



RISK REWARD INDEX FOR POSTAL & TELECOMMUNICATIONS SECTORS IN ZIMBABWE SURVEY REPORT

November 2025



‘creating a level playing field’

1. ACKNOWLEDGEMENTS

We would like to express our sincere gratitude to the leadership and the Research and Development Department of POTRAZ for their invaluable guidance and support throughout the implementation of this high-level research project.

We also extend our heartfelt appreciation to the project management team of our supplier, Consumer Feedback Consultancy (CFC), for their outstanding professionalism and commitment in delivering this assignment on time and to the highest standards. We further acknowledge Fitch Solutions BMI, the global advisory partner to CFC on this project, for their expert contributions in providing market intelligence and investment benchmarking across Sub-Saharan Africa and beyond.

Finally, we convey our deepest appreciation to all stakeholders who participated in this study for their invaluable insights and enthusiastic engagement. Your willingness to share critical information and perspectives was instrumental to the success of this research project.

2. EXECUTIVE SUMMARY

This report presents the critical findings of the inaugural Postal & Telecommunications Risk Reward Index (RRI), a high-level research project commissioned by the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) and delivered by Consumer Feedback Consultancy (CFC). The core mandate of the RRI is to quantify the balance of risks and rewards of operating in the telecommunications and postal/courier sectors, serving as an authoritative, evidence-based guide for policymakers, industry leaders, and investors. The study employed a dual-index approach to provide a 360-degree view of the investment climate:

1. Primary Research RRI (Policy-Sensitive): Capturing the perceptions and lived realities of all 44 licensed operators, incorporating stakeholder-defined weightings.
2. Desk Research RRI (Market-Sensitive): Benchmarking Zimbabwe against 18 regional peers using external datasets and international indicators.

RRI Composite Scores and Core Findings

Leveraging a robust dual-index design which integrates the policy-sensitive lived realities of licensed operators (Primary Research RRI) with the market-sensitive view of external analysts (Desk Research RRI) the national combined RRI score of 64.72 provides a realistic and comprehensive national-level snapshot of Zimbabwe's Postal, Courier & Telecommunications ecosystem. This holistic evaluation revealed that Zimbabwe's ecosystem operates in a fragile equilibrium, where significant strategic potential is nearly neutralized by systemic risk, underscoring a market that is reward-rich but systemically risk-heavy.

	Primary Research RRI (Operator Perception)	Desk Research RRI (External Benchmark)	Combined RRI (Composite)	Risk/Reward Summary
National Composite	68.11	63.3	64.72	High Risk, Moderate Reward. The composite score (64.72) positions the sector at a fragile equilibrium where Compound Risk is nearly matched by Compound Reward. Local operator sentiment and desk research findings reveal a persistent high macro instability penalty. Zimbabwe ranks 16th out of 18 benchmarked markets regionally from a desk research lens.
Telecommunications	70.72	63.4	66.8	High Risk, High Reward. The highest combined RRI score (66.8) indicates the least favourable balance. This is driven by extreme Country Risk due to systemic economic instability and maximum risks in short/long-term economic volatility. This risk is structurally counteracted by strong Country Rewards, anchored in powerful macro enablers: high digital readiness, literacy, a growing tech-savvy youth population, and strategic potential for infrastructure upgrade. Desk research positions Zimbabwe 16th out of 18 regional peers, ahead of DRC and Mozambique.
Postal & Courier	64.93	66.1	65.52	High Risk, Moderate Reward. The high Combined RRI (65.52) reflects a poor balance characterized by extreme operational and macro risks. Risks are dominated by the highest Compound Risk score among all regional peers, driven by macroeconomic instability (Country Risk) and prohibitive structural costs (fuel/electricity). The sector faces an acute operational constraint from the dominance of the informal economy, where unregistered courier operators divert traffic, distort market structure, and undermine service standards. Rewards (Compound Reward 59.8) are moderate and anchored by superior macro factors: strong Country Reward (73.8) supported by high literacy rates, digital readiness, and the growing potential of the e-commerce ecosystem and last-mile delivery demand.

(Note: In the RRI structure, a lower score typically indicates a better balance, while a higher score indicates a worse balance where risk outweighs reward or where both risks and rewards are high.)



The RRI scores were calculated using operator-defined weightings, where licensed operators collectively allocated 51.14% of influence on the Risks pillar and 48.86% to the Rewards pillar. This prioritization demonstrated that investment decisions in the sector were fundamentally shaped by risk management efforts.

Key National and Industry Risks

Risk management is paramount, anchored by Zimbabwe carrying the highest Country Risk score (81.8) among all 18 benchmarked peer markets, which defines the macro penalty on investment.

- **Macroeconomic Instability (Country-Level):** Economic risks were consistently rated as the most severe constraints. The highest concern factors were taxation (overall mean 4.41), high inflation affecting cost structures (4.30), and currency exchange rate volatility (4.20). Currency volatility proved statistically significant for Telecoms ($p=0.026$) due to heavy reliance on foreign technology vendors and imported equipment.
- **Operational and Infrastructure Constraints (Cross-Sectoral):** Systemic infrastructural risks severely inflate the cost of doing business (64% of operator priority). Key risks identified in this study included high operational costs due to energy unreliability (overall mean 4.36) and poor road infrastructure affecting last-mile delivery and network expansion (4.09).
- **Sector-Specific Vulnerabilities:** The Telecommunications sector exhibited statistically significant risks related to technological frontiers, particularly low national readiness for Artificial Intelligence (AI) adoption ($p=0.006$) and cybersecurity resilience ($p=0.003$). The Postal & Courier sector, meanwhile, was found to be acutely exposed to the threat of informal/unlicensed service alternatives (3.89, $p=0.047$).
- **Regulatory and Governance Gaps:** Persistent concerns remained around poor coordination between key regulatory bodies (3.77) and unpredictable policy shifts (3.70), which were observed as systemic across both industries.

Strategic Opportunities and Rewards

Despite severe risks, the sector is underpinned by high Compound Reward scores (64.63), driven by favourable macro-level factors, particularly Zimbabwe's robust human capital base and digital readiness.

- **Digital Economy Drivers (Economic & Social):** Demand-side growth emerged as the most powerful engine for expansion. Opportunities with the highest average ratings included growth in the digital economy and e-commerce ecosystem (4.20), growing urbanisation trends (4.16), and the rise of a tech-savvy youth population (4.14). Integration with mobile money and digital financial services also recorded strong potential (4.11).

- **Technological and Infrastructure Potential:** Operators identified a significant opportunity in the room for infrastructure improvement (4.32), recognizing that existing gaps created space for modern investment. Alignment with the policy push for smart city and e-government prospects (4.11) was viewed as a strong driver.
- **Sustainability and Resilience:** The Telecommunications sector demonstrated a statistically significant opportunity in renewable technology adoption potential ($p=0.039$), viewing it as a critical lever to mitigate energy instability and operational costs.
- **Local Value Chain:** The emerging local vendor and SME ecosystem (3.84) was regarded as a strategic avenue for innovation, cost efficiency, and reducing reliance on foreign currency.

Sector Outlook and Implications

The combined RRI highlights that the sector's undeniable growth potential, driven by digitalisation and demographic advantages, depends on resolving chronic macroeconomic and regulatory weaknesses. The narrow gap between Risks (51.14%) and Rewards (48.86%) signals that marginal improvements in the operating environment could dramatically enhance investment attractiveness. For Policymakers and POTRAZ, the findings stress the need for a targeted, dual-track approach:

1. **Macroeconomic Stabilization:** Urgent national efforts must prioritize monetary discipline, currency predictability, and fiscal stabilization to reduce the extreme Country Risk penalty (81.8) that undermines investment planning and capital preservation.
2. **Structural Cost Reduction:** Interventions are required to address high input costs, specifically by promoting alternative energy solutions (solar, hybrid systems) to mitigate energy unreliability and high fuel costs.
3. **Targeted Sector Reform:**
 - **Telecoms:** Focus on strengthening cybersecurity frameworks ($p=0.003$), accelerating readiness for advanced technologies (AI, 5G), and encouraging infrastructure sharing to manage capital intensity.
 - **Postal & Courier:** Implement clear regulatory frameworks and formalization mechanisms (graduated licensing, incentives) to counter unregistered competition ($p=0.047$). Investment in logistics modernization and road infrastructure is also key.

Achieving this balance, mitigating high structural risk while actively leveraging robust reward potential is the critical imperative for transforming Zimbabwe's communications sector from a high-stakes operational landscape into a predictably competitive investment destination

3. ACRONYMS

- AI** – Artificial Intelligence
- BMI** – Business Monitor International (Fitch Solutions BMI, a global advisory partner)
- CAPI** – Computer Aided Personal Interviews
- CATI** – Computer Aided Telephonic Interviews
- CFC** – Consumer Feedback Consultancy
- ESG** – Environmental, Social, Governance
- FTTx** – Fibre to the X
- ICT** – Information and Communication Technology
- IMF** – International Monetary Fund
- IoT** – Internet of Things
- ITU** – International Telecommunication Union
- ISP** – Internet Service Providers
- KPIs** – Key Performance Indicators
- KIIs** – Key Informant Interviews
- LTE** – Long-Term Evolution
- MNOs** – Mobile Network Operators
- OTT** – Over-the-top
- PESTEL** – Political, Economic, Social, Technological, Environmental, Legal
- POTRAZ** – Postal & Telecommunications Regulatory Authority of Zimbabwe
- RRI** – Risk Reward Index
- SMEs** – Small and Medium Enterprises
- TCO** – Total Cost of Ownership
- UPU** – Universal Postal Union

4. TABLE OF CONTENTS

ACKNOWLEDGEMENTS.....	2
EXECUTIVE SUMMARY	3
ACRONYMS.....	9
TABLE OF CONTENTS	11
LIST OF FIGURES.....	12
LIST OF TABLES	14
1 RRI SNAPSHOT & INDEX OVERVIEW	15
1.1. RRI Design Framework	15
1.2. Weighting Logic	16
1.3. Index Computation	18
1.3.1 Primary Research RRI	19
1.3.2 Desk Research RRI.....	25
2. RESEARCH BACKGROUND AND OBJECTIVES	32
2.1. Introduction to the RRI	33
2.2. Research Objectives	33
3. RESEARCH METHODOLOGY.....	35
3.1. Primary Research	36
3.2. Secondary Research	38
4. PRIMARY RESEARCH FINDINGS.....	43
4.1. Risks	43
4.2. Overview of Risk Indicators	44
4.4. Country-Level Risks (PESTLE Framework)	61
5 REWARDS	83
5.3. Overview of Rewards Indicators	84
5.4. Industry-Level Rewards (Porter's Framework)	85
5.5. Country-Level Rewards (PESTLE Framework)	101
5.6. Investment Sentiment and Priorities.....	122
6.0. Desk Research (Comparative Lens).....	129
7.0 COMBINED PRIMARY & SECONDARY RESEARCH RRI.....	151
8.0 CONCLUSION.....	157
9.0 RECOMMENDATIONS.....	160
10.1 APPENDIX I: QUANTITATIVE QUESTIONNAIRE.....	163
10.2 APPENDIX II: QUALITATIVE DISCUSSION GUIDE.....	179
10.3 APPENDIX III: SECONDARY DESK RESEARCH DATASET.....	184

5. LIST OF FIGURES

Figure 1:Index Design Framework	15
Figure 2:RRI Weighting Logic - Risks vs Rewards	17
Figure 3:Primary Research Telecommunications RRI Breakdown	19
Figure 4:Primary Research Postal & Courier RRI Breakdown	21
Figure 5:Primary Research Combined Telecommunications and Postal & Courier RRI Breakdown	23
Figure 6:Desk Research Telecommunications RRI Breakdown	26
Figure 7:Desk Research Postal & Courier RRI Breakdown	28
Figure 8:Desk Research Combined Telecommunications and Postal & Courier RRI Breakdown	30
Figure 9:Threat of New Entrants	46
Figure 10:Bargaining Power of Suppliers	50
Figure 11:Bargaining Power of Buyers	53
Figure 12:Threats of Substitutes	56
Figure 13:Industry Rivalry	59
Figure 14:Political Risk	64
Figure 15:Economic Risk	67
Figure 16:Social Risk	71
Figure 17:Technological Risk	74
Figure 18:Legal Risk	77
Figure 19:Environmental Risks	80
Figure 20:New Entrants	87
Figure 21:Supplier Dynamics	90
Figure 22:Buyer Dynamics	93
Figure 23:Substitutes	96
Figure 24:Competition	99
Figure 25:Political Reward	104
Figure 26:Economic Reward	107
Figure 27:Social Reward	110
Figure 28:Technological Reward	113
Figure 29:Legal Reward	117
Figure 30:Environmental Reward	120
Figure 31:Attractiveness of Zimbabwe as an Investment Destination	123
Figure 32:Factors Driving Investment Decisions	125
Figure 33:Weighting the Pillars of the RRI – Risk vs Reward	126
Figure 34:Weighting the Pillars of the RRI – Country vs Industry	128
Figure 35:Telecommunication - All Markets (RRI, Country Reward & Compound Risk)	130
Figure 36:Zimbabwe's Ranking within Regional Telecom Markets (RRI 2025)	131
Figure 37: Postal & Courier - All Markets (RRI, Compound Reward & Compound Risk)	140
Figure 38: Zimbabwe's Ranking within Regional Postal & Courier Markets (RRI 2025)	141

Figure 39:Desk Research Combined Postal Courier & Telecommunication RRI.....	148
Figure 40:Zimbabwe's Ranking within Regional Combined Postal Courier & Telecommunication (RRI 2025)	149
Figure 41:Combined primary & desk research (Telecommunications RRI Breakdown	151
Figure 42:Combined primary & desk research (Postal & Courier RRI Breakdown.....	153
Figure 43:Combined Telecommunications and Postal & Courier RRI Breakdown.....	155

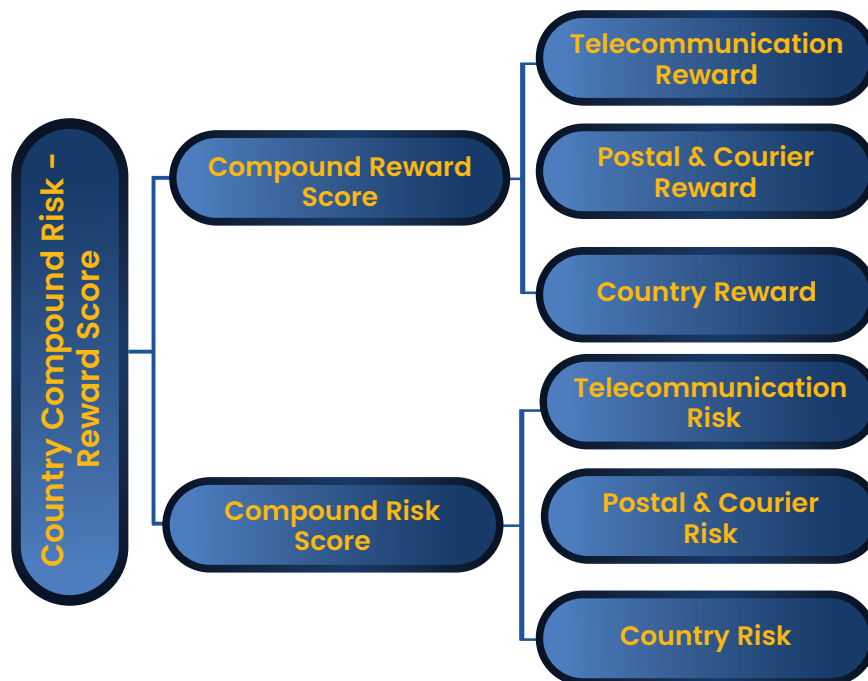
6. LIST OF TABLES

Table 1: P-Values, and Interpretation across Threats of new Entrants	47
Table 2: P-Values, and Interpretation across Bargain Power of Supplier	50
Table 3: P-Values, and Interpretation across Bargain Power of Buyers	53
Table 4: P-Values, and Interpretation of Threats of Substitutes	57
Table 5: P-Values, and Interpretation of Industry Rivalry	59
Table 6: P-Values, and Interpretation across Political risk	64
Table 7: P-Values, and Interpretation across Economic risk	68
Table 8: P-Values, and Interpretation across Social Risk	71
Table 9: P-Values, and Interpretation across Technological Risk	74
Table 10: P-Values, and Interpretation across Legal risk	77
Table 11: P-Values, and Interpretation across Environmental risk	80
Table 12: P-Values, and Interpretation across rewards associated with New Entrants.....	87
Table 13: P-Values, and Interpretation across rewards associated with Supplier dynamics	90
Table 14: P-Values, and Interpretation across rewards associated with Buyer dynamics	93
Table 15: P-Values, and Interpretation across rewards associated with Substitutes ...	97
Table 16: P-Values, and Interpretation across rewards associated with Competition	100
Table 17: P-Values, and Interpretation across rewards associated with Political rewards	104
Table 18: P-Values, and Interpretation across rewards associated with Economic rewards	107
Table 19: P-Values, and Interpretation across rewards associated with Social reward	111
Table 20: P-Values, and Interpretation across rewards associated with Technological Reward dimension.....	114
Table 21: P-Values, and Interpretation across rewards associated with Legal reward	117
Table 22: P-Values, and Interpretation across rewards associated with Environmental reward	121
Table 23: Comparative Telecoms Sector Risk–Reward Profile Across 18 African Markets.....	132
Table 24: Comparative Postal & Courier Sector Risk–Reward Profile Across 18 African Markets.....	142

1.1 RRI Design Framework

The Zimbabwe Risk–Reward Index (RRI) was designed with a multi-layered index structure that ensures both risks and rewards are systematically assessed and balanced. At its core, the index is built around these interlinked dimensions.

Figure 1: Index Design Framework



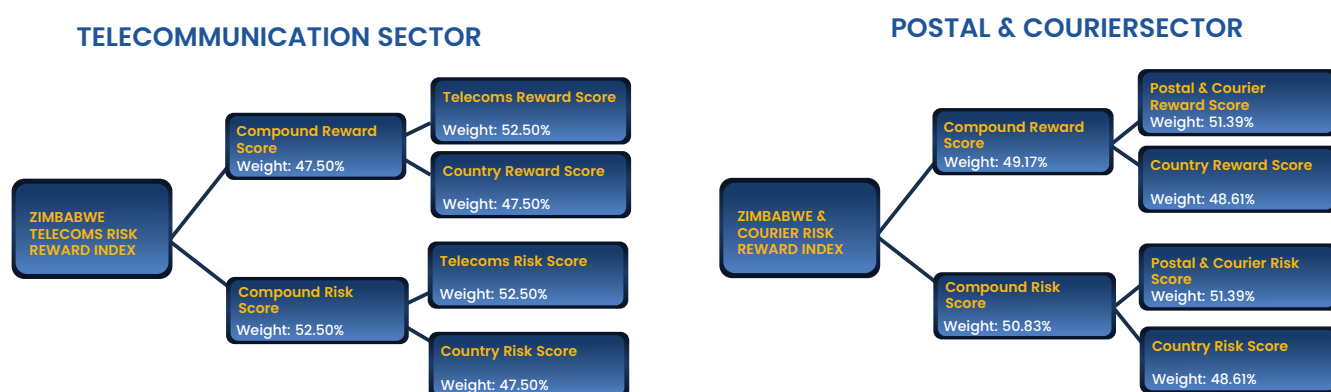
1. **Risk vs Reward** – separating risks from rewards to capture both sides of the investment environment.
2. **Industry vs Country** – distinguishing industry-level factors from country-level factors.
3. **Sectoral Differentiation** – producing separate indices for Telecommunications and for Postal & Courier operators.
4. **Compound Integration** – aggregating sectoral and country dimensions into a national composite RRI score.

In light of the need to provide a 360-degree view of Zimbabwe's position, the index design (see figure above) was applied consistently through a dual-index approach. This combined both the Primary Research RRI (policy-sensitive, based on operator perceptions) and the Desk Research RRI (market-sensitive, based on secondary datasets and international benchmarks). While the indicators varied across the two approaches, the underlying design remained the same, ensuring that the indices together provide POTRAZ and Zimbabwe with a complete and more reliable picture.

1.2 Weighting Logic

A critical feature of the RRI is the use of weights to reflect the relative influence of risks versus rewards, and industry versus country factors. These weights were not arbitrarily assigned but derived directly from POTRAZ licensed operator inputs during the primary research.

Figure 2: RRI Weighting Logic - Risks vs Rewards



At the top level, operators allocated points between Risks and Rewards, determining how much weight each pillar carried in shaping investment decisions. Telecom operators weighted Risks slightly more heavily than Rewards (52.5% vs 47.5%), reflecting a cautious stance. In contrast, Postal & Courier operators distributed weights almost evenly (Risks 50.83% vs Rewards 49.17%), signalling a balance between operational barriers and emerging opportunities.

At the second layer, each compound score (Risk or Reward) was split between Industry-level and Country-level factors. From the study:

- In Telecoms, Rewards were weighted at 52.5% for industry-specific opportunities (e.g., mobile penetration, new services) and 47.5% for country-level enablers (e.g., infrastructure, macroeconomic stability).
- Similarly for Postal & Courier, Rewards also leaned slightly more towards industry opportunities (51.4%) compared to country-level enablers (48.6%).

- Similarly for Postal & Courier, Rewards also leaned slightly more towards industry The final RRI score for each sector is computed as:

1.3 Index Computation

The final RRI score for each sector is computed as:

$$\text{RRI} = (\text{Compound Risk Score} \times \text{Risk Weight}) + (\text{Compound Reward Score} \times \text{Reward Weight})$$

Where:

- **Compound Risk Score** = weighted sum of industry risk and country risk indicators.
- **Compound Reward Score** = weighted sum of industry reward and country reward indicators.

This computation produces:

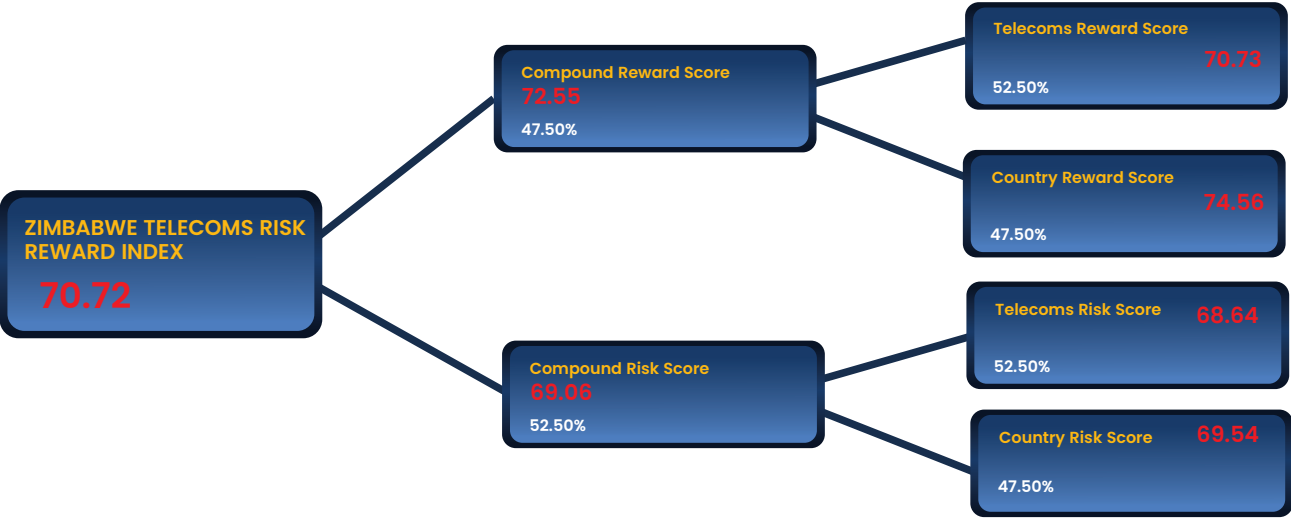
- A **Telecommunications RRI**
- A **Postal & Courier RRI**
- A **Country-level RRI**, which integrates both sectors into a single composite view. opportunities (51.4%) compared to country-level enablers (48.6%).

1.4 Primary Research RRI

The RRI was calculated by first scoring 18 industry risks, 30 country risks, 16 industry rewards, and 23 country rewards on a 1–5 scale using survey data, with weights assigned to each factor based on survey responses. These scores were averaged within each category (industry risk, country risk, industry reward, country reward), normalized to a 0–100 scale, and combined into compound risk and reward scores using survey-derived weights. The final RRI was computed as a weighted sum of the Compound Reward Score and the Compound Risk Score, producing a composite index for each subject. This methodology assesses the risk-reward profile of telecommunications and Postal & Courier opportunities, with the additive formula reflecting a balanced consideration of risks and rewards as prioritized by survey stakeholders. This approach ensures that the resulting RRI reflects not only the balance between risks and rewards, but also the relative priorities of operators in Zimbabwe. By grounding the index in the lived realities of all 44 licensed operators, the Primary RRI provides a policy-sensitive measure of sector attractiveness that directly incorporates stakeholder-defined weightings.

