investors, offering information on available opportunities, and facilitating communication between various municipal departments to streamline investment-related processes. By ensuring that investors receive clear and efficient support, the Municipality can enhance its appeal as a viable investment destination while fostering economic growth in the region.

## 6.5.2 Red Tape Reduction

Red tape remains a barrier to business operations, often causing delays in obtaining necessary permits, licenses, and approvals, which can slow down economic activity. In Ulundi Municipality, the challenge is not just bureaucratic delays but also the fact that many businesses, particularly informal traders, are not formalised. This lack of formalisation prevents them from accessing essential resources, funding opportunities, and broader market participation. Recognising this, the municipality has established a business development sector aimed at assisting entrepreneurs with the necessary documentation to formalise their businesses.

However, despite these efforts, many small business owners and potential investors remain unaware of the available support and the steps required for compliance. To address this, increasing awareness campaigns and outreach efforts could ensure that more businesses take advantage of formalisation opportunities, ultimately fostering economic growth in the region. The Municipality should also develop and implement red tape reduction programmes with the goal of 'Ease of Doing Business'. These programmes can be a key tool in fostering an enabling environment for businesses to thrive, operate, retain revenue, and create employment.

### 6.5.3 Infrastructure Development

Economic infrastructure is a fundamental driver of local economic development, encompassing essential services such as roads, waste management, water and sanitation, electricity, and telecommunications. Strengthening and maintaining existing infrastructure while strategically developing new infrastructure in high-priority areas is crucial for fostering economic growth and attracting investment.

There is a well-established link between infrastructure investment and economic development. Research shows that well-planned infrastructure projects not only stimulate economic activity but also contribute to social development. The construction, maintenance, and operation of infrastructure create immediate employment opportunities, generate income, and open business prospects for local enterprises. In the long term, improved infrastructure enhances access to transportation networks, markets, healthcare, education, and other essential services, creating a more dynamic and inclusive economy.

Investing in locally sourced infrastructure projects ensures that revenue remains within the community, amplifying economic benefits through a multiplier effect. Additionally, sustained maintenance and management of infrastructure contribute to long-term employment and economic stability. Utilizing local labour, materials, and contractors further enhances these positive impacts by directly benefiting residents and local businesses.

Despite the role of infrastructure in economic growth, Ulundi faces several challenges in developing and maintaining its infrastructure. Infrastructure damage, particularly in rural areas and at key tourist sites, hinders development in Ulundi. Many roads, bridges, and public facilities suffer from deterioration due to a lack of regular maintenance, restricting access to economic opportunities and reducing investor interest in the Municipality. Damaged infrastructure in tourism hotspots discourages visitors, limiting the potential for growth in Ulundi's tourism sector, which could otherwise contribute to job creation and local revenue generation.

One major issue is funding constraints, which limit the Municipality's ability to implement large-scale infrastructure projects. With limited financial resources, key infrastructure programmes often remain underfunded, delaying essential improvements and new developments. Many investors and funding bodies are hesitant to commit resources to Ulundi due to concerns about long-term sustainability, governance capacity, and economic viability. Without adequate investment, infrastructure expansion and rehabilitation efforts remain slow, further hindering economic progress.

To address these challenges, Ulundi Municipality can implement targeted programmes and projects tailored to its unique needs and constraints. Some potential initiatives include developing an infrastructure maintenance plan, sourcing funding from public and private entities for infrastructure development projects, installing effective monitoring mechanisms to keep track of all progress and damages to infrastructure.

Lastly the Municipality should leverage municipal strategic assets. Municipal assets refer to government-owned or government-managed properties and facilities within a community. These assets encompass a wide

range of resources, including infrastructure like buildings and land, as well as natural features like parks, reserves, and lakes, along with essential utilities such as water and wastewater systems, flood control infrastructure, energy supply networks, telecommunications infrastructure, and street lighting. Leveraging municipal assets, such as parks, reserves, and vacant developmental land can be beneficial to the local Municipality. From a revenue generation perspective, leasing out public land or buildings to businesses or developers can provide a consistent stream of income for the Municipality.

Leveraging municipal assets may also improve the Municipality's financial stability, helping it weather economic downturns and fund essential services, thus improving service delivery. With more municipal assets being leveraged, the local Municipality can essentially be more focused on service delivery which is its primary function while assets that are leveraged through means of public-private partnerships are maintained by the private sector and generate revenue that is also shared with the local Municipality.

## 6.5.4 Targeted Sector Growth and Development

Ulundi Municipality is a service-oriented Municipality, with government services, community services, and social services being the primary contributors to the local economy. While these sectors play a crucial role in employment and service delivery, they also make the Municipality highly vulnerable to economic shocks, as they rely heavily on public funding and administrative functions.

To build a more resilient and sustainable economy, Ulundi must diversify its economic base by fostering the growth of additional sectors that have the potential to drive development and create new opportunities. Expanding into strategic sectors will not only reduce economic dependence on government services but also attract investment, generate employment, and enhance overall economic stability. Key sectors identified for development include:

### 6.5.4.1. Tourism

Ulundi, known as the City of Heritage, has a rich cultural and historical significance that presents a strong foundation for developing the tourism sector. However, several challenges hinder its growth, including inadequate infrastructure, limited tourism awareness and marketing, poor signage and accessibility to key tourist sites, and restricted funding opportunities. Additionally, a lack of capacity to manage and develop tourism initiatives has resulted in minimal tourism activity within the Municipality. Another key issue is that Ulundi's tourism development and marketing strategy is outdated, limiting its ability to attract and retain visitors.

To unlock the full potential of the tourism sector, the Municipality should collaborate with key stakeholders such as KZN AMAFA, the Department of Economic Development, Tourism and Environmental Affairs (EDTEA), and the KwaZulu-Natal Tourism Authority (KZNTAFA). These partnerships can help identify and implement strategic interventions that will enhance tourism in Ulundi. Some of these interventions could include:

- Providing experiences at the various attractions such as hiking at the Ceza Caves
- Host traditional events at the Battle site where there could be music, dancing and food stalls
- Promote guided tours at the Ondini Museum and the Amafa AkwaZulu heritage site, showcasing Zulu history, traditions, and artifacts.

### 6.5.4.2. Agriculture

Agriculture in the Ulundi Municipality remains a relatively small contributor to the local economy in terms of GVA. However, the sector plays a crucial role in ensuring food security for the Municipality's residents. Despite

its significance, the sector faces several challenges that hinder its growth and sustainability. One of the primary constraints is the limited availability of cultivated land, as a significant portion falls under traditional authorities and cannot be utilized for agricultural purposes.

Additionally, the Municipality has struggled to implement projects aimed at strengthening the agricultural sector. Key obstacles include inadequate funding, persistent water shortages, and the absence of a well-structured coordinating body for local farmers. There is also a gap in awareness campaigns and outreach programmes, preventing effective engagement with all communities, particularly in efforts to encourage youth participation in agriculture. While some progress has been made in supporting small-scale farmers, a major challenge remains—access to markets. Many small-scale farmers struggle to sell their produce due to a lack of buyers, leading to wastage and financial losses. Addressing these challenges requires a comprehensive approach that includes improved infrastructure, enhanced support systems for small-scale farmers, and strategic partnerships to facilitate market access and sustainable agricultural development.

In support of businesses within this industry, the Municipality has committed to purchasing goats for cooperatives and also to purchase material for other cooperatives within the sector, that will assist in business growth and development.

### **6.5.4.3. Manufacturing**

The manufacturing sector in Ulundi remains a minor contributor to the Municipality's GVA due to the absence of medium to large-scale manufacturing firms. A key challenge hindering the sector's growth is the limited availability of properly zoned industrial space. Much of the land on the outskirts of Ulundi falls under the Ingonyama Trust Board, and the Municipality has not yet been granted title deeds for this land, restricting its ability to develop industrial zones. However, some land within the town is currently in the process of being registered, after which it will be allocated for manufacturing purposes.

Beyond land constraints, the manufacturing sector faces additional challenges, including frequent loadshedding, unreliable water supply, and budget limitations that hinder the development of critical infrastructure. Another major obstacle is the lack of investor interest in Ulundi, which can be attributed to inadequate investment promotion efforts and a perception of weak economic opportunities. This challenge has been further compounded by the collapse of the Ulundi Business Chamber, which previously played a key role in organizing investment seminars, trade forums, and business exhibitions. Without such platforms, local businesses struggle to attract external investors or form strategic partnerships. Additionally, poor planning has further delayed efforts to strengthen the sector and unlock its potential for economic development.

Nonetheless, there are signs of progress that indicate the Municipality is beginning to take steps toward revitalizing local manufacturing and enterprise development. The Ulundi Multipurpose Centre, situated along Princess Mkabayi Street near the long-distance taxi rank, is currently being repurposed into a dedicated Ulundi Business Centre. This facility aims to consolidate key support services for entrepreneurs and SMMEs into one accessible hub. This development holds the potential to significantly reduce administrative burdens and improve the ease of doing business.

Furthermore, the Municipality has identified the development of a light industrial centre, specifically catering to motor mechanics and related trades, as a strategic priority. This facility is intended to provide dedicated, functional spaces for local artisans and technical service providers. In addition, plans are underway for the establishment of a small business centre dedicated to the textile sector, offering support, training, and market access for local producers. These sector-focused initiatives, while still emerging, represent an encouraging shift toward more targeted and supportive industrial development.

While challenges remain, these developments signal a growing municipal commitment to building foundational infrastructure, stimulating entrepreneurship, and encouraging small-scale manufacturing in key sectors. The Municipality should continue to build on this momentum by implementing strategic programmes that promote investor confidence, attract manufacturing companies to the area, and equip residents with the skills required by these industries. Such an approach will help lay the groundwork for a more inclusive and resilient local manufacturing base over time.

#### **6.5.4.4. Mining**

Mining activity in Ulundi Local Municipality is relatively limited, with only a handful of operations currently in place. The sector comprises one large-scale coal mine and several smaller rock, quarry, and sand-mining operations. While mining does not contribute much to the Municipality's GVA, it remains one of the largest investment sectors in the area. Mining companies such as Afrimat and Zululand Anthracite Colliery (ZAC) play a crucial role in supporting local economic growth and development through various corporate social investment and skills development initiatives.

