



'creating a level playing field'

SIGNIFICANT MARKET POWER ASSESSMENT STUDY FOR THE TELECOMMUNICATION MARKETS IN ZIMBABWE

October 2025

Table of Contents

PREAMBLE	1
1. INTRODUCTION	1
2. BACKGROUND	2
3. METHODOLOGY	3
A Three Step Market Analysis Process	3
Step 1: Definition of Candidate Markets	3
Step 2: Assessment of relevant markets for ex-ante regulation	4
Step 3: Designation of Operators with Significant Market Power (SMP)	5
4. MARKET DEFINITION	7
Identification of Markets susceptible to Ex-Ante Regulation	8
5. ASSESSMENT AND DESIGNATION OF OPERATORS WITH SIGNIFICANT MARKET POWER (SMP)	9
5.1.1 SMP Assessment for Market 1: Call and SMS Termination	10
5.1.2 SMP Assessment for Market 2: Fibre Backbone Network	10
5.1.3 SMP Assessment for Market 3: Mobile Voice and SMS Origination	16
5.1.4 SMP Assessment for Market 4: Fixed Broadband Retail Market	20
5.1.5 SMP assessment for Market 5: Mobile Broadband Retail Services Market	27
5.1.6 SMP assessment for market 6: Fixed Voice Retail Market	32
5.1.7 SMP assessment for market 7: Wholesale Mobile Network Access Market	36
6. PROPOSED REGULATORY REMEDIES	36
7. ONGOING SMP OVERSIGHT & ENFORCEMENT	39
8. CONCLUSION OF THE SMP STUDY	39

PREAMBLE

This report is an in-house product of the Postal and Telecommunication Regulatory Authority of Zimbabwe, in collaboration with the Lesotho Communications Authority (LCA) with the kind support of the International Telecommunications Union (ITU), who sponsored an expert to give guidance to the two regulators to conduct Competition Assessment Studies within their respective jurisdictions. The report is structured into 8 sections as follows:

Section 1: Introduction

Section 2: Background

Section 3: Methodology

Section 4: Market Definition

Section 5: Assessment and designation of operators with SMP

Section 6: Proposed Regulatory Remedies

Section 7: Ongoing SMP oversight and enforcement

Section 8: Conclusion

1. INTRODUCTION

- 1.1. The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), established under the Postal and Telecommunications Act (Chapter 12:05), section 4(h) is mandated *“to maintain and promote effective competition between people engaged in the provision of postal and telecommunication services and any activities connected therewith.”* A cornerstone of this mandate is the vigilant oversight of market dynamics to prevent anticompetitive behaviour and ensure a level playing field.
- 1.2. Accordingly, this Significant Market Power (SMP) study was initiated by POTRAZ to transition from anecdotal concerns to an evidence-based analysis of competition within Zimbabwe's telecommunications sector. The findings and conclusions presented herein are pivotal as they serve to inform the development of a robust, transparent, and effective competition management framework, ensuring that POTRAZ's regulatory interventions are precisely calibrated to promote sustainable competition, protect consumer welfare, and ultimately drive the digital transformation of Zimbabwe's economy. This report is a testament to POTRAZ's commitment to evidence-based regulation and its unwavering mission to cultivate a telecommunications sector that is both thriving and equitable.

Do you agree that transitioning from "*anecdotal concerns to an evidence-based analysis*" is the correct approach to address competition issues in the telecommunications sector? Please explain your view.

2. BACKGROUND

- 2.1. The Zimbabwean telecommunications sector has undergone significant transformation since its liberalization in year 2001, evolving from a state-owned monopoly to a multi operator market. This evolution was envisioned to drive down prices, improve service quality, and accelerate innovation through enhanced competition. Over the past decade, however, the market dynamics have exhibited trends that have raised concerns among industry stakeholders, policymakers, and the regulator alike. Key indicators began to signal a departure from a relatively competitive environment towards a more concentrated market structure. This is despite the adoption of the converged licensing framework, whose main objective was to open the sector to more players to enhance competition. Whilst more operators have been licensed, there has not been much improvement in effective competition. Markets for telecommunication services remain highly concentrated with a few dominant operators commanding well beyond 25% market shares across all market segments.
- 2.2. In direct response to these evolving market conditions and stakeholder apprehensions, POTRAZ initiated a public discourse through the Consultation Document on Designation of Significant Market Power (SMP) Guidelines in 2022. The consultation confirmed growing concerns from a wide range of stakeholders regarding increasing market concentration and potentially anti-competitive practices within the sector. The feedback received painted a picture of an increasingly oligopolistic market structure, a trend observed globally but one that demands a tailored, evidence-based regulatory response to safeguard and enhance competition.
- 2.3. The consultation served two primary purposes. Firstly, to formally acknowledge the competition concerns and initiate a dialogue with the industry. Secondly, to solicit critical input on the proposed methodology, market definitions, and potential remedies for designing the SMP framework. The successful consultative engagements finalised the formulation of SMP Designation Guidelines that were used in this Study.

Does this "Background" section provide a clear, accurate, and complete foundation for understanding the current competition issues that this SMP study aims to address? If not, what is missing or misrepresented?

3. METHODOLOGY

A Three Step Market Analysis Process

- 3.1. This market study was conducted using a structured, three-step methodological framework to ensure a comprehensive and evidence-based assessment. The concrete implementation of each step was tailored to the specific context of Zimbabwe, with careful consideration given to local institutional arrangements, the national legal framework, and unique sector-specific circumstances. Considerations were also made to the provisions of the Competition Act of Zimbabwe.
- 3.2. The process entailed defining candidate markets, followed by the identification of markets for potential regulation and then the designation of operators with Significant Market Power (SMP). The three steps were carried out for each defined market as detailed below.

Step 1: Definition of Candidate Markets

- 3.3. The definition of relevant markets is a foundational step in ex-ante regulatory analysis. From a regulatory perspective, the primary objective is to define markets specifically where the risk of unfair competition is anticipated. This targeted approach ensures that market definitions are constructed to facilitate effective regulatory intervention to prevent anti-competitive outcomes. We did not use the Small but Significant, Non-transitory Increase in Price ("SSNIP") test to identify suppliers of substitute services who are able to exert competitive constraints on the supply of the focal service in the relevant market as stipulated in the POTRAZ SMP Guidelines as we observe that there has not been effective price competition in the various markets as all tariffs for telecommunication services are regulated through tariff thresholds set by the Authority on a cost assessment basis.
- 3.4. Accordingly, POTRAZ conducted a comprehensive analysis of the ICT sector to identify and define a broad range of candidate markets. This was achieved by examining the sector's structure, competitive dynamics, and overall performance in a forward-looking manner. Products and services were grouped into distinct markets on a national level, based on key characteristics, including their functionality, intended use, and substitutability, as well as at functional level i.e. (wholesale versus retail). Competitive conditions were found to be substantially the same across the country, representing a geographic market covering the whole country. No distinction was

made between residential and business offerings, as there are no separate markets for different speeds or access technologies.

Do you agree that the structured, Three-step framework (market definition, identification for regulation, SMP designation) is a sound and comprehensive methodology for this SMP study? Please explain your reasoning.

Step 2: Assessment of relevant markets for ex-ante regulation

3.5. The Three Criteria Test (TCT) was used to identify relevant markets that are susceptible to ex ante regulation. The following three characteristics were considered in identifying markets susceptible to ex-ante regulation:

- i. ***There must be high and non-transitory barriers to entering the market. This entailed assessing how difficult it is for competitors to enter the market or for existing competitors to expand their offerings.***

Factors considered include:

- a. Existence of sunk costs incurred building a telecoms network.
 - b. Control of infrastructure that cannot be easily duplicated, for example because it is not economically profitable to replicate an incumbent's network or there are other barriers such as licensing barriers.
 - c. Technological advantages or superiority.
 - d. Easy or privileged access to capital or financial resources.
 - e. Economies of scale and / or economies of scope which create significant barriers to entry.
 - f. Vertical integration, particularly where a vertically integrated supplier controls an important upstream input.
 - g. Barriers to develop distribution and sales network.
 - h. Products or services diversification.
- ii. ***The structure of the market must be such that the market does not tend towards effective competition within the next two years. This entailed assessing whether a candidate market would tend towards effective competition without regulatory intervention.***

Indicators include:

- a. Current and historic market shares.
 - b. Control of infrastructure that cannot easily be duplicated.
 - c. Products or services diversification (e.g. bundled products or services where the use of bundles can restrict consumer choice).
 - d. Barriers to expansion.
 - e. Potential competition.
- iii. **Competition law / policy alone must be insufficient to adequately address any possible market failure(s).**

This entailed assessing whether existing (ex post) competition law is sufficient to address any potential anti-competitive practice in the market under consideration. Factors considered include:

- a. Degree of generalisation of non-competitive behaviour.
- b. Degree of difficulty in addressing non-competitive behaviour.
- c. Whether anti-competitive behaviour brings about irreparable damage in related or connected markets.
- d. Need for regulatory intervention to ensure the development of effective competition in the long run.

