SHIFTING GROUNDS – THE EVOLVING BUSINESS LANDSCAPE OF DURBAN, AND SA CITIES.

HOW THE NUMBER OF BUSINESSES IN DURBAN HAS CHANGED OVER THE YEARS

DATA STORY

Introduction

The following article researches Durban's evolving economic tapestry, illuminating the ebb and flow of businesses across the city from 2015 to 2024. At its core, this data story tracks how the local enterprise landscape has changed, pinpointing which sectors and areas have thrived, which have stalled, and what factors have shaped these shifts. By examining these patterns, the article underscores both the vulnerabilities in Durban's commercial environment and the resilience that continues to drive pockets of growth.

1. National Context: The Five Largest Metros

Table 1: Major Metro Firms Trends

Metro	Growth (2015–2021)	Change (2021–2024)	Change (2023–2024)
Cape Town	+10,117	+997	**–1,130**
Tshwane	+9,344	+618	**–1,129**
Johannesburg	+9,256	**–1,798**	**–3,300**
Ekurhuleni	+4,770	**–107**	**–1,456**
eThekwini	+7,306	**–887**	**–1,446**

(Source: National Treasury, 2025)

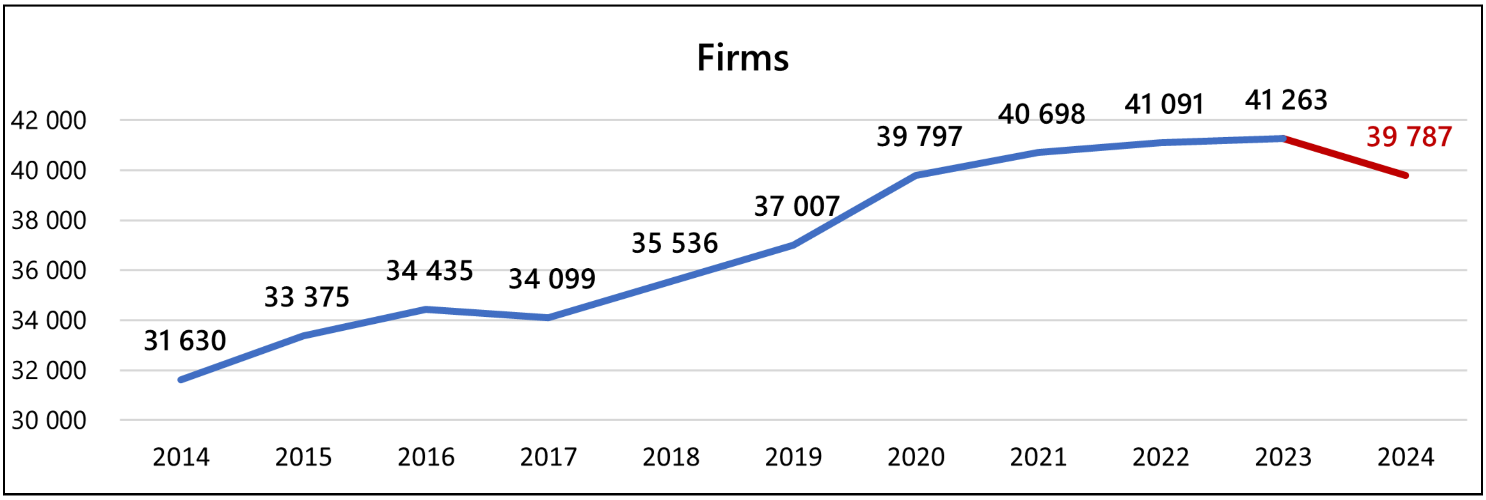
In comparing Durban (eThekwini) with South Africa's four other biggest metros—Cape Town, Johannesburg, Tshwane (Pretoria), and Ekurhuleni—several trends stand out:

a. Long-Term Growth (2015–2024): All five metros show positive net firm increases. Cape Town leads with +11,113 new establishments, while Tshwane boasts the highest percentage jump (+24.36%). Durban, with +6,418 establishments, has grown by +19.01%.
b. Post-2021 Dynamics: Cape Town and Pretoria posted modest gains after the pandemic but have recently reversed course. Durban and Ekurhuleni started losing firms earlier and continue to do so. Johannesburg shows the most significant single-year drop (-3,300) in 2023–24.
c. Most Recent Contractions: Every major city lost establishments between 2023 and 2024, with Durban's -1,446 representing a 3.47% decline—one of the sharper drops on record.