These initiatives include learnerships, bursaries, internships, and training programmes aimed at upskilling both mine workers and surrounding community members. Notably, Zululand Anthracite Colliery has committed, through its Social and Labour Plan (SLP), to a comprehensive Human Resource Development Programme. This includes adult education and training (AET), mentorship programmes, core operational skills training, and initiatives targeting critical and scarce skills. These programmes help build a more skilled and employable local workforce, directly supporting youth, women, and historically disadvantaged individuals in gaining access to formal employment opportunities within and beyond the mining sector.

In addition, mining companies have introduced enterprise development programmes that allow small businesses to supply goods and services to mining operations, thereby promoting economic participation and the growth of local suppliers. These efforts are a valuable contribution to the Municipality's LED objectives, particularly in rural areas where economic activity is limited.

However, the sector faces several challenges that hinder its growth and impact. Poor infrastructure, particularly deteriorating road conditions leading to mining sites, negatively affects logistics, damages vehicles, and reduces the accessibility of mining products to customers. Loadshedding and frequent power outages further disrupt mining operations, reducing efficiency and increasing operational costs. Another key limitation is that the main commodity mined—stone—is a low-value resource, which limits the mine's ability to contribute effectively to GVA and generate large-scale employment.

To enhance the sector's contribution to local economic development, the Municipality should implement strategies that focus on improving enabling infrastructure, formalising partnership agreements with mining companies, and ensuring that Social and Labour Plans (SLPs) are fully leveraged. Formalising these partnerships will help maximise the socio-economic benefits already being provided—particularly in education, training, and enterprise development—and ensure that mining continues to be a catalyst for inclusive growth in Ulundi.

#### **6.5.4.5. The Green Economy**

The green economy presents opportunities for sustainable economic growth, environmental conservation, and job creation. It is a key sector identified in the Provincial Growth and Development Plan, with the potential to contribute to long-term economic resilience and climate change mitigation. However, despite its importance, the sector is still in its early stages of development within Ulundi Municipality and has not yet been fully integrated into the local economic framework.

One of the existing green economy initiatives in the Municipality is the Buy-Back Centre, which promotes recycling by allowing residents to exchange recyclable materials such as paper, plastics, cans, and glass for monetary compensation. This initiative helps reduce waste, encourages recycling, and provides a small source of income for community members. However, the sector faces several challenges, including limited funding, a lack of large-scale green economy projects, and insufficient awareness among residents and businesses about the benefits of green initiatives.

Expanding the green economy in Ulundi could create new business opportunities in renewable energy, sustainable agriculture, waste management, and eco-tourism. However, to unlock these opportunities, the Municipality must address funding constraints, enhance public-private partnerships, and implement strategic programmes to stimulate growth in this sector.

## 6.5.5 Human Capital and Skills Development

Human capital development requires equipping individuals with the knowledge, skills, and competencies needed to participate effectively in the economy. This is achieved through education and training, including formal schooling, vocational training, apprenticeships, and informal on-the-job learning. In Ulundi, where there is a mismatch of skills, investing in human capital is important as it will improve employability, productivity, and will lead to sustainable economic growth.

Education attainment shapes the skills base of a community. In many rural and semi-urban areas, including Ulundi, access to quality education and advanced training opportunities remains a challenge. While primary and secondary education enrolment rates have improved, there are still gaps in post-secondary qualifications, technical skills, and specialized training that are necessary to meet the demands of the evolving job market. Strengthening vocational training, expanding access to higher education, and enhancing lifelong learning opportunities can bridge this gap and create a more skilled workforce.

Insights from stakeholder engagement sessions showed that the lack of skills is a key challenge across all major sectors in Ulundi, acting as a barrier to growth and development. Sectors such as agriculture, construction, tourism, and manufacturing struggle to expand due to a shortage of skilled labour. Businesses often face higher operational costs because they must invest heavily in training before employees can perform efficiently. However, if Ulundi develops a skilled workforce through targeted training programs and improved education pathways, businesses will be more inclined to invest in the area. A ready and capable workforce reduces the costs associated with employee training and development, making Ulundi a more attractive location for firms seeking to expand or establish operations.

Globally, skills development is recognized as a key driver of economic progress, reducing unemployment and promoting inclusive growth (OECD 2019). A well-trained labour force not only attracts investment but also enables entrepreneurship and innovation, which are vital for private-sector growth and long-term economic sustainability (World Bank, 2021). In the context of Ulundi, with 59.1% of the working-age population being unskilled, targeted skills development programs that are aligned with key industries such as agriculture, tourism, construction, and small-scale manufacturing can improve the employment prospects and economic resilience.

Ulundi faces several challenges in developing a skilled workforce, which hinders economic growth and employment opportunities. One of the key barriers is the lack of local institutions that offer vocational training and skills development programs, forcing residents to seek training outside the area, which can be costly and inaccessible. Additionally, budget constraints limit the ability of the local government and stakeholders to fund large-scale training initiatives, further slowing progress. Another critical issue is the lack of structured

engagement between businesses, government, and training providers, leading to a gap between the skills available in the community and those required by industries. Without targeted interventions, these challenges will continue to restrict Ulundi's ability to attract investment, reduce unemployment, and promote self-employment.

To address these challenges, Ulundi can embark on skills development projects that require minimal budget, leverage partnerships, and focus on practical, in-demand skills. By partnering with businesses, educational centres in the area, internet resources and skilled individuals, the Municipality can offer incentives and/or stipends to ensure that skills are transferred, especially to the youth in the area.

## **6.5.6 Informal Economy and SMME Development**

With Ulundi Municipality facing high unemployment and limited job opportunities, equipping the community with entrepreneurial skills is essential for fostering economic self-sufficiency. The development of the informal economy and SMMEs presents a crucial opportunity to stimulate local economic growth, create jobs, and support livelihoods.

However, several challenges hinder the growth of the informal sector and SMMEs in the Municipality. Limited access to funding and financial support remains a barrier, preventing small businesses from scaling and sustaining their operations. Additionally, a lack of access to markets restricts the ability of entrepreneurs to sell their products and services effectively. Crime and safety concerns also negatively impact small businesses, particularly informal traders operating in public spaces.

Another challenge is the complex and time-consuming process of business registration, commonly referred to as "red tape." Many small businesses struggle to formalize due to a lack of proper documentation, delaying their ability to operate legally and access funding opportunities. The Municipality has attempted to address this by forming a small business development unit to assist entrepreneurs with documentation and administrative requirements. However, more support is needed to streamline and fast-track the process.

Urban planning also poses difficulties for informal traders, as the lack of designated trading areas results in vendors being relocated frequently. Additionally, inadequate infrastructure, unreliable water supply, and limited electricity access further constrain business activities.

Furthermore, the youth are not fully utilizing resources such as the local library, which provides access to technology and information that could support entrepreneurial development. Many young people remain unaware of available opportunities and programmes designed to equip them with business skills.

To address these challenges, the Municipality needs to improve awareness, provide financial and technical support, and create an enabling environment for the informal economy and SMMEs to thrive.

## **6.5.7 Business Development, Growth and Retention**

Business retention and expansion (BRE) is a key component of local economic development, aimed at sustaining existing businesses, creating job opportunities, and supporting business growth. This process involves active engagement between municipal structures and local businesses to identify challenges, explore opportunities, and ensure that businesses can operate and expand effectively. Through this engagement, companies can voice concerns about the local business environment, provide input on economic development plans, and collaborate with the Municipality to foster a more business-friendly climate.

However, Ulundi Municipality faces some challenges in attracting and retaining businesses. While businesses have previously expressed interest in establishing operations within the Municipality, many fail to follow through, resulting in lost opportunities for economic growth. One of the key factors contributing to this reluctance is the high unemployment rate and low-income levels within the community, which directly impact consumer spending power. Businesses recognize the potential limitations of a smaller customer base, making them hesitant to invest in the area.

## 6.6 Strategic Programme Responses

The following table presents strategic interventions and projects in response to the key pillars identified.