Primary Research Telecommunications RRI Breakdown (weightings are in green, scores are in red)

Figure 3: Primary Research Telecommunications RRI Breakdown



The Telecoms Risk–Reward Index score of 70.72 depicts a high-reward, high-risk environment, where strong growth prospects coexist with equally significant structural and operational challenges. On one hand, the sector shows clear potential for expansion through digital transformation, fintech integration, and rising connectivity demand. On the other hand, persistent macroeconomic instability, regulatory unpredictability, and high input costs continue to weigh heavily on investor confidence. The score therefore represents a market of strong opportunity but elevated exposure, one that promises substantial returns for investors willing to navigate its inherent volatility. Telecom operators perceive strong upside potential, driven largely by sector-specific rewards (Telecoms Reward Score = 70.73) and reinforced by country-level enablers (Country Reward Score = 74.56).

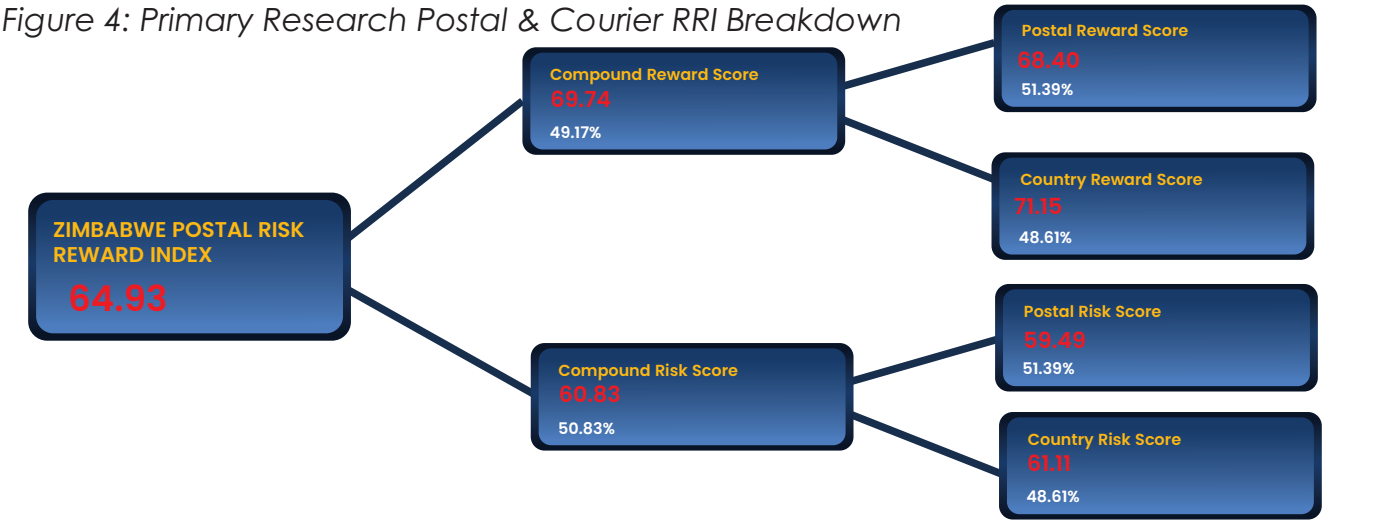
The Telecoms sector demonstrates strong upside potential, anchored in a combination of economic, technological, and demographic opportunities. Operators highlighted robust growth in the digital economy and e-commerce ecosystem alongside integration with mobile money and digital finance as the most significant drivers of sector expansion. Optimism is further fuelled by rising urbanisation, a tech-savvy youth population, and improving digital literacy, all of which are accelerating data demand and digital adoption. There is also growing confidence in infrastructure improvement, smart-city and AI prospects, and a strengthening cybersecurity focus, which together signal readiness for advanced digital transformation. Additionally, operators view renewable energy adoption and improved regulatory coordination and autonomy as emerging enablers that enhance long-term sector stability and competitiveness.

Despite optimism, risks remain high, particularly those rooted in macroeconomic fragility and operational costs. The Telecoms Risk Score = 68.64 closely mirrors the Country Risk Score

= 69.54, showing that both internal industry pressures and external national constraints weigh heavily. The Telecoms sector continues to operate in a high-risk environment, with economic fragility and structural constraints posing the greatest sustainability challenges. Currency volatility, high taxation, and inflationary pressures emerged as the most severe threats, underscoring the destabilising impact of macroeconomic uncertainty on profitability and investment planning. These financial pressures are compounded by energy unreliability and poor road infrastructure, which inflate operating costs and disrupt network expansion. Additionally, the industry's heavy dependence on foreign technology vendors, limited local supplier options, and volatile input costs reflect a structural vulnerability in a foreign exchange-scarce economy. Confidence is further undermined by unpredictable policy shifts, weak inter-agency coordination, and limited regulatory consultation, which constrain long-term investment certainty. At the same time, the sector faces emerging technological and cyber risks, with low AI readiness and gaps in cybersecurity resilience exposing operators to new-generation threats. Collectively, these challenges define the Telecoms sector as a high-risk but strategically indispensable pillar of Zimbabwe's digital economy.

Primary Research Postal & Courier RRI Breakdown (weightings are in green, scores are in red)

Figure 4: Primary Research Postal & Courier RRI Breakdown



The Zimbabwe Postal & Courier Risk–Reward Index (RRI) score of 64.93 reflects a high-risk, moderate-reward environment, where operators recognize tangible growth opportunities but remain constrained by persistent systemic and infrastructural challenges. The balance between a Compound Reward Score of 69.74 and a Compound Risk Score of 60.83 highlights a cautiously optimistic sector, one that is operationally resilient and opportunity-rich but still navigating cost, policy, and infrastructure pressures that limit full potential. The reward side of the index underscores the industry's strong potential for expansion, particularly within the context of e-commerce growth, local SME integration, and digital transformation of logistics systems. Operators expressed optimism toward growth in the digital economy and e-commerce ecosystem, the rise of youth-driven digital adoption, and expanding urbanisation and literacy trends that create new postal and courier demand.

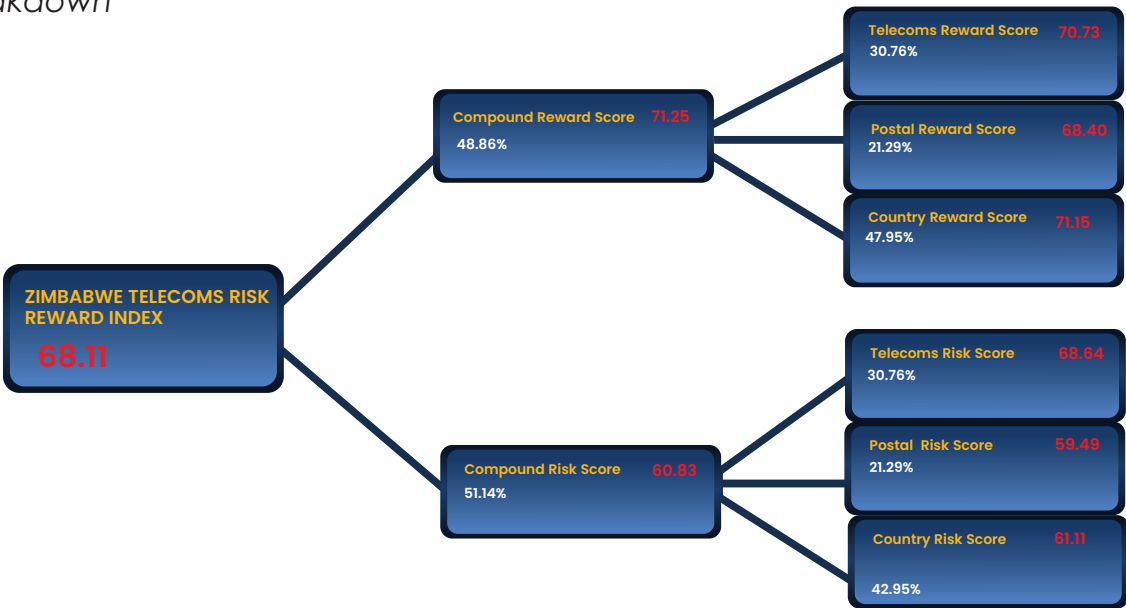
Country-level rewards are equally important, with improving ICT contribution to GDP, policy inclusion of the sector in national development plans, and growing interest in green infrastructure and ESG-aligned investment acting as strategic enablers. Collectively, these drivers explain the relatively high Compound Reward Score (69.74), showing that operators view the industry as an untapped but evolving growth frontier. On the risk side, the findings depict a sector heavily burdened by macroeconomic instability, infrastructure deficits, and high-cost structures. Operators rated energy unreliability, poor road infrastructure, and fuel and logistics costs among the most significant constraints, with limited forex access and taxation pressures further weakening operational stability. Additionally, exposure to informal and unlicensed courier competition and regulatory fragmentation reduces confidence and margins. While the sector is less exposed to technology and supplier-related risks than telecoms, its dependency on outdated infrastructure and fragmented oversight still elevates overall risk. These patterns justify the Compound Risk Score of 60.83, which reflects manageable but persistent structural constraints that cap competitiveness.

In summary, the Postal & Courier RRI of 64.93 positions the sector as a steady but constrained performer, a field of meaningful opportunity hindered by cost, infrastructure, and policy bottlenecks. It is a moderate-reward, high-risk environment, where success depends on leveraging digital commerce growth while addressing inefficiencies in infrastructure, regulation, and supply logistics.



Primary Research Combined Telecommunications and Postal & Courier RRI Breakdown
(weightings are in green, scores are in red)

Figure 5: Primary Research Combined Telecommunications and Postal & Courier RRI Breakdown



The Combined Telecommunications and Postal & Courier Risk–Reward Index (RRI) score of 68.11 reflects a balanced but high-stakes environment, where the strong reward potential of Zimbabwe's communications sector continues to be constrained by structural risks that cut across both industries. The Compound Reward Score of 71.25 versus a Compound Risk Score of 60.83 underscores that the broader communications sector is reward-rich but systemically risk-heavy with opportunities driven by digital transformation, inclusion, and infrastructure modernization on one hand, and operational fragility and macroeconomic instability on the other.

On the reward side, the index shows that Zimbabwe's ecosystem benefits from high Telecoms Reward Scores (70.73), robust Country Reward performance (61.11), and moderate optimism within the Postal segment (68.40). Operators across both sectors highlighted that the ongoing expansion of the digital economy, fintech integration, and e-commerce ecosystems are reshaping growth pathways. This is reinforced by a policy environment increasingly aligned with digital transformation and smart infrastructure initiatives, as well as demographic advantages such as a youthful, tech-adept population driving demand for digital and delivery services. Country-level enablers, including inclusion in national development strategies, improving data governance, and the emergence of ESG-aligned investments, further amplify long-term sector attractiveness.

However, the Compound Risk Score of 60.83 reveals persistent, cross-cutting challenges that temper this optimism. Both telecom and postal operators face elevated macroeconomic risks, particularly exchange rate volatility, high inflation, and taxation burdens that erode profitability and limit reinvestment. Country-level risks such as energy

unreliability, poor transport infrastructure, and weak policy consistency remain systemic barriers to efficiency. The telecom subsector adds a further layer of technological and supplier vulnerability through dependence on foreign vendors and cybersecurity exposure, while the postal subsector contends with informal competition and limited logistics infrastructure. Collectively, these factors explain the heavier weighting of risk (51.14%) compared to reward (48.86%), reflecting an investor mindset still dominated by caution.

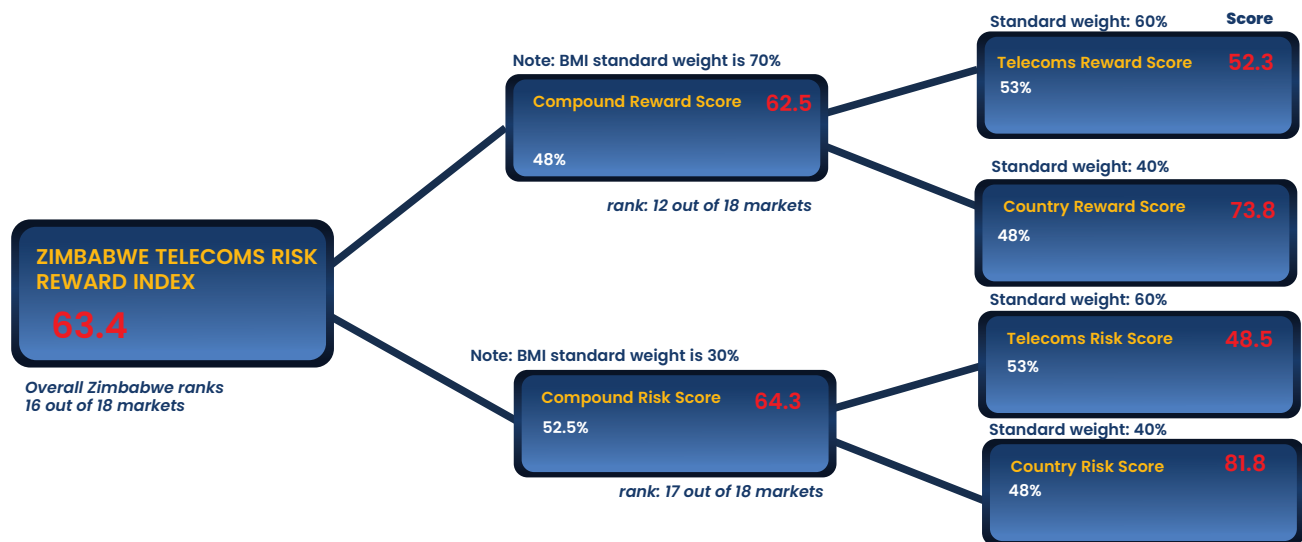
In essence, the combined RRI of 68.11 positions Zimbabwe's Telecommunications Postal & Courier sector as a high-reward, high-risk investment landscape, one that demonstrates undeniable growth potential anchored in digitalisation, e-commerce, and infrastructure innovation, but whose realization depends on resolving chronic macroeconomic and regulatory weaknesses. The sector's resilience and adaptability are evident, yet its full promise will only be unlocked through policy coherence, energy and infrastructure stability, and consistent efforts to strengthen regulatory coordination across the telecom and postal domains

1.5 Desk Research RRI

Telecommunications

Like many other African markets, Zimbabwe's telecommunications industry is dominated by two principal forces – the state (in this case, through incumbents TelOne/NetOne as well as fibre infrastructures owned and operated by state utilities, e.g., PowerTel) and the private sector (in this case principally through Econet Zimbabwe & Liquid Intelligent Technologies). Consequently, consumer choice is limited and, with Econet consistently wielding significant market power and the state-owned players subject to financial constraints as well as a far from agile utility-provider mindset, industry stakeholders demonstrate only a limited ability or inclination to invest in advanced infrastructure and sophisticated services that end-users demand. There are particularly strong parallels with the postal and courier sector, where infrastructural and operational shortcomings make it difficult for new entrants to work - or compete - with the existing players. Coupled with volatile foreign exchange rates (all equipment has to be imported from suppliers billing for goods in US dollars) that create total cost of ownership (TCO) barriers to entry and a regulatory framework that does not yet comprehensively address disruptive technologies such as AI and the Internet of Things (IoT) to international standards, the market remains particularly challenging for foreign investors who would otherwise be keen to take advantage of untapped local demand.

Figure 6: Desk Research Telecommunications RRI Breakdown



The telecommunications sector presents a slightly more attractive overall risk profile than the postal and courier services market, but Zimbabwe still rates very poorly versus its peers. From the comparative analysis across 18 markets, Zimbabwe's Compound Reward score ranks 12th out of 18, reflecting moderate growth potential driven by digital readiness and expanding mobile penetration. However, its Compound Risk score ranks 17th out of 18, highlighting the severe macroeconomic and operational vulnerabilities that continue to constrain performance. Consequently, Zimbabwe's Telecoms RRI score of 63.4 positions it 16th out of 18 markets, underscoring its placement within the high-risk cluster despite moderate reward potential.

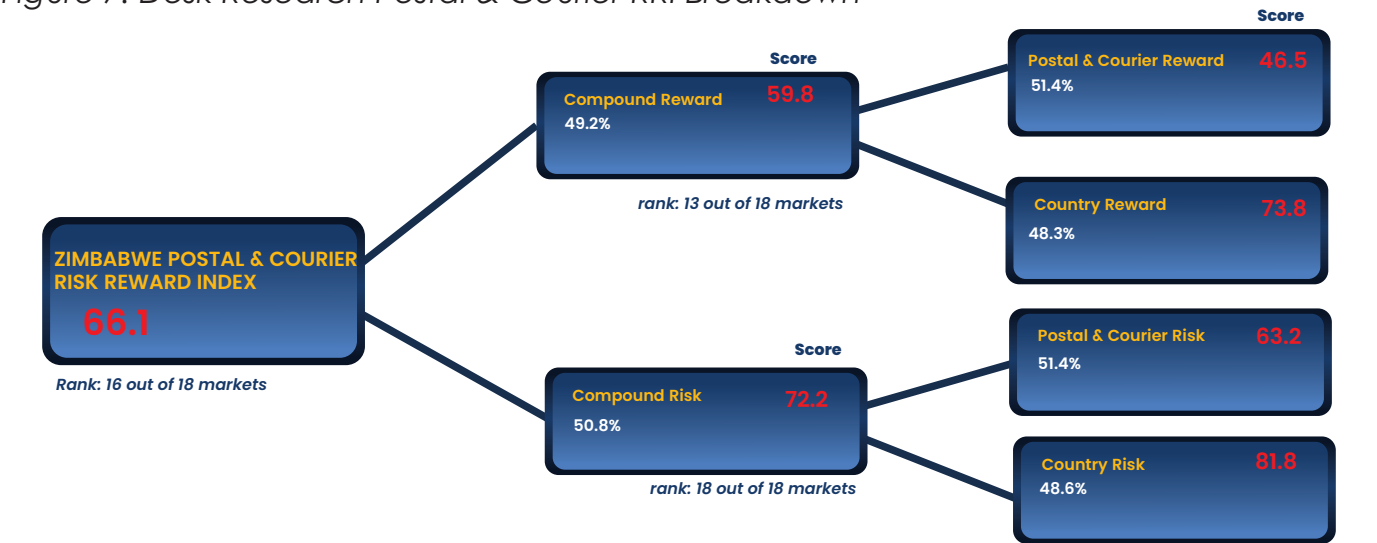
This weak balance persists despite the Risk–Reward Index being weighted toward key expansion-related metrics such as subscriber growth rates, average revenues per user (ARPU), data traffic evolution, and mobile/fixed broadband network coverage. The market's inherent weaknesses stem from the unequal distribution of critical infrastructure at local or metropolitan levels, particularly mobile towers and fibre-optic networks. In many cases, assets are concentrated in just a few dense population and commercial centres, leaving suburban and rural consumers with sub-par or non-existent connectivity, which mitigates against digital inclusivity. Notably, data transfer speeds are much slower than in many other African markets, though it should be acknowledged that Zimbabwe's landlocked nature leaves it dependent on low-capacity, long-distance, cross-border connections with neighbouring markets through which access to the global high-speed internet infrastructure is gained, usually at high cost to Zimbabwean telcoms.

Postal & Courier RRI

Zimbabwe's postal and courier industry demonstrates a paradoxical performance profile where underlying service capabilities exist but are constrained by fundamental infrastructural and economic impediments, resulting in a risk-reward imbalance that places operational burdens on industry participants.

The industry rewards profile reveals a sector with inherent structural potential - evidenced by relatively strong postal development foundations, reasonable service reach across the population, and maintained relevance in the communications infrastructure - yet this potential remains largely unrealised due to critical performance gaps in core operational areas. The sector's reliability metrics indicate systemic service delivery inconsistencies, while limited tracking and tracing capabilities reflect technological infrastructure deficits that prevent the industry from meeting modern consumer and business expectations. These technological shortcomings are particularly damaging in an era where supply chain visibility and parcel tracking have become baseline service requirements, effectively constraining Zimbabwe's postal operators from competing effectively in both domestic and international markets.

Figure 7: Desk Research Postal & Courier RRI Breakdown



From this study, Zimbabwe's overall RRI score of 66.1 ranks 16th out of 18 markets, underscoring its classification within the region's high-risk cluster. While Zimbabwe's Compound Reward score of 59.8 places it 13th out of 18 markets, signalling a moderate opportunity anchored in baseline infrastructure and human capital potential, the Compound Risk score of 72.2, ranked 18th out of 18, confirms that the sector is the most challenging operational environment among peer countries. This imbalance between reward and risk vividly illustrates the structural headwinds that continue to suppress sector competitiveness and investor confidence.

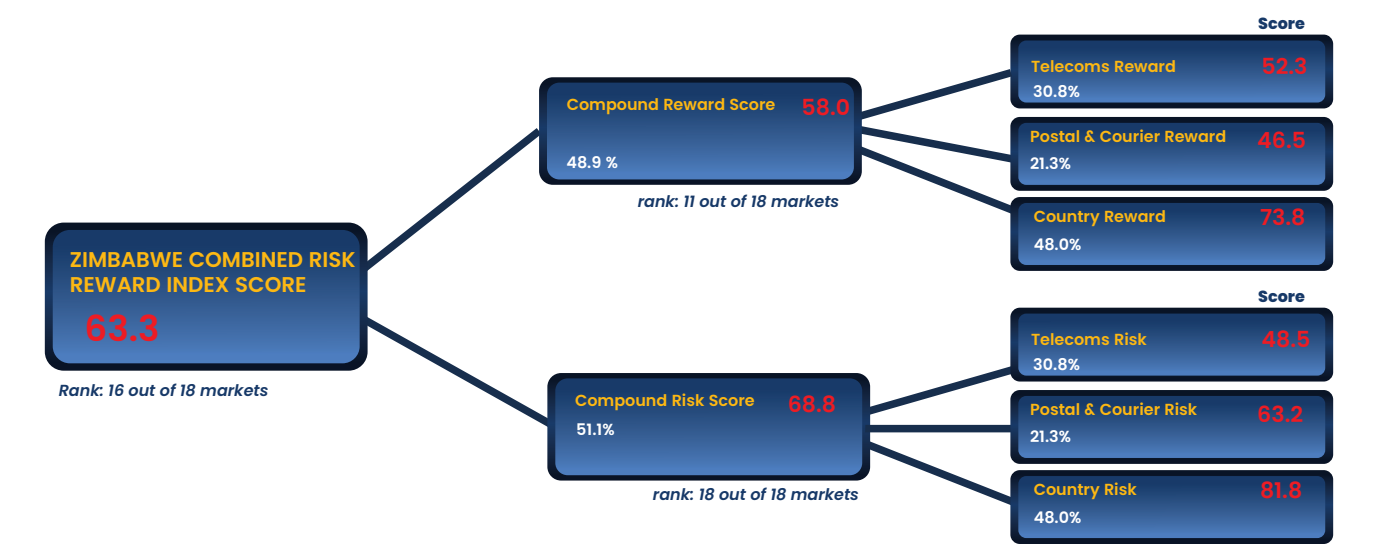
The industry's elevated risk profile is fundamentally driven by acute infrastructure deterioration and prohibitive operational cost structures that create compounding challenges throughout the service delivery chain. Road infrastructure represents perhaps the most critical constraint, with low mean speeds and low road density creating a logistical environment where delivery timeframes become unpredictable, and transportation costs escalate substantially. This infrastructure deficit means having to navigate inefficient routing systems, increasing vehicle maintenance costs, and creating service reliability issues that undermine customer confidence and business sustainability. The situation is exacerbated by high utility costs, particularly fuel and electricity, which create structural cost pressures that make operations financially challenging even before considering service quality improvements.

These elevated operational costs are particularly problematic given the limited revenue-generating potential within the domestic market, creating a situation where operators face mounting expenses while serving a customer base with constrained purchasing power for premium postal and courier services. Additionally, the dominance of Zimbabwe's informal economy distorts market structure by diverting significant parcel and logistics traffic away from formal postal channels. This widespread use of unregistered courier operators reduces tax revenue, undermines service standardisation, and limits the regulator's ability to enforce consistent quality and pricing across the sector.

Combined Postal + Telecoms

Zimbabwe's combined telecommunications and postal courier RRI occupies a precarious position with exceptional market potential undermined by structural vulnerabilities. The market's reward credentials stem from a growing digitally engaged population supported by strong educational foundations and urbanisation that create dense, accessible customer bases ideal for both telecommunications' infrastructure deployment and last-mile delivery services. This digital-first consumer behaviour, combined with a services-oriented economic structure, positions Zimbabwe as a market where telecommunications operators can capture significant revenue per user through value-added services, while courier companies benefit from growing e-commerce fulfilment demand and increasing digitization of traditional business processes.

Figure 8: Desk Research Combined Telecommunications and Postal & Courier RRI Breakdown



Zimbabwe's Combined Risk–Reward Index score of 63.3 places it 16th out of 18 benchmarked markets, reinforcing its classification within the region's high-risk, moderate-reward cluster. The country's Compound Reward score of 58.0, ranked 11th out of 18, indicates moderate sectoral potential supported by a growing digital base and established postal infrastructure. However, this is overshadowed by a Compound Risk score of 68.8, where Zimbabwe ranks 18th out of 18, reflecting the most challenging operating environment among its peers, dominated by macroeconomic instability that creates existential threats to business continuity and capital preservation.

Zimbabwe's economic volatility manifests through hyperinflationary pressures, currency instability, and policy unpredictability that make long-term infrastructure investments risky while simultaneously eroding consumer purchasing power and business confidence. Political risk factors compound these challenges, introducing regulatory uncertainty and potential policy reversals that can dramatically impact business models and profitability. This instability is particularly damaging for capital-intensive telecommunications infrastructure and logistics networks that require stable, predictable regulatory frameworks to justify substantial upfront investments and achieve sustainable returns.

