MKRI MONTHLY

March 2026 Issue

Moses Kotane Research Institute

Research · Innovation · Excellence

EDTEA MEC Rev Musa Zondi Launches the Mpofana Innovation & Digital Hub!
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"The knowledge hub for economic growth in KZN"

This newsletter highlights the key events and strategic engagements undertaken by the Moses Kotane Research Institute (MKRI) during March 2026.

The activities align with the institute's mission of advancing research-driven solutions, skills development, digital innovation, and socio-economic empowerment in KwaZulu-Natal.

Top News

- Enterprise Development Summit
- 2026 KZN Energy Indaba
- SA Innovation Week 2026
- Marine Innovation Challenge
- MICT SETA National Skills Challenge Hackathon

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LAUNCH OF THE MPOFANA INNOVATION & DIGITAL HUB

MKRI, in partnership with the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs, successfully hosted the official launch of the Mpofana Innovation & Digital Hub at Bruntville Library, Mooi River. The event, led by Rev. Musa Zondi, brought together key stakeholders, local leadership, and community members to celebrate a significant step towards digital inclusion and innovation. This milestone marks the opening of the 16th digital centre, further expanding access to technology and innovation across communities in KwaZulu-Natal. The programme featured a ribbon-cutting ceremony, hub demonstrations, and insightful engagements highlighting the role of digital centres in enhancing service delivery, skills development, and economic growth within the Mpofana Local Municipality. The launch marks a commitment to empowering communities through technology and creating opportunities for a more digitally inclusive future.

HUMAN RIGHTS COMMEMORATION PROGRAMME

MKRI was proud to be part of the Human Rights Commemoration Programme led by the KZN Premier, Hon. Thami Ntuli, at Riverview Stadium, marking an important reflection on the legacy of Human Rights Day and the ongoing responsibility to uphold equality and dignity for all. The programme highlighted the significance of protecting human rights while recognising the sacrifices made for freedom in South Africa. Through its exhibition, MKRI demonstrated its role in advancing evidence-based research that informs policy, supports inclusive development, and promotes socio-economic rights across KwaZulu-Natal.

OSS/DDM CABINET IMBIZO

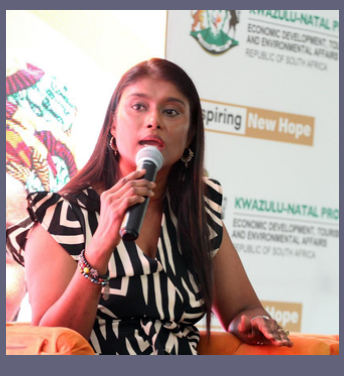
MKRI attended the OSS/DDM Cabinet Day hosted by the Executive Council of the Government of KwaZulu-Natal, led by Honourable Premier Thami Ntuli, at Richmond Sports Field under the uMgungundlovu District Municipality on Wednesday, 4 March 2026. The Institute also took part in the exhibition component of the programme, where it showcased its work in advancing evidence-based policy and promoting inclusive economic development strategies. In addition, it highlighted its bursary offerings and digital centres, which support innovation, skills development, and community empowerment initiatives across KwaZulu-Natal.

eKASI BUSINESS FAIR

The two-day Icebolethu Foundation eKasi Business Fair was successfully hosted at Hammarsdale Junction Mall through a partnership between the Moses Kotane Research Institute (MKRI), the KwaZulu-Natal Department of Economic Development, Tourism and Environmental Affairs, Cebolethu Group, and Ithala Development Finance Corporation.

The programme featured a range of impactful activities, including panel discussions, exhibitions, and the eKasi Pitching Contest, all aimed at supporting and empowering township-based businesses. MKRI played an active role throughout the event, contributing to panel discussions, participating in adjudication processes, and showcasing its research services, digital centres, and development programmes. These efforts highlighted the importance of research-driven insights in strengthening entrepreneurship and driving inclusive economic growth.