**Table 22: Strategic Programme Responses for Ulundi Municipality (2025-2030)**

<b>Strategic Pillars</b>	<b>Strategic Responses</b>	<b>Programme Programmes/Projects</b>
<b>Investment Promotion</b>	<b>Establish and Capacitate an Investment Liaison Officer</b>	<ul style="list-style-type: none"> <li>Assign an individual within the Municipality who will be a point of contact for all potential investors.</li> <li>Establish a platform that provides all information on investment opportunities.</li> <li>Organise and host an annual business investment summit.</li> </ul>
	<b>Develop and Implement Red Tape Reduction Programmes</b>	<ul style="list-style-type: none"> <li>Partner with EDTEA to fast-track online application processes for business licensing and permits.</li> <li>Collaborate with COGTA to facilitate the implementation of the Red Tape Reduction Strategy.</li> <li>Utilise the KZN Automated Business Licencing &amp; Information Management System to streamline and standardise business licensing processes.</li> </ul>
	<b>Leverage municipal strategic assets</b>	<ul style="list-style-type: none"> <li>Facilitate investment in infrastructure maintenance and upgrades.</li> <li>Rehabilitate the Ulundi CBD and surrounding areas.</li> <li>Facilitate the implementation of catalytic projects.</li> </ul>
<b>Infrastructure Development</b>	<b>Develop an infrastructure maintenance plan</b>	<ul style="list-style-type: none"> <li>Partner with the district to develop resilient water infrastructure including water treatment facilities, stormwater management systems, and water storage systems, to ensure a reliable supply of clean water.</li> <li>In collaboration with the Department of Transport, prioritize the repair and upgrade of key roads, particularly those connecting rural areas to economic hubs and tourist attractions.</li> <li>Implement routine maintenance plans to prevent further deterioration.</li> </ul>
	<b>Municipal Infrastructure Investment Fund</b>	<ul style="list-style-type: none"> <li>Consolidate all LED funding sources into a single database, and make deliberate efforts to engage these sources, rather than rely fully on government funding.</li> <li>Prioritize projects with high economic returns, such as water, sanitation, and electricity expansion in underdeveloped areas.</li> </ul>
	<b>Local Labour and Supplier Development Programme</b>	<ul style="list-style-type: none"> <li>Ensure that infrastructure projects prioritize the use of local labour and materials to stimulate job creation, support small businesses, and grow the economy of Ulundi.</li> <li>Provide training programmes to equip local workers with skills required for infrastructure-related jobs, reducing reliance on external contractors.</li> </ul>
	<b>Public-Private Partnership PPP Model for Infrastructure Development</b>	<ul style="list-style-type: none"> <li>Engage private sector stakeholders for infrastructure investment by offering incentives such as tax breaks or development rights in exchange for funding critical projects.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Strategic Responses	Programme	Programmes/Projects
			<ul style="list-style-type: none"> <li>Encourage partnerships with construction companies, utility providers, and financial institutions to co-develop infrastructure solutions.</li> </ul>
	<b>Smart Infrastructure Monitoring System</b>		<ul style="list-style-type: none"> <li>Implement a digital system to track infrastructure conditions and maintenance needs in real time, ensuring timely interventions and reducing long-term repair costs.</li> <li>Use data-driven planning to allocate limited resources efficiently and prioritize urgent infrastructure projects.</li> </ul>
<b>Human Capital and Skills Development</b>	<b>Mobile Skills Training Units</b>		<ul style="list-style-type: none"> <li>Partner with the Department of Higher Education and Training (DHET), Sector Education and Training Authorities (SETAs), and local education facilities such as James Nxumalo Agricultural school and Zululand university to acquire mobile training units.</li> <li>Identify key locations across Ulundi for scheduled training sessions in critical skills such as carpentry, plumbing, welding, tailoring, and basic ICT.</li> <li>Appoint a coordination team to oversee the deployment of training units and monitor participation rates.</li> </ul>
	<b>Skills-for-Work Partnership with Businesses</b>		<ul style="list-style-type: none"> <li>Engage local businesses, construction firms, and manufacturing industries to offer structured apprenticeship and learnership programmes.</li> <li>Provide stipends through partnerships with SETAs and the National Skills Fund to support trainees.</li> <li>Develop a monitoring system to track training outcomes and job placements.</li> </ul>
	<b>Skills Exchange and Volunteer Training Programs</b>		<ul style="list-style-type: none"> <li>Recruit skilled professionals (retired teachers, artisans, business owners) to volunteer in mentorship and training sessions.</li> <li>Establish partnerships with local community organizations and churches to provide training venues.</li> <li>Provide small stipends or incentives to volunteers to encourage participation.</li> </ul>
	<b>Informal Sector Training and Certification</b>		<ul style="list-style-type: none"> <li>Work with SETAs, local universities such as UNIZULU and TVET colleges to develop an RPL framework for informal sector workers.</li> <li>Set up an assessment centre where workers in trades like sewing, auto repairs, and bricklaying can be evaluated and certified.</li> <li>Facilitate funding through relevant government departments such as EDTEA OR SEDA to subsidize the certification process.</li> </ul>
	<b>Research, Innovation and Skills Development Partnerships</b>		<ul style="list-style-type: none"> <li>Allocate a dedicated budget for research and development (R&amp;D) activities under the LED Strategy.</li> <li>Establish formal Memoranda of Understanding (MOUs) with local universities, TVET colleges, and research councils.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Strategic Responses	Programme	Programmes/Projects
Informal Economy and SMME Development	Business Engagement and Investment Programme	Facilitation	<ul style="list-style-type: none"> <li>Establish a municipal-backed small business desk to provide guidance, mentorship, and access to funding opportunities.</li> <li>Partner with SEDA, the Department of Small Business Development, and financial institutions to provide grants and low-interest loans.</li> <li>Conduct annual business networking sessions to connect SMMEs with investors.</li> </ul>
	Business Registration and Compliance Assistance		<ul style="list-style-type: none"> <li>Expand the Municipality's business development unit to assist entrepreneurs with business registration, tax compliance, and documentation.</li> <li>Develop an online platform to streamline registration and reduce delays.</li> <li>Provide on-the-ground support through business clinics in rural areas.</li> </ul>
	Market Access and Business Linkages Programme		<ul style="list-style-type: none"> <li>Develop a local business directory to connect informal traders and small businesses with larger companies.</li> <li>Organize annual trade expos and procurement forums to showcase local products.</li> <li>Work with retailers and wholesalers to create supply chain links for small businesses.</li> </ul>
	Zoning for Informal Traders		<ul style="list-style-type: none"> <li>Identify and designate proper trading zones within the Municipality to prevent displacement.</li> <li>Construct market areas or stalls (where feasible) with access to water, electricity, and sanitation.</li> <li>Establish a municipal permit system that formalizes trading while protecting vendors.</li> </ul>
	Youth Entrepreneurship Development Programme		<ul style="list-style-type: none"> <li>Launch an awareness campaign targeting young people to encourage participation in entrepreneurship.</li> <li>Launch digital skills and entrepreneurship workshops in partnership with incubators and business accelerators.</li> <li>Provide access to funding for youth-led start-ups through government-backed initiatives.</li> <li>Utilize municipal libraries and community centres as business resource hubs.</li> </ul>
	SMME and Informal Business Awareness and Engagement Campaign		<ul style="list-style-type: none"> <li>Organize roadshows and business forums to improve communication between the Municipality and SMMEs.</li> <li>Develop digital outreach platforms to provide real-time information on municipal support programmes.</li> <li>Conduct periodic surveys to identify key challenges faced by small businesses and tailor solutions accordingly.</li> </ul>
	SMME and Informal Sector Linkages with Larger Enterprises		<ul style="list-style-type: none"> <li>Strengthen connections between small businesses and larger enterprises to create supply chain opportunities. This could include enterprise development initiatives where established companies support local suppliers, helping them grow and sustain their operations.</li> </ul>
	Technology Access and Digital Skills Programme		<ul style="list-style-type: none"> <li>Upgrade municipal libraries and community centres to serve as ICT hubs.</li> <li>Offer free digital literacy courses focusing on online marketing, e-commerce, and financial management.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Strategic Responses	Programme	Programmes/Projects
			<ul style="list-style-type: none"> <li>Partner with tech firms and universities to provide upskilling opportunities.</li> </ul>
		<b>Crime Prevention and Business Security Programme</b>	<ul style="list-style-type: none"> <li>Collaborate with SAPS and community policing forums to enhance safety in trading zones.</li> <li>Install security features such as street lighting and surveillance in key business areas.</li> <li>Implement a municipal business security task force to address crime-related concerns.</li> </ul>
<b>Business Development, Growth and Retainment</b>		<b>Business Retention and Expansion (BRE) Programme</b>	<ul style="list-style-type: none"> <li>Establish a structured engagement process where municipal officials meet with business leaders to address challenges and unlock investment opportunities.</li> <li>Set up an investment advisory desk to assist companies in navigating local economic conditions.</li> </ul>
		<b>Investment Incentive Scheme</b>	<ul style="list-style-type: none"> <li>Develop incentive packages such as tax rebates, reduced municipal rates, and infrastructure grants for businesses investing in Ulundi.</li> <li>Establish a monitoring system to ensure that incentive recipients meet job creation and investment targets.</li> </ul>
		<b>Consumer Market Growth and Local Spending Stimulation</b>	<ul style="list-style-type: none"> <li>Launch a “Buy Local” campaign to encourage businesses to source products and services within Ulundi.</li> <li>Support cooperatives and local producers by facilitating access to municipal procurement contracts.</li> </ul>
		<b>Infrastructure and Service Improvements for Businesses</b>	<ul style="list-style-type: none"> <li>Work with Eskom and the Department of Public Works to enhance electricity and water supply reliability.</li> <li>Improve road networks, particularly those connecting rural areas to business hubs.</li> </ul>
		<b>Municipal Business Retention and Expansion Task Team</b>	<ul style="list-style-type: none"> <li>Establish a dedicated task team within the Municipality to address business concerns, resolve bureaucratic delays, and improve the overall business climate in Ulundi.</li> <li>Conduct regular surveys and impact assessments to guide economic development policies.</li> </ul>
		<b>Fast-Tracking Business Applications and Reducing Bureaucratic Delays</b>	<ul style="list-style-type: none"> <li>Digitize the business registration and land-use application processes to reduce approval timelines.</li> <li>Assign a dedicated team to handle priority business applications.</li> <li>Partner with COGTA and EDTEA to streamline regulatory processes.</li> </ul>
		<b>Public-Private Partnerships for Economic Development</b>	<ul style="list-style-type: none"> <li>Foster collaboration between the Municipality, private sector, and development agencies to co-develop business parks, industrial zones, and commercial hubs.</li> <li>Facilitate funding and policy support for catalytic projects that drive economic growth.</li> </ul>

The following table highlights the strategic programmes and projects for each of the sectors associated with the Economic Sector Growth and Development Strategic Pillar.

