



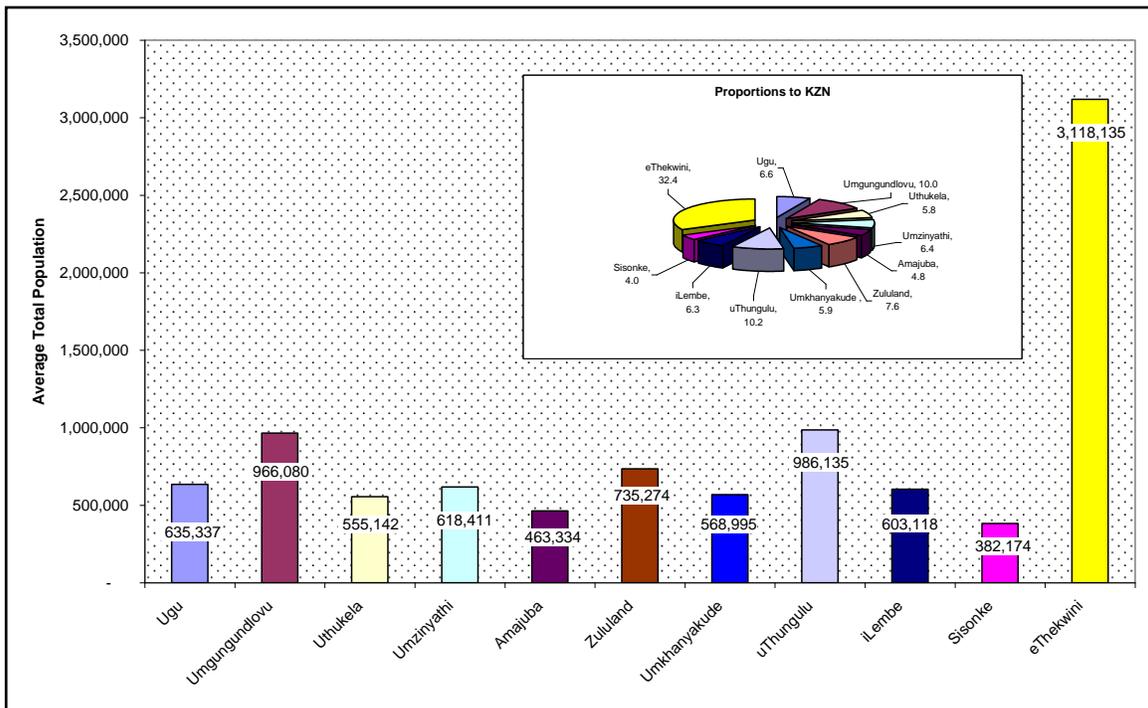
KwaZulu-Natal Provincial Treasury

ETHEKWINI DISTRICT: SOCIO-ECONOMIC PROFILE

11.1 Demographic Profile

According to Statistics South Africa mid-year estimates (2007), the KwaZulu-Natal population was estimated at an average size of 10,0 million people. The largest number of these people lived in eThekweni Metropolitan district (32.4 percent of the provincial population), followed by uThungulu (10.2%) and uMgungundlovu district (10.0%) (Figure 11.1).

Figure 11.1: Total Population by DM, average 2002-2007

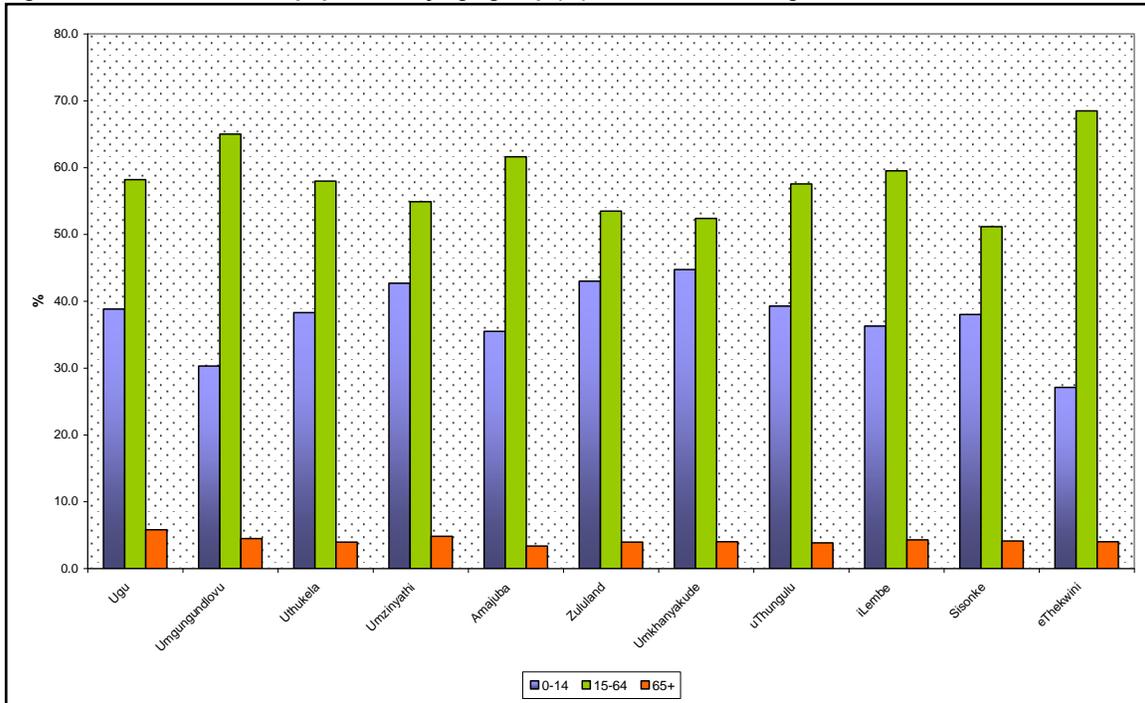


Source: Global Insight, 2008; Stats SA, 2007

Figure 11.2 shows the distribution of the population across district municipalities by age group. In eThekweni the largest proportion of the population was the age group 15-64 years (2,134,196), which constitute 68.4 percent of the district population¹. This was followed by age group 0-14 years (842,410), which is about 27.0 percent. The elderly population made the smallest portion of the total population in the district at 128,529 (4.1%).