The sector faces additional operational complexity through Zimbabwe's deteriorating institutional environment, where widespread cybercrime and financial crime create both direct operational costs and systemic trust deficits that undermine the digital services ecosystem both industries increasingly depend upon. Poor governance structures and weak rule of law create unpredictable business environments where contract enforcement becomes problematic and regulatory compliance costs escalate significantly. These institutional weaknesses particularly impact the postal and courier segment, where cross-border operations require reliable customs processes and trade facilitation mechanisms that Zimbabwe's governance challenges often compromise. While the underlying market fundamentals suggest growth potential for integrated telecommunications and logistics services, the convergence of macroeconomic, political, and institutional risks creates an investment environment where even well-executed business strategies face material threats from external factors beyond management control, explaining why Zimbabwe's high reward potential struggles to translate into attractive overall investment proposition.



RESEARCH BACKGROUND AND OBJECTIVES

The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ), established in terms of section 3 of the Postal and Telecommunications Act, carries the mandate to promote the orderly development of the sector and advance technological progress in the country. The postal and telecommunications industry in Zimbabwe has undergone significant transformation since liberalization, with increased competition, rapid technological change, and growing demand for connectivity, positioning the sector as a key driver of economic growth and social development.

In recognition of the sector's strategic importance, POTRAZ commissioned Consumer Feedback Consultancy (CFC) to design and implement a Postal & Telecommunications Risk Reward Index. The index is intended to quantify the balance of risks and rewards of doing business in the postal and telecommunications sectors and to provide an evidence-based framework for guiding policy, regulatory action, and investment decision-making.

The Risk Reward Index serves as an authoritative guide for policymakers, industry leaders, and investors. It provides a grounded outlook on opportunities and challenges facing the sector, while also benchmarking Zimbabwe's performance against regional peers. By combining both industry perceptions and external market fundamentals, the index offers insights into how the operating environment is experienced locally and how it is perceived by external observers.

2.1 Introduction to the RRI

The Postal and Telecommunications Regulatory Authority of Zimbabwe, hereinafter referred to as "POTRAZ", is a statutory body established in terms of section 3 of the Postal and Telecommunications Act. POTRAZ is mandated to promote the development of the sector and further the advancement of technology, amongst other functions. The postal and telecommunications industry in Zimbabwe has experienced significant development since its liberalization. Increased competition, technological advancements, and a growing demand for connectivity are driving the industry forward, making it an important sector for economic growth and social development in the country.

POTRAZ engaged the services of Consumer Feedback Consultancy to conduct a survey and formulate a Postal & Telecommunications Risk Reward Index which seeks to quantify the net risks and rewards of doing business in the postal and telecommunications sector. The index will be an authoritative guide for policymakers, business leaders and investors. It will also provide a grounded, long-term outlook of key trends shaping investment in the postal and telecommunications sector. The survey will provide valuable insights into the

opportunities and challenges as well as in-depth assessment and quantification of risks and rewards, thus enabling stakeholders to make informed decisions and implement effective strategies.

2.2 Research Objectives

The specific objectives of the survey include the following:

- I. Develop a framework to assess the outlook for the postal and telecommunications sectors from which users can dive into more granular forecasts and analysis to gain a deeper understanding of market developments.
- II. Quantify the Rewards and Risks of doing business in the postal and telecommunications sector.
- III. Assess the current and potential risks and challenges faced by the postal and telecommunications players in Zimbabwe.
- IV. Conduct an analysis to understand the attractiveness, rewards, and growth opportunities in the postal and telecommunications sector in Zimbabwe.
- V. Compare and rank research results with different countries based on postal and telecommunications net risks and rewards.
- VI. Present actionable recommendations to enhance the postal and telecommunications sector's resilience, competitiveness, and overall performance.



This study employed a dual-index approach, combining both primary and secondary research to provide a complete picture of the risks and rewards of operating in Zimbabwe's postal, courier, and telecommunications sectors. The decision to adopt this approach stemmed from the recognition that investment attractiveness cannot be understood through a single lens. Instead, it requires both:

- An internal perspective grounded in how current operators and stakeholders experience the micro and macro environment on a day-to-day basis.
- An external perspective that reflects how Zimbabwe's market fundamentals and sector characteristics are benchmarked by analysts, investors, and international observers.

The dual-index approach therefore, integrates these two perspectives:

1. Primary Research RRI (Policy-Sensitive): Captures the voices of licensed operators and key stakeholders inside Zimbabwe, reflecting the lived realities of policy, regulation, and daily operations.
2. Desk-Based RRI (Market-Sensitive): Captures the view from outside, drawing on secondary datasets and global benchmarking indicators to show how Zimbabwe is positioned relative to peers.

By looking at the two indices, the study provides POTRAZ with a 360-degree perspective. The Primary RRI highlights the areas where local operators perceive heightened risks or see untapped rewards, while the Desk-Based RRI situates Zimbabwe's performance within the wider regional and global investment landscape. The two indices are designed to complement each other, offering a balanced picture of Zimbabwe's postal, courier, and telecommunications sectors. The Primary Research RRI grounds the analysis in the lived realities of licensed operators, capturing their perceptions of risks and rewards under the current policy and regulatory environment. The Desk-Based RRI benchmarks Zimbabwe's positioning through external datasets and regional comparisons, showing how the sector appears to international investors and analysts. Viewed together, these perspectives highlight where Zimbabwe appears strong or vulnerable internally versus externally, and in doing so, help identify priority areas for policy action and opportunities to enhance sector competitiveness.

3.1 Primary Research

The quantitative component of the primary research followed a census approach, engaging all 44 licensed operators registered with POTRAZ at the time of the study:

- 26 in Telecommunications, covering mobile network operators, fixed telephony, and ISPs.
- 18 in Postal & Courier services, spanning national and international operators.

This census ensured complete coverage, allowing every operator's voice to be included in the index. By doing so, the study avoided the limitations of sampling and directly quantified the day-to-day risk and reward realities of the present investors. Importantly, operators also provided the weight allocations between risks and rewards, and between industry-level and country-level factors, which formed the empirical backbone of the index computation.

To deepen the evidence base, a qualitative strand of the primary research was conducted through Key Informant Interviews (KIIs). These extended beyond licensed operators to include:

- Regulatory & Policy Bodies ((e.g., Ministry of ICT, Ministry of Finance, Competition and Tariff Commission, ZIMSTAT).
- Industry Associations & Consumer Representatives (e.g., CCZ, ZNCC, CZI)
- Financial & Investment Institutions (e.g., banks).
- International & Regional Organizations (e.g., ITU).

This mixed-methods design ensured that the Primary Research RRI was not only based on operator perceptions but also contextualized by broader ecosystem insights around regulation, policy, consumer dynamics, financing, and international standards.

Guiding Analytical Frameworks

The design of both primary research components was anchored in two globally recognized frameworks that structured the tools and analysis:

Porter's Five Forces (Industry-Level Analysis): - This framework examines competitive dynamics within a sector and their impact on profitability and attractiveness. It considers:

- Bargaining Power of Buyers (customer price sensitivity, churn, switching costs). volatility).
- Bargaining Power of Suppliers (vendor concentration, import reliance, cost
- Threat of New Entrants (barriers to entry, market contestability).
- Threat of Substitutes (OTT platforms, informal courier services, digital alternatives).
- Industry Rivalry (competition intensity, segmentation, infrastructure sharing).

- Threat of Substitutes (OTT platforms, informal courier services, digital alternatives).
- Industry Rivalry (competition intensity, segmentation, infrastructure sharing).

These five forces informed the structure of the quantitative questionnaire, ensuring operator perceptions of risks and rewards could be systematically captured and compared across sectors.

PESTEL (Country-Level Analysis): -This framework assesses macro-level factors that shape the business environment. It covers:

- Political (policy consistency, regulatory engagement, governance).
- Economic (currency volatility, inflation, taxation, capital access).
- Social (digital literacy, demographic shifts).
- Technological (infrastructure readiness, AI adoption, cybersecurity).
- Legal (contract enforcement, regulatory coordination, data protection).
- Environmental (energy reliability, climate risks, ESG alignment).

PESTEL was critical in structuring both the survey and KII probes at the country level, ensuring that systemic national risks and rewards were fully integrated into the index framework. Together, these frameworks provided a conceptual scaffolding that allowed the study to align operator perceptions with global best practices in risk–reward assessment.

3.2 Secondary Research

The secondary research component of the study focused on constructing the Desk-Based Risk Reward Index (RRI), which captures how Zimbabwe's postal, courier, and telecommunications sectors are positioned from an external investment perspective. For this assignment, CFC partnered with Fitch Solutions BMI, a global advisory partner renowned for its deep expertise in delivering market intelligence and investment benchmarking across Sub-Saharan Africa and beyond. Fitch Solutions BMI was chosen for this study because of its established Risk/Reward Index modelling expertise, which aligns directly with the objectives of developing a credible, comparative framework for Zimbabwe. With over four decades of experience in interpreting political, economic, and industry risks, Fitch BMI brought proprietary databases, robust forecasting tools, and global investment insights that ensure methodological rigor and comparability.

Analytical Framework and Indicators

The Desk-Based Risk Reward Index was structured across two complementary levels, industry-level and country-level. However, in practice the design went further, translating each pillar into quantifiable indicators sourced from international and national datasets. The partnership ensured that the Desk-Based RRI was grounded in globally comparable

indicators and robust investment intelligence. A total of 90 indicators were used, covering Telecommunications, Postal & Courier, and country-level macro factors. Each indicator was selected for its relevance to investment decision-making, with sources including the International Telecommunication Union (ITU), the Universal Postal Union (UPU), the World Bank, UNESCO, IMF, UN, Fitch/BMI proprietary databases, CIA Factbook, and national statistical offices. These sources provided standardized data covering industry-level & country-level dynamics.

Telecommunications Industry Rewards Indicators

- Mobile phone subscribers per 100 inhabitants (proxy for penetration and market depth)
- Percentage of postpaid mobile subscribers (premium market development)
- Five-year historical mobile subscriber growth (adoption trajectory)
- Blended ARPU in USD (revenue quality)
- Smartphone penetration as % of base (digital readiness)
- Fixed line and broadband penetration (diversity of access technologies)
- Mobile data traffic per subscriber (usage intensity)
- Annual telecom investment per 100 inhabitants (infrastructure expansion)
- Coverage: SIMs per tower, land area coverage, population coverage (network density)
- Fixed voice and fibre connections with growth trends (infrastructure modernisation)
- Broadband basket cost (affordability)

Telecommunications Industry Risks Indicators

- Regulator autonomy, mandate, regulatory roadmaps (governance quality)
- Legal frameworks for telecoms (clarity, enforceability)
- Data transfer speeds (service quality)
- Electricity quality and cost (operational risk)
- Tower distribution/load (capacity strain)

Postal & Courier Industry Indicators

- **Postal development:** development level, reliability, reach, relevance, resilience, number of partners
- **Infrastructure:** permanent post offices, sorting centres, staffed offices
- **Service volumes:** letter post (domestic, inbound, outbound), parcels (domestic, international), express items
- **Logistics:** road density, total road network, mean road speeds, logistics quality, tracking and tracing
- **Structural risks:** cost of fuel, cost of electricity, land availability, level of informality in employment, competition with unregistered firms, unfair business practices

Country-Level Indicators (PESTEL)

- **Political:** regulator independence, government stability, stakeholder consultation
- **Economic:** GDP per capita, short- and long-term economic risk indices, forex volatility, inflation, taxation, access to capital
- **Social:** urban/rural split, youth population share, digital literacy levels, affordability
- **Technological:** long- and short-term forecasts of broadband penetration, AI adoption readiness, cybersecurity risk indices, operational risk indices
- **Legal:** contract enforcement, data protection frameworks, regulator resources and openness
- **Environmental:** energy reliability, renewable adoption, ESG compliance, climate risks

Indicator Rationale

The rationale for each indicator followed this methodology:

- **Industry Rewards:** assess market size and growth potential (subscriber growth, ARPU, postpaid share, smartphone penetration).
- **Country Rewards:** capture macro fundamentals shaping demand (GDP per capita, urbanisation, youth demographics).
- **Industry Risks:** evaluate sector-specific barriers (regulatory independence, infrastructure quality, input costs).
- **Country Risks:** assess macroeconomic, political, and operational vulnerabilities (economic risk indices, political stability, operational risk).

By combining these with postal-specific indicators (logistics, informality), the framework provided a holistic picture of sector attractiveness across both POTRAZ-regulated domains.

For benchmarking purposes, Zimbabwe was compared against a diverse set of Sub-Saharan African peers, including Angola, Botswana, Cameroon, the Democratic Republic of Congo (DRC), Eswatini, Kenya, Lesotho, Madagascar, Malawi, Mozambique, Namibia, Rwanda, Senegal, South Africa, Tanzania, Uganda, Zambia, and Zimbabwe itself. These countries were selected to provide both regional diversity and investment relevance, offering a balanced comparative lens for assessing sector risks and rewards.

Sectoral Indices

The framework was also adapted to produce separate indices for:

- **Telecommunications**, incorporating indicators specific to mobile networks, ISPs, spectrum, broadband, and digital services.
- **Postal & Courier**, incorporating indicators on infrastructure, logistics, last-mile delivery, e-commerce alignment, and informality challenges.

The two indices were then combined into a composite Desk-Based RRI, providing an overall view while preserving the sector distinctions that mirror POTRAZ's regulatory mandate.

Weighting and Anchoring on Primary Research

Although the Desk-Based RRI relied on external datasets, the weighting between Risks and Rewards and between Industry and Country levels was anchored on the operator-derived weights from the Primary Research RRI census of 44 licensed operators. This ensured that the Desk-Based Index remained policy-sensitive, reflecting the lived priorities of Zimbabwean operators even when benchmarking against external data.



4.

PRIMARY RESEARCH FINDINGS

In analysing the data, Likert scale questions formed the primary basis for making inferences regarding the perceptions of operators. To ensure consistency of responses across the instrument, a reliability test was conducted on all 86 indicators rated, yielding a Cronbach's alpha of 0.943, which indicates excellent internal reliability. Given that the assumptions for parametric testing were not met, all inferential analyses were carried out using the Mann–Whitney U test, an appropriate non-parametric alternative that allows comparison between groups. This approach ensures the robustness and credibility of the findings presented in the subsequent sections.

4.1 Risks

In the context of this study, risks are understood as the barriers, uncertainties, and vulnerabilities that influence investment decisions and operational performance within Zimbabwe's postal, courier, and telecommunications sectors. Assessing risk was a critical step in unpacking how operators perceive the stability and attractiveness of the environment in which they operate. Guided by the study methodology, risks were examined at two levels. At the industry level, Porter's Five Forces provided the lens to analyse competitive pressures such as the threat of new entrants, bargaining power of suppliers and buyers, substitutes, and rivalry among existing competitors. At the country level, the PESTEL framework enabled the study to explore broader macro factors such as political, economic, social, technological, legal, and environmental conditions that present risk to sector growth and investment. The primary research census of 44 licensed operators ensured that this risk assessment was grounded in operator sentiment, capturing the lived realities of those currently invested in the sector. Importantly, the approach also allowed for comparative insights between the Telecommunications sector and the Postal & Courier sector, highlighting both commonalities and differences in how risks manifest across the two industries.

4.2 Overview of Risk Indicators

In assessing risks, the study was guided by a structured set of indicators that translated abstract concepts of uncertainty and vulnerability into measurable elements. These indicators were carefully designed to capture both industry-level dynamics and country-level conditions, ensuring that the analysis reflected the full spectrum of risks operators face.

4.3 Industry Level Risks (Porter's Five Forces)

At the industry level, risks were assessed by examining the competitive pressures operators face in their day-to-day operations, which provided a structured lens to capture operator experiences. The indicators included:

Threat of New Entrants

- Regulatory hurdles for market entry
- Capital requirements to compete
- Dominance of existing brands
- Limited access to national infrastructure (towers, logistics networks)

Bargaining Power of Suppliers

- Dependence on foreign technology vendors
- Limited number of qualified local suppliers
- Network dependency on single vendors
- High-cost volatility of essential inputs

Bargaining Power of Buyers

- High customer churn/low switching costs
- Demand for lower pricing due to economic hardship
- Customer bargaining power in high-density markets

Threat of Substitutes

- Over-the-top (OTT) platforms (WhatsApp, Zoom, courier alternatives)
- Informal/unlicensed service alternatives
- Changing consumer preferences (digital-first behaviour)

Industry Rivalry

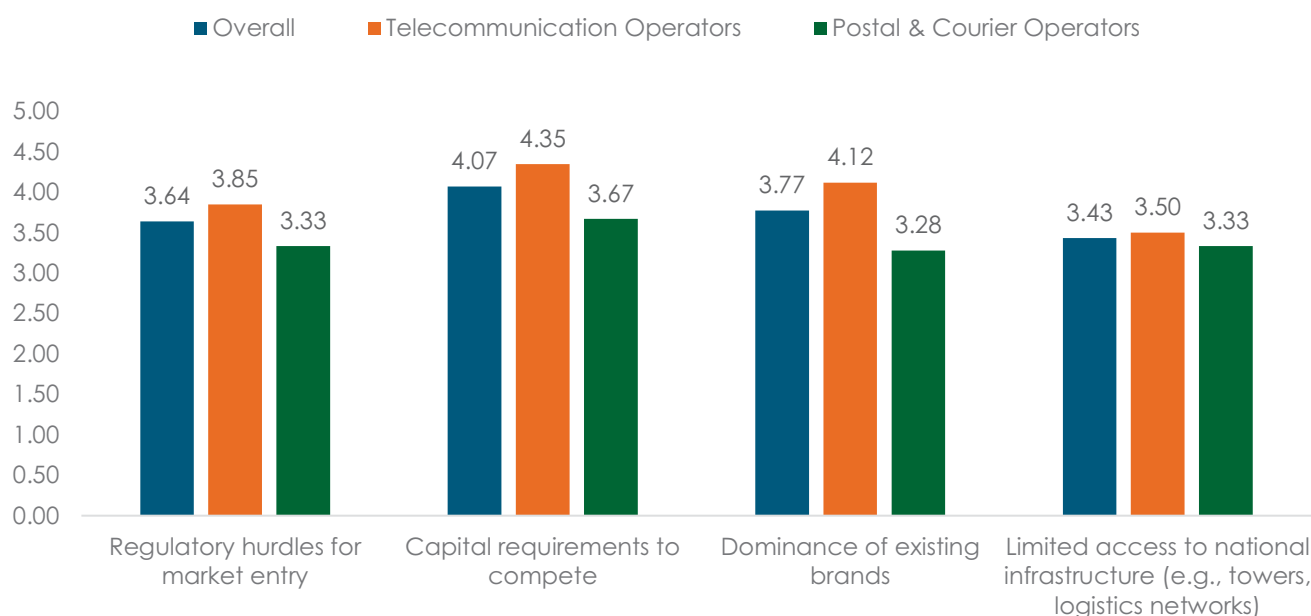
- Saturated market
- Overlapping service areas/lack of segmentation
- Lack of infrastructure-sharing collaboration.
- Aggressive discounting or undercutting

4.3.1 Threat of New Entrants

The combined operator sentiment across both Telecommunications and Postal & Courier highlights that the highest perceived barriers under the threat of new entrants are capital requirements to compete (overall mean = 4.07) and dominance of existing brands (overall mean = 3.74). These indicators stand out as the most critical entry constraints, signaling that new players face substantial hurdles in terms of investment capacity and overcoming entrenched market leaders. Regulatory hurdles for market entry (3.64 overall) and limited access to infrastructure (3.43 overall) were also identified as risks, though at comparatively lower levels.

When disaggregated by sector, the contrasts become more pronounced. Telecommunications operators consistently rated risks higher than their Postal & Courier counterparts, with capital requirements to compete (4.35 vs 3.67, $p=0.016$) and dominance of existing brands (4.12 vs 3.28, $p=0.010$) showing statistically significant differences. This reinforces the perception that the telecoms market is highly capital-intensive and brand-concentrated, leaving little room for new entrants to grow without significant financial muscle and competitive differentiation. By comparison, Postal & Courier operators rated these risks lower, reflecting a more fragmented and less brand-dominated market structure. For regulatory hurdles (3.85 vs 3.33, $p=0.155$) and infrastructure access (3.50 vs 3.33, $p=0.518$), there were no statistically significant differences, indicating that both sectors share these as common operational challenges.

Figure 9: Threat of New Entrants



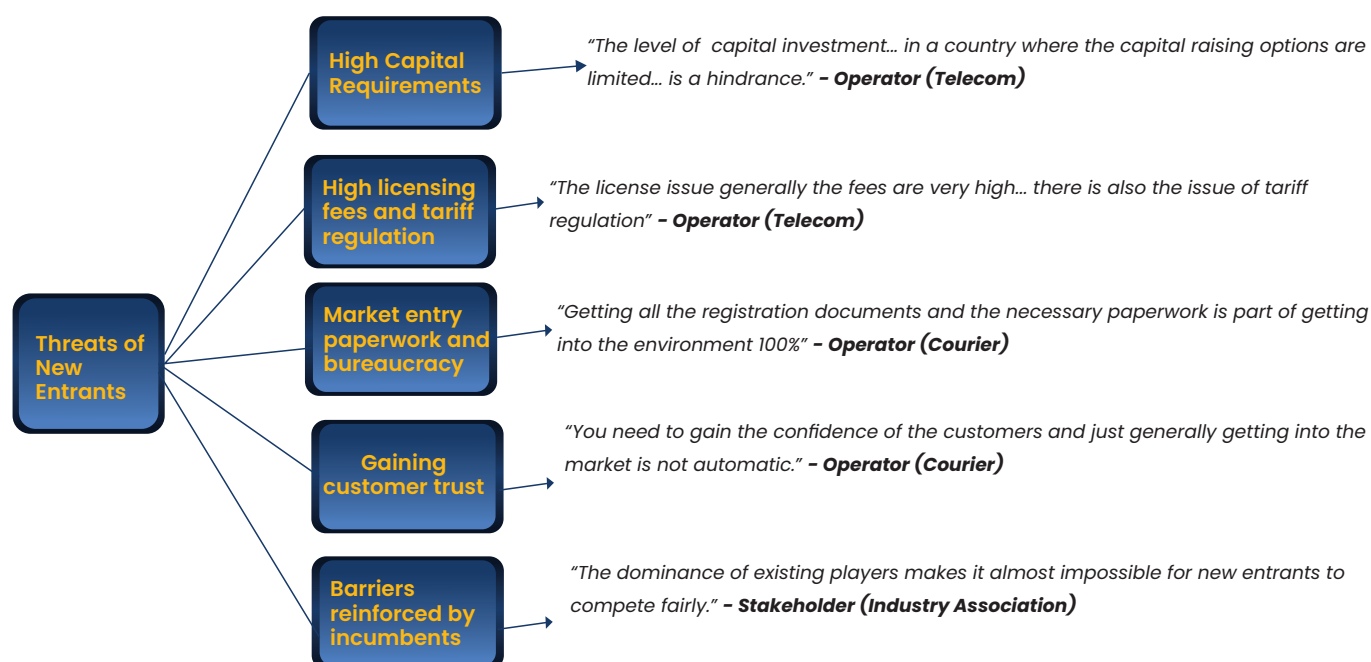
Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factor presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk



Table 1: P-Values, and Interpretation across Threats of New Entrants

Indicator	p-value	Interpretation
Regulatory hurdles for market entry	0.155	Not statistically significant
Capital requirements to compete	0.016	Statistically significant difference
Dominance of existing brands	0.010	Statistically significant difference
Limited access to national infrastructure (e.g., towers, logistics network)	0.518	Not statistically significant

Qualitative Insights



While the quantitative findings highlight capital requirements and brand dominance as the statistically significant barriers to entry particularly acute in the telecommunications sector, the qualitative evidence provides important depth to these patterns. Operators described the practical challenges of raising investment capital in a constrained financial market, confirming why capital intensity emerges so strongly in the data. The issue of high licensing fees and tariff regulation, while not statistically different across sectors, was echoed by several respondents who noted that paperwork, registration, and compliance processes create hidden costs that reinforce entry barriers. Courier operators, while rating risks lower

in the quant survey, still emphasised gaining customer trust and navigating bureaucracy as core hurdles.