**Table 23: Economic Sector Growth and Development Strategic Programmes/Projects for Ulundi Municipality**

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Sector	Strategic Responses	Programme	Programmes/Projects
Tourism	<b>Tourism Development Programme</b>	<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>• Upgrade road networks leading to key tourism sites by working with the Department of Transport and provincial authorities.</li> <li>• Improve signage at major tourism locations in partnership with local tourism associations.</li> <li>• Develop visitor centres and rest areas by engaging private investors and public-private partnerships.</li> <li>• Enhance accessibility by ensuring facilities are inclusive and well-maintained, working with the Department of Tourism.</li> </ul>
	<b>Heritage and Cultural Tourism Revitalization</b>		<ul style="list-style-type: none"> <li>• Enhance the preservation of historical sites, collaborating with Amafa Heritage KwaZulu-Natal to maintain and promote sites such as the Battle of Ulundi and heritage museums.</li> <li>• Establish guided heritage tours by training local tour guides and collaborating with tourism operators.</li> <li>• Develop interactive cultural experiences by supporting local artisans and performers through municipal grants.</li> </ul>
	<b>Tourism Awareness and Marketing Campaign</b>		<ul style="list-style-type: none"> <li>• Develop a cultural tourism hub, working with traditional leadership and the Provincial Department of Arts and Culture to create spaces showcasing Zulu heritage, crafts, and performances.</li> <li>• Participate in travel expos and collaborate with tour operators to create promotional packages.</li> <li>• Develop a local tourism brand that highlights Ulundi's heritage and natural attractions.</li> <li>• Support local tourism businesses, partnering with Tourism KZN and SEDA to provide training, mentorship, and marketing support for local tour operators and accommodation providers.</li> <li>• Facilitate tourism investment and branding, working with the Municipality and private sector to promote Ulundi as a gateway to the Zulu Kingdom and nearby game reserves.</li> </ul>
	<b>Public-Private Partnerships for Tourism Investment</b>		<ul style="list-style-type: none"> <li>• Attract private investment by offering incentives such as tax breaks and reduced lease costs.</li> <li>• Develop eco-lodges and resorts by engaging private developers and conservation groups.</li> <li>• Promote tourism infrastructure financing through partnerships with development finance institutions.</li> </ul>
	<b>Development of a New Tourism Strategy</b>		<ul style="list-style-type: none"> <li>• Create a comprehensive tourism development and marketing strategy with input from tourism stakeholders.</li> <li>• Align tourism plans with national and provincial tourism frameworks to secure funding and policy support.</li> <li>• Identify priority tourism projects and establish a timeline for implementation</li> </ul>
Agriculture	<b>Agricultural and Agri-Business Development Programme</b>		<ul style="list-style-type: none"> <li>• Establish a municipal agricultural support programme, partnering with the KZN Department of Agriculture and AgriSETA to provide training, input support, and market access for smallholder farmers.</li> <li>• Develop local fresh produce markets, working with agricultural cooperatives and informal traders to create structured platforms for farmers to sell their produce.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Sector	Strategic Responses	Programme	Programmes/Projects
			<ul style="list-style-type: none"> <li>Promote livestock farming and commercial meat processing, collaborating with the Department of Rural Development and agribusiness investors to support cattle farming and establish local processing facilities.</li> <li>Introduce climate-smart farming techniques, partnering with research institutions and agricultural extension officers to improve water conservation and soil management practices.</li> <li>Support agro-processing and agri-business incubators, working with SEDA and Development Banks such as Ithala Bank to provide funding and mentorship for value-added agricultural enterprises.</li> <li>Purchase materials for SMMEs, particularly poultry farming cooperatives within the Municipality</li> </ul>
		<b>Goat Farming Support</b>	<ul style="list-style-type: none"> <li>Purchase goats for all cooperatives in the different Wards within Ulundi Municipality</li> </ul>
<b>Manufacturing</b>	<b>Manufacturing and Industrial Development Programme</b>		<ul style="list-style-type: none"> <li>Revitalize and market the industrial park for light manufacturing and agro processing in partnership with the Department of Trade, Industry, and Competition (DTIC).</li> <li>Market and capacitate the industrial hub within Ulundi, in partnership with the KZN Economic Development Department and private investors, to attract manufacturing businesses and support local production.</li> <li>Support small-scale manufacturers through incubation programmes and access to funding via SEDA and IDC.</li> <li>Encourage value-added manufacturing by linking local raw material suppliers to processing industries.</li> <li>Facilitate skills development for the manufacturing sector in partnership with TVET colleges and SETAs.</li> <li>Promote public-private partnerships for factory development by offering incentives to investors</li> <li>Promote partnerships between manufacturers and local suppliers, ensuring procurement from Ulundi-based businesses wherever possible.</li> <li>Purchase materials for SMMEs, particularly cooperatives within the Municipality</li> </ul>
<b>Mining</b>	<b>Mining and Mineral Beneficiation Programme</b>		<ul style="list-style-type: none"> <li>Support local beneficiation of minerals by promoting processing facilities in partnership with mining companies in Ulundi.</li> <li>Facilitate community participation in mining supply chains by linking SMMEs to the Mines for procurement opportunities.</li> <li>Encourage responsible and sustainable mining practices through collaboration with environmental agencies.</li> <li>Promote skills development for mining-related jobs with SETAs and TVET institutions.</li> <li>Strengthen partnerships between mining companies and local enterprises to enhance local economic impact.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Sector	Strategic Responses	Programme	Programmes/Projects
<b>Green Economy</b>	<b>Green Economy and Sustainable Development Programme</b>	<b>and Development</b>	<ul style="list-style-type: none"> <li>• Facilitate the establishment of solar energy projects, in collaboration with SANEDI and private renewable energy firms, to provide alternative energy solutions for municipal facilities and businesses.</li> <li>• Promote community-led recycling initiatives, working with municipal waste management and environmental NGOs to establish recycling centres and waste-to-energy programmes.</li> <li>• Encourage sustainable agriculture and eco-tourism, partnering with environmental agencies and local farmers to implement conservation-friendly farming methods and eco-lodge developments.</li> <li>• Support green enterprise development, working with SEDA and the Green Fund to provide financial and technical assistance to businesses in renewable energy and waste management.</li> <li>• Introduce training programmes for green jobs, collaborating with TVET colleges and environmental organizations to develop skills in solar panel installation, recycling management, and sustainable construction.</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

## 6.7. Alignment with policies

The strategic programmes developed for Ulundi are designed to drive economic growth, improve investment attraction, enhance infrastructure, and support key sectors such as tourism, manufacturing, and agriculture. To ensure these programmes align with national, provincial, and local economic development priorities, a thorough policy analysis was conducted.

The table below shows the alignment between the strategic programmes and the relevant policies.

**Table 24: Policy Alignment**

<b>Strategic Pillars</b>	<b>Strategic Programme Responses</b>	<b>Policy Alignment</b>
<b>Investment Promotion</b>	<b>Establish and Capacitate an Investment Liaison Officer</b>	National Development Plan, KZN Investment Strategy, Zululand District Growth and Development Plan, Ulundi Integrated Growth and Development Plan, KZN Small Enterprise Development Strategy, National Framework for Local Economic Development
	<b>Develop and Implement Red Tape Reduction Programmes</b>	National Framework for Local Economic Development, KZN Provincial Growth and Development Strategy and Plan, Zululand District Growth and Development Plan
	<b>Leverage municipal strategic assets</b>	National Development Plan, KZN Industrial Development Strategy, Zululand Integrated Development Plan, Ulundi Integrated Growth and Development Plan
<b>Infrastructure Development</b>	<b>Develop an infrastructure maintenance plan</b>	National Development Plan, KZN Provincial Growth and Development Strategy and Plan, One District Plan, Ulundi Spatial Development Plan, KZN Industrial Development Strategy, Municipal Infrastructure Investment Fund, Smart Infrastructure Monitoring System
	<b>Municipal Infrastructure Investment Fund</b>	KZN Industrial Development Strategy, KZN Investment Strategy, Ulundi Integrated Growth and Development Plan
	<b>Local Labour and Supplier Development Programme</b>	National Framework for Local Economic Development, KZN Small Enterprise Development Strategy, KZN Rural and Township Economies Revitalisation Strategy
	<b>Public-Private Partnership PPP Model for Infrastructure Development</b>	National Development Plan, KZN Investment Strategy, Zululand District Growth and Development Plan, One District Plan
	<b>Smart Infrastructure Monitoring System</b>	National Development Plan, One District Plan, KZN Industrial Development Strategy
<b>Human Capital and Skills Development</b>	<b>Mobile Skills Training Units</b>	KZN Provincial Growth and Development Strategy and Plan, KZN Small Enterprise Development Strategy, Zululand District Growth and Development Plan
	<b>Skills-for-Work Partnership with Businesses</b>	National Development Plan, National Framework for Local Economic Development, KZN Industrial Development Strategy

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

<b>Strategic Pillars</b>	<b>Strategic Responses</b>	<b>Programme</b>	<b>Policy Alignment</b>
	<b>Skills Exchange and Volunteer Training Programs</b>		KZN Small Enterprise Development Strategy, National Framework for Local Economic Development
	<b>Informal Sector Training and Certification</b>		KZN Small Enterprise Development Strategy, KZN Rural and Township Economies Revitalisation Strategy, National Framework for Local Economic Development
<b>Informal Economy and SMME Development</b>	<b>Business Engagement and Investment Facilitation Programme</b>		National Development Plan, KZN Small Enterprise Development Strategy, Zululand District Growth and Development Plan, KZN Investment Strategy, National Framework for Local Economic Development, KZN Small Enterprise Development Strategy
	<b>Business Registration and Compliance Assistance</b>		KZN Small Enterprise Development Strategy, National Framework for Local Economic Development
	<b>Market Access and Business Linkages Programme</b>		KZN Investment Strategy, KZN Small Enterprise Development Strategy, Ulundi LED Strategy 2020
	<b>Zoning for Informal Traders</b>		KZN Rural and Township Economies Revitalisation Strategy, Zululand Integrated Development Plan, Ulundi Spatial Development Plan
	<b>Youth Entrepreneurship Development Programme</b>		KZN Small Enterprise Development Strategy, National Development Plan, Ulundi LED Strategy 2020
	<b>SMME and Informal Business Awareness and Engagement Campaign</b>		KZN Small Enterprise Development Strategy, National Framework for Local Economic Development, KZN Rural and Township Economies Revitalisation Strategy
	<b>SMME and Informal Sector Linkages with Larger Enterprises</b>		National Development Plan, KZN Investment Strategy, National Framework for Local Economic Development
	<b>Technology Access and Digital Skills Programme</b>		KZN Provincial Growth and Development Strategy and Plan, KZN Small Enterprise Development Strategy, KZN Investment Strategy
	<b>Crime Prevention and Business Security Programme</b>		KZN Investment Strategy, One District Plan, National Development Plan
	<b>Business Development, Growth and Retainment</b>	<b>Business Retention and Expansion (BRE) Programme</b>	
<b>Investment Incentive Scheme</b>			KZN Investment Strategy, KZN Provincial Growth and Development Strategy and Plan, National Framework for Local Economic Development
<b>Consumer Market Growth and Local Spending Stimulation</b>			KZN Investment Strategy, KZN Small Enterprise Development Strategy, Zululand District Growth and Development Plan
<b>Infrastructure and Service Improvements for Businesses</b>			KZN Industrial Development Strategy, One District Plan, Ulundi Integrated Growth and Development Plan

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

<b>Strategic Pillars</b>	<b>Strategic Responses Programme</b>	<b>Policy Alignment</b>
	<b>Municipal Business Retention and Expansion Task Team</b>	National Development Plan, National Framework for Local Economic Development, KZN Investment Strategy
	<b>Fast-Tracking Business Applications and Reducing Bureaucratic Delays</b>	National Framework for Local Economic Development, KZN Small Enterprise Development Strategy, Zululand District Growth and Development Plan
	<b>Public-Private Partnerships for Economic Development</b>	National Development Plan, KZN Investment Strategy, One District Plan
<b>Tourism</b>	<b>Tourism Infrastructure Development Programme</b>	KZN Tourism Master Plan, Ulundi Tourism Management Plan, Zululand District Growth and Development Plan
	<b>Heritage and Cultural Tourism Revitalization</b>	KZN Tourism Master Plan, National Development Plan, Ulundi Tourism Management Plan
	<b>Tourism Awareness and Marketing Campaign</b>	KZN Tourism Master Plan, Ulundi Tourism Management Plan, KZN Investment Strategy
	<b>Public-Private Partnerships for Tourism Investment</b>	KZN Investment Strategy, KZN Tourism Master Plan, National Development Plan
	<b>Development of a New Tourism Strategy</b>	KZN Tourism Master Plan, Ulundi Tourism Management Plan, National Development Plan
<b>Agriculture</b>	<b>Agricultural and Agri-Business Development Programme</b>	KZN Agricultural Development Strategy, KZN Rural and Township Economies Revitalisation Strategy, National Development Plan
<b>Manufacturing</b>	<b>Manufacturing and Industrial Development Programme</b>	KZN Industrial Development Strategy, National Development Plan, Zululand District Growth and Development Plan
<b>Mining</b>	<b>Mining and Mineral Beneficiation Programme</b>	KZN Industrial Development Strategy, National Development Plan, Zululand District Growth and Development Plan
<b>Green Economy</b>	<b>Green Economy and Sustainable Development Programme</b>	National Development Plan, KZN Industrial Development Strategy, Zululand District Growth and Development Plan

## 7 IMPLEMENTATION PLAN (2025-2030)

### 7.1. Introduction

For the municipality to effectively plan and carry out the LED Plan, it is essential to establish specific implementation measures in an efficient, successful, and long-lasting manner. These measures include the creation of various organizations, frameworks, and networks that will serve as the means to coordinate, manage, implement, and oversee the LED Plan.