Day two was headlined by the keynote address from Musa Zondi, who reaffirmed the government's commitment to developing the eKasi economy. He further encouraged young people to avoid destructive behaviours and instead pursue innovation and entrepreneurship through SMMEs, leveraging available government support programmes.



MARINE YOUTH INNOVATION CHALLENGE

Phase 3 of the Marine Youth Innovation Challenge was held at the MKRI main boardroom, focused on Design Thinking to support the development of innovative, market-ready maritime solutions. Participants were working across two categories. The Ocean Plastic Challenge and the Ocean Innovation Challenge address key challenges affecting marine environments and coastal communities. The session was facilitated by MKRI's Nomonde Ngcobo to guide participants from problem identification and ideation through to solution development. The Challenge was officially launched on 19 January 2026 by the EThekwini Maritime Cluster in partnership with the Innobiz DUT Centre for Entrepreneurship and Innovation, MKRI, Transnet National Ports Authority, SA Shipyards, AMSOL, and SAAMBR, to empower 12 young innovators to deliver practical, high-impact ocean solutions.

2026 LEARN TO SWIM PROGRAMME LAUNCH

MKRI proudly launched the Learn to Swim Programme at the newly opened Maritime School of Excellence in KwaZulu-Natal. The programme equips learners with essential swimming and water safety skills needed for maritime education and careers, helping to build confidence and improve safety in ocean-related activities. Learners will also be introduced to watersports such as sailing, surfing, canoeing, canoe polo, lifesaving, swimming, and water polo, promoting teamwork, fitness, and a stronger connection with the ocean. Through initiatives like this, the MKRI continues to support skills development and youth empowerment in the growing oceans economy.

2026 KZN ENERGY INDABA

MKRI participated in the 2026 KZN Energy Indaba, hosted by the KZN Government and the Richards Bay Industrial Development Zone at Thembela Venue in Richards Bay on March 12th and 13th. CEO Dr. Thendeka Ellenson served as a panel moderator, leading discussions on the theme "Inclusive Energy Transition: Leaving No One Behind." This focus highlighted the necessity of ensuring that sustainable energy solutions benefit all communities, especially marginalized groups. Dr Ellenson's engagement fostered important dialogue among experts and policymakers, aiming to shape equitable energy policies for the KZN's future.

THE 5TH ISIBALO SYMPOSIUM

Statistics South Africa, in collaboration with the KZN Provincial Government and MKRI, hosted the 5th Isibalo Symposium at MKRI Conference Centre on the 12th and 13th of March. The symposium brought together researchers, policymakers and data practitioners to explore how data can strengthen evidence-based decision-making. This year's theme, "Governing Data, Empowering Policy: A Symposium for Data-Driven Decision-Making in KwaZulu-Natal," guided discussions on improving data governance and enhancing the use of data to inform public policy and development planning in the province. MKRI contributed to the programme through a presentation under the sub-theme "From Insight to Action." The presentation highlighted how AI-enabled tools are transforming the collection and analysis of data, while also examining the implications of these developments for research practices and policy support in KwaZulu-Natal.

MICT SETA NATIONAL SKILLS CHALLENGE HACKATHON

MKRI in partnership with the Mafikeng Digital Innovation Hub (MDiHub) and MICT SETA, successfully hosted the MICT SETA National Skills Challenge Hackathon, an impactful initiative aimed at transforming innovative ideas into practical, real-world solutions. Over an intensive 48-hour period, participants collaborated to design and develop functional prototypes aligned with key regional priorities, guided by the themes: Code, Create, and Innovate. The hackathon provided a dynamic platform for young innovators to showcase their technical skills, creativity, and problem-solving capabilities. The final day marked the culmination of the KwaZulu-Natal leg, with teams pitching their solutions to a panel of judges. The top three teams have secured their place in the national finals, set to take place in Gauteng.