Notably, these parallel contractions across metros imply broader macroeconomic stressors. Load shedding, rising commodity prices, and currency volatility often dampen national business sentiment.

2. The Shifting Landscape: 2015–2024

Chart 1: eThekwini Firms by Year



(Source: National Treasury, 2025)

Table 2: Summary Table

Metric	Value
Net firm growth (2015–2021)	+7,323
Net firm loss (since 2022)	-393
Net firm loss (since 2023)	+172
Net firm loss (since 2024)	–1,476
Worst-hit area (since 2023 - CBD/Warwick)	–356
Top sector loss (since 2023 - Construction)	–104
Micro & small firm loss (2020–2023)	–1,472

(Source: National Treasury, 2025)

Durban's business environment can be divided into two distinct phases. From 2015 through 2021, the city enjoyed a period of steady firm growth, spurred by micro and small enterprise formations. Over those six years, Durban recorded +7,323 new firms, pushing the overall total from 33,375 firms in 2015 to 40,698 by 2021. This robust growth briefly extended into 2022 and 2023, albeit at a slower pace.

However, by 2024, a sharper contraction had set in: the city witnessed a net loss of 1,476 firms, reducing the total to 39,787. This downturn in 2024 represents the most significant year-on-year decline of the past decade and suggests growing pressures across multiple business segments. Such negative net losses often indicate mounting cost structures, deteriorating infrastructure, and broader macroeconomic challenges that impede the sustainability of existing firms.

3. Sectoral Contractions: Construction Under Strain

While retail and logistics have historically been recognized as vulnerable sectors, the construction industry has now emerged as Durban's biggest casualty. In 2023 alone, Specialized Construction Activities saw a net change of -104 firms, while General Building Construction lost -82 firms. Retail segments also fared poorly, non-vehicle retail recorded -102 firms, and combined retail and vehicle repair lost -71. Even gambling and betting, traditionally buoyed by entertainment spend, experienced a significant drop of -89.

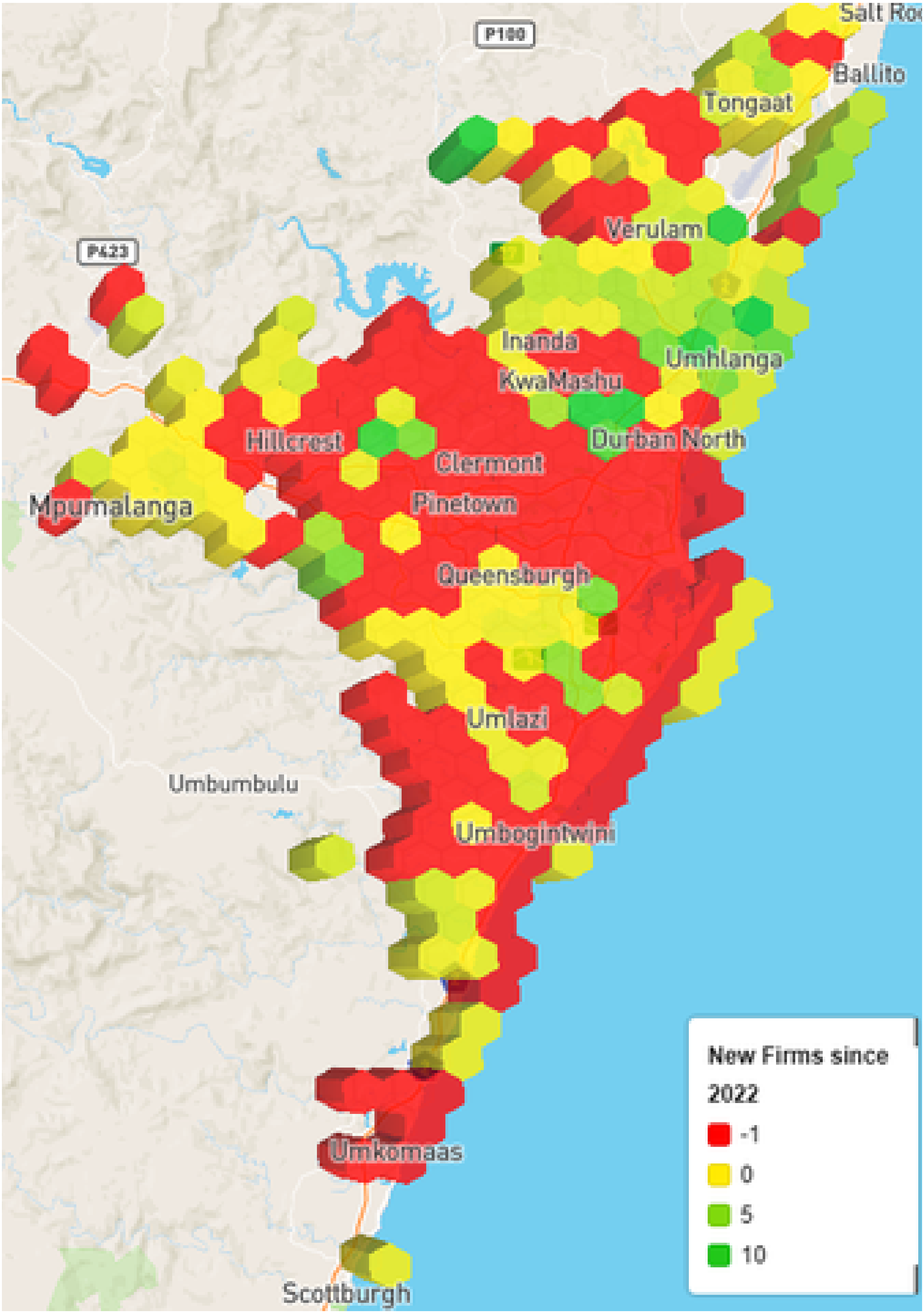
Several critical factors contribute to these losses:

a. Infrastructure Delays and Project Halts - Interruptions in planned or ongoing construction initiatives depress demand for specialized contractors and general builders.
b. Shifts in Consumer Spending - Sluggish economic conditions hamper households' discretionary spending, hitting both retail and entertainment.
c. Service Delivery Challenges - Inconsistent power supply, water security issues, and public safety concerns weigh heavily on operational costs and deter new investments.

The net loss also underscores the heavy toll experienced as a result of multiple shocks from 2020 and the inability of some smaller businesses to recover from these shocks as well as the impacts of loadshedding in 2023.

4. Geography of Firm Closures: The Inner-City Crisis

Map 1: 2022-24 Firm Changes



Salt Ro
P100
Ballito
Tongaat
P423
Verulam
Inanda
Umhlanga
KwaMashu
Hillcrest
Durban North
Clermont
Mpumalanga
Pinetown
Queensburgh
Umlazi
Umbumbulu
Umbogintwini
Umkomaas
Scottburgh
New Firms since 2022
-1
0
5
10

Table 3: Recent Declines 2023 -24

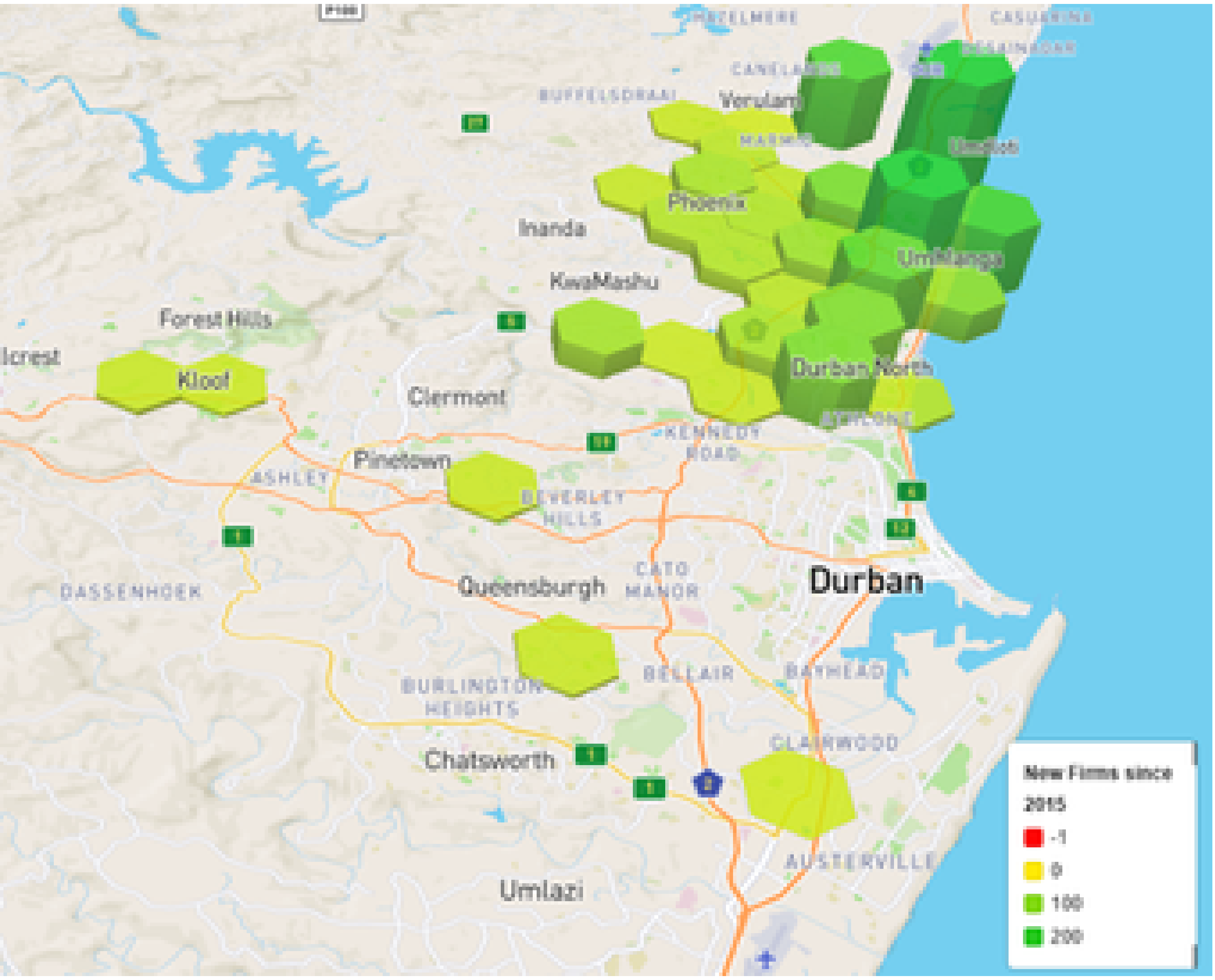
Sector	% Decline	Firms Lost
Gambling & Betting	-47.5%	-128
Extraterritorial orgs	-32.1%	-102
Mining Support Services	-23.2%	-41
Electronics Manufacturing	-13.5%	-114
Building Construction	-13.0%	-81

Geographically, Durban's historical commercial core has borne the brunt of recent firm exits. The CBD/Warwick area leads the downturn, with a net loss of -356 firms in 2023, followed by Greyville (-332) and Esplanade (-311). These areas, central to Durban's early economic development, now face a confluence of failing infrastructure, ongoing security problems, residual damage from previous floods and unrest, and insufficient reinvestment. Business losses are not only concentrated in these areas, in recent years, firm losses are also now spread out along the main N2/N3 corridors, especially from 2022 to date.