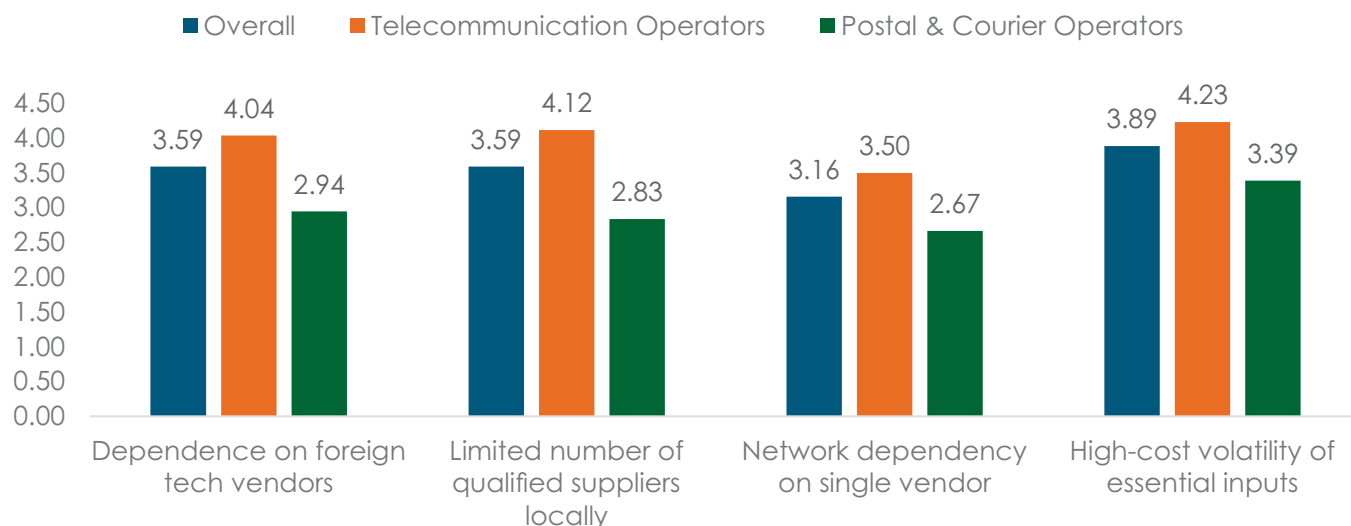
Together, the integration of quantitative scores and qualitative perspectives paints a coherent picture: capital intensity and entrenched incumbency are not just abstract statistical differences but lived realities that shape the strategic decisions of both prospective and current operators. From a policy perspective, these findings suggest that interventions to reduce capital entry barriers and promote fair competition should be prioritized in the telecoms sector, for example by encouraging infrastructure-sharing, easing access to financing, and fostering mechanisms that support challenge brands. In the Postal & Courier sector, where risks are less concentrated around capital and brand dominance, efforts may be better focused on broadening infrastructure access and improving regulatory clarity to maintain competitiveness. Overall, the evidence demonstrates that while some risks are systemic across the industry, others are sector-specific and require differentiated policy responses to promote balanced growth and investor confidence.

4.3.2 Bargaining Power of Suppliers

The overall results show that supplier power is a significant source of risk across Zimbabwe's communications sector, with the highest vulnerability reported for the volatility of essential input costs (overall 3.89). This is followed closely by dependence on foreign technology vendors (3.59) and the limited pool of qualified local suppliers (3.59), while dependency on a single vendor (3.16), though slightly lower, still reflects an important structural concern. Collectively, these results point to an environment where operators remain highly exposed to external suppliers and unpredictable costs, constraining stability and long-term investment planning. When perceptions are viewed by sector, clear distinctions emerge in the degree of risk attached to each indicator.

When perceptions are viewed by sector, clear distinctions emerge in the degree of risk attached to each indicator. Telecommunications operators consistently perceive greater supplier-related risks, with all four indicators registering higher scores compared to Postal & Courier operators. The gaps are not only large but also statistically significant: foreign vendor dependence (4.04 vs 2.94; $p=0.002$), limited local suppliers (4.12 vs 2.83; $p=0.001$), single-vendor reliance (3.50 vs 2.67; $p=0.013$), and cost volatility (4.23 vs 3.39; $p=0.014$). This underscores the capital-intensive and technologically demanding nature of telecoms, where fewer supplier options and higher reliance on global vendors amplify risks. In contrast, Postal & Courier operators, while still affected, face a more diversified and less technology-dependent supplier base, leading to relatively lower risk ratings.

Figure 10: Bargaining Power of Suppliers



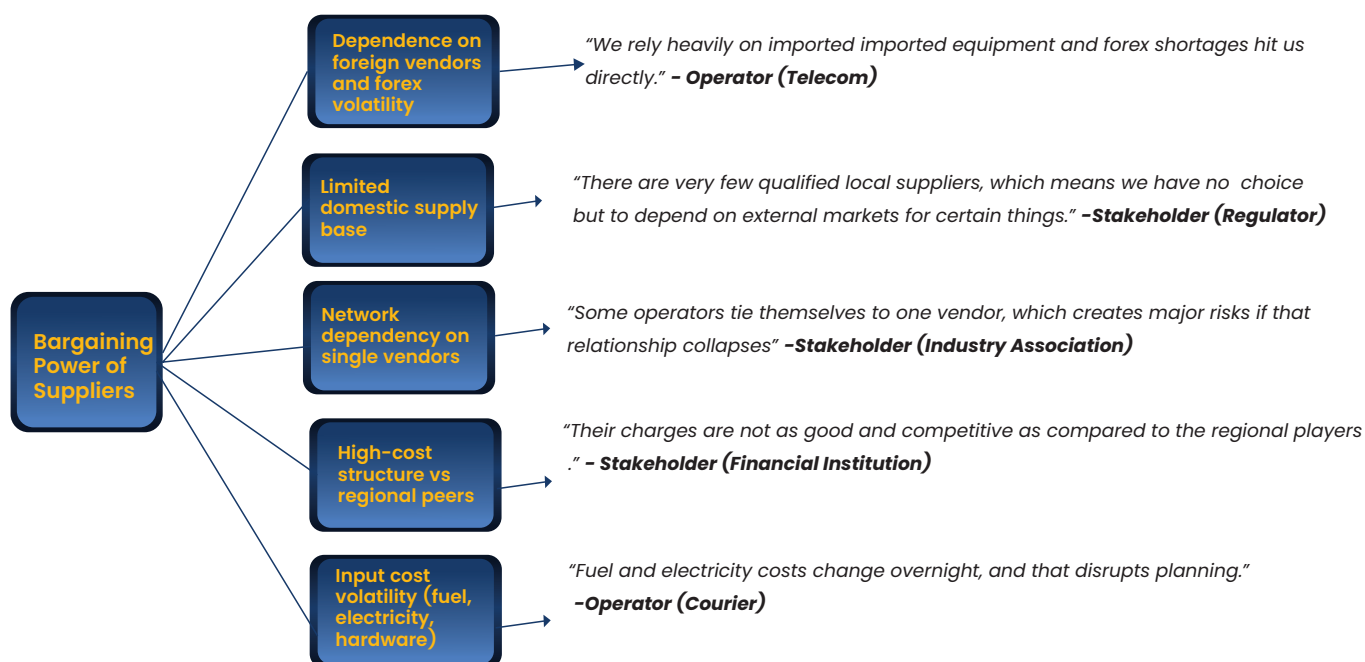
Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk.

Table 2: P-Values, and Interpretation across Bargain Power of Supplier

Indicator	p-value	Interpretation
Dependence on foreign tech vendors	0.002	Statistically significant difference
Limited number of qualified suppliers locally	0.001	Statistically significant difference
Network dependency on single vendor	0.013	Statistically significant difference
High-cost volatility of essential inputs	0.014	Statistically significant difference



Qualitative Insights



While the quantitative results point clearly to supplier power as a significant and statistically distinct risk, especially in the telecommunications sector. Telecom operators reported much higher exposure to foreign vendor dependence and limited local supplier options a finding reinforced by qualitative testimonies describing the heavy reliance on imported equipment and the difficulties of accessing foreign currency to service supplier contracts. The evidence of high input cost volatility, also significant in the survey, was echoed in stakeholder perspectives highlighting the unpredictability of fuel and electricity costs, which repeatedly disrupt operational planning.

Postal and courier operators, who rated supplier risks lower in the quantitative survey, still emphasised challenges with logistics costs, equipment sourcing, and the absence of competitive local markets, confirming that while the risks are less acute than in telecoms, they remain material. Industry associations and regulators further contextualised these findings by pointing to the small pool of qualified local suppliers and instances of single-vendor dependency, where operators tie themselves to one provider at the expense of flexibility and resilience. Together, these findings show that the supplier dimension of the risk landscape is not only a matter of cost but also of structural vulnerability, where limited diversification and forex constraints magnify exposure. By aligning quantitative significance with lived operator experiences, the study confirms that supplier power is both a technical and financial bottleneck.

In policy terms, these findings highlight the urgency of building more robust and diversified supplier structures. Priorities include encouraging vendor diversification, supporting the development of local supplier capacity, and stabilizing cost structures through measures that ease forex and input price volatility. For the Postal & Courier sector, where risks are less acute but still material, policies could focus on streamlining input markets (fuel, logistics,

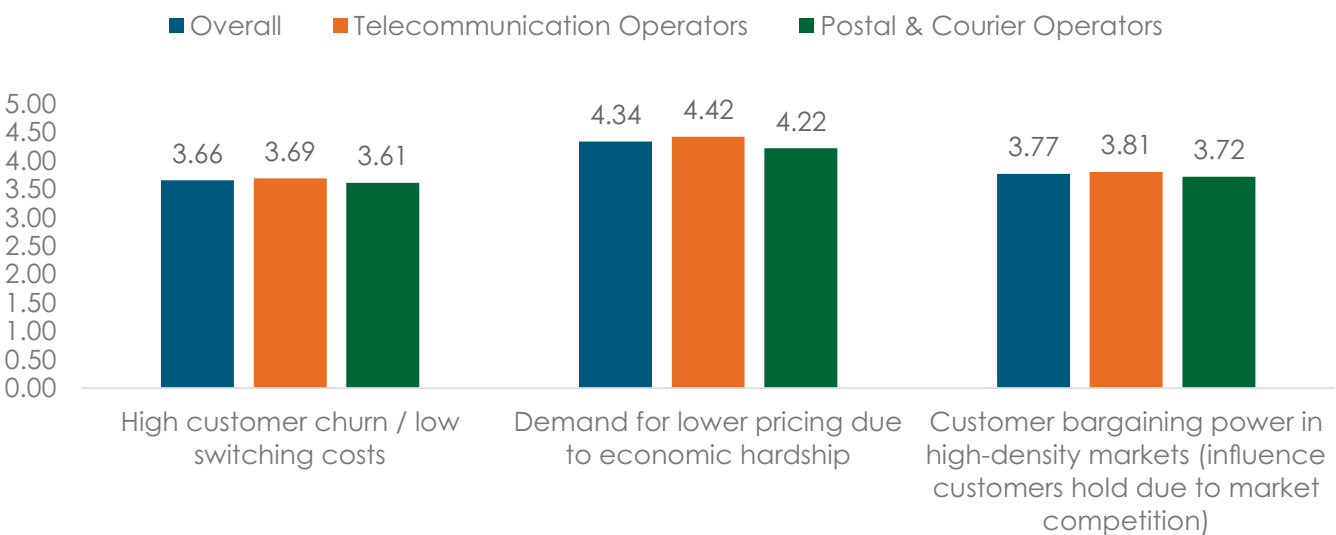
equipment) to ensure service affordability. Tailoring responses in this way ensures that both sectors can reduce their exposure to supplier power while supporting long-term competitiveness.

4.3.3 Bargaining Power of Buyers

The overall results show that buyer-related risks are a shared pressure point across both Telecommunications and Postal & Courier operators. The most prominent indicator is the demand for lower pricing due to economic hardship (overall 4.34), underscoring the challenge operators face in balancing affordability with sustainability. This is followed by customer bargaining power in high-density markets (3.77), reflecting the influence of concentrated consumer bases, while high customer churn/low switching costs (3.66) adds a further layer of pressure by reinforcing the ease with which customers can move between providers. Together, these results point to a customer environment that is increasingly cost-sensitive and empowered.

Looking across sectors, the risk scores for Telecommunications and Postal & Courier operators are closely aligned, with telecoms only marginally higher on all three indicators. For instance, telecom operators rated churn/switching costs at 3.69 vs 3.61, pricing pressures at 4.42 vs 4.22, and customer bargaining power at 3.81 vs 3.72. Importantly, none of these differences were statistically significant (p-values > 0.6), confirming that buyer-related pressures are felt broadly across both industries rather than being sector-specific. This suggests that customer dynamics in Zimbabwe exert uniform stress across the communications ecosystem, with affordability, competition, and customer mobility shaping both telecoms and postal/courier markets in similar ways.

Figure 11: Bargaining Power of Buyers

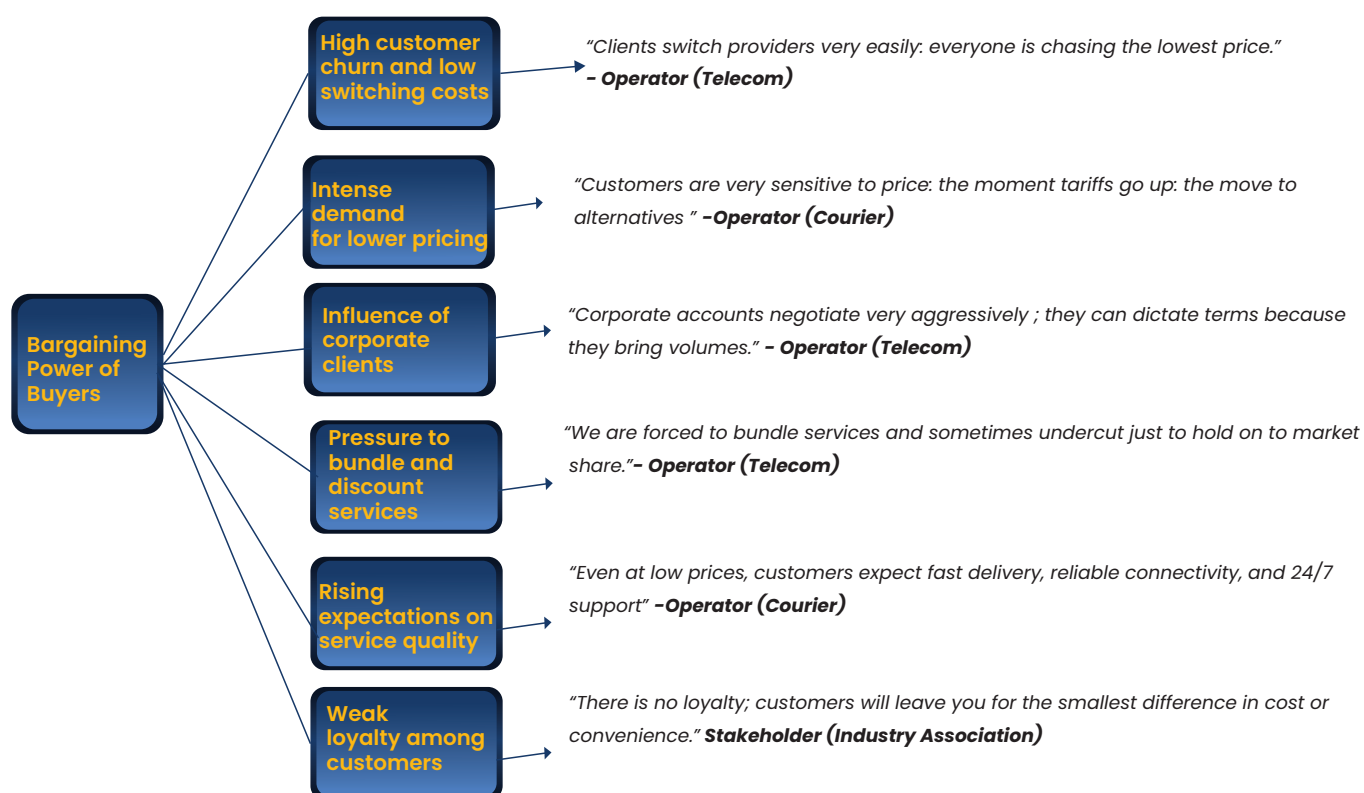


Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk

Table 3: P-Values, and Interpretation across Bargain Power of Buyers

Indicator	p-value	Interpretation
High customer churn/low switching costs	0.634	Not statistically significant
Demand for lower pricing due to economic hardship.	0.874	Not statistically significant
Customer bargaining power in high-density markets (influence customer hold due to market competition)	0.886	Not statistically significant

Qualitative Insights



Unlike other dimensions where sectoral contrasts emerge, buyer-related risks appear to be uniform across the ecosystem, with no statistically significant differences observed between telecom and courier operators. This convergence highlights a reality in Zimbabwe that the customer is increasingly empowered, and their decisions reverberate across both industries.

The qualitative insights reinforce and deepen this picture. Operators described an environment where corporate clients negotiate aggressively, where churn is high and loyalty is weak, and where customers not only demand affordability but also expect reliability, speed, and bundled services. Associations pointed out that consumer bargaining power is amplified in dense urban centers where competition is most visible, while regulators observed that weak loyalty creates volatility in market shares. Together, these perspectives illustrate that buyer power is not only about cost but also equally about rising expectations and shifting behaviour in a digital-first environment.

Taken as a whole, the quantitative evidence of elevated scores and the qualitative testimonies of operators and stakeholders confirm that buyer power is a pervasive, system-wide risk. The implication for policy is centered around mitigating buyer pressures, which cannot be left to individual operators alone. Sector-wide measures such as tariff transparency, fair competition oversight, loyalty frameworks, and service quality standards are essential to balance consumer empowerment with operator viability. In effect, managing buyer power becomes less about weakening consumer choice and more about stabilizing the competitive environment so that affordability, quality, and sustainability can coexist. By treating buyer power as a cross-sectoral issue, POTRAZ can implement interventions that strengthen market stability without disadvantaging either industry.

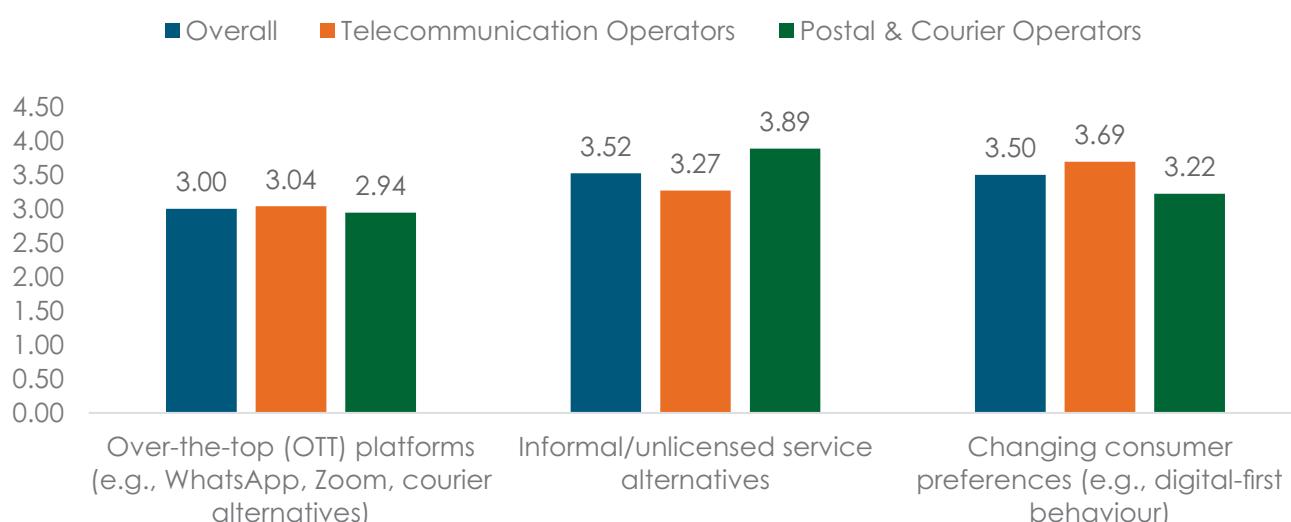
4.3.4 Threats of substitutes

The overall findings show that substitution risks are moderate but varied across indicators, reflecting the changing dynamics of consumer behaviour and market disruption. Among all operators combined, the most pronounced concern relates to informal or unlicensed service alternatives (3.52 overall), which highlight the challenge of competing with low-cost, often unregulated competitors. This is followed by changing consumer preferences toward digital-first behaviour (3.50 overall), signaling a gradual shift in demand patterns. In contrast, the risk posed by over-the-top (OTT) platforms such as WhatsApp and Zoom (3.00 overall) was perceived as relatively lower, though still relevant given their potential to bypass traditional communication and courier channels.

When broken down by sector, distinct differences emerge. Telecommunications operators reported slightly higher risks from OTT platforms (3.04 vs 2.94, $p=0.683$) and changing consumer preferences (3.69 vs 3.22, $p=0.171$), though the differences were not statistically

significant, indicating that both industries face similar digital disruption pressures. By contrast, Postal & Courier operators expressed significantly higher concern over informal and unlicensed service alternatives (3.89 vs 3.27, $p=0.047$), underscoring their greater vulnerability to shadow competition from informal courier networks and unregulated delivery providers. This contrast reflects the fact that telecoms, protected by higher capital and regulatory barriers, are comparatively insulated from informal substitutes, whereas postal and courier operators face direct and immediate threats.

Figure : 12 Threats of Substitutes

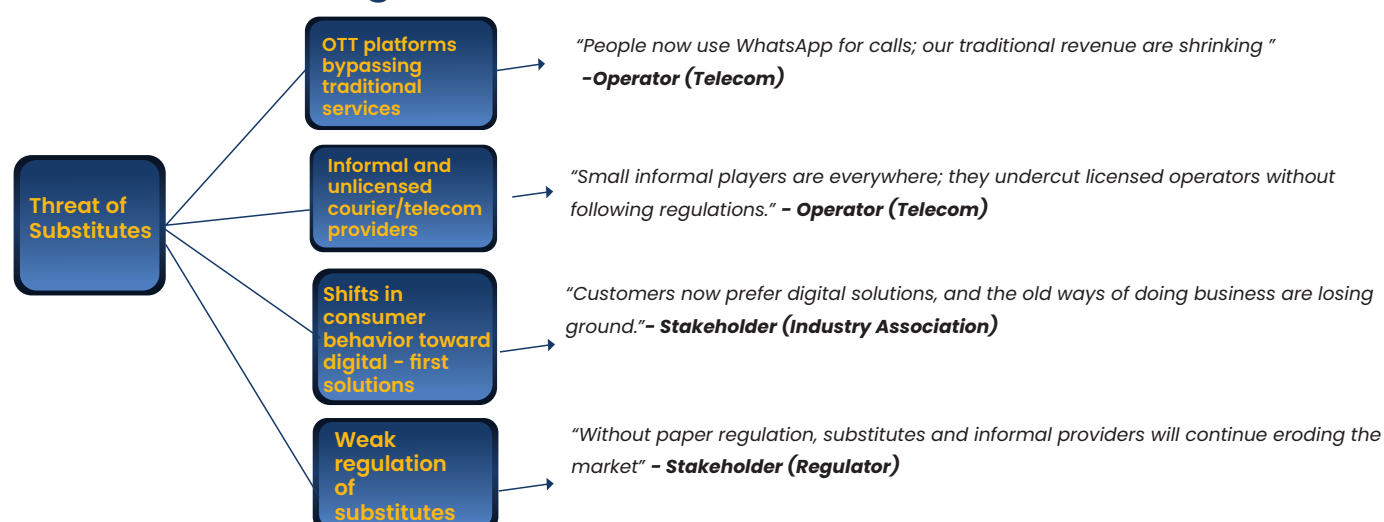


Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk

Table : P-Values, and Interpretation of Threats of Substitutes

Indicator	p-value	Interpretation
Over-the-top (OTT) platforms (e.g., WhatsApp, Zoom, courier alternatives)	0.683	Not statistically significant
Informal/unlicensed service alternatives	0.047	Statistically significant
Changing consumer preferences (e.g. Digital-first behavior)	0.171	Not statistically significant

Qualitative Insights



Looking at a Zimbabwean perspective, the substitution risks highlight how disruption does not always come from high-profile technologies alone but also from the informal economy and shifting consumer choices. Quantitatively, the survey pointed to informal or unlicensed providers (3.52 overall) as the greatest substitution threat, with postal and courier operators significantly more exposed (3.89 vs 3.27, $p = 0.047$). The qualitative findings bring the risks into sharper relief. Courier operators spoke of shadow competition eroding their customer base, while associations noted that informal players exploit regulatory blind spots to scale rapidly without compliance burdens. Telecom operators, although relatively more insulated, still described the erosion of SMS and voice revenues by OTT apps, aligning with the survey's indication of gradual disruption rather than immediate displacement. Regulators acknowledged that consumer behaviour is evolving faster than policy, leaving a lag in how substitution risks are managed across industries.

Taken together, the integration of quantitative and qualitative insights suggests that substitution is a layered risk: immediate and acute for postal operators via informal competitors, but slower and more structural for telecoms via digital platforms and shifting preferences. For policymakers, this underlines the importance of tailored responses enforcement and competitive fairness in courier markets, coupled with innovation-friendly regulation in telecoms that allows incumbents to adapt to OTT disruption. Ultimately, substitution risks reveal the need for sector-specific strategies that acknowledge both the opportunity and threat embedded in consumer-driven change.