This section explores the appropriate institutional approach to execute the LED Plan within the Ulundi Local Municipal Area. It recognizes the limitations the municipality faces in terms of budget and personnel resources. Therefore, it is advisable to maximize the use of existing institutions and frameworks to achieve the objectives of the LED Plan whenever possible. The chapter is structured as follows:

- LED Institutional Arrangements
- Roles and Responsibilities in LED
- Recommended Internal Implementation Mechanism
- Supporting Agencies
- Implementation Action Plan
- Monitoring and Evaluation Framework

To ensure the successful implementation of this LED Strategy, it is essential to allocate financial and human resources through a well-organized system. Municipalities have two choices for implementing LED: an internal option and an external option. Internal mechanisms encompass any department, business, or administrative unit within the Ulundi Local Municipal Area.

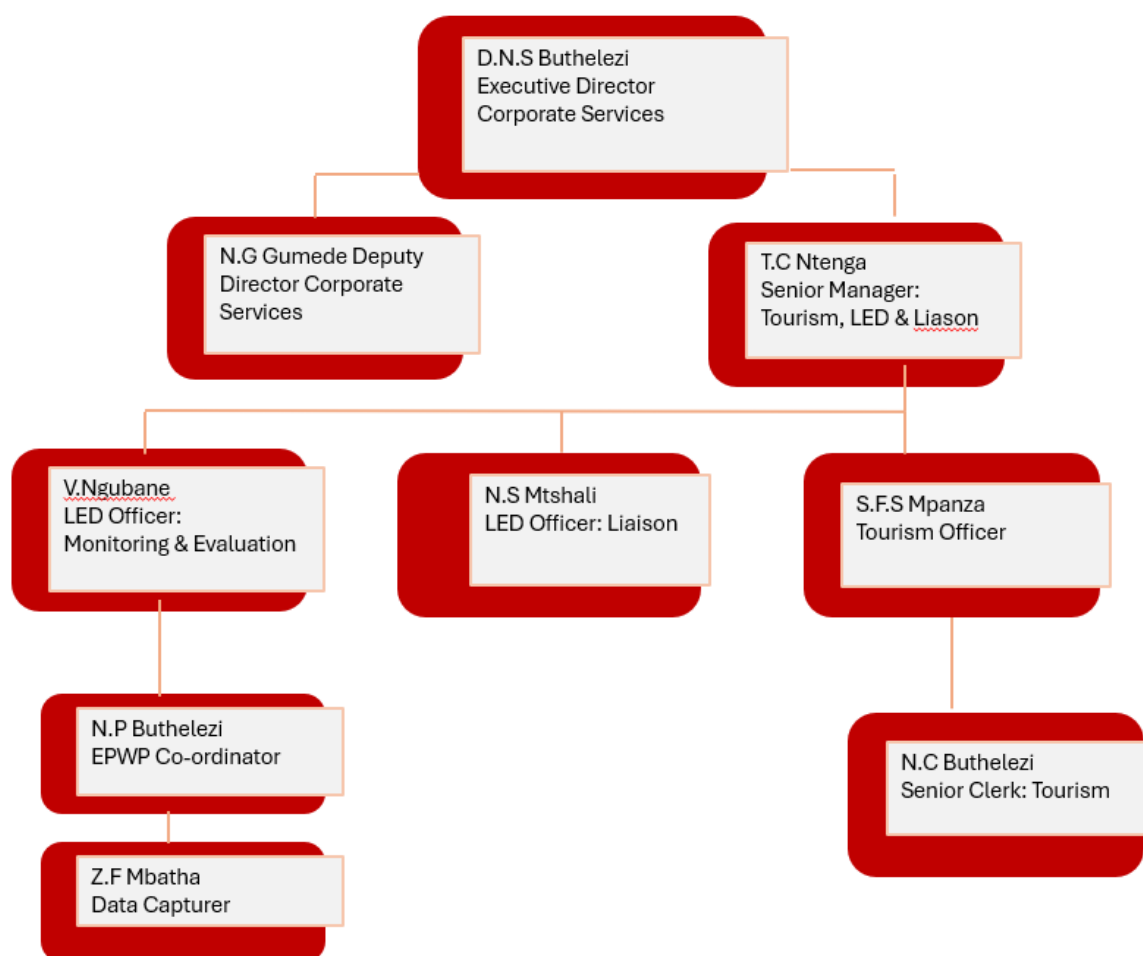
### 7.2. LED Functionality and Capacity

To ensure the successful implementation of this LED Strategy, it is essential to allocate financial and human resources through a well-organized system. Municipalities have two choices for implementing LED: an internal option and an external option. Internal mechanisms encompass any department, business, or administrative unit within the Ulundi Local Municipal Area.

#### 7.2.1. Current LED Institutional Mechanisms in Ulundi Local Municipal Area

One of the aspects that ensure the successful implementation of the LED Strategy is the institutional positioning of the LED unit within the Municipality's organisational structure. The figure below shows the current institutional arrangement of the LED unit in Ulundi Local Municipality.

Figure 53: Institutional Arrangement of the LED Unit in Ulundi Local Municipality



Source: Ulundi Local Municipality, 2025

Currently, the LED function in Ulundi Local Municipality is housed under the Corporate Services Department, alongside functions such as tourism, liaison, protocol, and public relations.

While this integrated structure allows for collaboration across related functions such as tourism, protocol, and public relations, it also presents certain limitations. The LED unit, as currently configured, appears to be relatively small, with a focus on day-to-day coordination and programme implementation rather than long-term strategic planning. There is no clear indication of a dedicated senior-level position tasked specifically with driving the LED agenda or overseeing cross-sectoral economic development initiatives. Without such strategic leadership, the unit may be limited in its ability to analyse economic trends, identify investment opportunities, or coordinate multi-stakeholder projects that are essential for meaningful and sustained local economic development. As a result, the unit's role risks facing challenges in actively shaping and steering the municipality's economic future.

Despite this limitation, the inclusion of roles related to community liaison, tourism, and EPWP coordination indicates that the municipality has taken initial steps to promote local economic development through job creation and stakeholder engagement. However, the absence of a dedicated LED manager or specialist function focused on strategy, investment promotion, and sectoral development may limit the municipality's ability to implement a comprehensive LED strategy effectively.

For successful implementation of the LED Strategy, the current institutional arrangement would benefit from structural enhancement. Strengthening the unit with additional capacity, such as a senior LED manager or programme coordinator, and ensuring better integration with infrastructure and planning departments will enable the municipality to take a more proactive and strategic approach to economic development. This will position the LED Unit not only as a facilitator of projects but also as a driver of inclusive and sustainable economic growth in the region.

## 7.3. Roles and Responsibilities

### 7.3.1. Local Municipality

Local municipalities have the responsibility of providing essential services such as water supply, waste disposal, and sanitation. They must create a safe and conducive environment for the well-being of residents and promote community growth.

When it comes to LED, local municipalities should act as facilitators. Their focus should be on enabling access to resources provided by various government support entities and programmes.

Another responsibility of the local municipality is to monitor and evaluate the implementation of LED plans, including projects and programmes. This should be done on an annual basis to ensure efficient implementation. Progress and outcomes of projects should be timely reported, along with any challenges faced. This information should be communicated to relevant stakeholders, supporting entities, and community members. Any challenges experienced with project implementation should be addressed by the local municipality and the respective implementing agent.

### 7.3.2. District Municipality

The District Municipality plays an overarching role from a regional perspective and is responsible for coordinating local municipalities within its jurisdiction. However, similar to the local municipality, the District is also responsible for capacity building. Other responsibilities of the District Municipality include the following:

- Formulating regional economic development strategies
- Vertical and horizontal coordination through the preparation of district economic plans and sectoral based cluster plans
- Implementation of the public sector process of economic intervention actions
- Initiation of economic development opportunities when appropriate through special purpose vehicles created for the initiative
- Management and control of local economic development initiatives in accordance with the expressed role and function of the municipality
- Create the guiding framework for local economic development, direct and co-ordinate implementation by district-wide economic development organisations and agencies.
- Ensure integration of innovative initiatives in LED planning

#### 7.3.2.1. District Development Agency (DDA)

The District Development Agency (DDA) is responsible for supporting economic development across local municipalities. The key functions of this agency include identifying and packaging investment-ready projects, facilitating partnerships with the private sector, mobilising funding, and driving strategic programmes that align

with district and local economic priorities. The agency is also responsible for the support of capacity-building for SMMEs, promotes regional value chains, and plays a crucial role in aligning LED efforts across municipalities.

The Zululand DDA is not yet operational however, the municipality has outlined plans to activate its functions as part of its strategy to stimulate economic activity. Once established, this partnership has the potential to unlock local and district-wide opportunities in infrastructure development, enterprise support, and skills training.

### **7.3.3. Supporting Agencies**

Capacity limitations can significantly impede the effective implementation of both the LED Plan and its associated projects. Moreover, the limited budget allocated for LED initiatives necessitates the LED unit to coordinate with various supporting organizations to ensure the successful execution of the projects. Given this, support agencies play a crucial role in fostering the development of a sustainable, dynamic, and diverse economy within the Local Municipal Area. Furthermore, the LED unit within the municipality can utilize the services offered by these agencies to advance the strategic goals outlined in the LED Strategy.