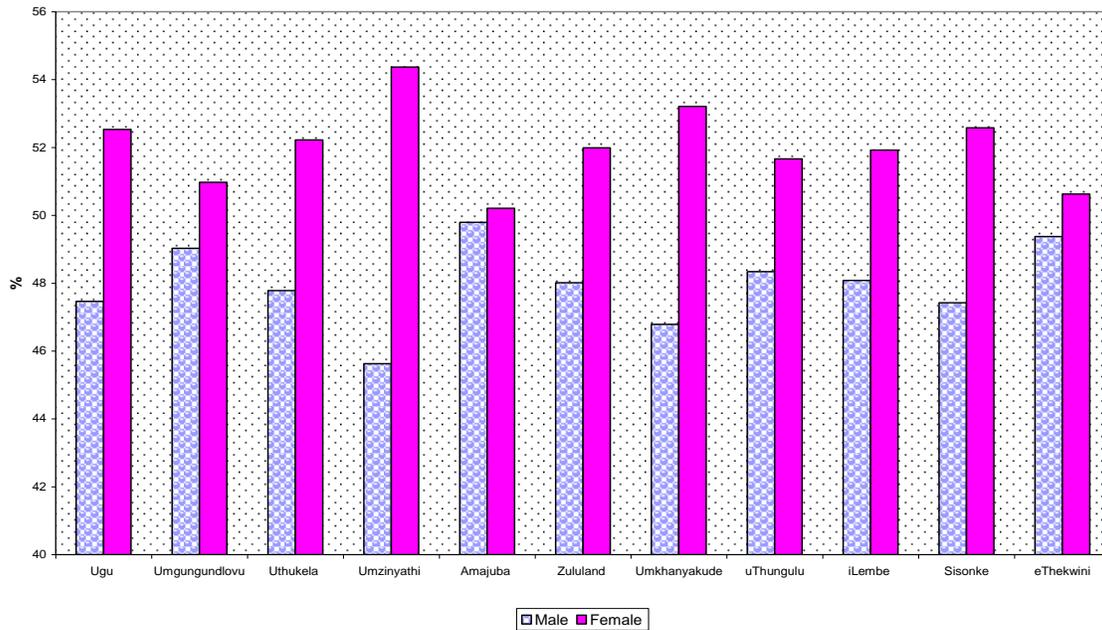
¹ The provincial estimate was 6,033,961.

Figure 11.2: eThekweni total population by age group (%) across DMs; average 2002-2007



Source: Global Insight, 2008; Stats SA, 2007

Figure 11.3: Population distribution by gender; average 2002-2007



Source: Global Insight, 2008; Stats SA, 2007

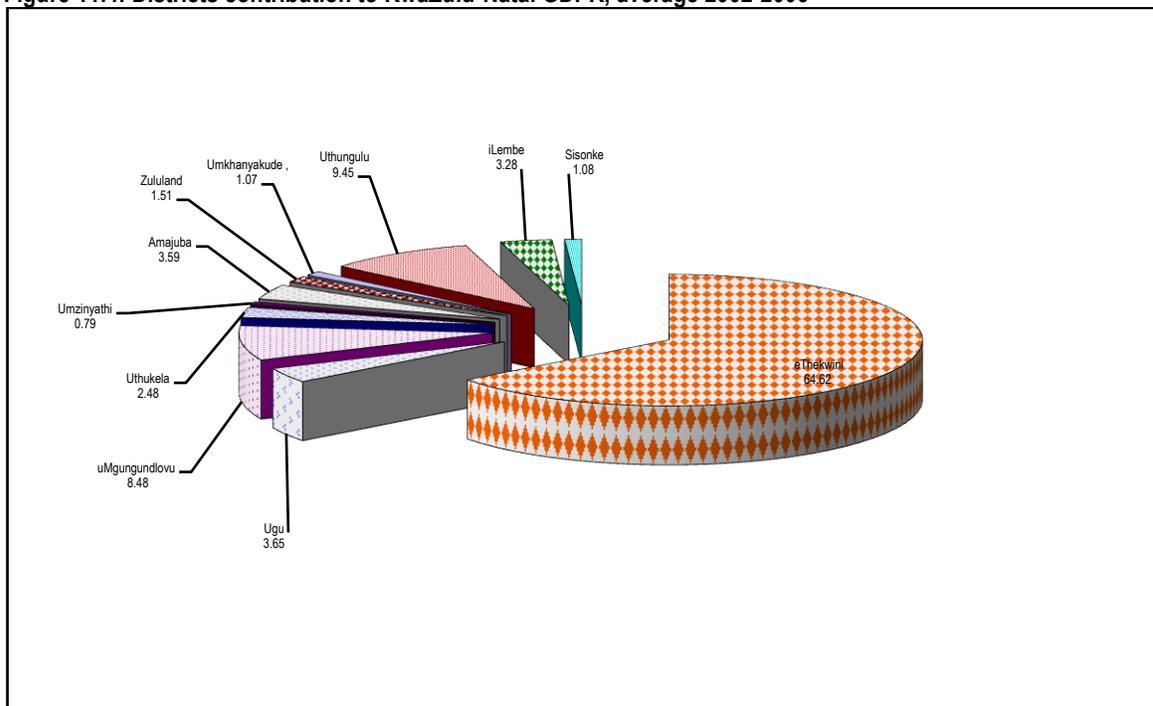
As in all the other districts, the majority of the population in eThekweni was female. This was true across age groups (Figure 11.3).

11.2 Economic Outlook

11.2.1 Gross domestic product per municipality (GDP-M)

Between 2002 and 2006, the GDP-R for KwaZulu-Natal was estimated at an annual average of R177,8bn. There was a significant growth of 18.8 percent from R163,9bn in 2002 to R194,7bn in 2006. eThekweni municipality contributed 64.6 percent to the GDP-R, making it the single highest contributor to GDP in the province. uThungulu and uMgungundlovu were the second and third highest contributors after eThekweni, contributing annual averages of 9.5 percent and 8.5 percent respectively.

Figure 11.4: Districts contribution to KwaZulu-Natal GDP-R, average 2002-2006

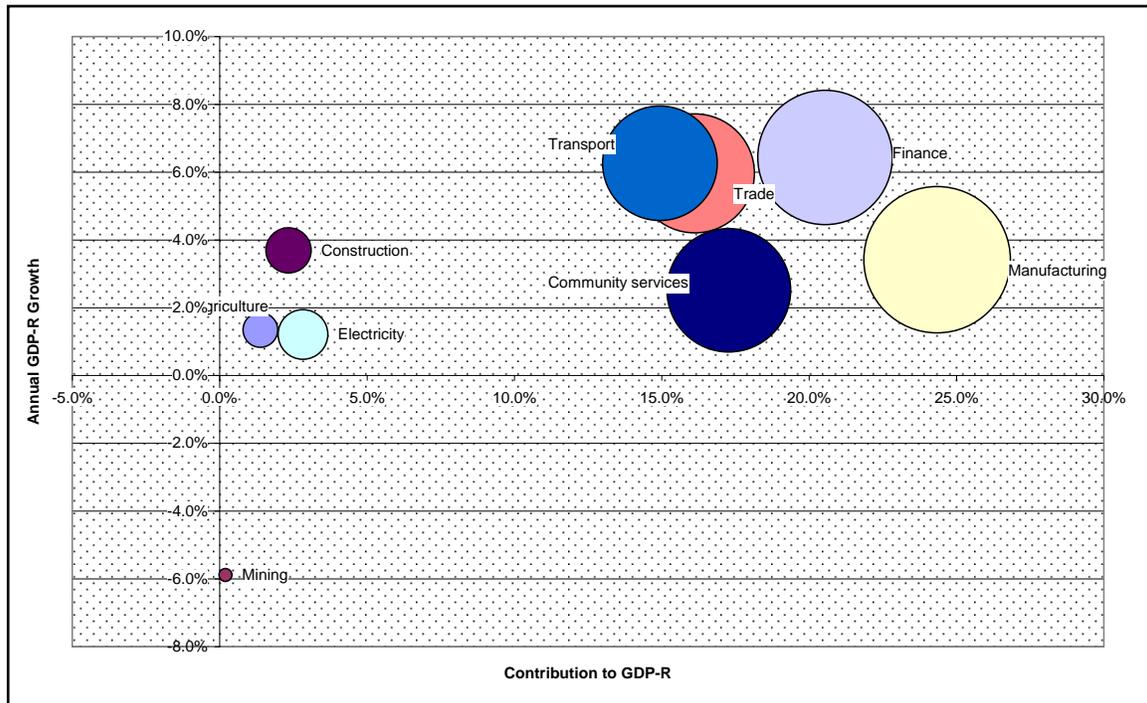


Source: Global Insight, 2007

Figure 11.5 shows eThekweni's GDP-M (size and growth) by economic sector between 2002 and 2006. The district experienced growth of 4.6 percent on average during this period with Finance, Transport and Trade growing at respective rates of 6.4 percent, 6.3 percent, and 6.0 percent. Electricity, Agriculture, and Community services experienced low levels of growth. Although at a low rate, eThekweni was the only district in which Agriculture expanded during this period.