SA INNOVATION WEEK 2026

MKRI, in partnership with key stakeholders, hosted the KZN Innovation Show and Tell Programme on 16 March as part of the provincial build-up to SA Innovation Week 2026. The programme brought together representatives from government, industry, and academia to share insights on innovation, intellectual property, and technology platforms, with contributions from organisations such as the CIPC and Microsoft. These engagements highlighted opportunities for innovators to protect, develop, and commercialise their ideas. The event also featured a pitching masterclass and a pitching session, where innovators presented to a panel of experts, with selected participants advancing to activities linked to SA Innovation Week.

KZN subsequently strengthened its presence in South Africa's innovation ecosystem through participation in SA Innovation Week 2026 (SAIW'26), held at NASREC in Johannesburg on 19 March 2026. Building on the momentum from the Show and Tell Programme, two KZN innovators advanced to the Top 15 in the pitching competition: Navenshia Naidoo (Chitosan Extraction – Natural Resources) and Muzi Xaba (ThunaPoint – ICT). Their achievement underscored the province's growing impact in both sustainable and digital innovation.

ENTERPRISE DEVELOPMENT SUMMIT

Moses Kotane Research Institute hosted the Enterprise Development Summit on reimagining public university incubators to address youth unemployment and promote inclusive economic growth. Discussions highlighted the need for stronger collaboration between academia and industry, improved incubation models, and better support for equipping young people with practical, future-ready skills. Key challenges such as limited funding and scalability were noted, while the importance of coordinated and sustainable incubation systems for entrepreneurship and community development was emphasized.

OSS/DDM CABINET IMBIZO

MKRI proudly participated in the Premier's Harry Gwala District OSS/DDM Cabinet Imbizo Programme, hosted at the Johannes Phumani Phungula Local Municipality. This event provided a platform for communities to engage directly with provincial leadership, raise service delivery concerns, and receive feedback on government programmes aimed at improving livelihoods.

As part of its involvement, MKRI was exhibiting onsite, where it actively showcased its wide range of services and programmes. Through this exhibition, the Institute engaged directly with community members, provided insights into its work, and created opportunities for collaboration and knowledge sharing.

INNOVATION CHALLENGE PITCHING AND PRIZE GIVING EVENT

MKRI attended the Innovation Challenge Pitching and Prize Giving event hosted by the eThekwini Maritime Cluster (EMC), which marked the conclusion of the first phase of the competition. The purpose of the event was to showcase innovative ideas presented by participants, assess their feasibility and potential impact, and formally recognise outstanding projects through the awarding of value prizes. Furthermore, the event served as a transition into the second phase of the competition, during which selected winners will utilise their awarded value prizes to further develop and refine their prototypes. The presentations featured entries under the Ocean Marine Resources Challenge and the Ocean Plastic Challenge.

OCCUPATIONAL HEALTH AND SAFETY WORKSHOP

MKRI held an Occupational Health and Safety (OHS) Awareness Workshop as part of its ongoing commitment to ensuring a safe and compliant working environment. The workshop provided staff with key insights into occupational health and safety protocols, risk identification, and mitigation strategies. It also reinforced the importance of adhering to regulatory requirements and fostering a shared responsibility for workplace safety.

KZN PROVINCIAL TOURISM MASTER PLAN PSC

On 26 March, the Provincial Tourism Master Plan PSC convened at the MKRI campus to review progress on this significant provincial initiative. This marked the fourth PSC meeting, with discussions primarily focused on the Draft Strategic Framework. MKRI continues to lead the development of the master plan in close collaboration with KZN EDTEA.

MKRI STAFF INDUCTION

On 25 March, MKRI successfully conducted a staff induction session, during which all MKRI units presented their mandated roles and responsibilities.

CAREER GUIDANCE EXPO AND CAPACITY BUILDING

On the 5th of March MKRI participated in the KwaMashu Christian Centre Career Guidance EXPO and Capacity Building for the Phoenix, Inanda, Ntuzuma & KwaMashu.

UPCOMING

27 April 2026: Freedom Day Commemoration @ Alfred Duma Indoor Sports Centre, uThukela District

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MARKET INSIGHTS REPORT

SUMMARY HIGHLIGHTS

EXECUTIVE SUMMARY

This Market Insights Report provides a comprehensive overview of key economic sectors in KwaZulu-Natal (KZN), highlighting market performance, trends, and emerging opportunities. Drawing on secondary data sources, the report synthesizes secondary data to inform strategic planning, investment decisions, and policy development.