These supporting Agencies include:

#### ***7.3.3.1. Department of Economic Development, Tourism and Environmental Affairs (EDTEA)***

EDTEA is a provincial department in KZN that promotes economic growth, environmental sustainability, and tourism development. For Ulundi, EDTEA plays a pivotal role in funding catalytic LED projects, such as tourism infrastructure, agro-processing initiatives, and industrial development. The department can also assist in fast-tracking business licensing through the KZN Automated Licensing System, supporting the Municipality's efforts to reduce red tape. Through its investment promotion and sector-specific support programmes, EDTEA can help attract investors to Ulundi and offer technical expertise to strengthen local value chains in agriculture, manufacturing, and tourism.

#### ***7.3.3.2. Department of Cooperative Governance and Traditional Affairs (COGTA)***

COGTA oversees municipal governance and promotes coordination between government spheres. In Ulundi, COGTA can provide institutional support for the LED Unit, assist in aligning LED with the IDP, and offer access to funding mechanisms such as the Municipal Infrastructure Grant (MIG). The department is also instrumental in supporting traditional leadership structures, which is particularly important in Ulundi where much of the land falls under the Ingonyama Trust.

#### ***7.3.3.3. Small Enterprise development Agency (SEDA)***

SEDA provides non-financial support to small businesses, including training, mentorship, and business advisory services. Through mentorship, training, and assistance with business registration and compliance, SEDA can help emerging entrepreneurs access markets and funding. In the context of Ulundi's planned Business Centre and textile hub, SEDA can provide on-the-ground support to help enterprises scale and formalise operations.

#### ***7.3.3.4. Sector Education and Training Authorities (SETAs)***

SETAs manage skills development within different economic sectors. They fund learnerships, internships, and training programmes. In Ulundi, SETAs can fund learnerships, internships, and skills programmes aligned with key sectors such as construction, mining, tourism, and municipal services. By working with local TVET colleges and employers, SETAs ensure that the local workforce gains practical, demand-driven skills, helping reduce unemployment and supporting the Municipality's broader economic development goals.

### **7.3.3.5. South African Local Government Association (SALGA)**

SALGA represents municipalities and provides support on policy, planning, and training. For Ulundi, SALGA can assist in strengthening LED institutional arrangements, ensuring alignment with national frameworks, and offering technical guidance on best practices for project implementation. It also facilitates peer learning across municipalities, which can help Ulundi refine its LED strategies and delivery models.

### **7.3.3.6. Development Bank of Southern Africa (DBSA)**

DBSA finances infrastructure and development projects that support economic growth and service delivery. The DBSA can assist by financing infrastructure for industrial parks, roads, water systems, and renewable energy, components that are important for unlocking investment and supporting business activity in Ulundi, particularly in manufacturing and mining.

### **7.3.3.7. KZN Department of Transport (DOT)**

The KZN DOT is responsible for road, rail, and public transport systems within the province. For Ulundi, improving road connectivity to economic hubs, rural areas, and mining sites is critical. DOT can support LED through funding for road upgrades, transport linkages, and mobility infrastructure that improves access to markets and reduces transport costs for businesses and residents.

### **7.3.3.8. Department of Trade, Industry and Competition (DTIC)**

The DTIC promotes industrialisation, exports, and investment. It can support Ulundi by offering incentives to manufacturing firms, facilitating access to the Industrial Parks Revitalisation Programme, and providing technical support for enterprise development. DTIC's involvement would be particularly valuable in reviving Ulundi's industrial node and attracting investors to the light manufacturing and agro-processing sectors.

### **7.3.3.9. Department of Water and Sanitation (DWE)**

The DWS is responsible for ensuring access to water and sanitation. Access to reliable water infrastructure is critical for economic activities, and the department supports LED by funding water projects and enhancing service delivery in rural and underdeveloped areas.

### **7.3.3.10. Department of Higher Education and Training (DHET)**

The DHET oversees universities, TVET colleges, and skills training initiatives. It supports LED by aligning education programmes with local economic needs and funding skills development that prepares residents for job opportunities. DHET oversees post-school education and training. For Ulundi, DHET can assist in expanding access to accredited training through partnerships with universities, TVET colleges, and mobile training units. These partnerships can be aligned with the Municipality's skills development priorities, particularly in trade, construction, ICT, and tourism.

### **7.3.3.11. Tourism KwaZulu-Natal (TKZN)**

TKZN is responsible for tourism promotion and development in the province. Ulundi, rich in Zulu heritage and cultural landmarks, can benefit significantly from TKZN's support in branding, marketing, and developing tourism products. TKZN can also help facilitate partnerships with tour operators, support tourism training, and assist with infrastructure planning at priority sites such as the Battle of Ulundi and cultural villages.

### **7.3.3.12. South African Police Service (SAPS)**

SAPS ensures public safety and law enforcement. A safe environment is essential for economic growth, and SAPS supports LED by maintaining safety in business zones, reducing crime, and working with local authorities to improve community policing.

### **7.3.3.13. Private Public Partnerships (PPPs)**

Ulundi Municipality has established public-private partnerships with entities such as Zululand Anthracite Colliery through its Social and Labour Plan, and We Invest Africa (Pty) Ltd through a formal Service Level Agreement for accredited skills development programmes. In addition, the Municipality has partnered with ULUMA AFRICAH which focuses on education and economic justice, particularly in expanding opportunities for women and girls in rural communities. These partnerships demonstrate the Municipality's commitment to collaborative development and serve as a strong foundation for expanding similar relationships in future.

It is recommended that the Municipality continue to pursue strategic partnerships with the private sector, development agencies, and training providers across key sectors such as mining, agriculture, tourism, and green energy. These partnerships help the municipality with mobilising resources and aligning private investment with local development priorities. Strengthening such collaborations will accelerate the implementation of LED programmes, create sustainable employment opportunities, support small business growth, and enhance the Municipality's overall economic resilience.

Strategic partnerships are essential to unlocking the full potential of Local Economic Development in Ulundi. By collaborating with national and provincial departments, development finance institutions, training authorities, and sector-specific agencies, the Municipality can access critical funding, technical expertise, and programme support. These partnerships enhance Ulundi's ability to deliver infrastructure, promote entrepreneurship, develop skills aligned with market needs, and create an enabling environment for investment. Strengthening and formalising these relationships will be key to building a resilient, inclusive, and opportunity-rich local economy.

## **7.4. Implementation Action Plan**

The Project Implementation Plan presents a time-based perspective of the projects proposed for implementation. The implementation plan and arrangements are broadly described as the systems, processes, and mechanisms that will be utilized to efficiently plan and manage activities, as well as coordinate effectively with others, to fulfil the mandate of the LED Strategy. The implementation plan outlines how to bring the strategic framework to life by breaking it down into actionable steps on a specific timeline and effectively managing its execution. It is important to note that while several projects are encouraged to be completed in the short term, their feasibility should be reassessed based on available resources, including human capacity and funds in the Local Municipality. Each project has been allocated an estimated timeframe based on its projected duration.

These timeframes are categorized as follows:

- Short term: 1-2 years
- Medium term: 3-5 years
- Long term: 6-10 years
- Continuous.

The time frame is represented in the table below as follows:

Short-term 1-2 years	Medium-term 3-5 years	Long-term 6-10 years	Continuous
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The LED Strategy aims to involve all Departments and stakeholders in providing an integrated response that encompasses economic, spatial, social, and environmental aspects. Building partnership relationships that leverage resources is therefore a fundamental element of this LED Strategy. In particular, the focus is on prioritizing limited government resources and mobilizing other partners through a clustered development approach that emphasizes sector and spatially directed support rather than individual and isolated initiatives. When formulating the structures and mechanisms for establishing these partnership relationships, existing structures are considered. The Strategy aligns itself with other existing strategic interventions and programs in the province to maximize synergy and achieve full benefits

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

**Table 25: Ulundi Local Municipality Implementation Plan (2025-2030)**

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies
<b>Investment Promotion</b>	Assign an individual within the Municipality who will be a point of contact for all potential investors.		Ulundi Municipality	Municipal budget	EDTEA
	Establish a platform that provides all information on investment opportunities.		Ulundi LED Unit	Municipal budget, EDTEA grants	EDTEA, COGTA, Zululand District Municipality
	Organise and host an annual business investment summit.		Ulundi Municipality, LED Forum	EDTEA, Private sector sponsors	Zululand Municipality, EDTEA, DTIC
	Partner with EDTEA to fast-track online application processes for business licensing and permits.		Ulundi Municipality	TBC	EDTEA
	Collaborate with COGTA to facilitate the implementation of the Red Tape Reduction Strategy.		Ulundi LED Unit	TBC	COGTA
	Utilise the KZN Automated Business Licencing & Information Management System to streamline and standardise business licensing processes.		Ulundi LED Unit	TBC	EDTEA, COGTA, SALGA
	Facilitate investment in infrastructure maintenance and upgrades.		Ulundi Planning Departments	TBC	EDTEA, DBSA, COGTA
	Rehabilitate the Ulundi CBD and surrounding areas.		Ulundi Planning Departments	TBC	EDTEA, DBSA, COGTA
	Facilitate the implementation of catalytic projects.		Ulundi Municipality	TBC	EDTEA, DTIC, DPME
<b>Infrastructure Development</b>	Develop resilient water infrastructure including water treatment facilities, stormwater management systems, and water storage systems, to ensure a reliable supply of clean water.		Ulundi Municipality	MIS, DWS	Zululand District Municipality, DWS, DBSA

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies
	In collaboration with the Department of Transport, prioritize the repair and upgrade of key roads, particularly those connecting rural areas to economic hubs and tourist attractions.		Ulundi Municipality	TBC	KZN DOT
	Implement routine maintenance plans to prevent further deterioration.		Ulundi Municipality	Municipal budget	DOT, Zululand Municipality
	Prioritize projects with high economic returns, such as water, sanitation, and electricity expansion in underdeveloped areas.		Ulundi LED Unit	Municipal budget	Zululand Municipality
	Ensure that infrastructure projects prioritize the use of local labour and materials to stimulate job creation, support small businesses, and grow the economy of Ulundi.		Ulundi Municipality	TBC	COGTA, SEDA
	Provide training programmes to equip local workers with skills required for infrastructure-related jobs, reducing reliance on external contractors.		Ulundi Municipality	TBC	DHET, Local Universities or educational institutions
	Engage private sector stakeholders for infrastructure investment by offering incentives such as tax breaks or development rights in exchange for funding critical projects.		Ulundi LED Unit	Private sector	EDTEA
	partner with construction companies, utility providers, and financial institutions to co-develop infrastructure solutions.		Ulundi Municipality	TBC	Private sector, EDTEA
	Implement a digital system to track infrastructure conditions and maintenance needs in real time, ensuring timely interventions and reducing long-term repair costs.		Ulundi Municipality	Ulundi Municipality	COGTA, EDTEA
	Use data-driven planning to allocate limited resources efficiently and prioritize urgent infrastructure projects.		Ulundi Municipality	Municipal budget	COGTA, EDTEA
<b>Human Capital and Skills Development</b>	Partner with the Department of Higher Education and Training (DHET), Sector Education and Training Authorities (SETAs), and local education facilities such as James Nxumalo Agricultural school and Zululand university to acquire mobile training units.		Ulundi LED Unit	TBC	DHET, James Nxumalo Agricultural School, UNIZULU, TVET Colleges