On the contrary, the mining sector shrank faster than it did in the majority of other districts. Manufacturing, Finance, and Community Services made the highest contributions to the GDP-M at 24.3 percent, 20.5 percent, and 17.3 percent respectively. These three sectors were the driving forces behind the growth experienced by this economy.

Figure 11.5: eThekweni GDP-M by sectors (2002-2006)

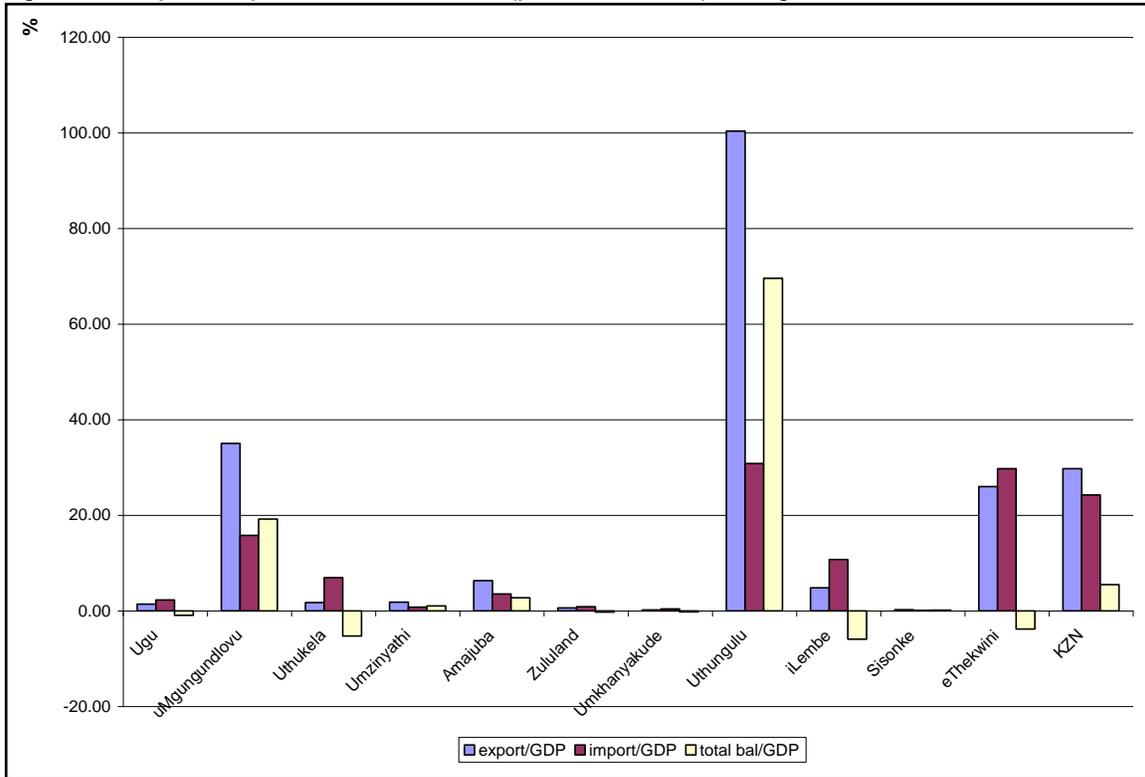


Source: Global Insight, 2007

11.2.2 International Trade

Figure 11.6 shows the percentage of exports, imports, and trade balance (as a proportion of GDP-M) across all DMs. The diagram reveals that the district's imports were on average 29.8 percent of the GDP and its exports 25.5 percent. The district hence had a negative trade balance of R4,9 million (or 4.3% of the district's GDP). It is worth noting that international trade played a significant role in the economy of this district; this was mainly due to its proximity to Africa's busiest sea port – the Port of Durban – and high concentration of business activity in this district; a direct result of its location comparative advantage.

Figure 11.6: Exports, imports and Trade Balance (percent of GDP-M), average 2002-2006



Source: Global Insight, 2007

11.3 The labour market

11.3.1 The labour force and the economically active population

Between 2002 and 2006, when the provincial labour force² approximated 6,0 million people per annum (approximately 60.0 percent of total provincial population), the economically active population (EAP)³ was approximately 3,1 million. eThekweni housed more than 1,4 million of the province's EAP, followed by uMgungundlovu (360,000) and uThungulu (221,000). The smallest EAP size was found in Sisonke (92,000).

As a proportion of the district's labour force⁴, however, the district's EAP was estimated at 66.8 percent. At this rate, the district was the most economically active one in the province, followed by uMgungundlovu at 60.6 percent.

11.3.2 Unemployment

During this period, there were about 562,000 unemployed people in the district. This was the highest level of unemployment in the province, the lowest being in Sisonke (50,000).

The district's unemployment rate⁵ was the lowest in the province, at 38.2 percent; an impressive 7.3 percent below the provincial average (Figure 11.7), and one of only two districts with below average unemployment rates. The other district was Amajuba at 45.4 percent.

As with the rest of the districts, eThekweni's unemployment rate was skewed towards Blacks (47.0%). The respective rates for Coloureds, Indians and Whites were 31.1, 23.4 and 8.2 percent (Figure 11.8).

² Labour force is population aged 15-64 years.