Do you agree that the Three-Criteria Test is the correct and sufficient framework for determining which markets warrant ex-ante regulation? Please explain your view.

Step 3: Designation of Operators with Significant Market Power (SMP)

- 3.6. The final phase involved a detailed assessment of operators identified as candidates for possessing Significant Market Power (SMP), which refers to an entity's ability to act independently of competitive pressures, competitors, and consumers. Accordingly, a thorough and overall forward-looking analysis of the economic characteristics of each relevant market was undertaken using the following:
- a. market shares and market share trends.
 - b. control of infrastructure not easily duplicated.

- c. economies of scale and scope.
- d. barriers to entry and expansion.
- e. countervailing buyer power.
- f. Technological superiority
- g. prospects for competition.

3.7. Considerations were also made to the provisions of the Competition Act of Zimbabwe which states that:

(2) A person has substantial market control over a commodity or service if—

(a) being a producer or distributor of the commodity or service, he has the power, either by himself or in concert with other persons with whom he has a substantial economic connection, profitably to raise or maintain the price of the commodity or service above competitive levels for a substantial time within Zimbabwe or any substantial part of Zimbabwe.

(b) being a purchaser or user of the commodity or service, he has the power, either by himself or in concert with other persons with whom he has a substantial economic connection, profitably to lower or maintain the price of the commodity or service below competitive levels for a substantial time within Zimbabwe or any substantial part of Zimbabwe.

(3) An agreement, arrangement or understanding to engage in a restrictive practice is presumed to exist between two or more persons if—

(a) any one of them owns a substantial shareholding, interest or similar right in the other or they have at least one director in common; and

(b) any combination of them is involved in such restrictive practice; unless the person concerned, or the directors can establish the absence of an agreement.

Is this list of criteria comprehensive? Are there any other critical indicators of market power that should have been included in the assessment?

Does the methodology used in this SMP study appear consistent with this legal definition from the Competition Act? If not, what else should be considered

4. MARKET DEFINITION

4.1 The Authority defined the markets in line with details provided in the methodological approach explained above. Seven relevant markets were analysed and defined for this study as indicated below.

Table 1 : Markets Definition

	Priority Market	Market Definition	Market players
Market 1	Call and SMS termination market	The call and SMS termination market is a wholesale, operator-specific monopoly market that plays a critical role in ensuring effective interconnection and call termination.	All operators that offer voice and SMS termination services
Market 2	Fibre Backbone networks (national data connectivity and transmission)	The backbone market or infrastructure refers to the core, high-capacity transmission systems that provide wholesale Internet access to various other telecom networks.	TelOne, Liquid, Powertel, Africom, Telecontract, DFA, Dandemutande, BCS
Market 3	Mobile voice and SMS origination (Retail)	Retail telecommunications market where mobile voice and messaging services are provided directly to end-users i.e., individuals or business users through mobile networks.	Econet, NetOne Telecel,
Market 4	Fixed Broadband market (retail)	Fixed broadband services are provided directly to end-users including Fiber to the Home (FTTH), xDSL, Cable, Fixed Wireless Access (FWA) and Satellite services.	TelOne, Liquid, Powertel, Africom, Telecontract, DFA, Dandemutande, Starlink
Market 5	Mobile Broadband (retail)	This is a retail market where mobile broadband services are provided directly to end-users via mobile networks using various mobile technologies i.e., 3G; 4G; 5G, amongst others	Econet; NetOne; Telecel
Market 6	Fixed Voice Origination Market	This is a retail telecommunications market where fixed services are provided directly to individual or business users through fixed networks.	TelOne, Liquid VoIP, Africom TelOne, Africom
Market 7	Wholesale mobile network access	This is a wholesale market where companies purchase mobile network services such as Voice, SMS, mobile broadband and USSD for resale to end users. Key companies that buy the wholesale mobile network access include Mobile Virtual Network Operators (MVNOs), fintech players and Aggregators.	Telecel, Econet, NetOne

Besides the 7 markets identified, are there any other markets that you believe are sufficiently important and distinct to warrant their own analysis and potential regulation? Please provide a justification.

Identification of Markets susceptible to Ex-Ante Regulation

4.2 The second phase entailed assessing the defined markets to identify those warranting consideration for ex-ante regulation. This selection was guided by the internationally recognized Three Criteria Test (TCT) established by the International Telecommunication Union (ITU, 2016), where a market is designated as a "priority market" only if it meets all three of the following conditions:

i. High Barriers to Entry

The market exhibits significant and persistent obstacles that deter new entrants or the expansion of existing competitors.

ii. Non-Conducive Market Structure

The market's structure shows a clear tendency away from effective competition over the long term.

iii. Insufficiency of Competition Law

The application of general competition law (ex-post intervention) alone is deemed insufficient to address potential market failures in a timely and effective manner.

Table 3 : Selection of Markets for Ex – ante Regulation using the Three Conditions Criteria (TCC)

		High barriers to market entry exist?	The market structure does not tend towards effective competition?	Competition law alone would not be enough to address market failure?	Inclusion in market study?
1	Call and SMS termination market	Yes	Yes	Yes	Yes
2	Fibre Backbone networks (national data connectivity and transmission)	Yes	Yes	Yes	Yes
3	Mobile Voice and SMS origination	Yes	Yes	Yes	Yes
4	Broadband market - Fixed (FTTH, Satellite (Starlink))	Yes	Yes	Yes	Yes

		High barriers to market entry exist?	The market structure does not tend towards effective competition?	Competition law alone would not be enough to address market failure?	Inclusion in market study?
5	Broadband market – Mobile Network Operators	Yes	Yes	Yes	Yes
6	Fixed Voice Origination Market	Yes	Yes	Yes	Yes
7	Wholesale mobile network access	Yes	Yes	Yes	Yes

4.3 All the defined seven (7) markets were assessed and found to meet all the Three Criteria Test (TCT) that warrant ex-ante regulation.

The study finds that all seven defined markets meet the Three Criteria Test and warrant ex-ante regulation. Do you agree with this broad scope of regulatory intervention across the entire sector? Why or why not?

5. ASSESSMENT AND DESIGNATION OF OPERATORS WITH SIGNIFICANT MARKET POWER (SMP)

- 5.1. The next phase involved a detailed assessment of each priority market to identify any operator possessing Significant Market Power (SMP) defined as “the ability to act independently of competitive pressures, competitors, and consumers.” The industry consultation that was carried out in 2022 recommended that an operator with market share of **at least 25%** be considered as dominant. It was therefore necessary to calculate the market share on revenues, subscriber numbers, production capacity and other relevant units of measurement of the operators operating in the relevant markets. Designation was not only based on the 25% market threshold, but on a holistic evaluation of other qualitative factors as cited in the POTRAZ SMP Designation Guidelines as follows:
- i. Control of infrastructure that is necessary for the provision of the services in question.

- ii. Dominance in a related market and therefore can exercise power in the market for the telecommunications services in question.
- iii. Position in a market in another country or a relationship with providers in another country that can be used to exercise market power in respect of the relevant class of telecommunications services in country.
- iv. Control of infrastructure not easily duplicated.
- v. Technological and commercial advantages or superiority.
- vi. Conclusion of long-term and sustainable access agreements.

Do you agree with the qualitative factors considered in assessing SMP? If not, provide your views.

5.1.1 SMP Assessment for Market 1: Call and SMS Termination

The market for fixed and mobile call and SMS termination was declared a natural monopoly and all operators offering call and SMS termination were found to have SMP. This includes all operators offering call and SMS termination services such as NetOne, Telecel, TelOne and Internet Access Providers (IAPs) offering VoIP are dominant operators for call and SMS termination market.

Do you agree with the assessment of market for Call and SMS termination services? Please explain your reasoning.

5.1.2 SMP Assessment for Market 2: Fibre Backbone Network

- 5.1.2.1 The following table shows market shares for players in the fixed backbone networks market based on ownership and length of fibre backbone networks, subscriptions and revenue.