The report begins with an overview of KZN's economic performance, which suggests that KZN's growth remains service-driven, with resilience concentrated in knowledge-intensive and digital-oriented activities, while production and extractive sectors continue to lag due to structural bottlenecks. This report highlights significant contributions from manufacturing, agriculture, maritime, tourism, and emerging green industries. In the market analysis section, each market is examined in detail:

·**Manufacturing – Automotive:** KZN remains a regional hub for automotive production, with established manufacturers and a growing network of suppliers supporting domestic and export markets.

·**Agriculture and Agro-processing:** The industry demonstrates robust production capacity in sugar, horticulture, and livestock, complemented by value-adding agro-processing activities, contributing to employment and food security.

·**Maritime:** The sector encompasses the manufacturing marine equipment and components (including engines, hulls, and navigation systems), the provision of ship and boat building inputs such as steel, fabrication, and engineering services, as well as fishing and aquaculture harvesting activities.

·**Tourism and Leisure:** The province continues to attract domestic and international visitors, leveraging coastal, cultural, and eco-tourism assets, while adapting to evolving travel preferences.

·**Green Industries:** Emerging opportunities in renewable energy, waste management, and sustainable technologies signal potential for economic diversification and investment in sustainable growth.

The report identifies the province's growth trajectory is shaped by a combination of infrastructure gaps, energy challenges, regulatory constraints, skills deficits and external economic pressures, all of which require coordinated policy and investment responses to enable sustainable and inclusive development. Key opportunities focus on private sector investment, public-private partnerships, and policy support. These include scaling value-added manufacturing, expanding agro-processing,

OVERVIEW OF THE MARKETS

Manufacturing – Automotive

KZN is a strategic automotive hub anchored by the Toyota Prospecton plant and the Port of Durban. The sector features a strong export-oriented manufacturing base for internal combustion engines alongside a rapidly growing, import-driven segment for affordable passenger vehicles from China and India.

Agriculture and Agro-processing

The province is one of South Africa's most agriculturally productive regions, with integrated value chains spanning sugarcane, horticulture, livestock, forestry, and food processing. Agro-processing is the largest manufacturing sub-sector, supporting rural employment and food security.

Maritime

KZN is South Africa's maritime heartland, encompassing of the manufacturing of marine equipment and components (including engines, hulls, and navigation systems), the provision of ship and boat building inputs such as steel, fabrication, and engineering services, as well as fishing and aquaculture harvesting activities.

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Tourism and Leisure
KZN leads in domestic tourism, capturing the largest share of overnight trips in 2025. Its offerings include coastal, nature, cultural, and events tourism. While domestic volumes are strong, international market share remains low compared to the Western Cape.

Green Industries
The province is positioned as a national priority for green hydrogen commercialisation through the "Hydrogen Valley" corridor. Biomass (from sugar and forestry) remains the dominant renewable energy source, with growing applications in co-generation and biomaterials.

TOP PLAYERS

Automotive
- Toyota South Africa Motors (24.8% market share) – major manufacturer in Prospecton.
- Suzuki Auto SA (12.0%) – leading importer of affordable vehicles.
- Volkswagen Group Africa (10.7%), followed by Hyundai, Ford, and fast-growing Chinese/Indian brands like GWM, Chery, and Mahindra.

Agriculture & Agro-processing
- Sugar: Illovo Sugar Africa, Tongaat Hulett, RCL Foods.
- Food & Beverage: RCL Foods, Tiger Brands, Nestlé SA, Clover.
- Poultry: Astral Foods, Rainbow Chicken.
- Forestry: Sappi, Mondi Group.
- Horticulture: Dole SA, Komati Foods, Rhodes Food Group.