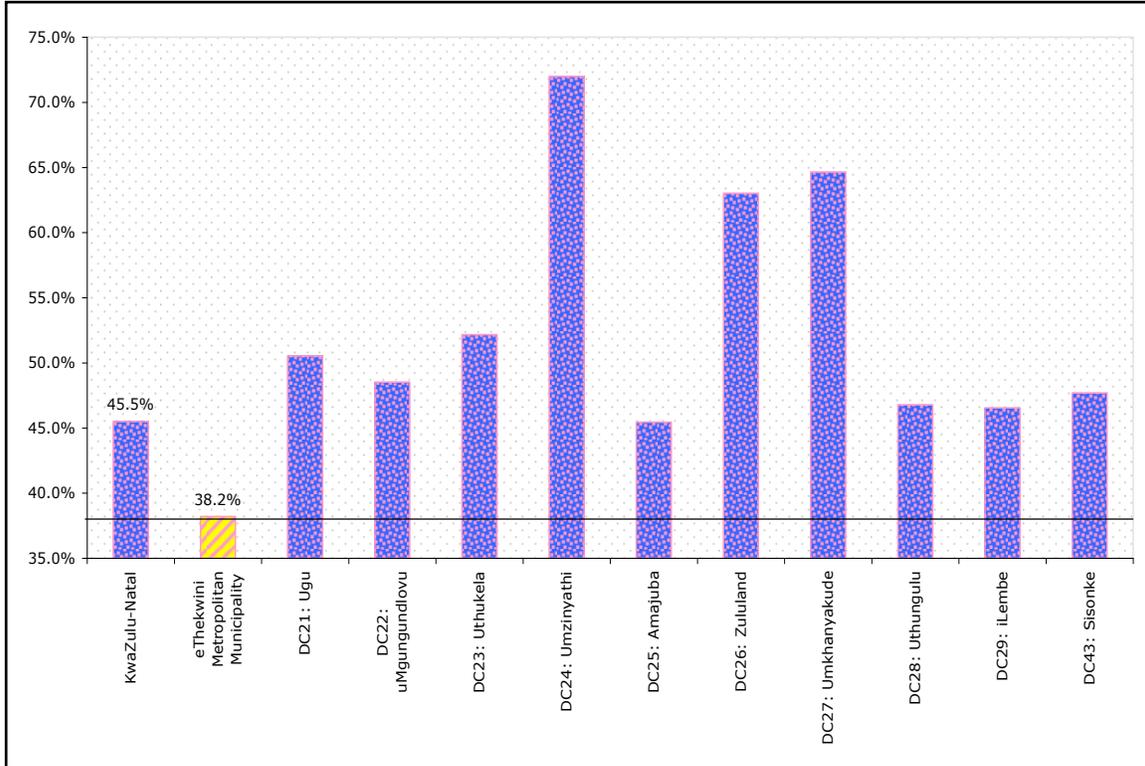
³ The category EAP is made up of people who are either employed or unemployed. The employed consists of employers and employees, while unemployment are those not having a job but are actively seeking one (official definition), or they do not have a job, are actively seeking one or have given up searching yet still available for work at anytime (expanded definition).

⁴ EAP/LF = Labour participation rate or ratio.

⁵ Unemployment rate is the ratio of the unemployed to the EAP

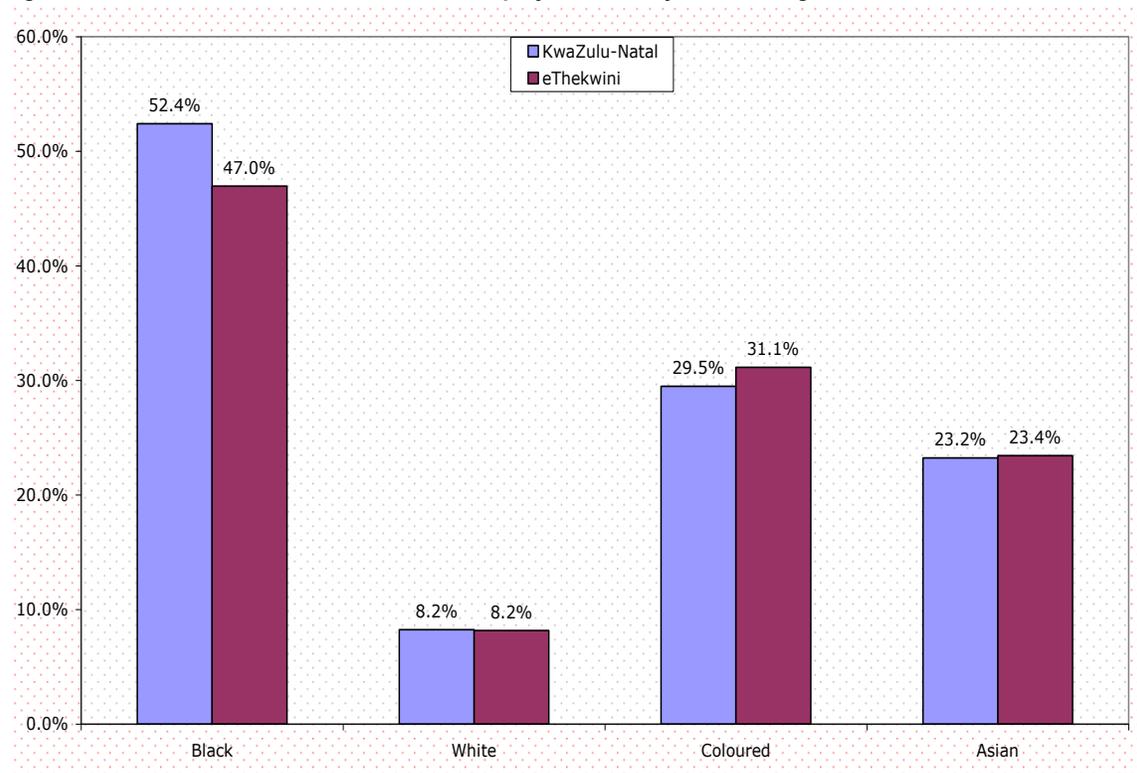
⁶ Global Insight makes use of the expanded definition of unemployment, this includes those unemployed but not actively seeking a job

Figure 11.7: Unemployment rate by district, average 2002-2006



Source: Global Insight, 2007

Figure 11.8: KwaZulu-Natal and eThekweni unemployment rate by race, average 2002-2006



Source: Global Insight, 2007

11.3.3 Employment

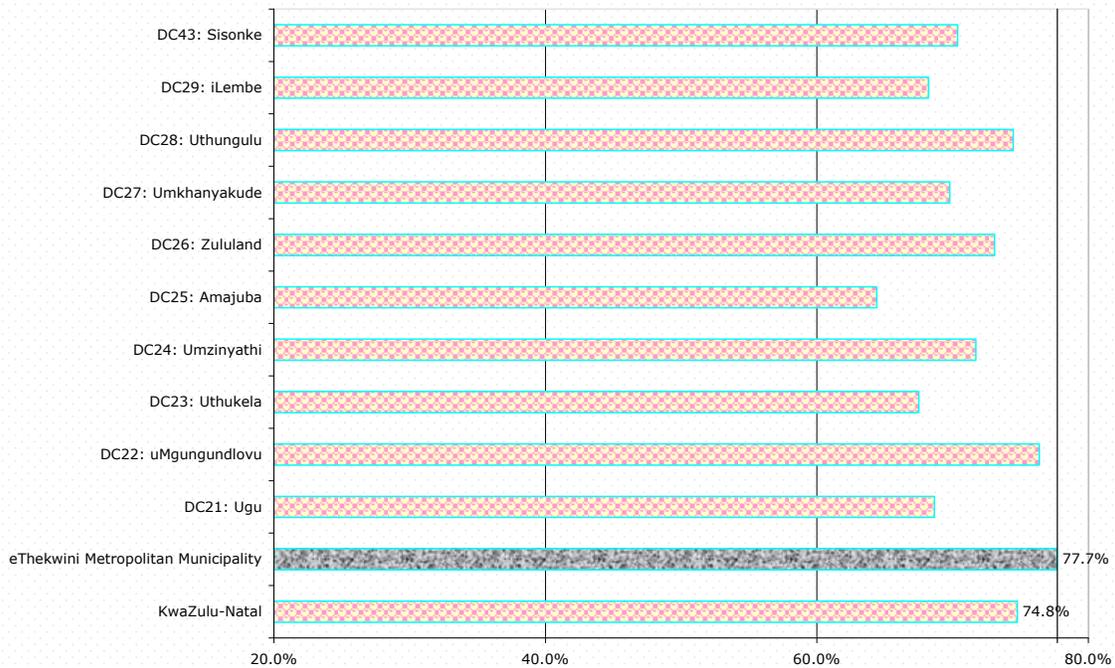
11.3.3.1 Total employment

During the period under review, KwaZulu-Natal employment totaled an annual average of 2,1 million workers, and eThekwini's employment level was the highest in the province, at 1,2 million. This was followed distantly by uMgungundlovu at approximately 231,000. UMzinyathi was the district with the fewest workers (33,000), outperformed even by Sisonke, the least populated district (43,000).