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies
	Identify key locations across Ulundi for scheduled training sessions in critical skills such as carpentry, plumbing, welding, tailoring, and basic ICT.		Ulundi Unit	LED Municipal budget	Community organisations
	Appoint a coordination team to oversee the deployment of training units and monitor participation rates.		Ulundi Unit	LED Municipal budget	EDTEA, SETAs
	Engage local businesses, construction firms, and manufacturing industries to offer structured apprenticeship and learnership programmes.		Ulundi Unit	LED Municipal budget	Local businesses
	Provide stipends through partnerships with SETAs and the National Skills Fund to support trainees.		Ulundi Unit	LED TBC	DHET, SETAs, EDTEA
	Develop a monitoring system to track training outcomes and job placements.		Ulundi Unit	LED Municipal budget	EDTEA, DHET
	Recruit skilled professionals (retired teachers, artisans, business owners) to volunteer in mentorship and training sessions.		Ulundi Unit	LED Municipal budget	Community organisations
	Establish partnerships with local community organizations and churches to provide training venues.		Ulundi Unit	LED Municipal budget	EDTEA
	Provide small stipends or incentives to volunteers to encourage participation.		Ulundi Unit	LED TBC	EDTEA, PPPs
	Work with SETAs, local universities such as UNIZULU and TVET colleges to develop an RPL framework for informal sector workers.		Ulundi Unit	LED TBC	UNIZULU, TVET Colleges
	Set up an assessment centre where workers in trades like sewing, auto repairs, and bricklaying can be evaluated and certified.		Ulundi Unit	LED TBC	DHET
	Facilitate funding through relevant government departments such as EDTEA OR SEDA to subsidize the certification process.		Ulundi Unit	LED TBC	DHET
<b>Informal Economy and SMME Development</b>	Allocate a dedicated budget for research and development (R&D) activities under the LED Strategy.		Ulundi Unit	LED TBC	EDTEA, DHET, SETAs, UNIZULU
	Establish a municipal-backed small business desk to provide guidance, mentorship, and access to funding opportunities.		Ulundi Unit	LED Municipal budget	SEDA
	Partner with SEDA, the Department of Small Business Development, and financial institutions to provide grants and low-interest loans.		Ulundi Unit	LED	EDTEA, Development banks
	Conduct annual business networking sessions to connect SMMEs with investors.		Ulundi Unit	LED Municipal budget	EDTEA, Zululand Municipality

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies
	Expand the Municipality's business development unit to assist entrepreneurs with business registration, tax compliance, and documentation.		Ulundi Unit	LED Municipal budget	EDTEA, COGTA
	Develop an online platform to streamline registration and reduce delays.		Ulundi Unit	LED Municipal budget	EDTEA, COGTA
	Provide on-the-ground support through business clinics in rural areas.		Ulundi Unit	LED Municipal budget	SEDA, Local NGO's
	Develop a local business directory to connect informal traders and small businesses with larger companies.		Ulundi Unit	LED Municipal budget	EDTEA, SEDA
	Organize annual trade expos and procurement forums to showcase local products.		Ulundi Unit	LED Municipal budget	EDTEA
	Work with retailers and wholesalers to create supply chain links for small businesses.		Ulundi Unit	LED Municipal budget	Private sector, SEDA
	Identify and designate proper trading zones within the Municipality to prevent displacement.		Ulundi Unit	LED Municipal budget	COGTA, Traditional Authorities
	Construct market areas or stalls (where feasible) with access to water, electricity, and sanitation.		Ulundi Unit	LED Municipal budget	COGTA, DBSA
	Establish a municipal permit system that formalizes trading while protecting vendors.		Ulundi Unit	LED Municipal budget	COGTA, SEDA
	Launch an awareness campaign targeting young people to encourage participation in entrepreneurship.		Ulundi Unit	LED Municipal budget	EDTEA
	Launch digital skills and entrepreneurship workshops in partnership with incubators and business accelerators.		Ulundi Unit	LED Municipal budget	SEDA
	Provide access to funding for youth-led start-ups through government-backed initiatives.		Ulundi Unit	LED TBC	EDTA, SEDA
	Utilize municipal libraries and community centres as business resource hubs.		Ulundi Unit	LED Municipal budget	Libraries, communities

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies
	Organize roadshows and business forums to improve communication between the Municipality and SMMEs.		Ulundi Unit	LED Municipal budget	SEDA, EDTEA
	Develop digital outreach platforms to provide real-time information on municipal support programmes.		Ulundi Unit	LED Municipal budget	EDTEA, COGTA
	Conduct periodic surveys to identify key challenges faced by small businesses and tailor solutions accordingly.		Ulundi Unit	LED Municipal budget	EDTEA, SEDA
	Strengthen connections between small businesses and larger enterprises to create supply chain opportunities. This could include enterprise development initiatives where established companies support local suppliers, helping them grow and sustain their operations.		Ulundi Unit	LED Municipal budget	DTIC, Private sector
	Upgrade municipal libraries and community centres to serve as ICT hubs.		Ulundi Unit	LED Municipal budget	COGTA, EDTEA
	Collaborate with SAPS and community policing forums to enhance safety in trading zones.		Ulundi Unit	LED Municipal budget	SAPS
	Offer free digital literacy courses focusing on online marketing, e-commerce, and financial management.		Ulundi Unit	LED Municipal budget	
	Partner with tech firms and universities to provide upskilling opportunities.		Ulundi Unit	LED Municipal budget	Local Universities, TVET colleges, private sector firms
	Install security features such as street lighting and surveillance in key business areas.		Ulundi Unit	LED Municipal budget	SAPS
	Implement a municipal business security task force to address crime-related concerns.		Ulundi Unit	LED TBC	SAPS
<b>Business Development, Growth and Retainment</b>	Establish a structured engagement process where municipal officials meet with business leaders to address challenges and unlock investment opportunities.		Ulundi Unit	LED Municipal budget	Local business forums
	Set up an investment advisory desk to assist companies in navigating local economic conditions.		Ulundi Unit	LED Municipal budget	EDTEA, SEDA
	Develop incentive packages such as tax rebates, reduced municipal rates, and infrastructure grants for businesses investing in Ulundi.		Ulundi Unit	LED Municipal budget	EDTEA, COGTA

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies
	Establish a monitoring system to ensure that incentive recipients meet job creation and investment targets.		Ulundi Unit LED	Municipal budget	EDTEA
	Launch a “Buy Local” campaign to encourage businesses to source products and services within Ulundi.		Ulundi Unit LED	Municipal budget	Local business forums. SMMEs
	Support cooperatives and local producers by facilitating access to municipal procurement contracts.		Ulundi Unit LED	Municipal budget	SMMEs, COGTA, EDTEA
	Work with Eskom and the Department of Public Works to enhance electricity and water supply reliability.		Ulundi Unit LED	Municipal budget	ESKOM, DPW
	Improve road networks, particularly those connecting rural areas to business hubs.		Ulundi Unit LED	Municipal budget	COGTA, EDTEA
	Establish a dedicated task team within the Municipality to address business concerns, resolve bureaucratic delays, and improve the overall business climate in Ulundi.		Ulundi Unit LED	Municipal budget	COGTA, EDTEA, DBSA, Private sector
	Conduct regular surveys and impact assessments to guide economic development policies.		Ulundi Unit LED	Municipal budget	EDTEA, DBSA, Private sector
	Digitize the business registration and land-use application processes to reduce approval timelines.		Ulundi Unit LED	Municipal budget	COGTA, EDTEA
	Assign a dedicated team to handle priority business applications.		Ulundi Unit LED	Municipal budget	COGTA, EDTEA
	Collaborate to revitalise business parks, industrial zones, and commercial hubs.		Ulundi Unit LED	Municipal budget	COGTA, EDTEA
	Facilitate funding and policy support for catalytic projects that drive economic growth.		Ulundi Unit LED	Municipal budget	EDTEA, DBSA
<b>Sector Specific Strategic Programmes</b>					
<b>Tourism</b>	Tourism Infrastructure Development Programme		Ulundi Unit LED	TBC	DOT. TIKZN, DPW
	Heritage and cultural revitalisation		Ulundi Unit LED	TBC	AMAFA, Local tour locations and operators

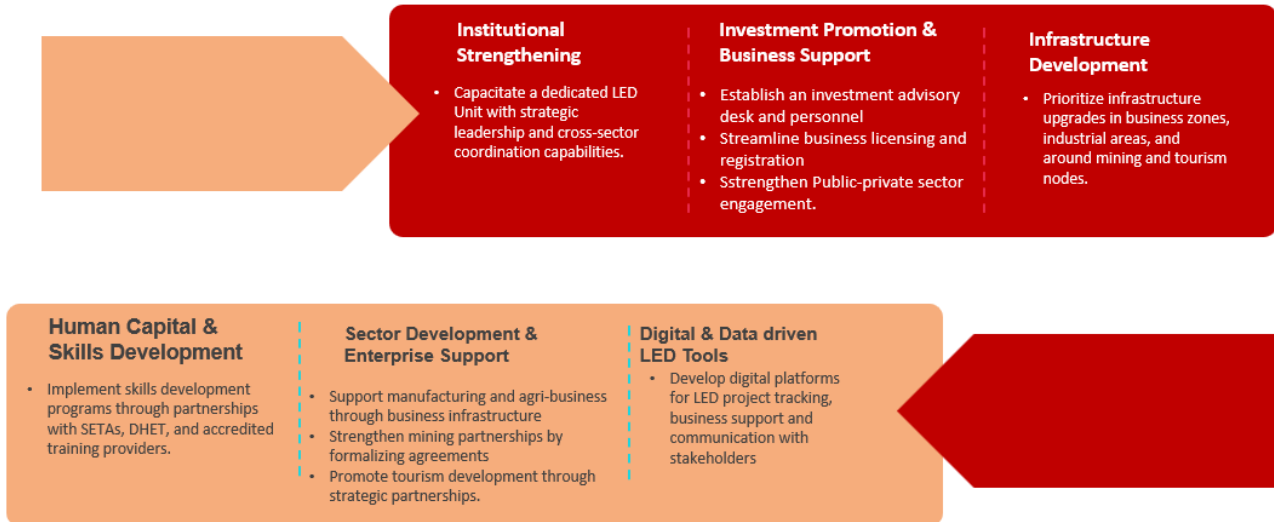
# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