Table 4: Market share Fibre Backbone as of June 2025

	KM Fibre Backbone ownership in Q2 2025	KM Fibre Backbone Market share	Revenue Market Shares	Subscriptions Market Shares
TelOne	4,046	25.17%	26.52%	45.35%
Liquid	4,631.40	28.81%	48.87%	39.91%
Dandemutande	449	2.79%	5.60%	1.52%
Telecontract	893	5.56%	0.67%	0.95%

Powertel	3,613	22.48%	9.26%	0.88%
DFA	475.60	2.96%	3.41%	0.13%
BCS	1,700	10.58%	-	-
Africom	266	1.65%	0.50%	0.09%
Starlink	-	-	5.17%	11.18%
Total	16,074			

5.1.2.2 From the table above, Liquid and TelOne each command more than 25% of market share of backbone fibre roll out, which is essential infrastructure in the provision of fixed broadband access and hence wield SMP.

Are there any additional indicators you believe would provide a more accurate assessment of the Fibre backbone market? Please provide a detailed justification for your proposed additions or removals.

5.1.2.3 A further assessment using other factors such as dominance in a related market, control of infrastructure not easily duplicated, conclusion of long-term and sustainable access agreements technological and commercial advantages or superiority as well as position in a market in another country or a relationship with providers in another country that can be used to exercise market power were also considered. Liquid and TelOne again emerged as having SMP as the other operators that were assessed do not have characteristics that would qualify them as candidates for SMP designation as shown in the table below:

Table: SMP assessment of players in the backbone network market

		Liquid	TelOne	Powertel	Africom	Telecontr act	DFA	Dandem utande	BCS
1	It has at least 25% of market share based on KMs fibre?	Yes	Yes	No	No	No	No	No	No
2	It has less than 25% market share but controls some infrastructure that is necessary for the provision of the services in question? (Connectivity LINKS)			No	No	No	No	No	No

		Liquid	TelOne	PowerTel	Africom	Telecontr act	DFA	Dandem utande	BCS
3	It has less than 25% market share but has dominance in a related market and therefore is able to exercise power in the market for the telecommunications services in question			No	No	No	No	No	No
4	It has less than 25% market share but has a position in a market in another country or a relationship with providers in another country that can be used to exercise market power in respect of the relevant class of telecommunications services in Zimbabwe?			No	No	No	Yes	No	Yes
5	It has less than 25% market share but has control of infrastructure not easily duplicated.			No	No	No	No	No	No
6	It has less than 25% market share but has technological and commercial advantages or superiority.			No	No	No	No	No	No
7	It has less than 25% market share but has conclusion of long-term and sustainable access agreements.			No	No	No	No	No	No
Do the 7 criteria give the licensee the ability to exercise market power?		Yes	Yes	No	No	No	No	No	No
Declared Dominant		Yes	Yes	No	No	No	No	No	No

5.1.2.4 Assessment of Liquid Intelligent Technologies

Summary of proposed determination of Liquid SMP Assessment

Key Market shares	2020	2025	Results of other criteria applied for SMP
Revenue Market	65.50%	49.63%	- Liquid control of infrastructure not easily duplicated - Existence of economies of scale and scope - Existence of barriers to entry and expansion - Lack of countervailing buyer power
Subscriptions	17.70%	39.91%	
Fibre backbone	33.32%	28.81%	

International Internet connectivity links	84.22%	83.07%	- Lack of prospects for competition - Brand Loyalty and Reputation - Easy or privileged access to capital or financial resources.
---	--------	--------	---

5.1.2.5 Detailed Assessment of Liquid's SMP Characteristics

i. Market share dynamics

In reaching our determination that Liquid wields SMP in the backbone networks market, we considered the fact that Liquid's market share is well above the 25% threshold as per SMP guidelines. Liquid's market shares and leadership have not changed for the past 5 years. This signals a dearth of effective competition. Due consideration was also given to the existence of high entry barriers emanating from the magnitude of sunk costs in view of Liquid's relatively extensive fibre infrastructure.

ii. Economies of scope and scale

In terms of economies of scale and scope, Liquid has significant cost advantages over its competitors due to its scale within this market in terms of subscriptions and service scope as it operates at both wholesale and retail levels. Liquid supplies wholesale access to Econet Wireless, which is also the biggest mobile operator as well as other operators, both fixed and mobile, offering retail Internet services. High switching costs also tend to lock in these wholesale customers. Overall, we consider that Liquid's relatively extensive fibre roll out makes it easier for it to connect new customers at lower costs due to its network assets and its scale and scope, the high barriers to entry and expansion, the increasing demand, and its significantly large market all indicate that it has the ability to act to an appreciable extent independently of its competitors, customers and consumers.

iii. Countervailing buyer power

Counter-failing buyer power is seemingly low as Econet Wireless is the biggest wholesale customer for Liquid. The two players have cross-shareholding through Cassava Holdings. Hence prospects for buyer power diluting Liquid's SMP in this market are seemingly remote.

iv. Control of infrastructure not easily duplicated

Liquid is also in control of infrastructure, not easily duplicated and hence has a significant advantage over its competitors in this market.

v. Vertical Integration

Liquid is a vertically integrated market player, offering both wholesale and retail services. This makes it possible for Liquid to leverage its market power into upstream or downstream markets as it has control over downstream and upstream markets

vi. Relationships with providers in another country

Liquid is affiliated to Econet Wireless Global a trans-regional player operating Africa's largest satellite and fibre optic system across 12 countries. Hence, Liquid is capable of easily riding on its parent company's regional presence to minimize regional transit cost of International Internet connectivity. This is also evidenced by Liquid market share in terms of International Internet connectivity links to the tune of 83.07%.

vii. Prospects for Competition

Prospects for competition have brightened with the prospect of the coming on board of new players offering Internet wholesale services using newer technologies such as NGSO, such as LEO. Noteworthy is the agreed partnership between the Liquid Global group and Eutelsat to bring Low Earth Orbit (LEO) satellite services to Africa. This means that Liquid Intelligent Technologies Zimbabwe will still be able to compete effectively with other prospective NGSO operators like Amazon Kuiper and OneWeb amongst others that have plans to offer same services in Zimbabwe and Africa at large.

Do you agree with the assessment of Liquid Intelligent Technologies? Justify your position.

5.1.2.6 Assessment of TelOne SMP

Summary of proposed determination of TelOne SMP

Key Market shares	2020	2025	Results of other criteria applied for SMP
Revenue Market	19.90%	27.32%	- Lack of countervailing buyer power - Existence of barriers to entry and expansion - Control of infrastructure not easily duplicated - economies of scale - economies of scope
Subscriptions	73.78%	45.35%	
Fibre backbone	29.11%	25.17%	
International Internet connectivity links	12.27%	11.82%	

5.1.2.7 Detailed Assessment of TelOne SMP Characteristics

i. Market share dynamics

TelOne's market share for key indicators remains above the 25% threshold, except for market share for International Internet connectivity links which remains below the 25% threshold. Noteworthy is the significant increase in its revenue market share, which could be indicative of enhanced network monetization.

TelOne is also considered to wield SMP on account of its extensive fixed access network infrastructure and is already connected to almost all premises in Zimbabwe, technological evolution has diluted its potential to exploit its first mover advantages in the fixed broadband market as it has been trailing behind Liquid since the last five years.

ii. Control of Infrastructure Not Easily Duplicated

TelOne has extensive fibre backbone over the country's main routes, and any new entrant find it difficult to duplicate the fibre deployed.

iii. Economies of Scale and Scope

TelOne has significant cost advantages over its competitors due to its scale within this market in terms of subscriptions and service scope as it operates at both wholesale and retail levels. TelOne supplies wholesale access to many internet access providers as well as to NetOne, which is the second biggest mobile operator. High switching costs also tend to lock in these wholesale customers. TelOne as a government entity also has competitive advantage when deploying its network as some of its projects are granted National project status, which allows it to access funding at low cost. This makes it easier for TelOne to connect new customers at lower costs.

iv. Existence of Barriers to Entry and Expansion

The high cost of deploying fibre makes it difficult for new players to effectively compete when it comes to provision of backbone infrastructure. A competitor faces a difficult choice to either incur the massive cost and delay building their own network or become dependent on TelOne's wholesale offerings. Both options put them at a severe competitive disadvantage against the incumbent operator.

v. Prospects for Competition

Prospects for enhanced competition in the short term are low. However, in the medium term, we expect competition to heat up with the increased roll-out of 5G networks and the potential for cloud providers to offer last mile connectivity to industrial clients and mines using private 5G networks.