11.3.3.2 Formal employment

EThekwini's formal employment was the highest in the province, at 77.7 percent of the district's total employment (Figure 11.9).

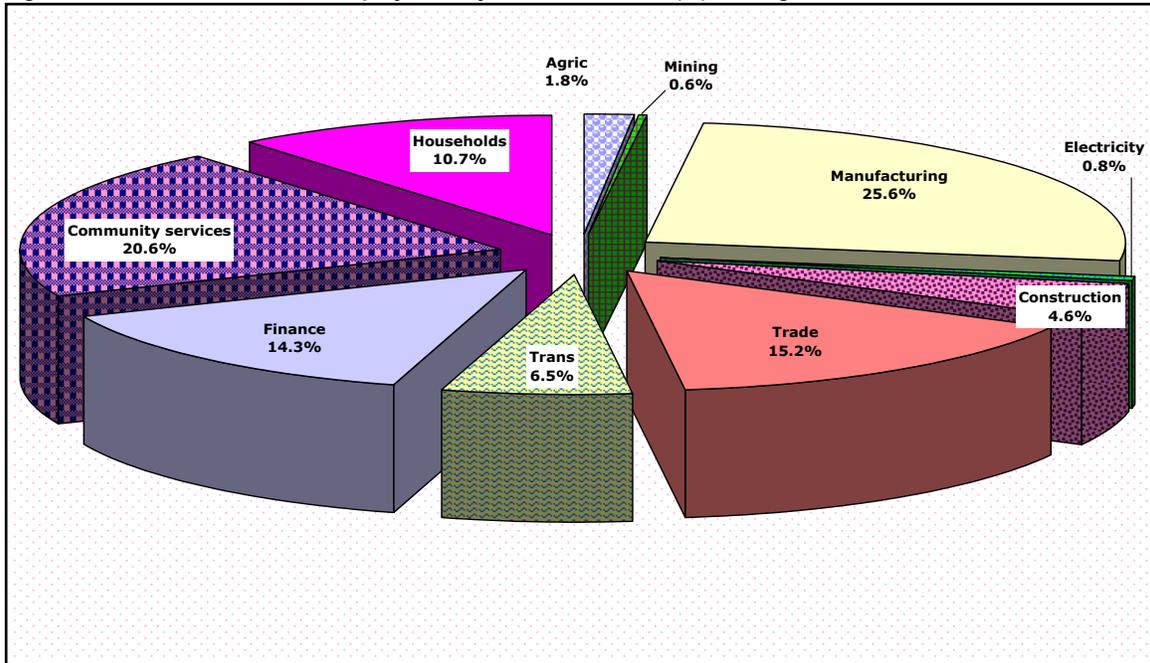
Figure 11.9: Formal employment within districts (%), average 2002-2006



Source: Global Insight, 2007

Manufacturing, Community Services, Trade, Finance and Household Services were the most dominant sectors in the district's formal employment, together accounting for about 86.2 percent of the district's formal employment (Figure 11.10).

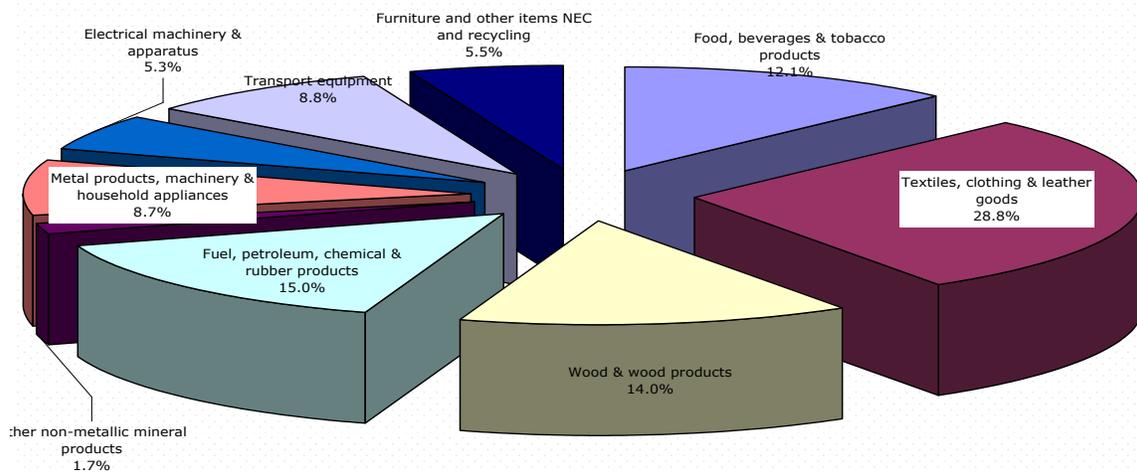
Figure 11.10: EThekwi formal employment by economic sector (%), average 2002-2006



Source: Global Insight, 2007

Manufacturing, the leading employer in the district, was dominated by Textiles, clothing & Leather goods, followed by Fuel, petroleum, chemical & rubber products, then Food, beverages & tobacco products (Figure 11.11).

Figure 11.11: EThekwi formal manufacturing employment by industry (%), average 2002-2006