Strategic Pillars	Programmes/Projects	Time frame	Lead implementing agent	Source of funding	Supporting agencies	
	Tourism awareness and marketing campaign		Ulundi Unit	LED	TBC	TIKZN, AMAFA, SEDA, Tour locations and operators
	Public-private partnerships for tourism investment		Ulundi Unit	LED	TBC	Private developers, DBSA, TIKZN
	Development of a new tourism strategy		Ulundi Unit	LED	TBC	EDTES, TIKZN, AMAFA, Local tourism stakeholders
<b>Agriculture</b>	Agricultural and Agri-Business Development Programme		Ulundi Unit	LED	TBC	Department of agriculture (KZN), Local farmer associations, SEDA
	Purchase materials for SMMEs, particularly poultry farming cooperatives within the Municipality		Ulundi Unit	LED	TBC	EDTEA
	Purchase goats for all cooperatives in the different Wards within Ulundi Municipality		Ulundi Unit	LED	TBC	EDTEA
<b>Manufacturing</b>	Manufacturing and Industrial Development Programme		Ulundi Municipality		TBC	EDTEA, SEDA, Local SMMEs
<b>Mining</b>	Mining and Mineral Beneficiation Programme		Ulundi Municipality		TBC	Local mining companies, DMRE, COGTA, DOT
<b>Green Economy</b>	Green Economy and Sustainable Development Programme		Ulundi Municipality		TBC	SANEDI, SEDA

## 7.4.1. Key Action Strategies

The following figure provides a snapshot of the suggested strategic pillars and programmes, and highlights the key actions need to be taken by Ulundi Municipality to ensure effective local economic development.

**Figure 54: Key Action Strategies**



Source: Urban-Econ, 2025

By strategically implementing these recommended actions, Ulundi Municipality can drive inclusive, resilient, and sustainable local development. Through the alignment of municipal functions with provincial and national support structures, the strengthening of local partnerships, and the consistent monitoring and evaluation of implementation efforts, the Municipality will be well-positioned to unlock its economic potential and create meaningful, long-term opportunities for its communities.

## Annexure 1: Alignment with LED Chapter Requirements

**Table 26: Alignment with LED Chapter Requirements**

1	Provide a summary of the status of the LED Strategy itself	2020 Strategy	2025 Strategy
	When was the LED Strategy developed?	May-20	2025
	When was it adopted?	2020	TBC
	What are the key challenges for LED in the Municipality?	Main challenges include job creation, lack of skills development, poor/slow infrastructure development (roads, water, electricity supply due to lack of funding), lack of/slow implementation of suggested strategies, spatial equity remains an issue with most of the land being under traditional authority	Challenges identified in 2020 persist. Main challenges include high unemployment and joblessness (a high number of discouraged workers); skills gap; lack of investment promotion; business retention and expansion are lacking, limited access to funding for development, slow infrastructure development.
2 Summary of the key sectors and their performance			
	Outline the key economic sectors present in the Municipality/ region	Key sectors contributing to the municipal economy include the agriculture; forestry and fishing, Mining and Quarrying, Manufacturing, Electricity; gas and water supply, Construction, Wholesale and retail trade, Transport; storage and communication, Community, social and personal services, General government sector and the Financial, insurance, real estate and business services sector.	Key sectors contributing to the municipal economy include the agriculture; forestry and fishing, mining and quarrying, manufacturing, electricity; gas and water supply, construction, wholesale and retail trade, transport; storage and communication, community, social and personal services, general government sector and the financial, insurance, real estate and business services sector. Another identified sector is the tourism sector and the green economy.
	Which ones are dominant and which ones are peripheral	Key sectors contributing to the municipal economy include the community, social and personal services, the general government sector and the financial, insurance, real estate and business services sector. The peripheral sectors which have potential for growth include tourism, agriculture, manufacturing, and mining.	Key sectors contributing to the municipal economy include the community, social and personal services, the general government sector and the financial, insurance, real estate and business services sector. The peripheral sectors which have potential for growth include tourism, agriculture, manufacturing, mining and the green economy.
	What is their current state of sector performance?	Sectors which contributed significantly towards the municipal GVA include the general government (31.4%), community; social and personal services (20.2%) and the	Sectors which are currently contributing the most to the Ulundi LM in terms of GVA are the community; social and personal services (39.0%), General government (16.9%) and

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

1	Provide a summary of the status of the LED Strategy itself	2020 Strategy	2025 Strategy
		financial sector (15.4%). The poorest performing sector was the electricity; gas and water (0.2%).	the financial sector (16.5%). The poorest performing sector is the construction sector (1.4%).
	What are the opportunities in the different sectors?	Key opportunities included expanding agri-processing and community agriculture initiatives and strengthening linkages between agriculture and the business sector. The manufacturing sector also had potential through value chains and the utilisation of land within the municipality. The tourism sector also had growth potential through improved cultural and arts centres, which would add to the employment opportunities in the municipality.	There is potential for growth in the tourism sector, with Ulundi being known as the “City of heritage”, investment in infrastructure and proper marketing can boost tourism performance in the municipality. Other emerging sectors with opportunities for growth include the green economy where investment in sustainable development and sustainable operational practices can attract investment and promote further development in Ulundi. With proper investment, sectors like the manufacturing sector and the agriculture sector can see growth. The Municipality has taken strides to ensure industrialisation in Ulundi (light industrial centre for motor mechanics and the small business centre for textile).
	Provide a SWOT Analysis of the Economy	<p>Strengths include:</p> <ul style="list-style-type: none"> <li>• Developmental policies (IDP, SDF)</li> <li>• Cultural heritage</li> <li>• Quality of natural endowments and tourism products</li> <li>• Stable agricultural sector</li> <li>• A fair transport network</li> <li>• Local business centres</li> </ul> <p>Weaknesses include:</p> <ul style="list-style-type: none"> <li>• Insufficient funding for LED projects</li> <li>• Backlog of basic services</li> <li>• Poor road access to rural areas</li> <li>• Lack of value-adding businesses</li> <li>• High unemployment</li> <li>• Red tape</li> </ul> <p>Opportunities include:</p> <ul style="list-style-type: none"> <li>• Municipal development</li> <li>• Infrastructure development</li> </ul>	<p>Strengths include:</p> <ul style="list-style-type: none"> <li>• Strategic location (heritage and administrative service hub)</li> <li>• Cultural and heritage tourism</li> <li>• Agricultural potential</li> <li>• Improved access to basic services</li> </ul> <p>Weaknesses include:</p> <ul style="list-style-type: none"> <li>• High unemployment (49.2%)</li> <li>• Lack of investment promotion</li> <li>• Business retention and expansion</li> <li>• Slow Infrastructure development</li> </ul> <p>Opportunities:</p> <ul style="list-style-type: none"> <li>• Tourism development and expansion</li> <li>• Youth skills and development</li> <li>• Infrastructure investment leading to enhanced growth</li> <li>• Manufacturing</li> <li>• SMME Growth</li> </ul>

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

1	Provide a summary of the status of the LED Strategy itself	2020 Strategy	2025 Strategy
		<ul style="list-style-type: none"> <li>• Agricultural and business partnerships</li> <li>• Availability of land and good climate conditions</li> <li>• Green economy opportunities</li> </ul> Threats: <ul style="list-style-type: none"> <li>• Degradation of road infrastructure</li> <li>• Out-migration of skilled employees</li> <li>• Limited formal employment</li> <li>• Land reform</li> </ul>	<ul style="list-style-type: none"> <li>• Green economy opportunities for economic diversification</li> </ul> Threats: <ul style="list-style-type: none"> <li>• Land tenure and development challenges</li> <li>• Red tape</li> <li>• Lack of infrastructure development</li> </ul>
3 Strategic goals / objectives for LED			
	What is the vision for the Municipality and how does it translate to LED?	The vision of the Municipality is "A developmental city of heritage focusing on good governance, socio-economic development and upholding tradition to promote sustainable service delivery"	"The vision of Ulundi Municipality is to become a thriving and inclusive economy by 2030 that champions sustainable infrastructure, economic growth, and investment, while preserving heritage and creating opportunities for all." This vision highlights the Municipality's commitment to fostering an enabling environment for businesses, tackling socio-economic challenges such as unemployment, and ensuring that economic development initiatives contribute to long-term sustainability.
	Outline the Strategic Goals	The strategic goals of the municipality include: 1. Development and support of the tourism sector; 2. Expansion of the agricultural sector; 3. Support for informal economy and small enterprises.; 4. Expansion and diversification of the manufacturing sector; 5. Improve the institutional capacity and policy environment for effective LED; 6. ensuring effective education, skills and capacity development; 7. Expansion and development of strategic economic infrastructure.	The strategic goals are:1. To strengthen economic infrastructure and improve service delivery to attract investment; 2. To address unemployment through skills development and Youth empowerment; 3. To attract, grow, and retain businesses to strengthen Ulundi's economy; 4. To limit economic vulnerability by diversifying and enhancing sector specific growth; 5. To strengthen institutional capacity and governance; 6. To promote the green economy and ecofriendly sustainable development practices
	Outline the Strategic Interventions	These are outlined in section 9,2,1 of the report (page 143-152)	These are outlined in section 6,5 of the LED Strategy (page 101-108)

# ULUNDI LOCAL MUNICIPALITY LED STRATEGY: INCEPTION REPORT

<b>1</b>	<b>Provide a summary of the status of the LED Strategy itself</b>	<b>2020 Strategy</b>	<b>2025 Strategy</b>
	Outline corresponding programmes and projects	These are outlined in section 9,3 of the report (page 153-160)	These are outlined in section 6,6 of the LED Strategy (page 109-114)