Do you agree with the finding that TelOne possesses Significant Market Power? Please justify your position.

5.1.3 SMP Assessment for Market 3: Mobile Voice and SMS Origination

Based on the 25% market share threshold, Econet and NetOne were found to have joint SMP in the mobile voice and SMS origination market. The following table indicates the current market shares for the mobile voice and SMS origination market.

Table 3: Market share trends Voice and SMS origination

Voice and SMS Origination	Econet	NetOne	Telecel
Market shares (Subscribers)	72.85%	25.03%	2.12%
Voice Origination - Revenue	86.43%	13.48%	0.09%
SMS Origination - Traffic	86.30%	13.67%	0.03%

Table: SMP Assessment of players in the Voice and SMS origination market

Criteria		Econet	NetOne	Telecel
1	It has at least 25% of market share based on subscribers?	Yes	Yes	No
2	It has less than 25% market share but controls some infrastructure that is necessary for the provision of the services in question?			No
3	It has less than 25% market share but has dominance in a related market and therefore is able to exercise power in the market for the telecommunications services in question			No
4	It has less than 25% market share but has a position in a market in another country or a relationship with providers in another country that can be used to exercise market power in respect of the relevant class of telecommunications services in Zimbabwe?			No
5	It has less than 25% of the market share but has control of infrastructure not easily duplicated.			No
6	It has less than 25% of the market share but has technological and commercial advantages or superiority.			No
7	It has less than 25% of the market share but has conclusion of long-term and sustainable access agreements.			No
Do the 7 criteria give the licensee the ability to exercise market power?		Yes	Yes	No
Declared Dominant		Yes	Yes	No

Do you agree with the SMP assessment for the mobile voice origination market? If not, explain your position.

5.1.3.1 Summary of Proposed Determination of Econet SMP

Econet Wireless Zimbabwe was assessed as having SMP on account of its market shares in terms of revenue and subscriptions which far exceed the 25% threshold over the past 5 years as illustrated below:

Table: Summary of Econet's Key SMP Indicators

Key Market shares	2020	2025	Results of other criteria applied for SMP
Subscriptions	66.5%	72.85%	- Econet controls infrastructure not easily duplicated - Econet has economies of scale and scope - Existence of barriers to entry and expansion - Low countervailing buyer power - Prospects for competition are low -Barriers to entry - Relationships with other operators outside the country - Easy or privileged access to capital markets/financial resources -Existence of product/services diversification
Revenue Market	81.9%	79.68%	
Voice minutes origination	81.97%	86.43%	
Mobile Data traffic	78.4%	80.89%	
SMS origination	91.85%	86.30%	
4G base stations	66.85%	55.00%	

5.1.3.2 Detailed Assessment of Econet SMP Characteristics

i. Market share dynamics

In declaring Econet as wielding SMP, we have taken account of its current large market shares in terms of subscriptions, revenue, traffic and network infrastructure. In general, these have not changed much and remain well above 66% from 2020 except for the market share for 4G base stations that has reduced to 55% as of 30June 2025. This means that Econet has not faced any serious competition in the voice and SMS origination market over the past five years.

ii. Barriers to entry and expansion

Significant sunk costs are required to build a mobile network. More so as technology continues to evolve to facilitate high speed networks to cater for increasing usage of data hungry applications as well as Internet of Things and Artificial intelligence. Demand increasing for data continues to increase exponentially with consumption of data intensive applications such as Netflix, YouTube, Tik Tok, Facebook, amongst others.

iii. Control of infrastructure not easily duplicated

Econet also controls a sizeable portfolio of base stations across all the 4 mobile technology generations and has maintained pole position in terms of market share over the past five years as shown below:

Table 8: Critical Infrastructure Analysis

Base Stations	Econet	NetOne	Telecel
2G Base Stations	57.35%	29.20%	13.45%
3G Base Stations	48.38%	40.41%	11.22%
4G (LTE) Base Stations	51.56%	47.92%	0.52%
5G Base Stations	92.86%	7.14%	0.00%

iv. Economies of scale and scope

Econet benefits from the relative scale and scope of its operations including mobile money (Ecocash); USSD services and its mobile internet and voice services in general. It is noted that the scale and scope of Econet services are likely to be a significant factor enhancing its market power.

v. Related market analysis

Econet also wields significant dominance in the mobile money market, controlling 98,83% of the market in terms of subscriptions as shown below:

Table 9: Mobile Money Market share

	Subscription	Volume
EcoCash	98.83%	98.84%
OneMoney	1.17%	1.16%
TeleCash	0.0001%	0.0001%

vi. Prospects for Competition

We consider that the prospects for competition in this market over the course of the next two years are going to improve as government seeks to revamp State Owned Enterprises in the market through the Mutapa Sovereign Fund. However, Econet's current market position guarantees its SMP given the high barriers to entry and expansion in the mobile voice and SMS market. Also noteworthy, is the economies of scope and network effects related to the provision of mobile money services that sustain Econet's SMP.

Do you agree with the SMP assessment of Econet? If not, give reasons.

5.1.3.3 Assessment of NetOne SMP

Summary of Proposed Determination of NetOne SMP

Key Market shares	2020	2025	Results of other criteria applied for SMP
Subscriptions	28.0%	25.03%	- NetOne controls infrastructure not easily duplicated - NetOne has economies of scale and scope - Existence of barriers to entry and expansion - Existence of low countervailing buyer power - Economies of scale and scope - Easy or privileged access to capital or financial resources.
Revenue Market	16.4%	20.19%	
Voice minutes origination	16.12%	13.48%	
Mobile Data traffic	21.0%	18.91%	
SMS origination	6.42%	13.67%	
4G base stations	31.58%	44.44%	

5.1.3.4 NetOne: Detailed Assessment of SMP Characteristics

i. Market Share Dynamics

NetOne has registered declines in market shares for subscriptions, voice origination, and mobile data traffic, gaining market share for revenue, SMS origination and deployment of 4G base stations. Only market shares for subscriptions and 4G base stations are above 25%. In general, there have been marginal up and down movements in TelOne market shares, which is indicative of mild competitive pressure.

ii. Control of infrastructure not easily duplicated

NetOne also controls a sizeable portfolio of base stations across all the 4 mobile technology generations, with market shares above the 25% threshold. Although still trailing behind Econet, NetOne has made remarkable progress in rolling out 4G base stations, commanding 47.92% market share of 4G base stations compared to Econet's 51.56% as of June 2025 as shown below:

Table 8: Critical infrastructure analysis

Base Stations	Econet	NetOne	Telecel
2G Base Stations	57.35%	29.20%	13.45%
3G Base Stations	48.38%	40.41%	11.22%
4G (LTE) Base Stations	51.56%	47.92%	0.52%
5G Base Stations	92.86%	7.14%	0.00%

iii. Economies of scale and scope

Economies of scale and scope for NetOne remain weak compared to Econet. NetOne has failed to catch up with Econet in the mobile money market segment and hence has not been able to exploit the benefit of network effects that could accrue to its business.

iv. Existence of barriers to entry and expansion

Significant sunk costs are required to build a mobile network. More so as technology continues to evolve to facilitate high speed networks to cater for increasing usage of data hungry applications as well as Internet of Things and Artificial intelligence.

v. Prospects for competition

Prospects for enhanced competition in the short term are high, with the prospect of newer technologies-based services such as direct to device Internet satellite services. However, with ongoing efforts by government to revamp State Owned Enterprises in the market through the Mutapa Sovereign Fund. Whilst the growing demand for mobile data could bring aggressive competition, it could also strengthen Econet's foothold on the market through exploitation of its economies of scale and scope and general subscriber inertia to hop from one operator to the other, in the absence of number portability.

Do you agree with the assessment of NetOne SMP? If not give reasons.

5.1.4 SMP Assessment for Market 4: Fixed Broadband Retail Market

For the fixed broadband retail market, Liquid, TelOne and Starlink were assessed as having joint SMP. For Liquid and TelOne, this was determined on account of their market shares that exceed 25% in terms of revenue and subscriptions as well as other economic and strategic factors. Starlink was also designated as having SMP on account of its rapidly growing subscriptions, as well as its status as the sole provider offering end user LEO satellite services in Zimbabwe and its relationship with Space X, a global LEO satellite Internet service provider, which can be used to exercise market power in respect of the provision of fixed broadband services in Zimbabwe. The tables below show assessments done to establish the finding of SMP for players in the fixed broadband retail market based on subscriptions and revenue market share.