When historical hubs display such concentrated closures, local economies experience compounding effects. Reduced foot traffic triggers falling demand for ancillary services (e.g., restaurants, small shops, suppliers), eroding confidence in the area and driving existing businesses to consider more stable, decentralized locations.

5. Counterpoints of Resilience: Emerging Growth Corridors

Map 2: Firms Growth Areas 2015-2023



Despite the general contraction, certain parts of Durban continue to attract new establishments. Springfield Park posted the largest net firm growth (+665) between 2015 and 2023, followed closely by Umhlanga (+527) and New Germany (+419). Mount Edgecombe (+407) also features as a notable growth node.

What differentiates these thriving areas? They typically have better connectivity—proximity to national road corridors (N2/N3), modern facilities that lure private-sector capital, and access to higher-income consumers and skilled workforces. These factors help maintain economic momentum even when the broader market exhibits weaknesses.

Table 4: Top Sector Movers 2023 -24

Sector	2023 → 2024 % Growth	Change in Establishments
Broadcasting & Programming	+70.9%	+42
Water Supply	+29.5%	+17
Sewerage	+19.5%	+3
Fishing & Aquaculture	+7.7%	+4
Tobacco Manufacturing	+6.7%	+1

(Source: National Treasury, 2025)

Utilities and environmental services like sewerage and water supply show major growth—likely tied to infrastructure, municipal outsourcing, or environmental compliance work. Media/tech growth in sectors like broadcasting suggests rising local content production or digital media businesses. Even traditional sectors like fishing and tobacco are expanding modestly—perhaps reflecting informal sector dynamics or localized investment.