Maritime
- Transnet National Ports Authority (TNPA) and Transnet Port Terminals (TPT) dominate port operations.
- Grindrod, Imperial Logistics (DP World Africa) – key logistics players.
- Damen Shipyards and Southern African Shipyards – shipbuilding and repair.

Tourism
- Accommodation: Southern Sun, Tsogo Sun, Sun International, Beekman Group.
- Attractions: Ezemvelo KZN Wildlife, private game reserves.
- Events: Durban ICC (World Trade Centre Durban).
- Destination management: Tourism KwaZulu-Natal (TKZN), South Coast Tourism & Investment Enterprise.

Green Industries
- Biomass: Sappi, Mondi, Illovo Sugar, Tongaat Hulett.
- Green Hydrogen: Sasol, Anglo American, HDF Energy.
- Institutional enablers: Richards Bay Industrial Development Zone (RBIDZ), Dube TradePort.

KWAZULU NATAL ECONOMIC PERFORMANCE OVERVIEW

The KwaZulu-Natal economy showed uneven growth between 2018 and 2025. The primary sector (agriculture, forestry, fishing, mining) was weak, with most sub-sectors contracting—fishing (-4.6%), coal mining (-7.1%), and gold mining (-10.7%)—reflecting environmental stress and declining productivity. Only metal ore mining grew modestly (2.6%).

The secondary sector (manufacturing, utilities, construction) displayed mixed performance. Food, beverages, and tobacco grew (1.8%), as did electrical machinery (1.7%), but construction (-4.9%) and petroleum/chemical products (-2.7%) declined due to weak investment and energy constraints.

The tertiary sector was the main growth driver, with real estate (3.6%), post and telecommunications (3.4%), and business services (2.4%) leading. Overall, KZN's growth remains service-driven, while production and extractive sectors lag due to structural bottlenecks.

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CHALLENGES

Automotive

•Declining share of locally manufactured vehicles (imports account for 73% of sales).

•High logistics costs due to inefficient ports and collapsed rail networks.

•Load shedding and infrastructure instability disrupt production.

•Slow transition to New Energy Vehicles (NEVs) due to policy delays and lack of charging infrastructure.

Agriculture & Agro-processing

•Biosecurity threats: persistent Foot-and-Mouth Disease outbreaks restricting exports.

•Climate change causing unpredictable weather and yield disruptions.

•Poor rural roads, port inefficiencies, and limited cold-chain infrastructure.

•Smallholder farmers face high input costs and limited access to finance due to communal land tenure.

Maritime

•Port congestion and infrastructure decay at Durban and Richards Bay.

•High capital requirements and regulatory complexity limiting private investment.

•Skills shortages in specialised maritime engineering.

•Vulnerability to global decarbonisation trends affecting coal exports.

Tourism

•Infrastructure gaps (water supply, roads) in coastal towns and rural nodes.

•Safety perceptions deterring international tourists, particularly in the luxury segment.

•Seasonality leading to uneven revenue and employment.

•Low international market share (~5% of national room nights).

Green Industries

•High capital expenditure for electrolysers, renewable energy, and storage systems.

•Regulatory delays (water licenses, grid-wheeling) creating investment uncertainty.

•Logistics constraints hindering the development of an integrated Hydrogen Valley.

•Green hydrogen currently more expensive than grey hydrogen without carbon pricing.

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OPPORTUNITIES IDENTIFIED

Industry	Summary of Key Opportunities
Manufacturing – Automotive	Strategic policy reforms can restructure tariffs and create balanced incentives to deepen localisation and support local manufacturing. The 150% tax incentive for electric and hydrogen vehicles offers a pathway to establish South Africa as a New Energy Vehicle (NEV) manufacturing hub for Africa, supported by a finalised battery policy and hybrid incentives. Expanding exports under the African Continental Free Trade Area (AfCFTA) can reduce reliance on European markets, while modernising ports and rail infrastructure will lower logistics costs and improve competitiveness. Additionally, rising imports create strong growth potential in the automotive aftermarket for parts, service, and repair.
Agriculture and Agro-processing	Investment in agro-processing hubs, including the R2 billion Richards Bay facility for macadamias, avocados, and timber, alongside district agri-parks, will bring processing closer to smallholder farmers and reduce logistics costs. New export protocols for beef, citrus, and avocados open access to markets such as Saudi Arabia, China, Vietnam, and Japan. The commercialisation of cannabis and hemp (2025–2030