Table 12: Fixed Broadband Retail Market shares for revenue and subscriptions

Service Provider	Subscriptions		Revenue	
	2020	2025	2020	2025
TelOne	73.78%	50.27%	19.90%	27.32%
Liquid	17.70%	38.00%	65.50%	49.63%
Dandemutande	1.88%	1.56%	4.30%	5.98%
Telecontract	0.90%	0.93%	1.10%	0.82%
Powertel	4.49%	0.85%	8.50%	8.61%
DFA	-	0.11%	-	3.41%
Africom	1.25%	0.11%	0.70%	0.45%
Starlink	-	8.16%	-	3.79%

Table 13: Fixed Broadband Retail Market

		Starlink	TelOne	Liquid	Dandemut ande	BCS	Teleco	Powertel	DFA	Africom
1	It has at least 25% of market share based on revenues?	No	Yes	Yes	No	No	No	No	No	No
2	It has less than 25% market share but controls some infrastructure that is necessary for the provision of the services in question?	Yes			No	No	No	No	No	No
3	It has less than 25% market share but has dominance in a related market and therefore is able to exercise power in the market for the telecommunications services in question?	No			No	No	No	No	No	No
4	It has less than 25% market share but has a position in a market in another country or a relationship with providers in another country that can be used to exercise market power in respect of the relevant class of telecommunications services in Zimbabwe?	yes			No	No	No	No	No	No
5	It has less than 25% market share but has control of infrastructure not easily duplicated.	yes			No	No	No	No	No	No
6	It has less than 25% market share but has technological and commercial advantages	Yes			No	No	No	No	No	No
7	It has less than 25% market share but has conclusion of long-term and sustainable access agreements.	No			No	No	No	No	No	No
Do the 7 criteria give the licensee the ability to exercise market power?		Yes	Yes	Yes	No	No	No	No	No	No
Declared Dominant		Yes	Yes	Yes	No	No	No	No	No	No

5.1.4.1 Summary of proposed Determination of Liquid SMP

Key Market shares	2020	2025	Results of other criteria applied for SMP
Subscriptions	17.70%	39.91%	-Liquid control of infrastructure not easily duplicated
Revenue	65.50%	49.63%	-Existence of economies of scale and scope - Existence of barriers to entry and expansion - Lack of countervailing buyer power -Economies of scale and scope -Product/services diversification -Vertically integrated

5.1.4.2 Liquid: Detailed Assessment of SMP Characteristics

i. Market Share Dynamics

Liquid was assessed as having SMP on account of its revenue and subscription market shares of above 25%. Liquid has gained significant market

ii. Control of infrastructure not easily duplicated

Liquid controls the most extensive fibre infrastructure in the country at both wholesale and retail level.

iii. Economies of scale and scope

In terms of economies of scale and scope, Liquid has significant cost advantages over its competitors due to its scale within this market in terms of subscriptions and service scope as it operates at both wholesale and retail levels. Liquid's relatively extensive fibre roll out makes it easier for it to connect new customers at lower costs due to its network assets and its scale and scope, the high barriers to entry and expansion, the increasing demand, and its significantly large market all indicate that it will have the ability to act to an appreciable extent independently of its competitors, customers and consumers in the near future, albeit the competitive pressures posed by satellite providers such as Starlink

iv. Barriers to entry and expansion

While the fixed broadband retail market is easy to enter owing to the promulgation of the Statutory Instrument 12 of 2021 on Postal and Telecommunications (Licensing, Registration and Certification) Regulations, new players have not been able to effectively reduce Liquid's market share.

v. *Vertical Integration*

Liquid operates in both wholesale and retail markets. Its main retailer, Liquid Home (formerly ZOL), is the biggest retailer for fibre and fixed LTE services.

vi. *Lack of countervailing power*

For the average household, buyer power is virtually non-existent. In many areas, Liquid provides much fixed broadband connection through fibre and fixed LTE technologies. The alternative might be mobile data, which is often more expensive for high-volume use and has higher latency, making it unsuitable for applications like online gaming, video conferencing, or large downloads. This lack of a like-for-like substitute makes customers price-takers. Also, many SMEs rely on stable, affordable fixed broadband. While they may have slightly more leverage than residential users, their options are often limited. Most SMEs do not enter into long-term contracts which attract discounts on price.

Prospects for Competition

Do you agree with the overall designation of Liquid, and why? Explain your answer

5.1.4.3 **Summary of proposed determination of TelOne SMP**

Key Market shares	2020	2025	Results of other criteria applied for SMP	Proposed SMP designation
Subscriptions	73.78%	45.35%	-TelOne control of infrastructure not easily duplicated -Existence of economies of scale and scope - Existence of barriers to entry and expansion - Lack of countervailing buyer power - Economies of scale and scope -Product/services diversification	TelOne
Revenue	19.90%	27.32%		

5.1.4.4 **TelOne Detailed Assessment of SMP Characteristics**

i. Control of Infrastructure Not Easily Duplicated

The most significant cost in a fixed network is the final connection to the customer premises. TelOne's copper network, while aging, is an unparalleled asset. Duplicating this physical infrastructure digging up streets, erecting poles, and connecting individual buildings is prohibitively expensive and logistically complex for any competitor. When TelOne deploys fibre, for example Fibre-to-the-Home - FTTH, it has a massive head start. It can use its existing rights-of-way, ducting, and pole networks, significantly reducing the cost and time of deployment compared to a new entrant who must secure these rights from scratch.

In many areas, especially residential suburbs, TelOne's infrastructure is the only fixed-line connection available. This makes it a bottleneck facility. Competitors wanting to serve these customers may be forced to lease access from TelOne, placing them at an immediate disadvantage as they are dependent on their largest competitor for wholesale input.

ii. Economies of Scale and Scope

The costs of maintaining the core network, service centres, and administrative overheads are largely fixed. As the operator with the largest potential fixed-line subscriber base, TelOne spreads these immense fixed costs over more broadband customers, resulting in a significantly lower cost per subscriber. Revenue from its established voice services or other profitable segments can be used to subsidize aggressive broadband pricing. This has potential for TelOne to offer low-cost broadband packages that smaller, single-service ISPs cannot match, effectively squeezing them out of the market.

iii. Existence of Barriers to Entry and Expansion

The primary barrier is the astronomical investment needed to build a competing fixed-line network to homes, as previously described. Securing the necessary permissions from local and national authorities to deploy infrastructure is a significant barrier. TelOne, as the historic incumbent, already possesses these rights nationwide, which is an advantage built up over decades. A competitor faces a difficult choice: incur the massive cost and delay building their own network or become dependent on TelOne's wholesale offerings. Both options put them at a severe competitive disadvantage against the integrated incumbent.

iv. Lack of Countervailing Buyer Power

For the average household, buyer power is virtually non-existent. In many areas, TelOne is the only provider of a true fixed broadband connection. The alternative might be mobile data, which is often more expensive for high-volume use and has higher latency, making it

unsuitable for applications like online gaming, video conferencing, or large downloads. This lack of a like-for-like substitute makes customers price-takers. Many SMEs rely on stable, affordable fixed broadband. While they may have slightly more leverage than residential users, their options are often limited. If TelOne's service is the most reliable or cost-effective in their area, they have little power to negotiate and cannot credibly threaten to leave.

v. Product/Service Diversification

TelOne increasingly offers a suite of services, which include Fixed Voice, Fixed Broadband (ADSL & Fibre) Data Centre and Cloud Services amongst others. This diversification creates powerful switching costs. A business using TelOne for its voice, internet, and VPN services would face a complex, costly, and risky migration process to switch all these services to a new provider simultaneously. This "hassle factor" locks in customers.

Do you agree with TelOne's results? Explain your response.

5.1.4.5 Summary of Proposed Determination of Starlink SMP

The following table shows other factors that were considered to deem Starlink as having potential SMP going into the near future, albeit the prospect of new entrants in the LEO satellite Internet service retail market.