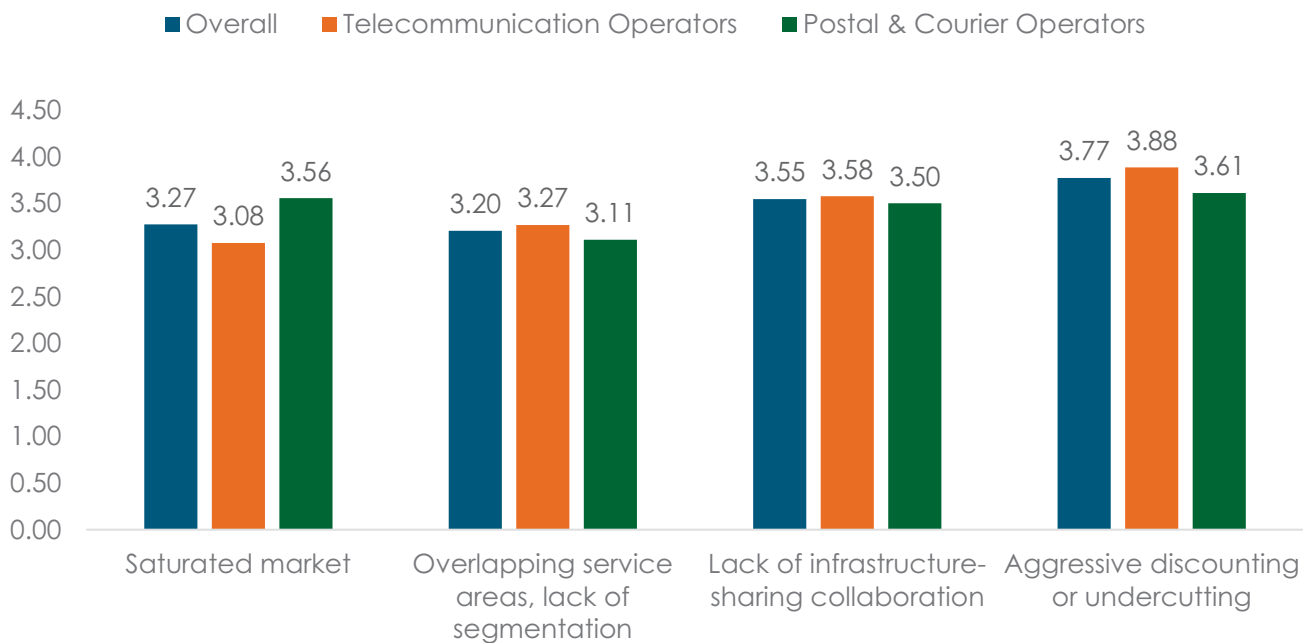
4.3.5 Industry Rivalry

The combined results suggest that industry rivalry is a moderate but persistent source of risk for operators across Zimbabwe's communications sector. Among all respondents, the most pronounced concerns relate to aggressive discounting or undercutting (overall 3.77) and lack of infrastructure-sharing collaboration (3.55), both of which highlight the competitive intensity of the market. Risks from saturated markets (3.27 overall) and overlapping service

areas or weak segmentation (3.20 overall) were viewed as less severe but still material, pointing to inefficiencies that can erode profitability and stunt growth opportunities.

When examined by sector, the patterns are largely aligned, with only modest differences. Telecommunications operators rated rivalry risks slightly higher on most indicators, particularly aggressive discounting/undercutting (3.88 vs 3.61) and overlapping service areas (3.27 vs 3.11), while Postal & Courier operators expressed greater concern over market saturation (3.56 vs 3.08). However, none of these differences were statistically significant (p-values all > 0.1), indicating that both industries face similar levels of competitive stress. This suggests that rivalry is not sector-specific but rather a system-wide challenge within Zimbabwe's communications ecosystem.

Figure 13: Industry Rivalry



Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk.



Table: 5 P-Values, and Interpretation of Industry Rivalry

Indicator	p-value	Interpretation
Saturated Market	0.137	Not statistically significant
Overlapping services areas, lack if segmentation	0.639	Not statistically significant
Lack of infrastructure-sharing collaboration	0.775	Not statistically significant
Aggressive discounting or undercutting	0.233	Not statistically significant

Qualitative Insights



The qualitative perspectives reinforce the picture highlighted by quantitative findings with lived detail. Operators described price wars that push services below cost, eroding margins and threatening sustainability. Courier providers highlighted the struggle of smaller firms squeezed out by dominant incumbents, while telecoms pointed to duplicated infrastructure that drives up costs where sharing would reduce competitive waste. Industry associations flagged predatory customer poaching tactics as an unhealthy dynamic, while regulators emphasised the lack of coordination and weak enforcement of fair competition rules. Together, these voices deepen the quantitative story, rivalry is less about healthy competition that fosters innovation, and more about a destructive race to the bottom.

Closing the loop between quant and qual findings, the implication is clear in that rivalry in Zimbabwe's communications sector requires policy and regulatory recalibration. These findings point to the need for cross-sectoral measures to manage rivalry and ensure sustainability. Priority actions could include promoting infrastructure-sharing arrangements to reduce duplication, strengthening competition oversight to prevent destructive pricing practices, and encouraging market segmentation strategies that allow operators to differentiate and innovate rather than compete on price alone. Such interventions would help balance competitive intensity with long-term sector stability, benefiting both Telecommunications and Postal & Courier industries.

4.4 Country-Level Risks (PESTLE Framework)

At the country level, risks were assessed through the PESTEL framework, highlighting macro conditions that directly shape sector operations and investment decisions.

Political Risks

- Unpredictable policy shifts
- Limited consultation with stakeholders
- Lack of long-term sector strategy
- Economic sanctions
- Corruption

Economic Risks

- Currency exchange rate volatility
- Taxation
- Limited access to foreign currency
- High inflation
- Low or stagnant economic growth

Social Risks

- Skills mismatch
- Low digital literacy
- Resistance to digital adoption

Technological Risks

- Outdated ICT/Postal infrastructure
- Low 4G/LTE/5G coverage
- Limited readiness for AI adoption
- Cybersecurity vulnerabilities
- Slow uptake of new technology trends

Legal Risks

- Weak enforcement of contracts/IP rights
- Poor coordination between regulators (POTRAZ, RBZ, ZERA, ZIMRA)
- Weak data protection enforcement
- Perceived lack of regulator autonomy
- Outdated legislation

Environmental Risks

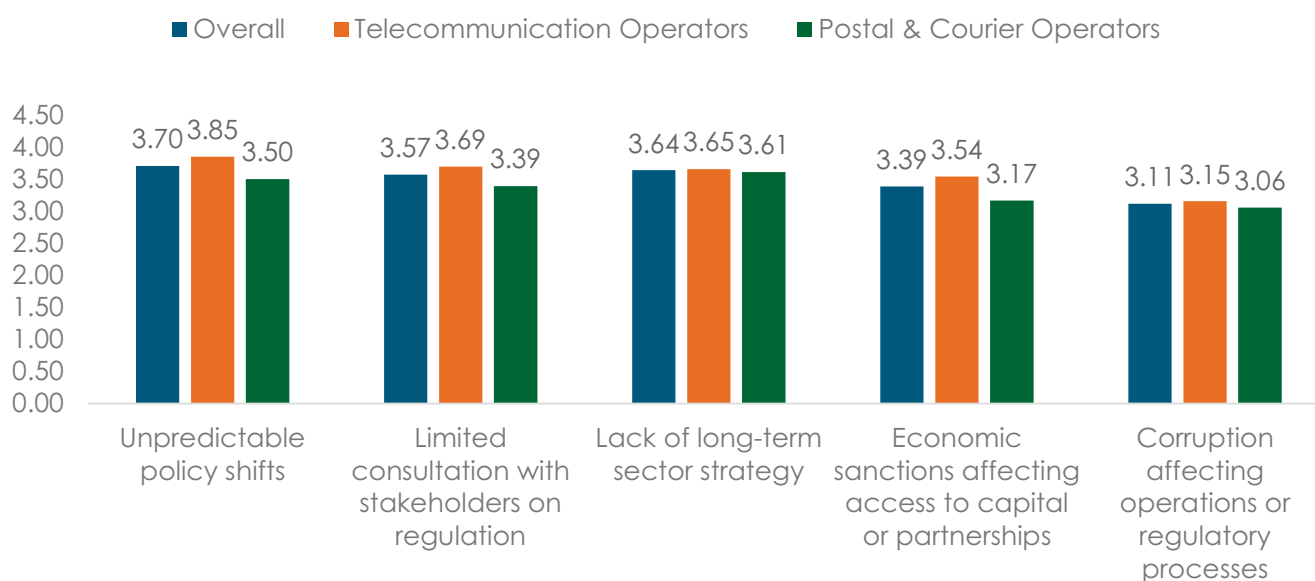
- Energy unreliability (power cuts, fuel costs)
- Compliance costs with environmental standards
- Natural risks (drought, floods, lightning damage)
- Vandalism/theft of infrastructure
- Poor road infrastructure
- Weak ESG enforcement
- Limited access to high-traffic zones (e.g., rural market routes, logistics corridors)

4.4.1 Political Risk

The combined results highlight that political risks remain a notable concern across the two sectors of interest to this study, with the highest ratings assigned to unpredictable policy shifts (overall 3.70) and limited consultation with stakeholders on regulation (3.57). These findings reflect the unease operators feel about the consistency and inclusiveness of the policy environment. Lack of a long-term sector strategy (3.64 overall) also scored moderately high, pointing to uncertainty around the government's future direction for the industry. Lower, but still relevant, scores were recorded for economic sanctions affecting access to capital or partnerships (3.39 overall) and corruption affecting operations or regulatory processes (3.11 overall). Together, these results illustrate that operators see the political environment as a persistent source of instability, particularly in relation to regulatory predictability and engagement.

When analysed by sector, the results show minimal divergence between Telecommunications and Postal & Courier operators. Telecoms generally rated the risks slightly higher across most indicators (e.g., unpredictable policy shifts 3.85 vs 3.50; limited consultation 3.69 vs 3.39), but none of the differences were statistically significant (p-values ranging from 0.247 to 0.950). This lack of variance underscores that political risks are systemic, affecting both industries in near equal measure. Both sectors therefore share a common vulnerability to regulatory uncertainty, weak governance frameworks, fiscal constraints, and low trust in enforcement processes.

Figure 14: Political Risk



Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk

Table 6: P-Values, and Interpretation across Political risk

Indicator	p-value	Interpretation
Unpredicted policy shifts	0.247	No Statistically Significant difference
Limited consultation with stakeholders on regulation	0.312	No Statistically Significant difference
Lack of long-term sector strategy	0.950	No Statistically Significant difference
Economic sanctions affecting access to capital or partnership	0.326	No Statistically Significant difference
Corruption affecting operations or regulatory process	0.845	No Statistically Significant difference

Qualitative Insights



While from a quantitative position the absence of statistically significant differences across sectors reinforced that these are systemic vulnerabilities rather than industry-specific concerns, the qualitative insights deepen this picture by showing how these risks are experienced in practice. Operators described the instability of policy shifts as a daily constraint on planning, where investments are made under one framework only to face abrupt changes months later. Stakeholders highlighted the lack of meaningful consultation, noting that new regulations are often imposed without adequate engagement, leading to compliance challenges and mistrust. Associations echoed concerns about the absence of a coherent sector strategy, which leaves operators uncertain about the government's long-term priorities. In addition, both operators and regulators acknowledged that sanctions and corruption add hidden costs and constrain access to capital or partnerships, amplifying the uncertainty already reflected in the survey data.

Taken together, the combined evidence presents political risk as a layered constraint that not only do the numbers confirm high risk ratings for unpredictability and weak consultation, but the voices of operators and stakeholders also illustrate how these dynamics translate into operational costs, compliance burdens, and lost opportunities. For policy the findings reinforce the importance of strengthening regulatory transparency and consultation mechanisms to improve industry confidence. Establishing a clear, long-term sector roadmap and enhancing predictability in decision-making would help reduce uncertainty and support investment planning. In addition, sustained efforts to combat corruption and address the impact of sanctions on capital access are essential to create a stable operating climate for both Telecommunications and Postal & Courier operators. The consistency of operator sentiment across sectors signals that these interventions must be treated as national-level priorities rather than sector-specific fixes.

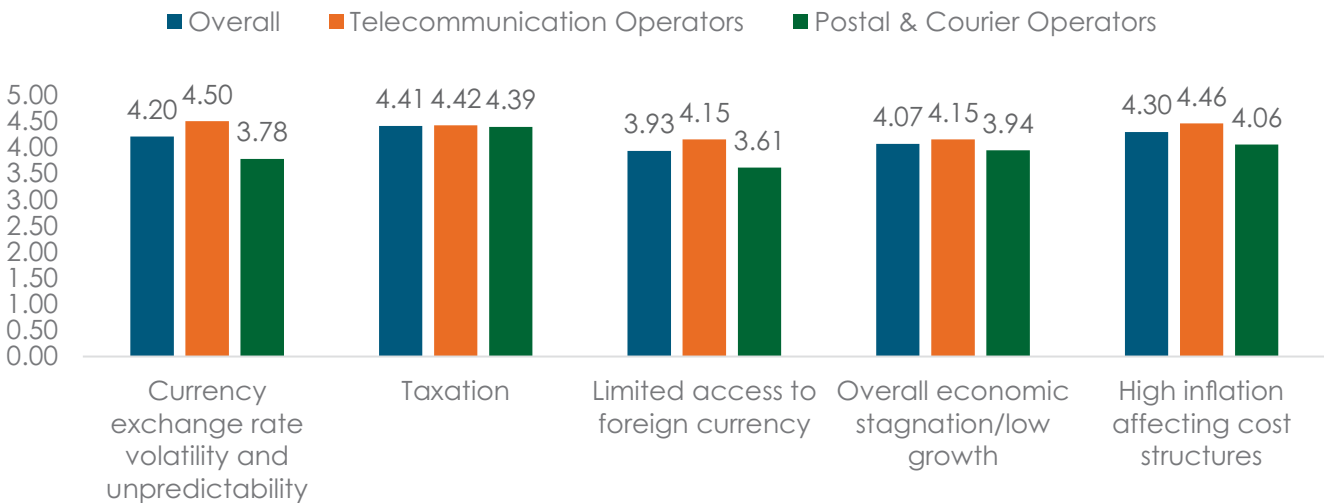
4.4.2 Economic Risk

Compared to political risks, which overall averaged in the mid-3 range, the findings on economic risks appear far more heightened, with several indicators scoring above 4.00. This shift in sentiment underlines that operators view the macroeconomic environment as a more immediate and severe constraint than the political landscape. The strongest concerns

are taxation (overall 4.41), high inflation affecting cost structures (4.30), and currency exchange rate volatility and unpredictability (4.20), each highlighting the economic pressures that erode financial stability and operational predictability. Slightly lower, but still notable, are economic stagnation/low growth (4.07) and limited access to foreign currency (3.93). Collectively, these results show that operators see economic risks as a persistent drag on investment confidence and day-to-day sustainability.

Disaggregated analysis reveals sharper contrasts. Telecommunications operators consistently rated risks higher, with particularly strong concern for currency volatility (4.50 vs 3.78, $p=0.026$), the only statistically significant gap between the two sectors. This points to the telecom industry's high dependence on imported equipment, foreign-denominated obligations, and exposure to exchange-rate movements. Postal & Courier operators, while also affected by taxation, inflation, and low growth, are less directly exposed to forex fluctuations, reflecting the more localized cost structures of their business models. On the other indicators taxation (4.42 vs 4.39), limited access to forex (4.15 vs 3.61), stagnation/low growth (4.15 vs 3.94), and inflation (4.46 vs 4.06) the differences were not statistically significant, indicating that macroeconomic risks remain systemic across the sector.

Figure 15:Economic Risk



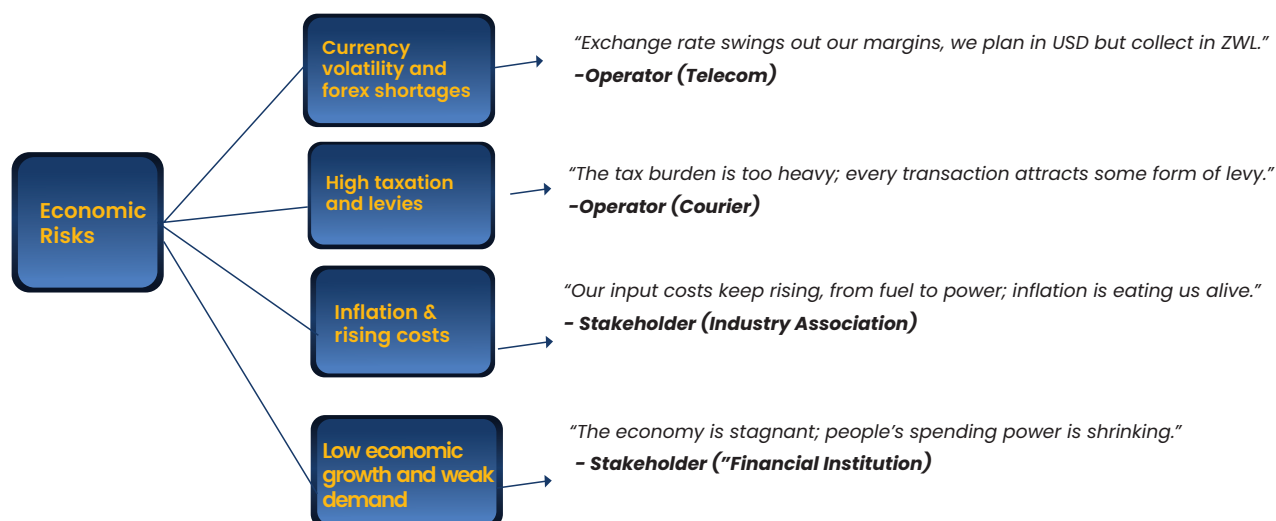
Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk



Table : 7 P-Values, and Interpretation across Economic risk

Indicator	p-value	Interpretation
Currency exchange rate volatility and unpredictability	0.026	Statistically significant difference
Taxation	0.999	No Statistically Significant difference
Limited access to foreign currency	0.165	No Statistically Significant difference
Overall economic stagnation/low growth	0.084	No Statistically Significant difference
High inflation affecting cost structures	0.317	No Statistically Significant difference

Qualitative Insights



Operators spoke of exchange rate swings wiping out margins, describing the difficulty of planning when revenues are earned in local currency, but obligations are denominated in USD. Courier operators, though less exposed to forex, echoed frustration with tax burdens and inflationary costs, which they argued erode competitiveness against regional peers. Financial stakeholders added that inflation not only raises input costs but also suppresses consumer demand, tightening margins from both sides. Regulators acknowledged that unpredictable taxation frameworks create compliance challenges and discourage long-term investment planning.

Taken together, the findings show that economic risks are not just financial abstractions but lived operational realities. They affect everything from tariff setting to supply chain management and consumer affordability. The integration of quantitative and qualitative evidence highlights two policy imperatives: first, stabilizing currency and forex access, particularly for telecoms; and second, addressing inflation and taxation regimes to create a more predictable environment for all operators. Addressing these systemic risks would not only ease operational constraints but also enhance Zimbabwe's overall investment attractiveness in the communications sector that is constrained by a macroeconomic climate that consistently undermines competitiveness and investor confidence.

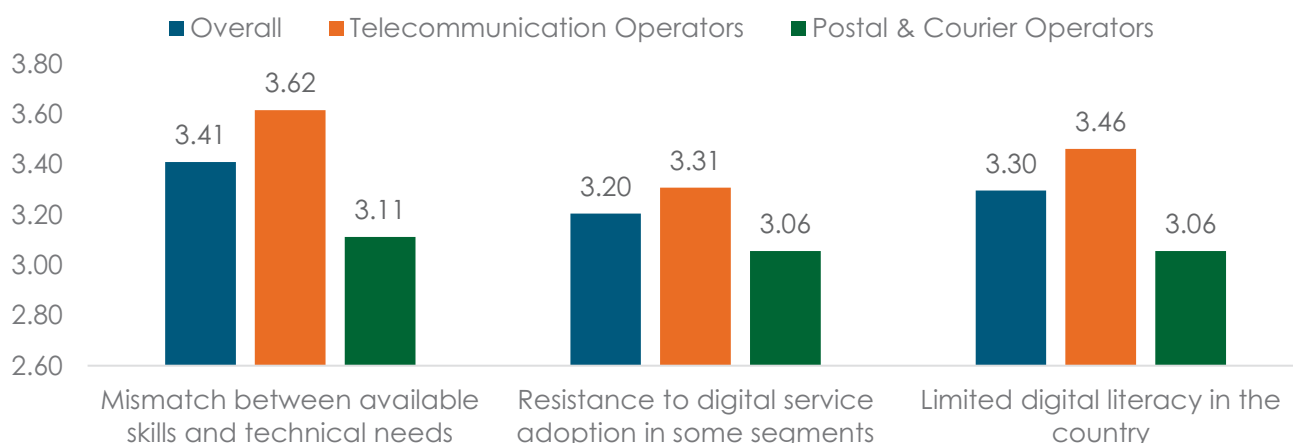
4.4.3 Social Risk

Compared to the sharper concerns recorded under economic risks (where several indicators scored above 4.0) and the mid-3 averages observed for political risks, the findings on social risks sit at a more moderate level. Overall, operators rated social risks around the low-to-mid 3 range, suggesting they are important but not as immediately destabilizing as macroeconomic pressures. The greatest overall concern was the mismatch between available skills and technical needs (3.41), followed by limited digital literacy in the country (3.30) and resistance to digital service adoption in some customer segments (3.20). These results reflect the underlying structural challenges of workforce readiness and consumer adaptation to digital services, both of which constrain growth but are seen as manageable compared to broader economic volatility.

When examined by sector, Telecommunications operators consistently rated social risks higher than Postal & Courier operators: skills mismatch (3.62 vs 3.11), resistance to digital adoption (3.31 vs 3.06), and digital literacy gaps (3.46 vs 3.06). While these differences suggest that telecoms may feel the impact of social barriers more acutely, given their reliance on a digitally literate workforce and customer base, statistical testing confirmed that none of these differences were significant ($p=0.091$, 0.161 , 0.391 , respectively). This indicates that, despite variation in descriptive scores, both sectors broadly share the same social risk profile. Skill gaps, digital reluctance, and literacy deficits are therefore cross-cutting constraints across the communications industry.



Figure 16: Social Risk

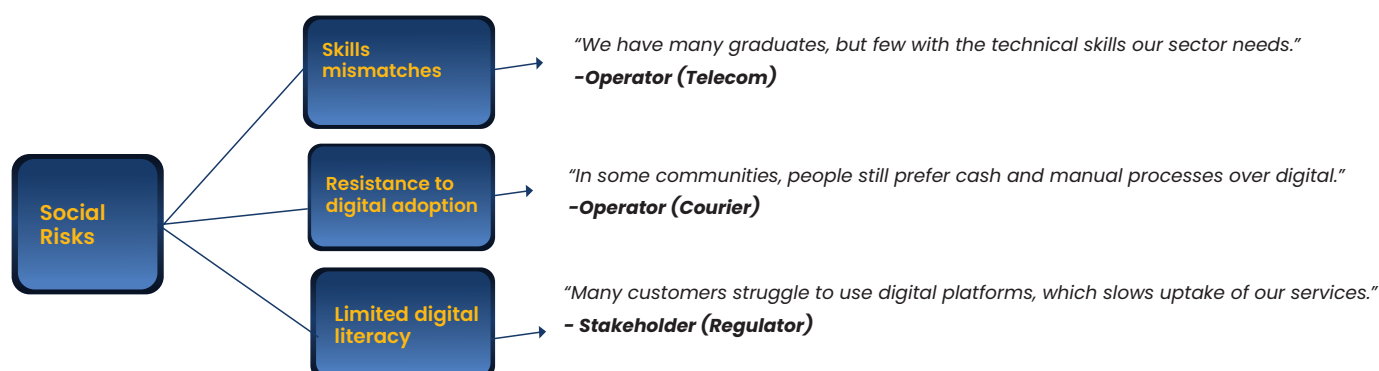


Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk

Table 8: P-Values, and Interpretation across Social Risk

Indicator	p-value	Interpretation
Mismatch between available skills and technical needs	0.091	No Statistically Significant difference
Resistance to digital service adoption in some segments	0.161	No Statistically Significant difference
Limited digital literacy in the country	0.391	No Statistically Significant difference

Qualitative Insights



The survey numbers are echoed in first-hand accounts: operators and stakeholders pointed to skills gaps, literacy challenges, and cultural resistance that mirror the quantified risks. From a qualitative lens, telecom operators pointed to technical skills shortages, particularly in advanced ICT roles, as a constraint on network modernisation and service innovation. Courier operators emphasised challenges with customer readiness, noting that segments of the population still prefer manual, cash-based systems, slowing the uptake of digital services. Regulators and associations echoed these views, highlighting that limited digital literacy and skills misalignment are national challenges that hinder both workforce capacity and consumer adoption.