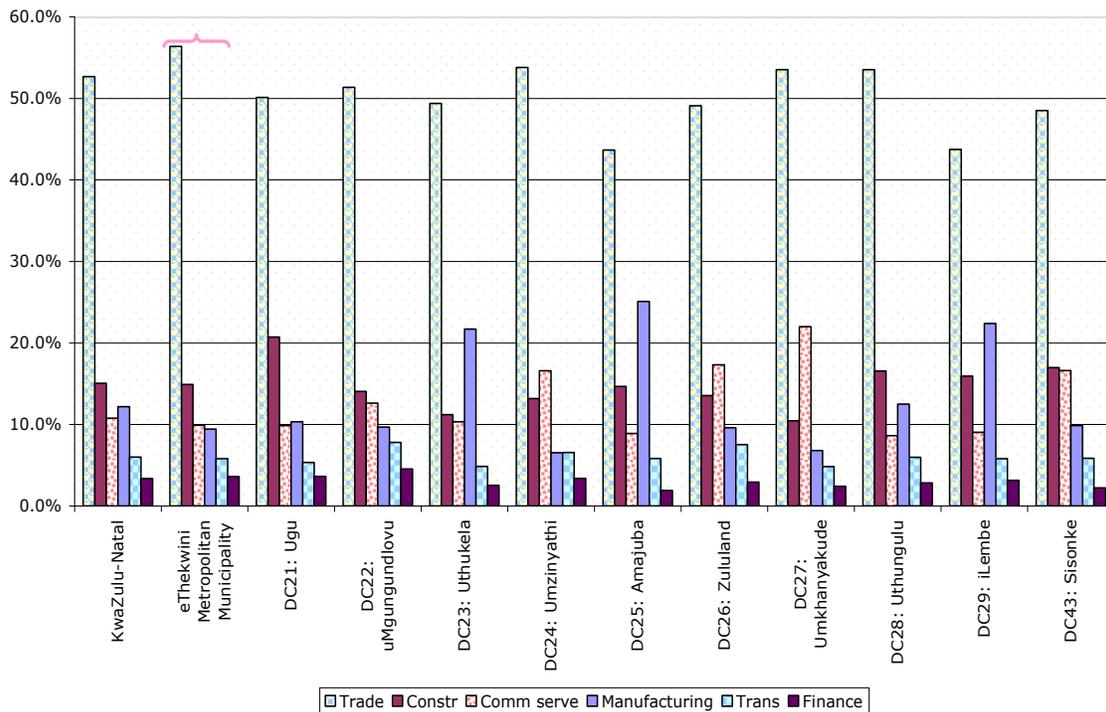


Source: Global Insight, 2007

11.3.3.3 Informal employment

KwaZulu-Natal's informal sector employment, recorded mainly in Trade, Construction, Community Services, Manufacturing, Transport and Finance⁷ sectors, was generally skewed towards the Trade sector. This was true in all but four districts, each having at least half the employment in this sector involved in trade of some kind; eThekwini was no exception. The second most important contributor to this district's informal employment was 'Community Services' (Figure 11.12).

Figure 11.12: Informal employment by district and main economic sector (%), average 2002-2006

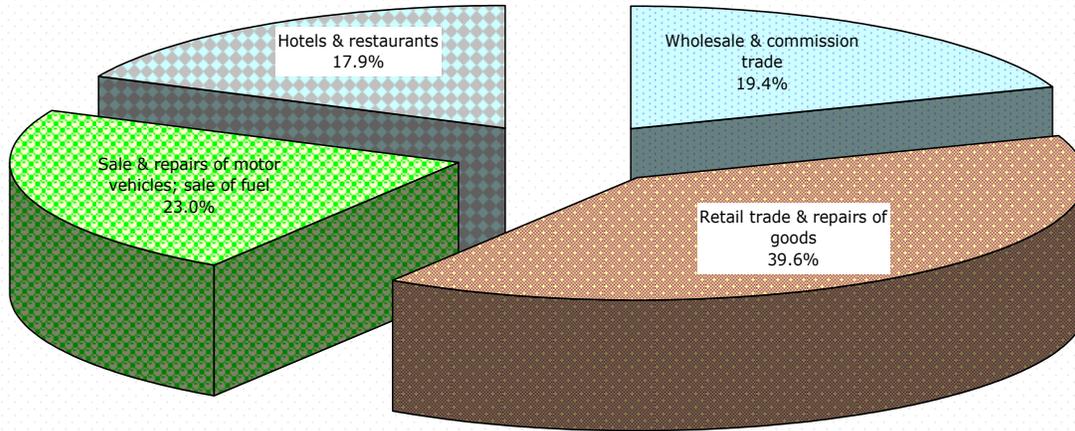


Source: Global Insight, 2007

Figure 11.13 shows the distribution of eThekwini's formal employment in the Trade sector, which sector is the leading contributor to the district's informal employment. The district's formal employment in trade was skewed towards 'Retail trade & repair of goods' at more than a third of the employment level, followed by Sale & repairs of motor vehicles. The informal trade employment could also have followed a similar trend as its formal counterpart.

⁷ These are the sectors recorded by Global Insight; they are easier to monitor and collect data thereon than the remaining others.

Figure 11.13: EThekwi formal employment in Trade (%), average 2002-2006

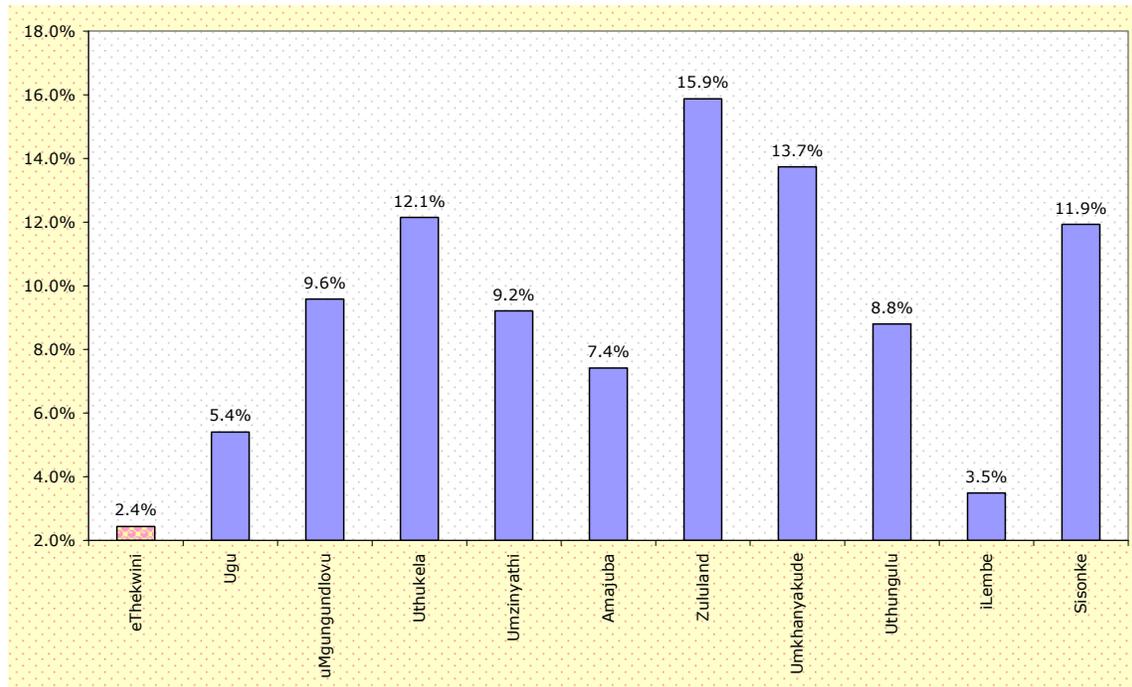


Source: Global Insight, 2007

11.4 Land cover and use

In 2006, eThekweni's share of the KwaZulu-Natal soil was a miniature 2.4 percent, the smallest of all districts in the province (Figure 11.14). Because the district was the most populated and smallest, it had the highest population density in the province at 997.9 persons per km², compared to the provincial average of around 113.0.