Key Market shares	2024	2025	Results of other criteria applied for SMP
Subscriptions	6.12%	11.18%	-Starlink control of infrastructure not easily duplicated -Existence of economies of scale and scope - Existence of barriers to entry and expansion - Relationships with other operators outside the country - Lack of countervailing buyer power -Technological superiority - Lack of prospects for competition
Revenue	2.44%	5.17%	

5.1.4.6 Starlink detailed Assessment of SMP Characteristics

i. Market Share Dynamics

Starlink was assessed as having SMP on account of its rapid growth in subscriptions market share to the tune of 11.18% within a year, overtaking other well established market players. Currently Starlink is already oversubscribed in urban areas subject to capacity constraints.

ii. Control of infrastructure not easily duplicated

Starlink is in control of infrastructure that is not easily duplicated as it is very expensive to deploy LEO satellite for the provision of Internet services. Currently it is the sole provider of retail broadband services using LEO satellites, which gives it a unique competitive advantage.

iii. Economies of scale and scope

Starlink has potential to enjoy economies of scale as evidenced by its popularity in both remote and rural areas due to its high speed, low latency broadband offerings at much lower prices compared to other fixed broadband providers.

iv. Barriers to entry and expansion

Barriers to entry into the retail broadband market remain high on account of the huge capital outlays required to roll out non-geostationary LEO satellite technology for broadband connectivity. This limits the number of players competing with Starlink using the same technology to offer low latency high speed broadband services. Hence, Starlink faces limited constraints in raising prices beyond competitive levels as it is currently the sole provider of retail LEO satellite broadband services.

v. Technological superiority

Starlink enjoys technological superiority in that it is using the latest satellite technology to deliver low latency, high speed retail broadband services.

vi. Lack of countervailing power

For the fixed broadband retail market, Liquid and TelOne were assessed as having SMP on account of their market shares that exceed 25% in terms of revenue and subscriptions. Starlink was also designated as having SMP on account of its status as the sole provider offering end user LEO satellite services in Zimbabwe as well as its relationship with Space X, a global LEO satellite Internet service provider, which can be used to exercise market power in respect of the provision of fixed broadband services in Zimbabwe. This is evidenced by the fast-growing increase in its subscriptions within a year, gaining 8.16% of fixed broadband end user subscriptions market share which is currently being curtailed due to capacity constraints. Otherwise, subscriptions for Starlink would have grown exponentially as it is deemed as a cheaper alternative that provides better service at higher speeds. The following table shows an analysis of the market for fixed broadband retail/end-user services.

Relationships with other operators outside the country

Starlink was also designated as having SMP on account of its status as the sole provider offering end user LEO satellite services in Zimbabwe as well as its relationship with Space X, a global LEO satellite Internet service provider, which can be used to exercise market power in respect of the provision of fixed broadband services in Zimbabwe. This is evidenced by the fast-growing increase in its subscriptions which is currently being stunted due to capacity constraints. Otherwise, subscriptions for Starlink would have grown exponentially as it is deemed as a cheaper alternative that provides better service at higher speeds.

vii. Prospects for competition

We expect the demand for fixed retail broadband services to continue to grow significantly in the next 2 years, largely driven by usage of data intensive applications like NETFLIX, YOUTUBE, TikTok amongst others. Hence competition for Starlink in the short term is expected to be low as it remains the sole provider of retail satellite internet connectivity. Competition is expected to intensify with the entry of other NGSO satellite players like Eutelsat, Amazon Kuiper, AST SpaceMobile, Lynk Global, and Globalstar, amongst others.

Do you agree with Starlink's results? Explain your response.

5.1.5 SMP assessment for Market 5: Mobile Broadband Retail Services Market

The SMP assessment for the mobile broadband retail services market established that Econet and NetOne have joint significant market power commanding 70.29% and 29.62% as of the first half of 2025 compared to 65.94% and 31.82% recorded in 2020.

Market Shares of Mobile Broadband Revenue

	2020	2025	Change (%)
Econet	65.94%	70.29%	4.35%
NetOne	31.82%	29.62%	-2.20%
Telecel	2.24%	0.08%	-2.15%

Market Shares of Mobile Broadband Subscriptions

	2020	2025	Change (%)
Econet	66.51%	72.85%	6.35%
NetOne	27.98%	25.03%	-2.95%
Telecel	5.51%	2.12%	-3.39%

Table 16: Mobile Broadband Market SMP Assessment

		Econet	NetOne	Telecel
1	It has at least 25% of market share based on revenues?	Yes	Yes	No
2	It has less than 25% market share but controls some infrastructure that is necessary for the provision of the services in question?			No
3	It has less than 25% market share but has dominance in a related market and therefore is able to exercise power in the market for the telecommunications services in question			No
4	It has less than 25% market share but has a position in a market in another country or a relationship with providers in another country that can be used to exercise market power in respect of the relevant class of telecommunications services in Zimbabwe?			No
5	It has less than 25% of the market share but has control of infrastructure that is not easily duplicated.			No
6	It has less than 25% market share but has technological and commercial advantages or superiority.			No
7	It has less than 25% of the market share but has conclusion of long-term and sustainable access agreements.			No
Do the 7 criteria give the licensee the ability to exercise market power?		Yes	Yes	No
Declared Dominant		Yes	Yes	No

Are you agreeable with the assessment of the Mobile broadband market? If not, kindly provide reasons

5.1.5.1 Summary of Proposed Determination of Econet SMP

Key Market shares	2020	2025	Results of other criteria applied for SMP
Subscriptions	66.51%	72.85%	-Econet owns and controls infrastructure that is not easily duplicated -Existence of economies of scale and scope - Existence of barriers to entry and expansion - Lack of countervailing buyer power - Vertical integration is a unified license providing facilities, network services and end-user /application services - Lack of countervailing buyer power - Lack of prospects for competition -Product/services diversification
Revenue	65.94%	70.29%	

5.1.5.2 Econet: Detailed Assessment of SMP characteristics

i. Market share Dynamics

Econet's persistent revenue and subscriptions market shares qualify it as having SMP and is indicative of that there has not been impediments to its competitive advantage in the last five years was assessed as having SMP on account of its revenue and subscription market shares of above 25%.

ii. Economies of Scale and Scope

Econet, as the largest mobile network operator, its cost per unit of data (for example cost per gigabyte delivered) is significantly lower than its competitors. This is because the cost of building and maintaining a national network (towers, fibre backhaul, core network) is largely fixed. Spreading this cost over a much larger subscriber base drastically reduces the cost per user. In addition, buying handsets, network equipment, and software in larger volumes gives Econet greater bargaining power with suppliers, leading to lower prices than its competitors can experience. Furthermore, Econet can sustain price wars that would bankrupt other players in the market. It has potential to lower prices to a point that is still profitable for itself but loss-making for competitors (predatory pricing).

The massive cash flow generated from its scale enables Econet to continuously reinvest in network quality (4G/5G rollout, network densification), creating a quality gap that competitors cannot match, thus attracting even more customers.

iii. Vertical Integration

As a vertically integrated entity, holding a unified telecommunication licence which allows to build and operate network facilities and offer both network services and end-user services. This means that Econet is not dependent on third parties for critical inputs. A competitor may need to lease tower space from Econet (or its affiliates like Liquid Intelligent Technologies for fibre backbone). Econet has complete visibility over its own network traffic and performance. It also provides interconnection services to competitors, it gains strategic insight into their traffic patterns and growth, which it can use to its advantage.

iv. Existence of Barriers to Entry and Expansion

Access to affordable, contiguous spectrum is the lifeblood of mobile services. As the historic first mover and largest operator, Econet likely holds the most valuable and extensive spectrum portfolio. New entrants would struggle to acquire comparable spectrum, limiting their network capacity and quality from the start. Essentially, the finite nature of the radio

frequency spectrum imposes a restriction on the number of operators in the cellular mobile telephony market and other wireless technologies.

Increasing data usage, mostly driven by the use applications that require higher bandwidth such as augmented and virtual reality, as well as commercial or industrial applications like machine-to-machine communications, is likely to raise barriers to entry in the mobile broadband market. This requires substantial investment to build high speed networks through technology upgrades, more extensive use of spectrum as well network densification. as increasing the number of sites where additional capacity is needed.

In addition, as the established market leader with a strong brand, Econet benefits from customer inertia. Combined with the high switching costs, this makes it very difficult for competitors to lure away Econet's customers, thereby preventing the expansion of other players in the market.

v. Lack of Countervailing Buyer Power

Overall, retail mobile broadband customers have zero negotiating power. An individual user cannot call Econet and demand a lower data price. Their only alternative is to switch to another service provider, potentially with inferior network (in terms of coverage or speed), which is not a credible threat from Econet's perspective. This lack of choice empowers Econet to set prices and terms unilaterally if not regulated.