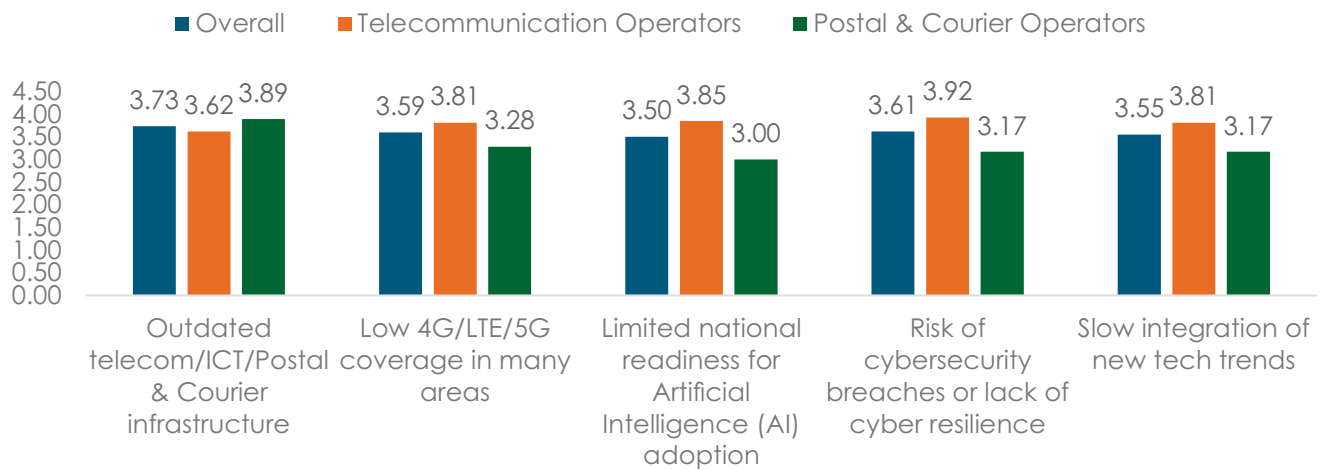
The combined evidence paints a picture of social risks as manageable but limiting, they may not destabilise operators in the short term, but they act as brakes on the pace of digital transformation. For policy, the implication is the need for national interventions to improve digital literacy and workforce readiness, rather than sector-specific remedies. Priority actions could include investing in ICT and logistics training programmes, expanding digital skills curricula in education, and incentivizing continuous workforce upskilling. Addressing customer-side adoption barriers through awareness campaigns and affordability measures will also be critical to ensure that both Telecommunications and Postal & Courier operators can fully leverage the digital transformation agenda. By tackling these shared challenges, policymakers can strengthen the human capital and consumer base necessary for sector growth.

4.4.4 Technological Risk

Relative to social risks, which were rated in the low-to-mid 3 range, the findings on technological risks point to higher and more varied concerns, particularly in areas linked to digital transformation. Overall, the strongest perceived vulnerabilities are outdated ICT and postal infrastructure (3.73) and low 4G/LTE/5G coverage (3.59), showing that gaps in foundational infrastructure remain a constraint across both sectors. At the same time, operators also expressed concern over cybersecurity risks (3.61), limited national readiness for Artificial Intelligence adoption (3.50), and the slow uptake of emerging technologies (3.55). Together, these results suggest that the sector faces a dual challenge: managing legacy infrastructure while also keeping pace with rapid technological change.

A sectoral comparison reveals meaningful divergence. Postal & Courier operators rated outdated infrastructure higher (3.89 vs 3.62), confirming their focus on legacy systems and basic service challenges. By contrast, Telecommunications operators consistently rated forward-looking technological risks much higher, with statistically significant differences in three areas: AI readiness (3.85 vs 3.00, $p=0.006$), cybersecurity resilience (3.92 vs 3.17, $p=0.003$), and integration of new technologies (3.81 vs 3.17, $p=0.017$). These results indicate that while both sectors acknowledge infrastructure concerns, telecoms are far more sensitive to the risks tied to innovation, digital resilience, and emerging technologies reflecting their deeper reliance on advanced digital ecosystems.

Figure 17: Technological Risk

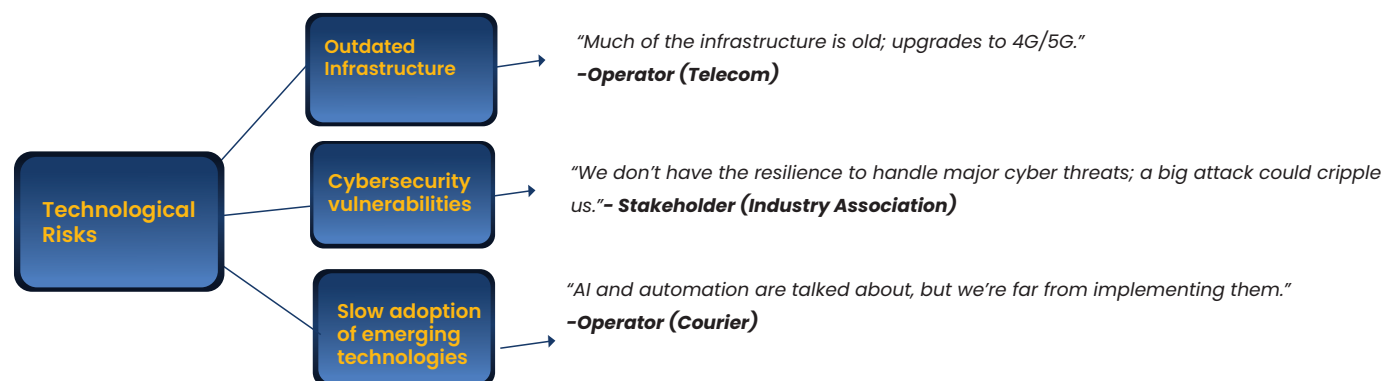


Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk.

Table 9: P-Values, and Interpretation across Technological Risk

Indicator	p-value	Interpretation
Outdated telecom/ICT/Postal & Courier infrastructure	0.643	No Statistically Significant difference
Low 4G/LTE/5G coverage in many areas	0.157	No Statistically Significant difference
Limited national readiness for Artificial Intelligence (AI) adoption	0.006	Statistically significant difference
Risk of cybersecurity breaches or lack of cyber resilience	0.003	Statistically significant difference
Slow integration or new tech trends	0.017	Statistically significant difference

Qualitative Insights



Postal operators described struggling with aging systems that limit service reliability, while telecom players spoke of the constant threat of cyberattacks and the difficulty of preparing for AI adoption in an environment of scarce investment capital. Associations added that the slow uptake of new technologies reflects both affordability challenges and limited readiness in the wider economy, while regulators acknowledged the gap between policy ambition and actual deployment capacity.

Together, these perspectives suggest that Zimbabwe's technological risk is layered rather than uniform. Postal and courier providers face risks linked to yesterday's systems, while telecoms face risks linked to tomorrow's technologies. For policy, this calls for differentiated interventions: targeted investment and financing models to modernise postal infrastructure on one hand, and cybersecurity, AI, and digital innovation policies to safeguard and accelerate telecom transformation on the other. Without addressing both ends of the spectrum, the sector risks being trapped in a cycle of underperformance where legacy constraints and frontier risks collide.

For Postal & Courier, attention should focus on modernizing core infrastructure and ensuring reliable, affordable connectivity across service points. For Telecommunications, regulatory support must prioritize cybersecurity frameworks, AI adoption readiness, and innovation-friendly policies to enable the sector to keep pace with global digital transformation. Importantly, this split highlights that Zimbabwe's communications sector is not facing a single technological challenge, but rather a layered risk environment where baseline infrastructure gaps and frontier digital risks must be addressed simultaneously through tailored policy strategies.

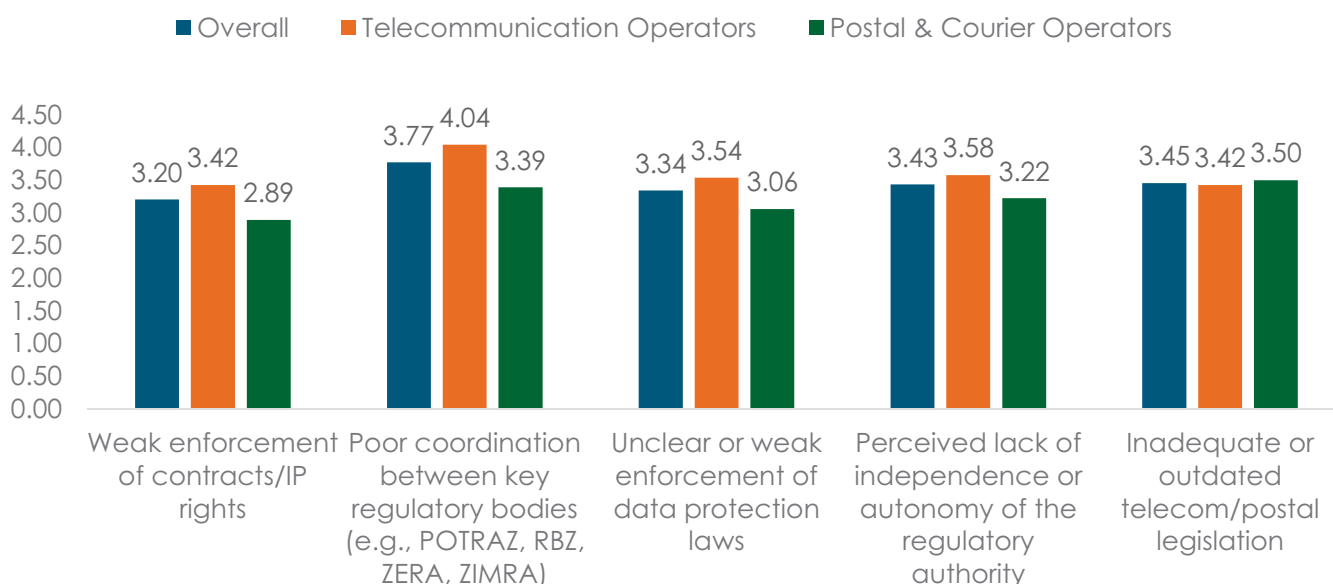
4.4.5 Legal Risk

Relative to technological risks, which highlighted both legacy and innovation challenges, the findings on legal risks underscore operator concerns with enforcement and regulatory coordination. At the overall level, the most pressing risks were poor coordination between key regulatory bodies (3.77) and perceived lack of independence or autonomy of the regulator (3.43). These were followed by inadequate or outdated telecom/postal legislation (3.45) and unclear enforcement of data protection laws (3.34), while weak enforcement of contracts and intellectual property rights (3.20) was noted as the lowest, though still moderate, risk. Taken together, the results reflect a system where gaps in coordination, clarity, and autonomy undermine regulatory certainty and compliance confidence.

When broken down by sector, Telecommunications operators reported higher exposure to legal risks than their Postal & Courier counterparts across most indicators. The largest and statistically significant differences emerged for weak enforcement of contracts/IP rights (3.42 vs 2.89, $p=0.048$) and poor coordination among regulatory bodies (4.04 vs 3.39, $p=0.045$). These results highlight telecom operators' heightened sensitivity to contractual security and multi-agency coordination, reflecting the capital intensity of their operations and their dependence on clear, predictable enforcement. On other indicators, such as

data protection enforcement (3.54 vs 3.06, $p=0.126$), regulator autonomy (3.58 vs 3.22, $p=0.286$), and outdated legislation (3.42 vs 3.50, $p=0.931$), differences were not statistically significant, suggesting that these challenges are experienced more evenly across the two sectors. Interestingly, Postal & Courier operators were relatively more concerned about outdated legislation, rating it higher than telecoms.

Figure 18: Legal Risk



Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk

Table 10: P-Values, and Interpretation across Legal risk

Indicator	p-value	Interpretation
Weak enforcement of contracts/IP rights	0.048	Statistically significant difference
Poor coordination between key regulatory bodies (e.g., POTRAZ, RBZ, ZERA, ZIMRA)	0.045	Statistically significant difference
Unclear or weak enforcement of data protection laws	0.126	No Statistically Significant difference
Perceived lack of independence or autonomy of the regulatory authority	0.286	No Statistically Significant difference
Inadequate or outdated telecom/postal legislation	0.931	No Statistically Significant difference

Qualitative Insights



The survey highlighted weak enforcement and poor coordination as key legal risks, and qualitative perspectives showed how these directly affect operations. Operators described delays and costs from overlapping mandates, while associations criticized the absence of a “one-stop” regulatory approach. Contract enforcement was also a major concern, with telecoms citing ineffective legal recourse and postal players noting outdated laws that fail to cover e-commerce and digital platforms. Stakeholders added that political influence and slow legislative adaptation undermine confidence and limit innovation. These insights explain why risks scored mid-to-high, underscoring the need for reforms that streamline responsibilities, strengthen independence, and align legal frameworks with emerging sector realities.

From a policy perspective, these findings stress the need to improve regulatory coordination and strengthen contract enforcement mechanisms, especially in the telecom sector where these gaps are felt most acutely. Establishing clearer lines of responsibility among agencies such as POTRAZ, RBZ, ZERA, and ZIMRA would reduce duplication and enhance compliance efficiency. At the same time, updating sector legislation and reinforcing data protection enforcement remain important cross-sectoral priorities. For Postal & Courier, aligning laws with emerging business models will be particularly critical. Overall, addressing these legal risks will enhance investor confidence, reduce regulatory uncertainty, and support operational stability across both industries.

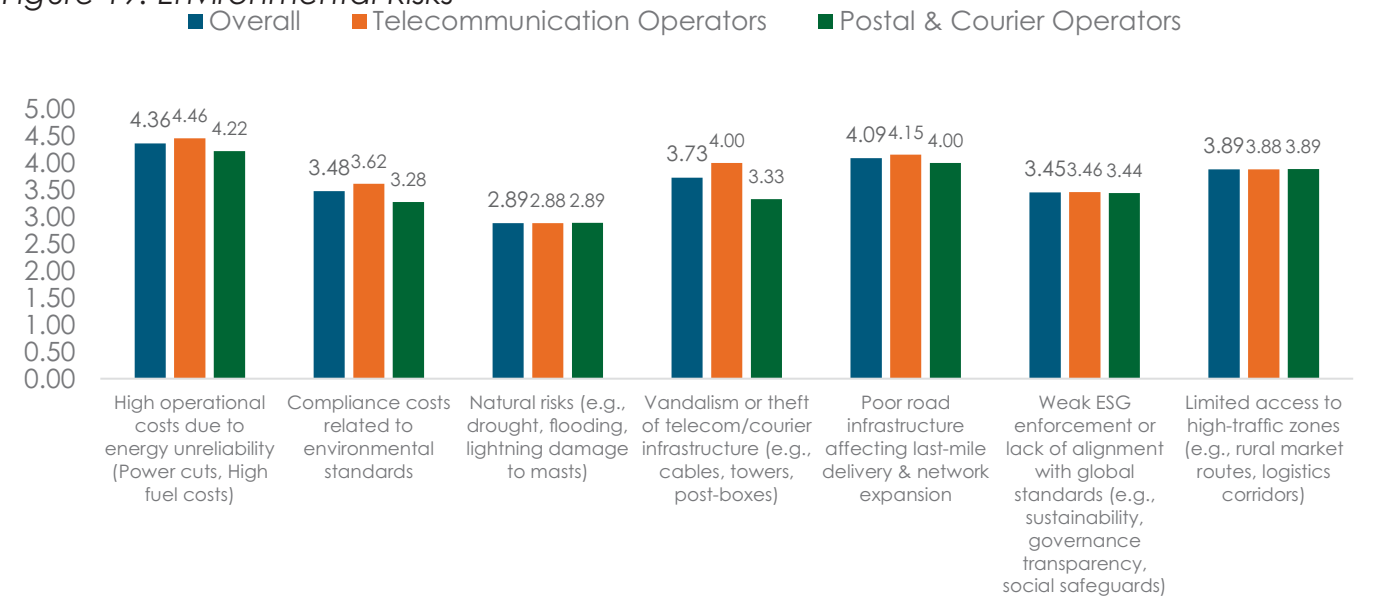
4.4.6 Environmental Risk

Compared to legal risks, which centred on governance and enforcement, the findings on environmental risks highlight the heavy operational pressures created by infrastructure and resource constraints. At the overall level, the highest risk was high operational costs due to energy unreliability (4.36), confirming the persistent challenge of power cuts and high fuel prices. This was followed by poor road infrastructure affecting last-mile delivery and network expansion (4.09), and limited access to high-traffic zones (3.89), both underscoring the structural barriers operators face in extending reach and ensuring efficient service. Other risks such as compliance costs with environmental standards (3.48), vandalism or theft of infrastructure (3.73), and weak ESG enforcement (3.45) were rated moderately,

and weak ESG enforcement (3.45) were rated moderately, while natural risks such as drought, flooding, or lightning (2.89) were seen as less immediate but still relevant. Together, these results point to an operating environment where energy costs and infrastructure limitations are the most pressing environmental vulnerabilities.

When disaggregated by sector, Telecommunications operators consistently reported higher exposure across most indicators, particularly on energy-related costs (4.46 vs 4.22), compliance costs (3.62 vs 3.28), and infrastructure vandalism/theft (4.00 vs 3.33). Among these, vandalism/theft showed a statistically significant difference ($p=0.030$), reflecting telecom operators' higher operational exposure to physical infrastructure and network security challenges. Postal & Courier operators, in contrast, expressed slightly higher concern around natural risks (2.89 vs 2.88) and access to high-traffic zones (3.89 vs 3.88), though these differences were negligible and not statistically significant. The broader pattern therefore indicates that while both sectors share environmental risks, telecoms bear sharper exposure to infrastructure-related vulnerabilities, while Postal & Courier face more dispersed but lower-level challenges.

Figure 19: Environmental Risks



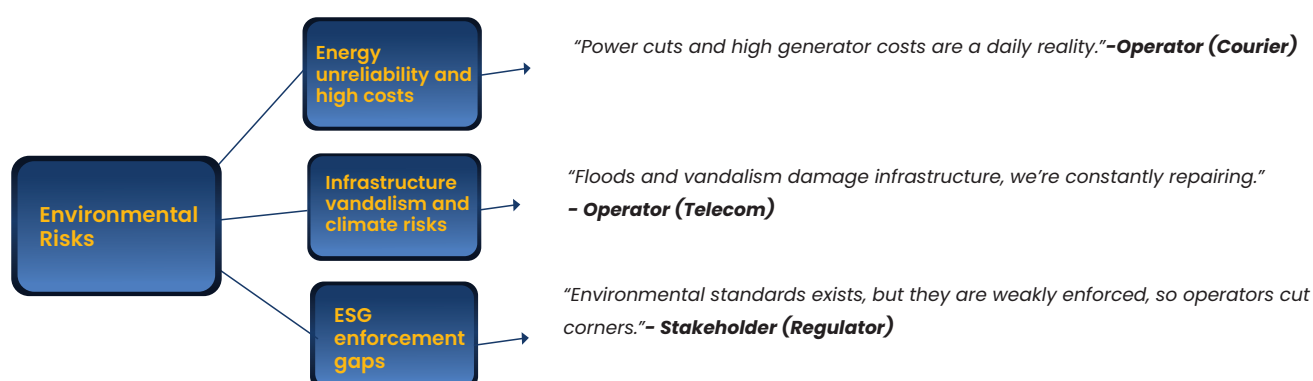
Q: Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector using a 5-point scale: 1 = No Risk | 2 = Low Risk | 3 = Moderate Risk | 4 = High Risk | 5 = Very High Risk



Table 11: P-Values, and Interpretation across Environmental risk

Indicator	p-value	Interpretation
High operational costs due to energy unreliability (Power cuts, High fuel costs)	0.231	No Statistically Significant difference
Compliance costs related to environmental standards	0.086	No Statistically Significant difference
Natural risks (e.g., drought, flooding, lightning damage to masts)	0.970	Statistically Significant difference
Vandalism or theft of telecom/courier infrastructure (e.g., cables, towers, post boxes)	0.030	Statistically significant difference
Poor road infrastructure affecting last-mile delivery & network expansion	0.674	No Statistically Significant difference
Weak ESG enforcement or lack of alignment with global standards (e.g., sustainability, governance transparency, social safeguards).	0.980	No Statistically Significant difference
Limited access to high-traffic zones (e.g., rural market routes, logistics corridors).	0.706	No Statistically Significant difference

Qualitative Insights



The survey results make clear that environmental risks weigh heavily on operators, with energy unreliability and high fuel costs topping the list (4.36 overall). But the qualitative narratives bring out the lived frustration behind these scores particularly telecom operators who described running diesel generators as a daily reality, with soaring costs that consume capital meant for network expansion. Courier operators echoed this challenge, pointing to delivery delays and cost overruns caused by fuel shortages and price spikes. The issue of road infrastructure, which also scored high (4.09) in quantitative also came through strongly in courier voices. They spoke of vehicle breakdowns, longer turnaround times, and disrupted logistics schedules due to poor road networks, especially in rural areas. Telecom players added that road quality directly affects network rollout, raising the cost and time required to extend coverage to underserved regions.

Vandalism and theft (3.73 overall) was another area where qualitative perspectives deepened the numbers. Telecom stakeholders described regular cable cuts, battery theft, and mast vandalism, with one regulator noting that criminal activity now acts as a hidden tax on operators. Postal operators reported fewer direct incidents but recognised the system-wide fragility created by weak infrastructure security. Qualitative insights also highlighted a gap in ESG enforcement, which the survey rated moderately (3.45). Operators acknowledged that sustainability standards exist but described them as inconsistently applied, creating uneven compliance costs. This was echoed by industry associations, who stressed that misaligned ESG enforcement not only undermines global credibility but also deters ESG-focused investors.

For policy recommendation, the findings highlight the need for urgent attention to energy reliability and infrastructure protection, particularly in telecommunications where operational intensity amplifies exposure. Policies to support alternative energy solutions, strengthen infrastructure security against vandalism, and enhance road and logistics networks would deliver cross-sector benefits. At the same time, improved alignment with global ESG standards and measures to control compliance costs will be critical to enhance competitiveness and attract sustainable investment. Addressing these risks will not only reduce operational fragility but also strengthen Zimbabwe's positioning as a resilient communications hub.



5.

REWARDS

In the context of this study, rewards are understood as the opportunities, enablers, and favourable conditions that enhance investment attractiveness and operational growth within Zimbabwe's postal, courier, and telecommunications sectors. Assessing rewards was a critical step in identifying where the operating environment creates advantages for current and potential investors, and where future sector potential can be unlocked. In line with the framework used on risks and also guided by the study methodology, rewards were examined at two levels. At the industry level, the analysis focused on opportunities linked to new entrants, supplier dynamics, buyer dynamics, substitutes, and competition. At the country level, the PESTEL framework was applied to highlight broader national drivers of opportunity, including political commitment, economic potential, social and demographic trends, technological advancement, legal reforms, and environmental opportunities. The census of 44 licensed operators ensured that this assessment was firmly grounded in operator views, reflecting how those actively invested in the sector perceive areas of growth. Importantly, this approach also allowed for comparative insights between the Telecommunications sector and the Postal & Courier sector, demonstrating where opportunities converge and where sector-specific advantages can be leveraged.

5.1 Overview of Rewards Indicators

The analysis was anchored in a set of indicators that translated opportunities into tangible measures, allowing us to see not just where the sector stands today, but also where it can move tomorrow. At the industry level, the indicators illuminated spaces where operators can gain first-mover advantage, strengthen relationships with suppliers and buyers, and unlock innovation through substitutes and competition. At the country level, the framework highlighted the broader enabling factors from demographic dividends and digital readiness to legal reforms and environmental shifts that shape Zimbabwe's positioning in the regional and global market. Taken together, these indicators provided a forward-looking lens, helping to reveal where momentum already exists and where targeted interventions could create new pathways for growth.

5.2 Industry-Level Rewards (Porter's Framework)

At the industry level, rewards were assessed by examining the opportunities operators can leverage within their competitive environment, which provided a structured lens to capture operator perceptions of growth potential. The indicators included:

New Entrants

- First-mover advantage opportunities
- Supportive policies or incentives for new entrants
- Opportunities for expansion into underserved areas

Supplier Dynamics

- Potential for local sourcing partnerships
- Technological collaborations
- Emerging local vendor and SME ecosystem

Buyer Dynamics

- Expanding consumer base
- Digital inclusion growth
- Growing digital adoption among youth
- Expanding need for logistics/postal services (e-commerce boom)

Substitutes

- Opportunities for service convergence (e.g., bundling voice, data, and OTT services)
- Potential to innovate in response to consumer shifts
- Low adoption of certain substitutes creating space for traditional services

Competition

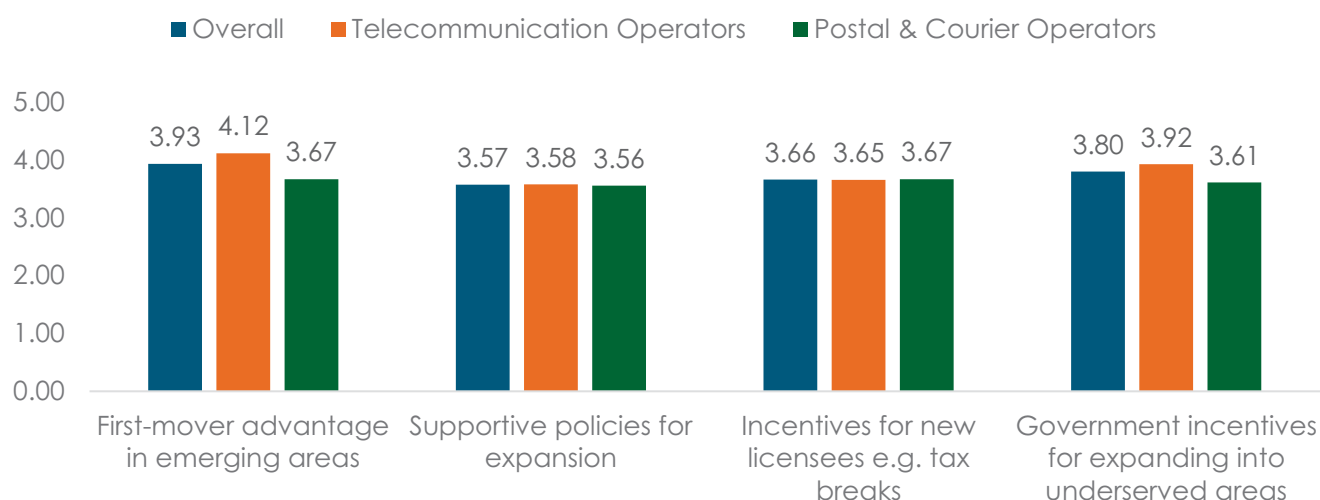
- Collaborative models between operators (e.g., infrastructure sharing)
- Emerging niches such as IoT, e-learning, and smart agriculture

5.2.1 New Entrants

The overall results indicate that operators view new entrant opportunities as moderately strong rewards, particularly in relation to government incentives for expanding into underserved areas (overall 3.80) and first-mover advantages in emerging markets (3.93). These findings highlight that the sector continues to present expansion opportunities, especially where policy support and untapped markets intersect. By comparison, supportive policies for expansion (3.57 overall) and incentives for new licensees such as tax breaks (3.66 overall) were rated slightly lower but still reflect areas of positive potential.