Figure 11.14: KwaZulu-Natal land by district (%), 2006

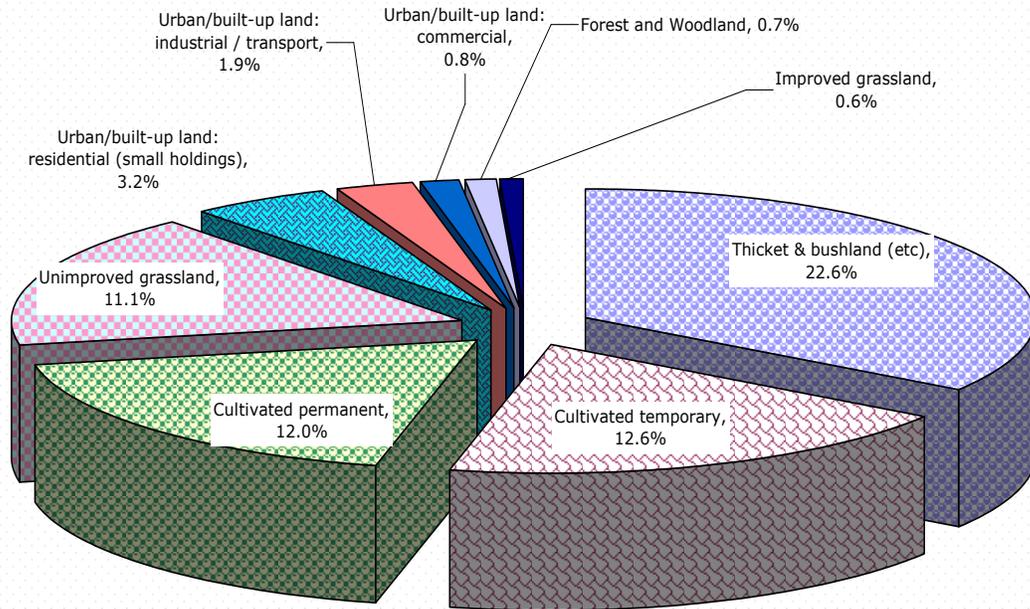


Source: Global Insight, 2007

Contrary to the majority other districts, the district's unimproved grassland amounted to only 11.1 percent of its land, although thickets and bushland still accounted for a massive 22.5 percent.

Permanent and temporary cultivation was carried out on a satisfactorily large portion of the district's soil; 12.0 and 12.6 percent respectively. The remaining portion of eThekweni's land was used as depicted in Figure 11.15. In all the other districts, these other land use categories were insignificant, mainly because of the vastness of the districts' territory.

Figure 11.15: EThekwi land use, 2006

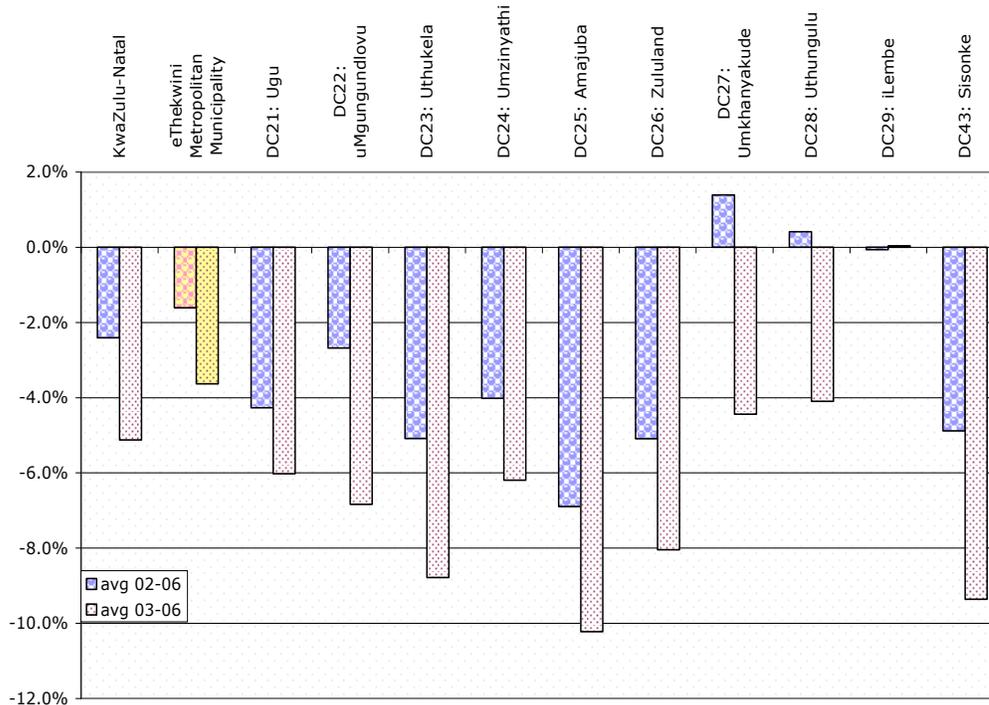


Source: Global Insight, 2007

11.5 Crime

Between 2002 and 2006, there was a consistent decline in reported incidences of crime in the province (2.4 percent annual average). UMkhanyakude, and uThungulu to a less extent, were the only districts resistant to declining crime rates. However, 2003 forward saw a comprehensive decline, though with differing magnitudes; the provincial collapse rate in crime incidents was 5.1 percent. EThekwini's decline in crime rates was very minimal, larger only than that in iLembe (Figure 11.16).

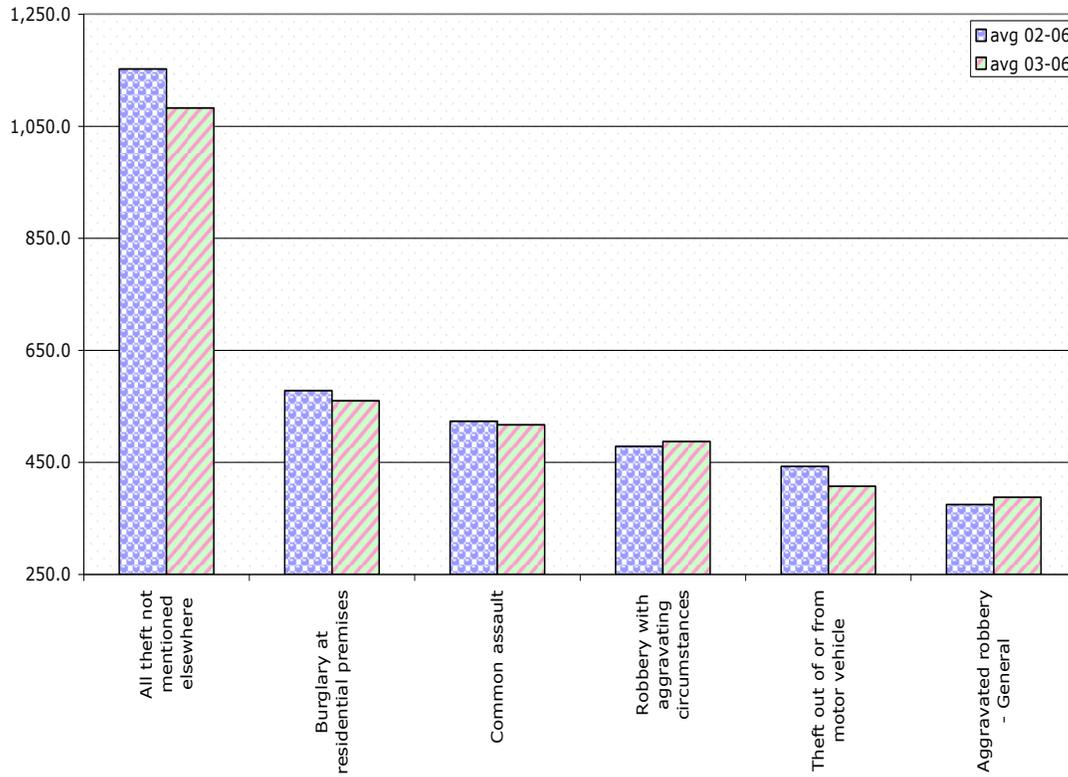
Figure 11.16: Growth rate in reported crime incidents by district, averages 2002-2006 & 2003-2006



Source: Global Insight, 2007

During the same period, 2002 to 2006, the most common crimes in this district were theft, burglary, assault and robbery. Unlike in any other district, eThekwini had a unique experience of theft from motor vehicle. As could be expected, the district also had the highest crime rates in the province, with crime rates as high as 1,100 incidences per 100,000 people – half the rates in Amajuba, for example (average less than 350 annual cases between 2003 and 2006) (Figure 11.17).