While large corporates may have some negotiating leverage, it is often limited. If Econet's network is objectively superior, that is with better national coverage and higher reliability, a large company that relies on mobile connectivity for its operations may have no viable alternative. They might get a small discount, but they cannot fundamentally alter the market dynamics or discipline Econet's pricing across the board.

vi. Prospects for Competition

Whilst the growing demand for mobile data could bring aggressive competition in the medium term, it could also strengthen Econet's foothold on the market through exploitation of its economies of scale and scope and general subscriber inertia to hop from one operator to the other, in the absence of number portability. In the medium to long term, the prospect of newer technologies-based services such as direct to device satellite Internet connectivity has potential to enhance competition in the market. Direct-to-device (D2D) satellite connectivity enables standard smartphones and IoT devices to connect directly to satellites, bypassing the need for terrestrial infrastructure like cell towers. Key players in this emerging market include SpaceX, AST SpaceMobile, Lynk Global, and Globalstar. So far only SpaceX

is currently offering retail Satellite Internet connectivity, with expectations that the other NGSO operators will soon enter the Zimbabwean market.

For the Mobile broadband market SMP assessment, do you agree with Econet's results? Explain your response.

5.1.5.3 Summary of Proposed Determination of NetOne SMP

Key Market shares	2020	2025	Results of other criteria applied for SMP
Revenue	31.82%	29.62%	NetOne owns and controls infrastructure that is not easily duplicated -Existence of economies of scale and scope - Existence of barriers to entry and expansion - Lack of countervailing buyer power - Vertical integration is a unified license providing facilities, network services and end-user /application services - Lack of countervailing buyer power - Lack of prospects for competition -Product/services diversification
subscriptions	27.98%	25.05%	

5.1.5.4 NetOne: Detailed Assessment of SMP Characteristics

i. Market Share Dynamics

Whilst NetOne subscriptions and revenue market shares are above 25%, it has registered marginal declines, except for market shares for 3G and 4G base stations was above 25%. However, declining market shares on the part of NetOne do not preclude the finding of SMP.

ii. Control of infrastructure not easily duplicated

NetOne also controls a sizeable portfolio of base stations necessary for the provision of mobile data services. Although still trailing behind Econet, NetOne has made remarkable progress in rolling out 4G base stations, commanding 47.92% market share of 4G base stations compared to Econet's 51.56% as of June 2025 as shown below:

Table 8: Critical infrastructure analysis

Base Stations	Econet	NetOne	Telecel
3G Base Stations	48.38%	40.41%	11.22%
4G (LTE) Base Stations	51.56%	47.92%	0.52%
5G Base Stations	92.86%	7.14%	0.00%

iii. Economies of scale and scope

Economies of scale and scope for NetOne remain weak compared to Econet. NetOne has failed to catch up with Econet in the mobile money market segment and hence has not been able to exploit the benefit of network effects that could accrue to its business.

iii. Existence of barriers to entry and expansion

Significant sunk costs are required to build a mobile network. More so as technology continues to evolve to facilitate high speed networks to cater for increasing usage of data hungry applications as well as Internet of Things and Artificial intelligence. However, in view of the fast-growing demand for mobile data, barriers to entry and expansion will tend to be diluted as the growing demand tends to attract more investment in the market.

iv. Prospects for competition

Prospects for enhanced competition in the short term are low, with brighter prospects for NetOne to strengthen its market position in view of ongoing efforts by government to revamp State Owned Enterprises in the market through the Mutapa Sovereign Fund. However, the prospect of newer technologies-based services such as direct to device satellite Internet connectivity has potential to enhance competition in the market. Direct-to-device (D2D) satellite connectivity enables standard smartphones and IoT devices to connect directly to satellites, bypassing the need for terrestrial infrastructure like cell towers. Key players in this emerging market include SpaceX, AST SpaceMobile, Lynk Global, and Globalstar. So far only SpaceX is currently offering retail Satellite Internet connectivity, with expectations that the other NGSO operators who have expressed interest to enter the Zimbabwean market.

**Do you agree with NetOne's results for the Mobile broadband market assessment?
Explain your response.**

5.1.6 SMP assessment for market 6: Fixed Voice Retail Market

For the fixed voice market, TelOne was assessed as having SMP in terms of subscriptions, commanding 88.08% of the fixed voice market share as per the defined market for fixed voice telephony, which also includes fixed Voice over Internet Protocol (VoIP) calls. The following table shows an analysis of the fixed voice subscriptions market.

Table 17: Fixed Market share for VoIP subscriptions

	Fixed Voice Subscriptions	Market Shares
Liquid	20,084	6.67%
Africom	8,878	2.95%
Dandemutande	6,773	2.25%
TelOne	265,223	88.08%
Telco	146	0.05%
Total	301,104	

Table 18: Fixed Voice Market SMP Assessment

		Liquid	Africom	Dandem utande	TelOne	Telco
1	It has at least 25% of market share based on revenues?	No	No	No	Yes	No
2	It has less than 25% market share but controls some infrastructure that is necessary for the provision of the services in question?	No	No	No		No
3	It has less than 25% market share but has dominance in a related market and therefore is able to exercise power in the market for the telecommunications services in question?	YES	No	No		No
4	It has less than 25% market share but has a position in a market in another country or a relationship with providers in another country that can be used to exercise market power in respect of the relevant class of telecommunications	No	No	No		No
5	It has less than 25% market share but has control of infrastructure that is not easily duplicated.	Yes	No	No		No
6	It has less than 25% market share but has technological and commercial advantages or superiority.	Yes	No	No		No
7	It has less than 25% of the market share but has conclusion of long-term and sustainable access agreements.	Yes	No	No		No
Do the 7 criteria give the licensee the ability to exercise market power?		No		No	Yes	No
Declared Dominant		No		No	Yes	No

5.1.6.1 **Summary of Proposed Determination of TelOne SMP in the Retail Fixed Voice Market**

Key Market shares	2020	2025	Results of other criteria applied for SMP
Subscriptions		88.08%	-TelOne control of infrastructure not easily duplicated
Revenue		26.52%	-Existence of economies of scale and scope - Existence of barriers to entry and expansion - Lack of countervailing buyer power -Economies of scale and scope -Vertical Integration -Product/services diversification

5.1.6.2 **TelOne: Detailed Assessment of SMP Characteristics**

Control of Infrastructure Not Easily Duplicated

TelOne's ownership of the foundational physical network assets primarily the copper-line Last Mile infrastructure connecting homes and businesses to the local exchange which are expensive and complex to replicate on a national scale. The most critical and costly part of a fixed network is the final connection to the customer's premises. TelOne's nationwide network of copper wires, ducts, and telephone poles represent a massive sunk cost that competitors would not easily undertake. Hence the existing infrastructure can be considered as a bottleneck since for any competitor wanting to offer a competing fixed voice service directly, they would need to either build their own last mile or lease access from TelOne.

i. Economies of Scale and Scope.

TelOne is not just a fixed voice retail provider. It leverages its same infrastructure and brand to offer other services, most notably fixed broadband internet (ADSL, Fibre). This creates powerful economies of scope since the cost of maintaining the line to a home is shared between the voice and broadband services.

ii. Existence of Barriers to Entry and Expansion

The primary barrier is the astronomical investment required to build a competing fixed-line network. In addition, securing wayleaves (rights-of-way) to lay cables is a complex and time-consuming process. TelOne, as the historic incumbent, already possesses these rights

nationwide. Many customers, especially older demographics and businesses, are hesitant to change from a reliable, familiar service.

iii. Lack of Countervailing Buyer Power

This assesses whether TelOne's customers have any meaningful ability to negotiate tariffs, demand better terms, or easily switch to an equivalent alternative. A lack of this power means customers are effectively price-takers. A single household has zero negotiating power. They cannot call TelOne and demand a lower monthly line rental. Their only alternative is to forgo a fixed line entirely, which is not a credible threat for customers who need one for internet, security alarms, or business operations.

iv. Product/Service Diversification

This expands on Economies of Scope and refers to TelOne's strategic move beyond its core fixed voice service into a multi-service telecommunications provider. By offering a bundle of services (Voice, Internet, IT services), TelOne becomes a strategic partner for businesses and a convenient provider for homes. This dramatically increases switching costs. A business would need to change its phone, internet, and possibly IT service providers simultaneously to leave TelOne, which is a complex and risky undertaking. In addition, a customer using TelOne's broadband is a prime candidate for upselling TelOne's voice services like VoIP and vice versa. The diversified product portfolio creates multiple touchpoints and dependencies, making the customer relationship far more durable than if TelOne only sold standalone fixed voice.

v. Prospects for competition

Whilst TelOne has maintained its position in the market for fixed voice services, commanding 88.08% market share as of June 2025, it still faces competitive constraints posed by the substitute effect of alternative calling procedures through Over-The-Top applications. Liquid also has potential to pose substantial competitive pressure on TelOne, in the short term, riding on its being an Internet access provider which is on a path to build ubiquitous fibre connectivity, which could be a basis for adoption of fixed telephony by way of VoIP calling. This could be an indication that Liquid is likely to increase its share of the market.