When the results are broken down by sector, Telecommunications operators consistently rated these opportunities slightly higher than Postal & Courier operators, most notably on first-mover advantage (4.12 vs 3.67) and government incentives for underserved areas (3.92 vs 3.61). Postal & Courier operators, however, placed relatively more weight on incentives for new licensees (3.67 vs 3.65). Importantly, none of these differences were statistically significant (p-values ranging from 0.166 to 0.901), suggesting that both sectors share broadly similar views on the rewards for new entrants. The descriptive contrasts, however, still signal that telecoms see more upside in policy-driven and market expansion opportunities, while postal operators show slightly stronger interest in targeted licensing incentives.

Figure 20: New Entrants

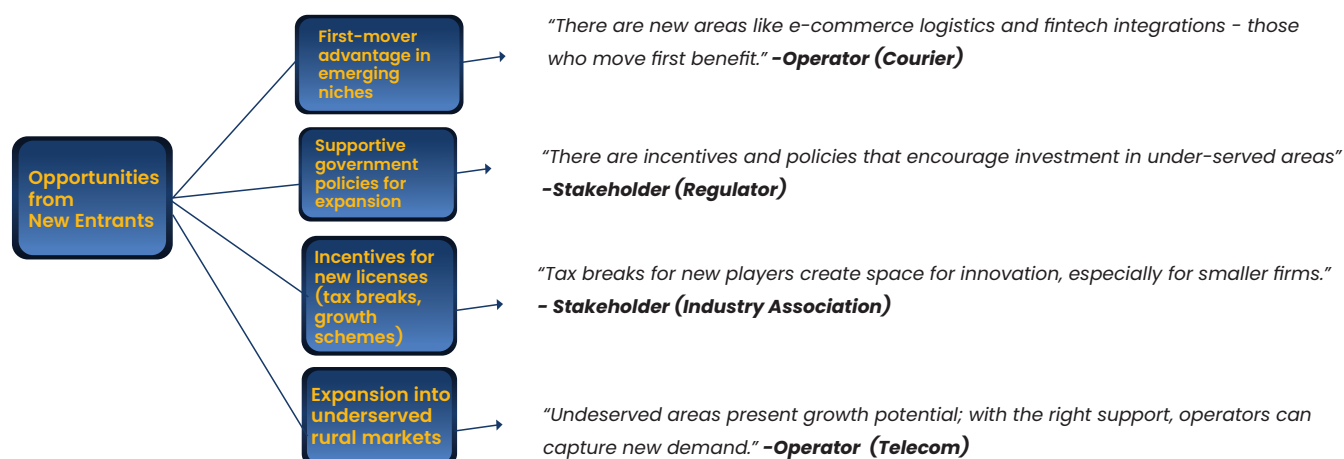


Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity

Table 12: P-Values, and Interpretation across rewards associated with New Entrants

Indicator	p-value	Interpretation
First-mover advantage in emerging areas	0.166	No Statistically Significant difference
Supportive policies for expansion	0.852	No Statistically Significant difference
Incentives for new licenses e.g. tax breaks	0.901	No Statistically Significant difference
Government incentives for expanding into underserved areas	0.439	No Statistically Significant difference

Qualitative Insights



Qualitative perspectives enrich Telecom voices as it highlighted the potential of e-commerce growth, rural connectivity, and fintech integration as spaces where first movers could secure lasting advantages. Courier operators echoed this but stressed that opportunities are more tangible when paired with clear tax breaks or simplified entry processes, which can lower costs and encourage sector renewal. Stakeholders added that while policy incentives exist, their impact is often diluted by bureaucratic delays and inconsistent application, signalling that the framework is promising but needs to be applied more predictably.

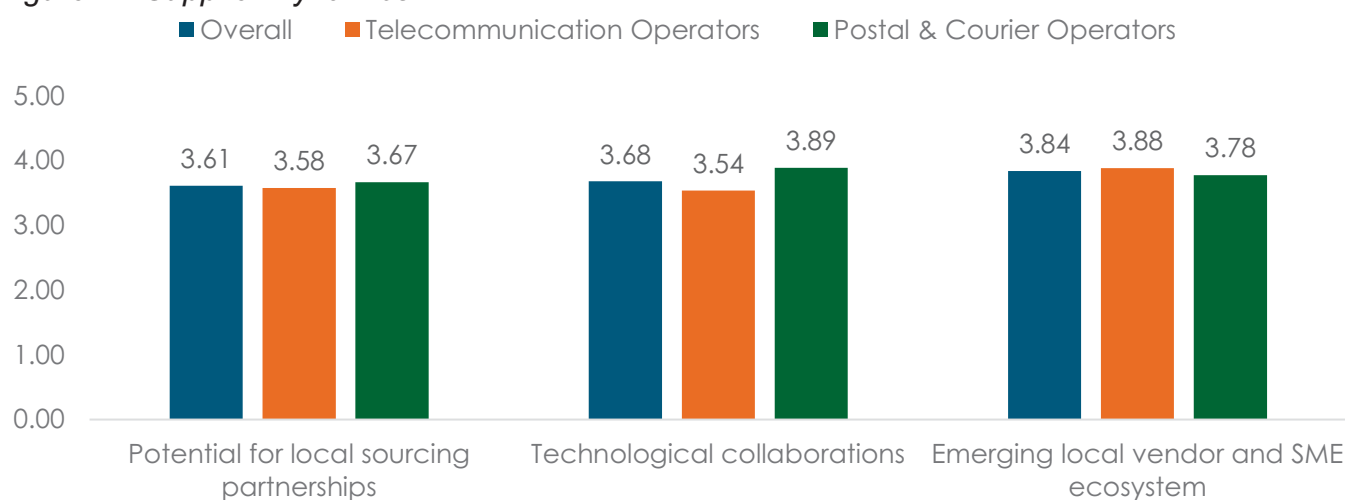
From a policy perspective, the findings point to the importance of maintaining a consistent and enabling framework for new entrants across both industries. Expanding government incentives for underserved areas and ensuring that licensing policies remain clear, transparent, and predictable will encourage further investment. For telecoms, policies that unlock untapped markets through infrastructure incentives or public-private partnerships could accelerate network reach. For postal and courier services, targeted incentives such as tax breaks or streamlined licensing may be more effective in encouraging sector renewal. Ensuring that these opportunities are not only available but also accessible across both sectors will be essential in fostering balanced growth and competitiveness.

5.2.2 Supplier Dynamics

Unlike the entry-related opportunities, which were viewed as somewhat conditional, supplier-side opportunities are rated more consistently, with operators recognizing tangible room to grow partnerships and build resilience through their supply chains. The overall scores point to the emerging local vendor and SME ecosystem (3.84) as the most prominent opportunity, followed by technological collaborations (3.68) and local sourcing partnerships (3.61). Together, these highlight that operators see supply chain development not just as a support function, but as a pathway for innovation, cost efficiency, and local empowerment.

When disaggregated by sector, Postal & Courier operators tended to rate supplier-related opportunities slightly higher than Telecommunications operators, particularly around local sourcing partnerships (3.67 vs 3.58) and technological collaborations (3.89 vs 3.54). Telecommunications operators, on the other hand, placed slightly greater emphasis on the emerging local vendor and SME ecosystem (3.88 vs 3.78). However, none of these differences were statistically significant ($p=0.931$, 0.439 , and 0.583 respectively), confirming that both sectors share a broadly similar outlook on the importance of supplier opportunities. The descriptive contrasts do, however, suggest a nuance: postal operators see more promise in partnerships and collaboration, while telecoms recognize the role of SMEs as future enablers of growth.

Figure 21: Supplier Dynamics

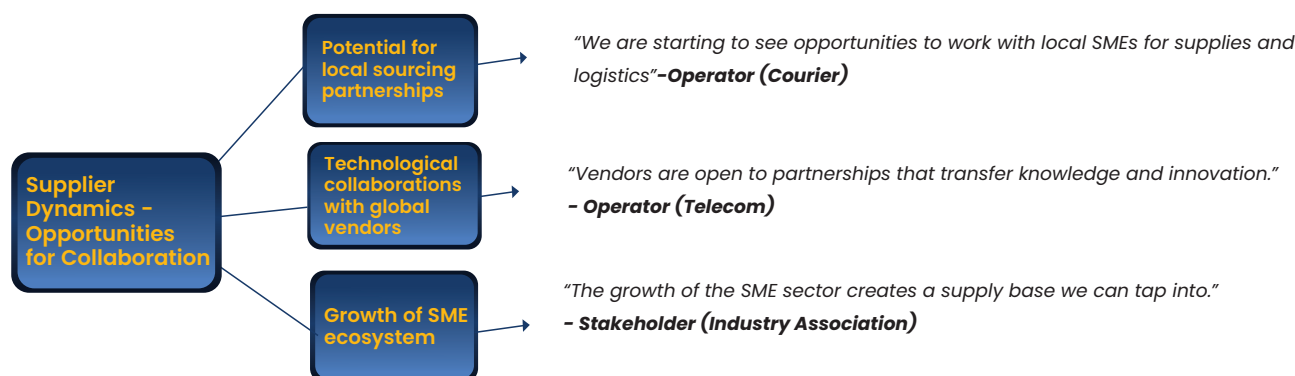


Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?

Table 13: P-Values, and Interpretation across rewards associated with Supplier dynamics

Indicator	p-value	Interpretation
Potential for local sourcing partnerships	0.931	No Statistically Significant difference
Technological collaborations	0.439	No Statistically Significant difference
Emerging local vendor and SME ecosystem	0.583	No Statistically Significant difference

Qualitative Insights



The qualitative findings position supplier-related opportunities as some of the most practical and immediately actionable rewards for the sector. Operators consistently framed the rise of local SMEs and vendor networks as a way to ease forex dependency, shorten supply chains, and lower costs. Importantly, this optimism was not blind; stakeholders acknowledged that many SMEs require support to meet sector standards, but the underlying sentiment was that this is an investable pathway rather than a distant aspiration.

Stakeholders further stressed that partnerships with global vendors should be leveraged not only for equipment procurement but also for technology and knowledge transfer, ensuring Zimbabwe keeps pace with global innovation cycles. Postal and courier operators placed additional emphasis on sourcing logistics and packaging inputs locally, which they see as critical for cost efficiency and service reliability. In essence, the qualitative evidence reframes suppliers from being a vulnerability, as seen in the risk assessment, into a strategic growth lever. This shift underscores that the sector's resilience and competitiveness could be strengthened not only by diversifying supply chains but also by aligning supplier development with broader industrial policy.

From a policy standpoint, these findings highlight the importance of strengthening local supplier ecosystems and creating an enabling environment for SMEs to thrive. Measures to support domestic sourcing, incentivize joint technology development with global suppliers, and facilitate access to finance and markets for SMEs can yield broad benefits across both sectors. For Postal & Courier, targeted support for local logistics and technology providers could reduce costs and improve service quality, while for Telecoms, policies that foster a stronger SME ecosystem may help reduce overdependence on foreign vendors. In both cases, a stronger local supplier base will enhance resilience, reduce forex pressures, and anchor sector competitiveness in domestic capacity.

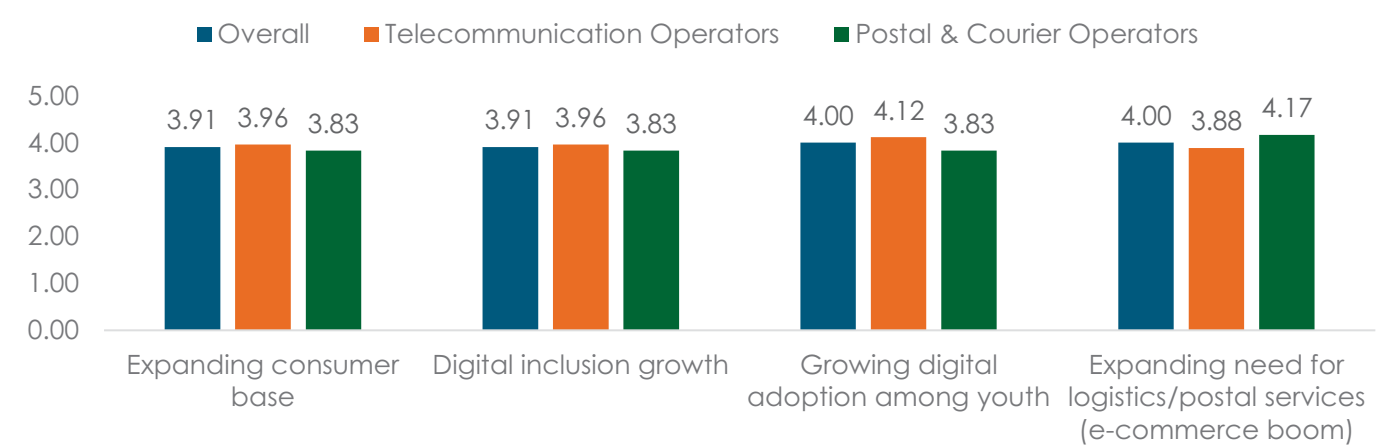
5.2.3 Buyer Dynamics

Building on the supplier-side opportunities, which showed a growing role for local partnerships and SMEs, the findings on buyer dynamics reflect even stronger potential. Operators rated this set of indicators relatively high across the board, pointing to an environment where demand-side growth is a key driver of sector expansion. The most nota-

able opportunities were the growing digital adoption among youth (overall 4.00) and the expanding need for logistics and postal services linked to e-commerce (4.00 overall), both underscoring the structural shifts shaping consumption patterns in Zimbabwe. Slightly lower but still significant were expanding consumer base (3.91 overall) and digital inclusion growth (3.91 overall), indicating that demographic and inclusion trends continue to create new market segments.

When broken down by sector, Telecommunications operators rated most buyer-related opportunities more positively, particularly for expanding consumer base (3.96 vs 3.83), digital inclusion growth (3.96 vs 3.83), and youth adoption (4.12 vs 3.83). This reflects telecom operators' stronger alignment with digital adoption trends and their ability to monetise expanding connectivity. Postal & Courier operators, however, reported higher optimism on the e-commerce-driven demand for logistics services (4.17 vs 3.88), signalling their recognition of how online trade is reshaping demand for delivery and fulfilment services. Importantly, none of these differences were statistically significant (p-values ranging from 0.274 to 0.705), showing that while descriptive trends are evident, both sectors broadly share the same positive outlook on buyer dynamics.

Figure 22: Buyer Dynamics

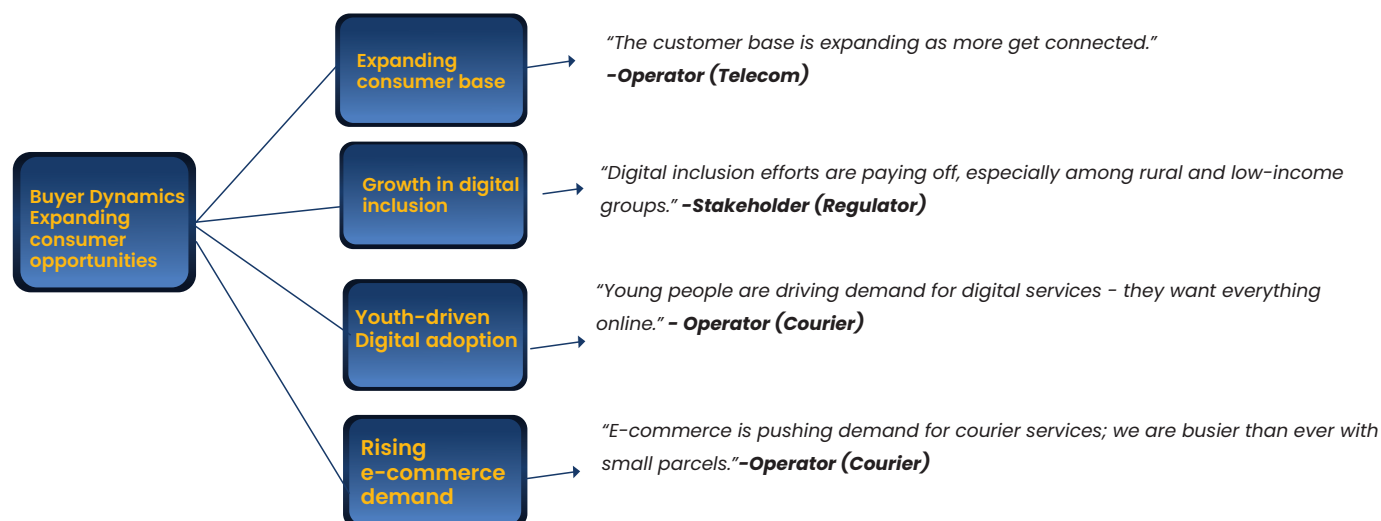


Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?

Table: P-Values, and Interpretation across rewards associated with Buyer dynamics

Indicator	p-value	Interpretation
Expanding consumer base	0.705	No Statistically Significant difference
Digital inclusion growth	0.535	No Statistically Significant difference
Growing digital adoption among youth	0.321	No Statistically Significant difference
Expanding need for logistics/postal services (e-commerce boom)	0.274	No Statistically Significant difference

Qualitative Insights



The qualitative evidence makes clear that operators view demand-side growth as the most powerful engine for sector expansion. Respondents consistently described how youth adoption of digital services is reshaping market dynamics, not only increasing data consumption but also driving expectations for more integrated, digital-first solutions. Telecom operators in particular see this as the foundation for monetizing connectivity through bundled services, apps, and mobile payments. Postal and courier operators echoed this optimism but framed it through the lens of e-commerce expansion, where the rise of online trade is fuelling demand for logistics and last-mile delivery. For them, digital adoption is not only about consumer behaviour but also about the structural transformation of trade and fulfilment systems.

Stakeholders further emphasized that digital inclusion and an expanding consumer base are opening new market segments, but they cautioned that affordability and literacy remain critical to fully capturing this growth. This nuance shows that while demand is strong, its realization as opportunity depends on addressing barriers that limit access. Overall, the qualitative voices highlight buyer dynamics as an area where quantitative optimism is grounded in tangible, ongoing shifts in demographics, consumer behaviour, and market demand. Unlike other pillars where rewards are conditional or policy-heavy, here the opportunities are already unfolding the challenge lies in ensuring that infrastructure, affordability, and service models keep pace with the demand that consumers are clearly signalling.

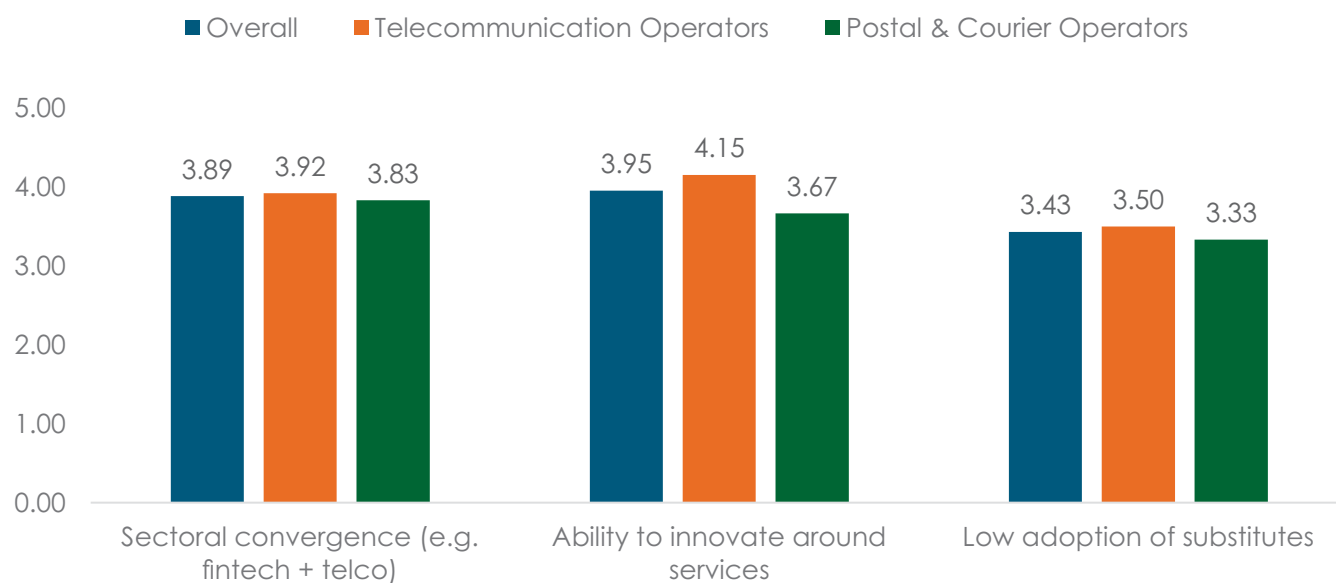
From a policy perspective, these findings suggest that supporting demand-side growth will be as important as addressing supply-side constraints. Expanding broadband access, promoting affordability, and continuing digital literacy initiatives will help unlock the full potential of the youth and inclusion dividend, particularly for telecom operators. At the same time, strengthening e-commerce ecosystems, logistics infrastructure, and last-mile delivery networks will be critical to enabling Postal & Courier operators to capture the growing demand for online trade. By nurturing both digital adoption and e-commerce expansion, policy can ensure that buyer-driven opportunities translate into sustained growth for the entire communications sector.

5.2.4 Substitutes

As the analysis moves from buyer-driven opportunities into substitutes, the results highlight that what are often perceived as threats can also be reframed as strategic opportunities. Overall, operators rated ability to innovate around services (3.95) and sectoral convergence opportunities (3.89) as the most significant rewards, underscoring the potential to turn shifting market conditions into drivers of growth. By contrast, the low adoption of substitutes (3.43) was seen as a more moderate opportunity, suggesting that while traditional models remain resilient, the real value lies in how operators can adapt to and harness change.

Disaggregating the findings reveals that Telecommunications operators expressed a more optimistic outlook across all three indicators. They rated higher on innovation (4.15 vs 3.67), sectoral convergence (3.92 vs 3.83), and low adoption of substitutes (3.50 vs 3.33) compared to Postal & Courier operators. These trends suggest that telecoms see greater upside in leveraging substitutes to diversify services and integrate with adjacent sectors such as fintech. Postal & Courier operators, meanwhile, reported slightly lower scores, reflecting both the slower pace of innovation in the sector and the more immediate operational pressures they face. Importantly, however, none of these differences were statistically significant (p-values all above 0.09), confirming that while perceptions differ descriptively, both sectors broadly recognize substitutes as an opportunity space rather than a looming threat.

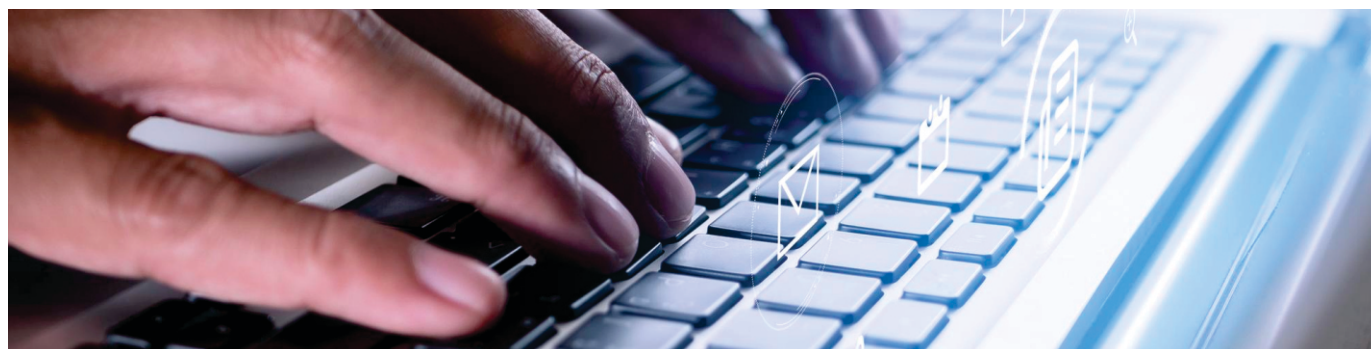
Figure 23: Substitutes



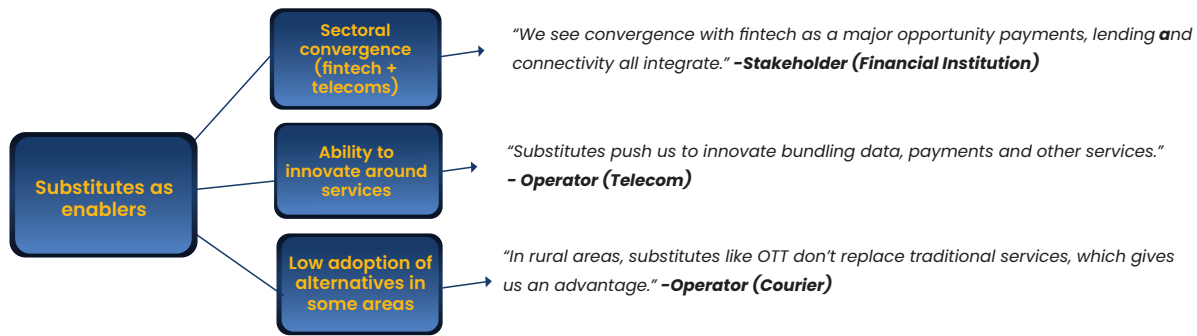
Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?