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Industry	Summary of Key Opportunities
	priority) taps into medicinal and industrial textile value chains. Climate-smart agriculture, precision farming, and on-farm renewable energy projects are expanding, supported by blended finance schemes and skills programmes targeting youth and women inclusion.
Maritime	Expansion and modernisation of port infrastructure will improve efficiency and accommodate growing trade volumes. AfCFTA provides a platform to increase regional trade flows through KZN's ports. Rising demand for ship repair and maintenance services offers new revenue streams, while aquaculture development can boost high-value seafood exports. Strengthening local marine manufacturing and component production reduces import dependence, and increased private sector participation in port and logistics operations drives competitiveness and innovation.
Tourism and Leisure	Large-scale infrastructure investments will enhance destination competitiveness and visitor experience. Digital marketing and online platforms expand reach to domestic and international audiences. Sustainable and community-based tourism, particularly cultural and heritage offerings, aligns with growing demand for authentic experiences. KZN's proximity to Mozambique and Eswatini creates cross-border tourism opportunities, while expansion of events, conferences, and business tourism (MICE) helps stabilise year-round demand and reduce seasonality.
Green Industries – Biomass and Green Hydrogen	National Just Energy Transition Investment Plan (JET-IP) funding provides a catalyst for decarbonisation and job creation projects. Establishing a vanadium battery manufacturing hub positions KZN as a leader in energy storage, a complementary industry to green hydrogen. Positioning the province as a "Green Gateway" under AfCFTA enables export of green fuels and bio-based materials to Africa. The convergence of Big Data, AI, and bioinformatics drives innovation across the green economy, keeping the province at the forefront of technological advancement.

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CONCLUSION AND RECOMMENDATIONS

KwaZulu-Natal's economy is characterised by a mix of mature, export-oriented sectors (automotive, maritime, agriculture) and emerging high-potential industries (green hydrogen, tourism diversification). While the province has significant strategic assets (i.e. ports, manufacturing capacity, agricultural land, and tourism appeal), structural challenges such as infrastructure decay, regulatory delays, and market concentration constrain growth. Addressing these barriers through coordinated public-private action is essential to unlock inclusive, sustainable development.

Recommendations by Stakeholder Group

For Provincial Government:

·Infrastructure: Prioritise port and rail modernisation, rural roads, and reliable energy supply.
·Policy & Regulation: Finalise the South African Automotive Masterplan, streamline green energy approvals, and strengthen biosecurity systems.
·Industrial Development: Invest in agro-processing hubs, green industrial zones (RBIDZ, Dube TradePort), and tourism infrastructure.
·Market Access: Leverage AfCFTA to expand exports; develop international marketing for tourism and green products.

For Funders & Financial Institutions:

·Blended Finance: Provide risk-sharing mechanisms for emerging farmers, black industrialists, and green energy projects.
·SME Support: Concessional loans for automotive component suppliers, tourism SMMEs, and agro-processors.
·Green Investment: Fund EV infrastructure, hydrogen projects, renewable energy, and industrial symbiosis initiatives.
·Export Finance: Support export-oriented sectors (horticulture, green fuels) with tailored financing.

For Industry Bodies & Sector Stakeholders:

·Coordination: Strengthen collaboration across value chains (OEM-supplier, farmer-processor, port-logistics).
·Skills Development: Align training with emerging needs (EV technology, precision agriculture, maritime engineering, green skills).
·Innovation: Promote adoption of digital tools, automation, and climate-smart practices.
·Market Expansion: Develop regional export strategies under AfCFTA and position KZN as a "Green Gateway" for Africa.

By implementing these targeted interventions, KZN can enhance competitiveness, attract investment, and drive inclusive economic growth across its key sectors.