Do you concur with the results and analysis of the Significant Market Power designation in the fixed voice retail market? Please provide reasons

5.1.7 SMP assessment for market 7: Wholesale Mobile Network Access Market

The market for wholesale mobile network access was declared a natural monopoly and all Mobile Network Operators offering mobile network access to other players like MVNOs, aggregators and fintech players were dominant operators. Econet, NetOne and Telecel are dominant operators for the wholesale mobile network access market.

Do you agree with the assessment results for the Wholesale Mobile network access market? Explain your response.

6. PROPOSED REGULATORY REMEDIES

- i. **Access obligation:** To grant access of infrastructure, facilities and services to other undertakings upon reasonable request to ensure competition and universal services.
- ii. **Non - discrimination obligation:** To grant each requesting provider the same conditions for access at wholesale/retail level and the necessary annex services as itself, affiliated or other companies.
- iii. **Price control:** Cost-orientated fees are to be charged for the provision of voice, SMS, broadband access and the necessary annex services. In addition to the review of cost orientation, the fees are subject to a review of margin squeeze.
- iv. **Accounting separation:** Keeping and providing financial statements as if different business units (wholesale and retail services) were separate or standalone companies as guided by the Authority.
- v. **Standard wholesale access offer:** A standard offer to be approved in advance by the Authority for services access at wholesale level and the necessary annex services must be drawn up and published on the operator's website and kept up to date on an ongoing basis.
- vi. **Transparency obligation:** To provide consumers with clear, accurate, accessible information about services, pricing which is necessary for monitoring and informed decision making by users. This includes publishing details of contracts, general terms and conditions, complaints handling procedures, data protection etc.

Identified Relevant Market	Functional Dimensions (Wholesale / Retail)	Possible Risk due to lack of effective competition / susceptibility of anti-competitive behaviour	Possible Remedies
Market 1: Call and SMS termination market	Wholesale	➤ Refusal to supply ➤ Undue discrimination ➤ Price discrimination	➤ Non-discrimination obligation ➤ Transparency obligation ➤ Tariff Application ➤ Price control ➤ Accounting separation ➤ Interconnection agreements
Market 2: Backbone networks (national data connectivity and transmission)	Wholesale	➤ Refusal to supply ➤ Undue discrimination ➤ Price discrimination ➤ Excessive pricing ➤ Cross subsidization ➤ Excessive dealing ➤ Contract terms to raise consumer switching	➤ Non-discrimination obligation ➤ Transparency obligations ➤ Tariff application ➤ Price control ➤ Accounting separation
Market 3: Voice and SMS origination	Retail	➤ Unauthorised promotions ➤ Undue discrimination ➤ Price discrimination ➤ Excessive pricing ➤ Cross subsidization ➤ Excessive dealing ➤ Bundling / tying ➤ Predatory prices ➤ Switching costs	➤ Transparency obligation ➤ Cost orientation ➤ A price cap ➤ Tariff application ➤ Restrictions on uncompetitive service bundling
Market 4: Fixed Broadband market	Retail	➤ Unauthorised promotions ➤ Undue discrimination ➤ Price discrimination ➤ Excessive pricing ➤ Cross subsidization	➤ Transparency obligation ➤ Cost orientation ➤ A price cap ➤ Tariff application ➤ Tariff publication

Identified Relevant Market	Functional Dimensions (Wholesale / Retail)	Possible Risk due to lack of effective competition / susceptibility of anti-competitive behaviour	Possible Remedies
		➤ Excessive dealing ➤ Bundling / tying ➤ Predatory prices ➤ Switching costs	➤ Restrictions on uncompetitive service bundling
Market 5: Mobile Broadband market	Retail	➤ Unauthorised promotions ➤ Undue discrimination ➤ Price discrimination ➤ Excessive pricing ➤ Cross subsidization ➤ Excessive dealing ➤ Bundling / tying ➤ Predatory prices ➤ Switching costs	➤ Transparency obligation ➤ Cost orientation ➤ A price cap ➤ Tariff application ➤ Tariff publication ➤ Restrictions on uncompetitive service bundling
Market 6: Fixed Voice Origination Market	Retail	➤ Unauthorised promotions ➤ Undue discrimination ➤ Price discrimination ➤ Excessive pricing ➤ Cross subsidization ➤ Excessive dealing ➤ Bundling / tying ➤ Predatory prices ➤ Switching costs	➤ Transparency obligation ➤ Cost orientation ➤ A price cap ➤ Tariff application ➤ Restrictions on uncompetitive service bundling
Market 7: Wholesale mobile network access	Wholesale	➤ Undue discrimination ➤ Price discrimination ➤ Excessive pricing	➤ Transparency obligation ➤ Cost orientation ➤ A price cap ➤ Tariff application

Do you believe this set of remedies, is sufficient to address the competition concerns identified in the relevant markets? Are there any critical remedies missing, if so kindly provide additions?

7. ONGOING SMP OVERSIGHT & ENFORCEMENT

POTRAZ is committed to the following ongoing responsibilities to ensure the effective and fair regulation of Significant Market Power:

- POTRAZ will perform regular assessments of the market to ensure all SMP designations remain accurate and relevant. Affected SMP operators may also formally request a review of their designation.
- Following each market review, POTRAZ will officially designate operators with SMP and formally communicate its decision, along with any specific regulatory obligations, through official directives.
- An up-to-date list of all designated SMP providers and their respective relevant markets will be published and maintained on the POTRAZ website for public information.
- All determinations and regulatory measures imposed will be efficient, proportionate to their objective, and implemented in a transparent, fair, and non-discriminatory manner, with due consideration for the impact on all affected parties.
- POTRAZ will actively monitor for and prevent any abuse of a dominant market position and any other practices that have the effect of restricting competition.
- Transactional relationships, such as interconnection agreements, especially those involving SMP operators will be reviewed to ensure they do not restrict, undermine, or distort competition within the market.
- POTRAZ will employ all necessary preventive and remedial measures to safeguard competition and promote a sustainable competitive market environment.
- POTRAZ will utilize the full spectrum of penalties and remedies available under the law, including structural remedies, to address non-compliance with regulatory directives and legal requirements by SMP operators.

Do you believe this oversight and enforcement framework provides a comprehensive and robust foundation for managing SMP in Zimbabwe? Explain

8. CONCLUSION OF THE SMP STUDY

The findings of this investigation reveal a telecommunications market characterized by high concentration and the prevalence of Significant Market Power across multiple critical

segments. The study conclusively identifies one or more dominant operators in each of the seven key markets analysed:

i. Voice and SMS Interconnection Market

All operators offering these services were found to possess SMP, indicating a market where every player holds gatekeeper power, necessitating strict oversight to ensure fair access.

ii. Fibre Backbone Networks Market

Liquid Technologies and TelOne were identified as jointly dominant, controlling the essential infrastructure upon which most other digital services depend.

iii. Voice and SMS Origination Market

The market is dominated by the mobile duopoly of Econet Wireless and NetOne, highlighting a highly concentrated retail mobile market.

iv. Fixed Broadband Market

SMP was found to be held by TelOne, Liquid Technologies, and emerging operator Starlink, signifying a shifting but still concentrated market for high-speed internet access.

v. Mobile Broadband Market

Like voice origination, Econet Wireless and NetOne were designated with SMP, confirming their dominant position in the critical data services market.

vi. Fixed Voice Origination Market

TelOne was confirmed as the sole operator with significant market power in this legacy but still relevant market.

vii. Wholesale mobile network access Market

All Mobile Network Operators offering mobile network access to other players such as MVNOs and aggregators were found to hold SMP, recognizing the essential nature of the network access for provision of voice, SMS, data and financial and information services and the risk of anti-competitive pricing.

The pervasive nature of these designations across both wholesale and retail markets confirms the initial concerns regarding weak competition and oligopolistic structures. It underscores the existence of substantial barriers to entry and expansion that prevent new and smaller operators from effectively challenging the incumbent leaders.