6. The Rise and Fall of Micro and Small Enterprises

Another essential piece of Durban's story involves firm size. Micro and small businesses were the engines of early growth post-2015. Yet these same segments are now the most vulnerable, with heavy losses since 2020. The data shows:

a. Micro firms: While they experienced overall growth of +771 since 2015, they have declined by -549 since 2020.
b. Small firms: They saw net growth of +1,248 since 2015, yet recorded -923 exits post-2020.
c. Medium–Large: In contrast, these firms still display modest growth (+45) in recent years.

Table 5: Small firms in trouble

Firm Size	**Growth Since 2015**	**Change Since 2020**
Micro	+771	–549
Small	+1,248	–923
Medium–Large	+2,153	+45
Dormant	–98	–65

(Source: National Treasury, 2025)

This shift underscores how cost sensitivity, infrastructure disruptions, and safety concerns can disproportionately harm smaller enterprises. These businesses typically operate on thin margins and have limited capital reserves, making them prime casualties in an unpredictable economic climate.

7. Interpreting the Signals

Several overarching themes emerge from this recent data:

a. Central City Erosion - Durban's older commercial zones are haemorrhaging firms as infrastructure quality deteriorates and safety issues mount.
b. Weakening of Small Business Resilience - Once central to Durban's entrepreneurial surge, micro and small enterprises now face harsh headwinds.
c. Geographical Polarization - Economic activity is concentrating in well-serviced, decentralized nodes particularly logistics corridors with modern infrastructure.
d. Construction Sector Stress - Construction-related industries show a deep structural risk, aggravated by stalled public and private projects.

8. Priorities for Durban's Next Steps

In light of these findings, it is imperative to act swiftly:

a. Disaster-Proof High-Risk Zones - Flood-prone and historically significant areas need targeted investments in drainage, energy stability, and roads. Improving climate resilience can prevent further mass exits.
b. Rebuild the CBD - Enhanced public safety, sanitation, and reliable municipal services are necessary to restore confidence in the city centre. A well-maintained CBD can catalyse new investments and retain existing businesses.
c. Support for Informal & Micro Enterprises - Access to working capital, streamlined licensing procedures, and safer precincts can fortify the smallest firms. Tailored interventions can sustain livelihoods and maintain the vibrant informal economy on which many communities rely.
d. Back Growth Clusters - Incentives for light manufacturing, logistics, and ICT in thriving neighbourhoods (e.g., Springfield, Umhlanga, and New Germany) could multiply existing strengths. Such policies, incentives, tax breaks, land-use flexibility, or public-private partnerships nurture sustainable growth centres.

9. Conclusion: Navigating the Way Forward

Durban’s story is one of pronounced shifts from a vibrant period of micro-led expansion to a more precarious era of closures, particularly in the city’s historic core. Vulnerable sectors such as construction and retail have incurred deep losses, confirming the immediate need for strategic, location-based interventions and dedicated support for small-scale enterprises.

The underlying message is clear: reversing Durban’s downward trajectory demands coordinated efforts, public and private, to rebuild aging zones, strengthen critical infrastructure, and create conducive environments for small business survival. While resilient growth corridors like Springfield Park and Umhlanga will continue to shine, balanced urban development requires broad-based economic inclusion, so that communities across Durban can thrive.

Although the city’s most recent data may appear disheartening, it also highlights untapped opportunities. Targeting neglected sectors and zones, while bolstering the entrepreneurial ecosystem, can offer fresh momentum.

By strategically disaster-proofing, rebuilding, and nurturing the right businesses in the right places, Durban can steer itself back onto a path of growth. The key lies in an urban development approach that is forward-thinking, evidence-based, and responsive to the city’s varied socioeconomic realities. In this pursuit, micro and small enterprises will remain a cornerstone, provided they receive sustained support and a stable environment in which to operate.

References:

1. Nell, A. Visagie, J. Spatial Tax Panel 2014-2024 [dataset]. Version 5. National Treasury - Cities Support Programme and Human Sciences Research Council [producer and distributor], 2025.