Figure 11.17: EThekweni crime rate by category (per 100,000 people), average 2002-2006 & 2003-2006



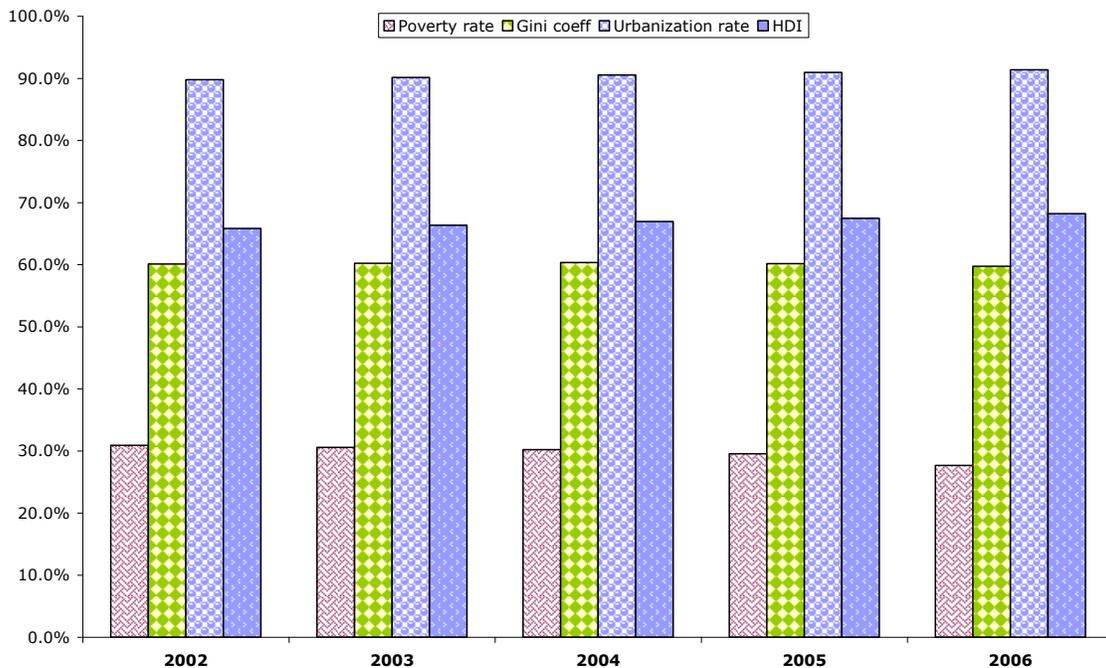
Source: Global Insight, 2007

11.6 Social Development

Figure 11.18 gives eThekweni district's urbanisation and poverty rates, the Gini coefficient and the Human Development Index (HDI). It can be seen from this graph that, similar to what we have observed in all the other districts, the proportion of people living in poverty in the district has been on a decrease, from 30.9 percent in 2002 to 27.7 percent in 2006. The district is undoubtedly dominantly urban, with 89.8 percent of its households located in the urban areas in 2002, this rising to some 91.4 percent in 2006.

Unlike in the other districts, the income gap indicator in the district, though still high, remained stable at 0.60 throughout 2002 to 2006.

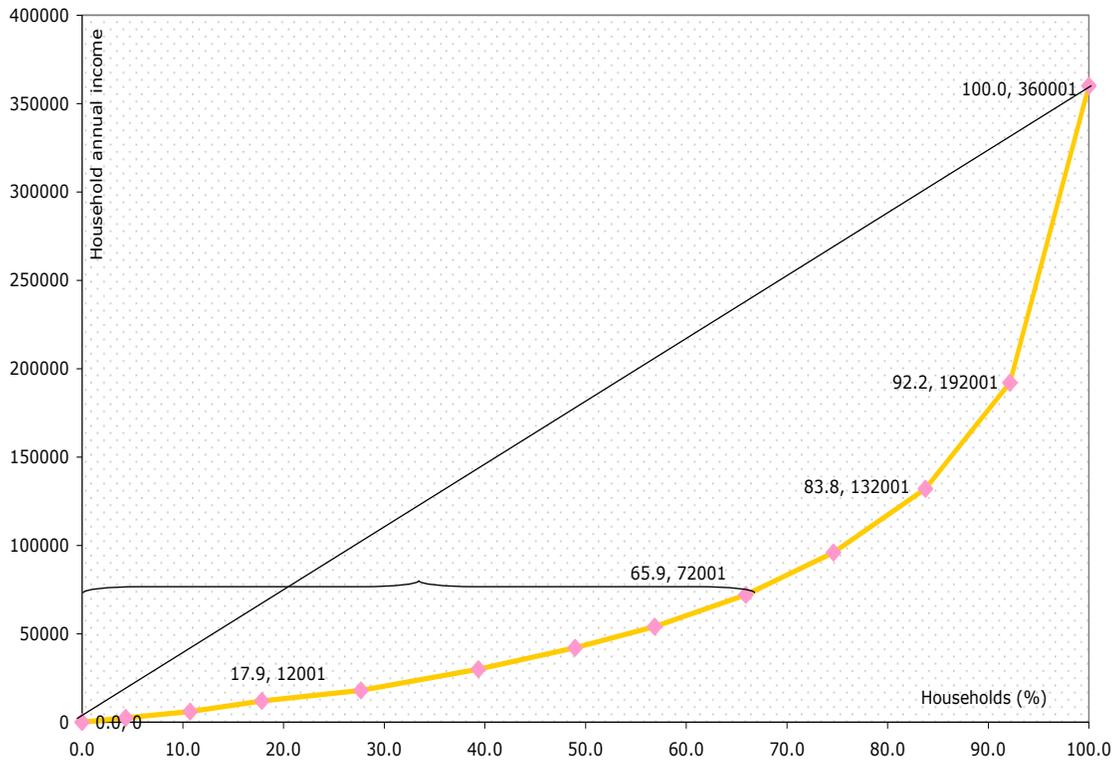
Figure 11.18: Poverty rate, HDI and Gini coefficient in eThekweni, 2002-2006



Source: Global Insight, 2007

The overall human development in the district was the highest in the province at 0.66 in 2002, rising to 0.68 in 2006.

Figure 11.19: EThekwini household annual income distribution, average 2002-06



Source: Global Insight, 2007

Figure 11.19 confirms that income gap in eThekwini was not as pronounced as in the other districts. In this district, only 65.9 percent of the households earned R72,001 per annum, between 2002 and 2006. This was better than the picture witnessed in all the other districts.