Table 15: P-Values, and Interpretation across rewards associated with Substitutes

Indicator	p-value	Interpretation
Sectoral convergence (e.g. Fintech +telco)	0.698	No Statistically Significant difference
Ability to innovate around services	0.091	No Statistically Significant difference
Low adoption of substitutes	0.629	No Statistically Significant difference



Qualitative Insights



The qualitative evidence highlights that operators no longer see substitutes purely as disruptive threats but increasingly as catalysts for service diversification and innovation. Telecom stakeholders described how the rise of OTT platforms and fintech services has prompted them to rethink their models, pushing them toward bundling, partnerships, and new value-added services. Rather than resisting substitution, they now view it as an opportunity to extend relevance in a rapidly digitalizing environment.

Courier operators, though more conservative, also recognized that substitutes particularly informal and hybrid delivery models can inspire new approaches to logistics, such as integrating digital platforms into fulfilment services. Stakeholders noted that the relatively low adoption of substitutes in rural areas still gives operators breathing space to adapt, while simultaneously creating the incentive to design offerings that capture untapped demand before informal competitors do. What stands out is that the qualitative voices reinforce the idea that substitutes are shaping a mindset shift. Instead of defensive postures, operators are beginning to frame change as a strategic lever.

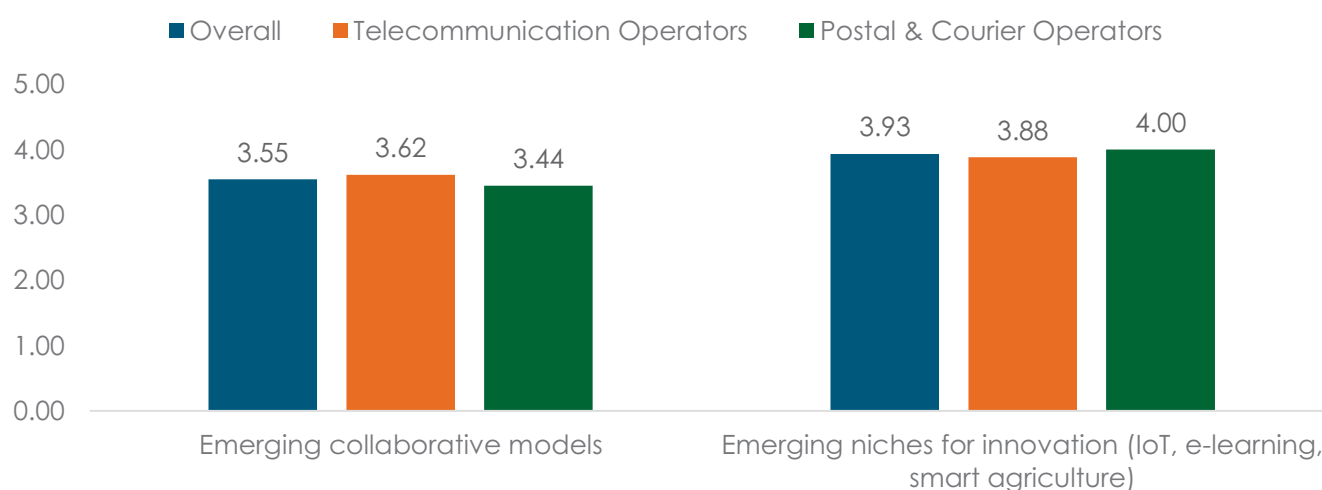
For policy, this indicates the need to nurture a regulatory climate that encourages experimentation, cross-sector collaboration, and digital platform integration, so that substitutes evolve into accelerators of sector growth rather than unchecked competitors. The findings also point to the importance of creating an innovative-friendly regulatory environment that enables operators to experiment with new service bundles, pursue cross-sector collaborations, and adopt flexible business models. For Telecommunications, this means fostering conditions that support fintech integration, OTT partnerships, and advanced digital services. For Postal & Courier operators, the priority lies in enabling innovation in e-commerce logistics, hybrid services, and digital platforms that can complement traditional delivery. By positioning substitutes as enablers rather than disruptors, policy can help both sectors build resilience while unlocking new avenues for value creation.

5.2.5 Competition

Rounding off the industry-level rewards, the results on competition show that operators see potential not only in competing against one another but also in finding new ways to collaborate and innovate. Overall, the strongest reward lies in emerging niches for

innovation (3.93) covering areas such as IoT, e-learning, and smart agriculture which highlights the opportunity for operators to expand into high-growth segments that go beyond traditional service lines. At the same time, emerging collaborative models (3.55 overall) were also rated positively, signalling recognition that partnerships and infrastructure-sharing can create efficiencies while extending service reach. When viewed by sector, Telecommunications operators were slightly more optimistic about collaborative models (3.62 vs 3.44), while Postal & Courier operators placed higher emphasis on innovation niches (4.00 vs 3.88). However, statistical testing confirmed that these differences were not significant ($p=0.341$ and $p=0.754$, respectively), meaning that both sectors share a broadly similar outlook on the opportunities that competition can generate. The descriptive variation, nonetheless, suggests subtle differences in strategic focus: telecoms leaning toward collaboration to manage high capital costs, and postal operators seeing greater promise in niche diversification.

Figure 24: Competition



Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?

Table 16: P - Values, and Interpretation across rewards associated with Competition

Indicator	p-value	Interpretation
Emerging collaborative models	0.341	No Statistically Significant difference
Emerging niches for innovation (IoT, e-learning, smart agriculture)	0.754	No Statistically Significant difference

Qualitative Insights



Qualitatively, respondents spoke about how competitive intensity forces operators to pursue innovation in adjacent markets, from IoT-driven services to e-learning and digital agriculture, where they see strong latent demand. For courier operators, competition is also sparking investment in logistics-tech and e-commerce fulfilment models, showing that rivalry is creating incentives to diversify rather than simply cut prices. At the same time, stakeholders described how the cost pressures that accompany competition are pushing operators to explore collaborative pathways such as infrastructure sharing and joint ventures. These models were presented as not only cost-saving but also as enablers of broader service coverage, particularly in rural and underserved areas. Regulators emphasised that such collaborations are already emerging in pilot form but need clearer policy frameworks to scale.

Looking ahead, a key implication for policy design is that these findings emphasize the importance of creating an enabling environment for collaboration and innovation. For telecoms, strengthening frameworks that encourage infrastructure sharing, joint ventures, and knowledge exchange can help reduce duplication and expand coverage. For postal and courier operators, policies that support innovative ecosystems particularly in logistics-tech, e-commerce fulfilment, and hybrid delivery models can unlock growth in new markets. Overall, fostering both collaboration and innovation will ensure that competition acts as a driver of sector transformation rather than a constraint.

5.3 Country-Level Rewards (PESTLE Framework)

At the country level, rewards were assessed by examining the broader national environment and the enabling conditions that can strengthen the attractiveness of Zimbabwe's postal, courier, and telecommunications sectors. The indicators included:

Political

- Political will for digital transformation
- Sector prioritisation in national development plans
- Improved stakeholder consultation in policymaking

Economic

- Untapped potential of the domestic market
- Growth of e-commerce and digital trade
- ICT contribution to GDP and employment

- Integration of fintech and mobile money services
- Sector alignment with informal economy growth

Social

- Growing middle class
- Growing tech-savvy youth
- Growing urbanization trends
- Rising national digital literacy levels

Technological

- National focus on cybersecurity
- Emerging opportunities in Artificial Intelligence adoption
- Ongoing infrastructure upgrades
- Smart city initiatives

Legal

- Strengthening of data protection frameworks
- Improved policy engagement and transparency
- Coordination across regulators
- Strong autonomy and independence of the regulator

Environmental

- Opportunities for renewable energy solutions
- ESG-compliant infrastructure investment
- Climate resilience initiatives
- Green innovation and eco-friendly services

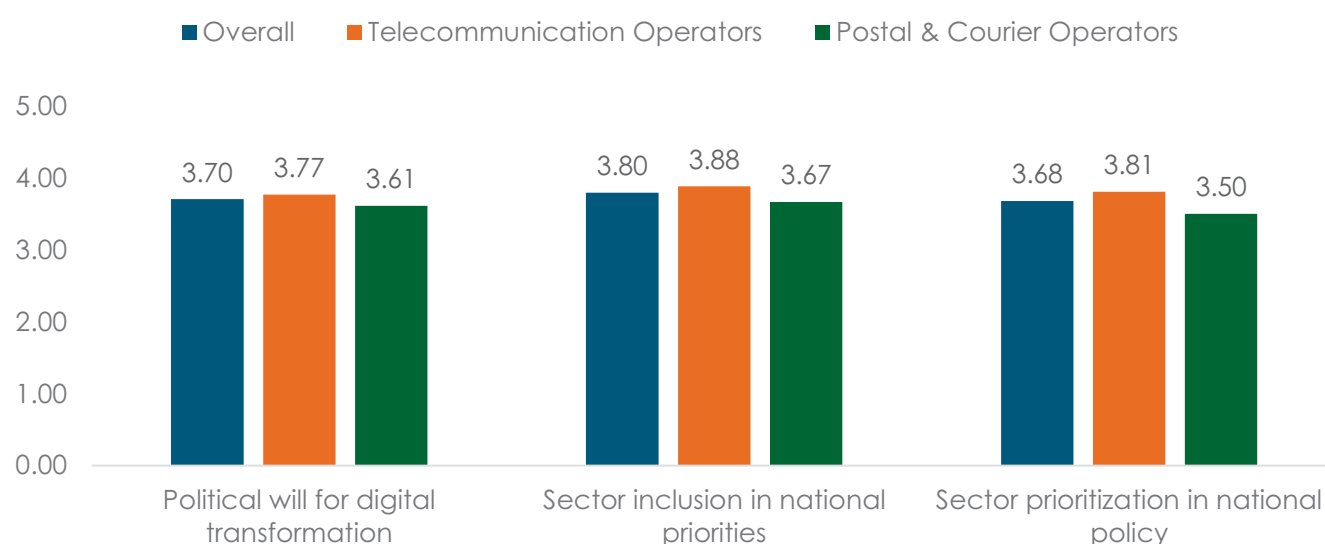
5.3.1 Political Reward

Moving from the industry-level dynamics into the broader country context, the findings on political rewards point to a moderately positive outlook. Overall, operators highlighted sector inclusion in national priorities (3.80) as the strongest political opportunity, followed by political will for digital transformation (3.70) and sector prioritisation in national policy (3.68). These scores reflect recognition that government support and alignment with policy objectives are present, though not yet perceived as transformative. The results suggest that while political opportunities exist, they are viewed more as foundational enablers than as high-impact game changers.

Looking at the sector dynamics, Telecommunications operators consistently rated political rewards higher than Postal & Courier operators, with digital transformation will at 3.77 vs 3.61, sector inclusion in national priorities at 3.88 vs 3.67, and policy prioritisation at 3.81 vs 3.50. This indicates that telecoms feel more directly aligned with the government's digitalisation agenda, while postal operators remain slightly less confident about their

sector's policy positioning. However, statistical testing confirmed that none of these differences were significant ($p=0.412, 0.373, 0.168$ respectively), meaning that both sectors share a broadly similar outlook: political rewards are acknowledged, but their depth of impact is not seen as decisively sector specific.

Figure 25: Political Reward



Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity

Table 17: P-Values, and Interpretation across rewards associated with Political rewards

Indicator	p-value	Interpretation
Political will for digital transformation	0.412	No Statistically Significant difference
Sector inclusion in national priorities	0.373	No Statistically Significant difference
Sector prioritization in national policy	0.168	No Statistically Significant difference

Qualitative Insights



Stakeholders acknowledged that the government has placed ICT and postal services firmly on the policy agenda, but they stressed that the benefit is felt more as a signal of intent than as an operational advantage. Telecom operators in particular recognised the alignment with the digital transformation agenda, describing this as a lever to fast-track infrastructure investments, while postal players remained more cautious, noting that sector inclusion is less visible in concrete support.

Industry associations and regulators added that the presence of political will is an important anchor for long-term confidence, but warned that gaps between policy ambition and delivery risk diluting its impact. For them, political rewards are only meaningful if backed by consistent frameworks, budgets, and genuine consultation with operators. Taken together, the qualitative evidence shows that political opportunities are valued, but they are not yet perceived as “game changers.” They provide reassurance that the sector is being recognized at the highest levels, but operators are looking for a shift from policy statements to policy action before confidence deepens.

From a strategic standpoint, these findings highlight the importance of converting moderate political opportunities into stronger, actionable commitments. This includes ensuring that policy support translates into clear implementation frameworks, budgetary backing, and sustained consultation with industry players. For telecoms, leveraging alignment with national digital transformation agendas can fast-track investment and infrastructure rollout. For postal and courier services, greater emphasis on explicit inclusion in national priorities and policy frameworks will be critical to raise confidence and ensure balanced growth.

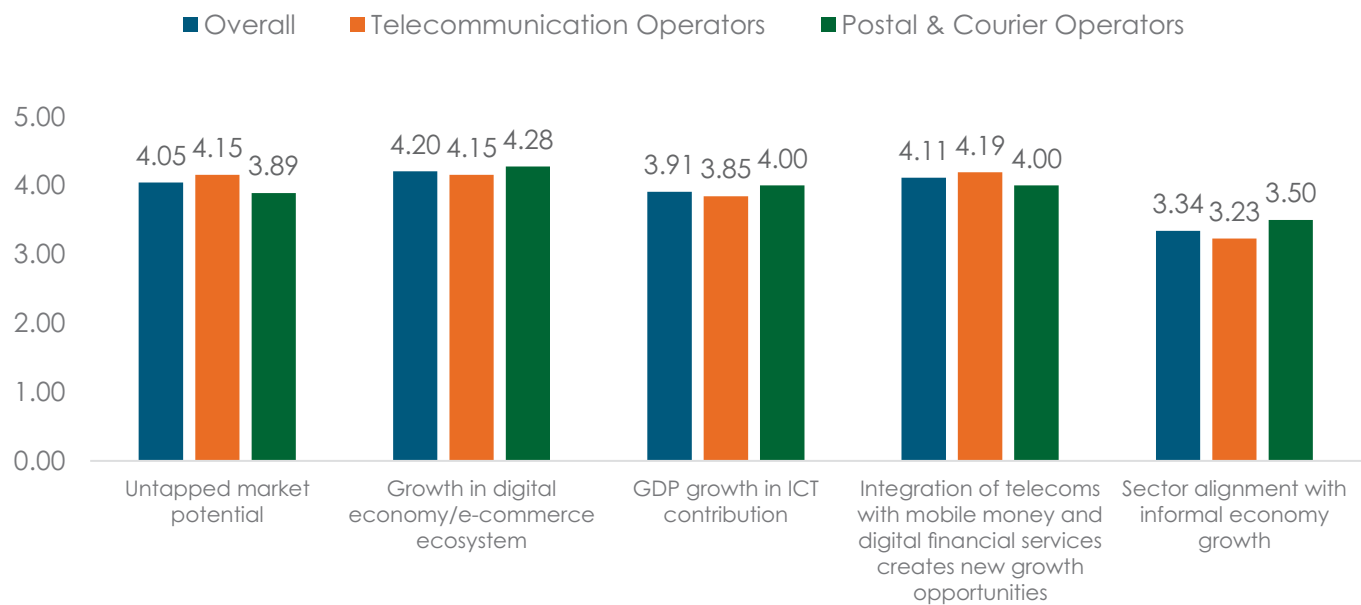
5.3.2 Economic Reward

When assessing risks, economic factors stood out as some of the highest-rated vulnerabilities, with operators flagging currency volatility, taxation, and inflation as major constraints. Yet interestingly, the same domain also reveals some of the strongest opportunities, underscoring the dual nature of Zimbabwe's economic environment. On the rewards side, operators rated growth in the digital economy and e-commerce ecosystem (4.20) as the most significant opportunity, followed closely by integration of telecoms with mobile money and digital financial services (4.11) and untapped market potential (4.05). These results show that while the macroeconomic context is a source of risk, it is also the arena where the sector sees the greatest potential to unlock value and expand its role in

national development.

Sector comparisons show nuanced differences. Telecommunications operators rated untapped market potential higher (4.15 vs 3.89) and placed greater emphasis on integration with mobile money and digital financial services (4.19 vs 4.00), reflecting their position at the centre of Zimbabwe's digital financial ecosystem. Postal & Courier operators, by contrast, expressed higher optimism around growth in the digital economy/e-commerce (4.28 vs 4.15), GDP growth contribution from ICT (4.00 vs 3.85), and particularly postal sector alignment with informal economy growth (3.50 vs 3.23). However, none of these differences were statistically significant, with p-values across all indicators (ranging from 0.498 to 0.873) showing that both sectors broadly share the same view: economic rewards are strong and sector-enabling. The descriptive variation nonetheless reflects how each sector identifies slightly different levers of opportunity.

Figure26:Economic Reward



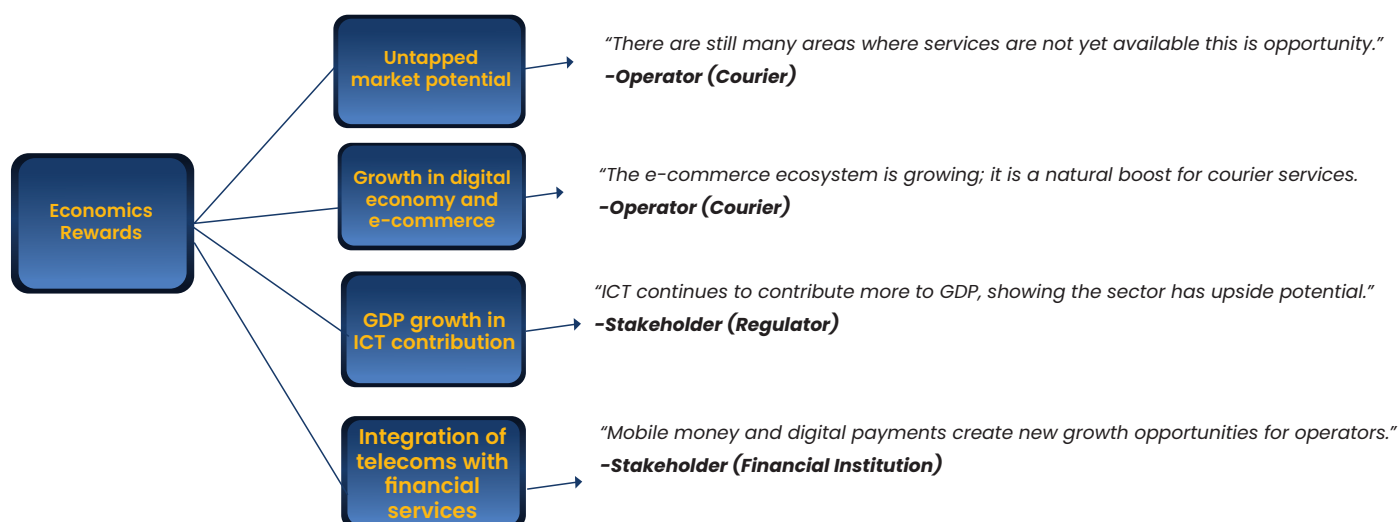
Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?



Table 18 : P-Values, and Interpretation across rewards associated with Economic rewards national development.

Indicator	p-value	Interpretation
Untapped market potential	0.517	No Statistically Significant difference
Growth in digital economy/ e-commerce ecosystem	0.517	No Statistically Significant difference
GDP growth in ICT contribution	0.692	No Statistically Significant difference
Integration of telecoms with mobile money and digital financial services creates new growth opportunities	0.873	No Statistically Significant difference
Postal sector alignment with informal economic growth	0.498	No Statistically Significant difference

Qualitative Insights



The qualitative perspectives reveal that operators see economic opportunities as both immediate and structural, rooted in Zimbabwe's ongoing digital transformation. Telecom players consistently linked growth potential to the integration of connectivity with mobile money and digital finance, noting that this convergence has already begun to reshape consumer behaviour and revenue models. Courier operators, by contrast, tied their optimism to the rise of e-commerce, describing how increasing parcel volumes and last-mile delivery needs are opening entirely new business lines.

Stakeholders also emphasized that untapped market potential remains significant,

particularly in peri-urban and rural areas where connectivity and logistics are still limited. They highlighted that these gaps should not be read only as deficits, but as frontier markets where operators that scale first will reap long-term rewards. Associations and regulators further noted that the digital economy provides an unusual duality: while macroeconomic instability creates risk, the digital space often grows in spite of it, acting as a buffer and opportunity zone.

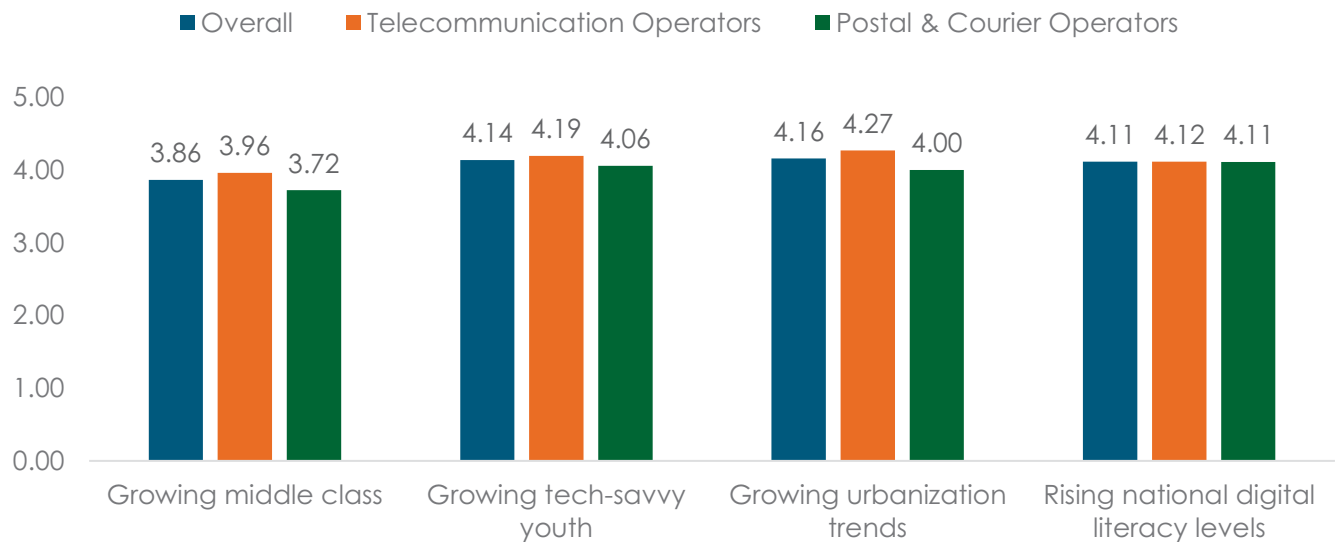
Looking forward, the evidence suggests that policies which nurture the digital economy and promote inclusive financial ecosystems will be critical. Expanding e-commerce infrastructure, supporting interoperability of mobile money and digital payments, and addressing barriers to market entry can help both sectors maximize untapped opportunities. For telecoms, priority lies in strengthening the link between connectivity and digital finance, while for postal operators, greater support for integration with the informal economy and last-mile e-commerce fulfilment will be key. By aligning strategies with these drivers, Zimbabwe can leverage its digital transformation to generate broad-based economic gains.

5.3.3 Social Reward

Following the strong economic opportunities highlighted earlier, the findings on social rewards show that Zimbabwe's demographic and social dynamics also present a favourable environment for growth. Overall, operators identified growing urbanization trends (4.16) and the rise of a tech-savvy youth population (4.14) as the most significant opportunities, followed closely by rising national digital literacy levels (4.11). The expansion of the middle class (3.86) was rated slightly lower but still points to a gradual strengthening of demand capacity. Collectively, these indicators reflect an environment where shifting demographics, expanding cities, and increasing digital readiness are driving sectoral opportunities.

When results are broken down by sector, Telecommunications operators consistently rated social opportunities higher than Postal & Courier operators, particularly for urbanization (4.27 vs 4.00), tech-savvy youth (4.19 vs 4.06), and middle-class growth (3.96 vs 3.72). Postal & Courier operators, however, showed similar optimism regarding digital literacy (4.11 vs 4.12). Importantly, statistical testing confirmed that none of these differences were significant (p-values ranging from 0.350 to 0.897), demonstrating that both sectors broadly share the same perception: social shifts are opening real opportunities for expansion, even if the emphasis varies slightly between them.

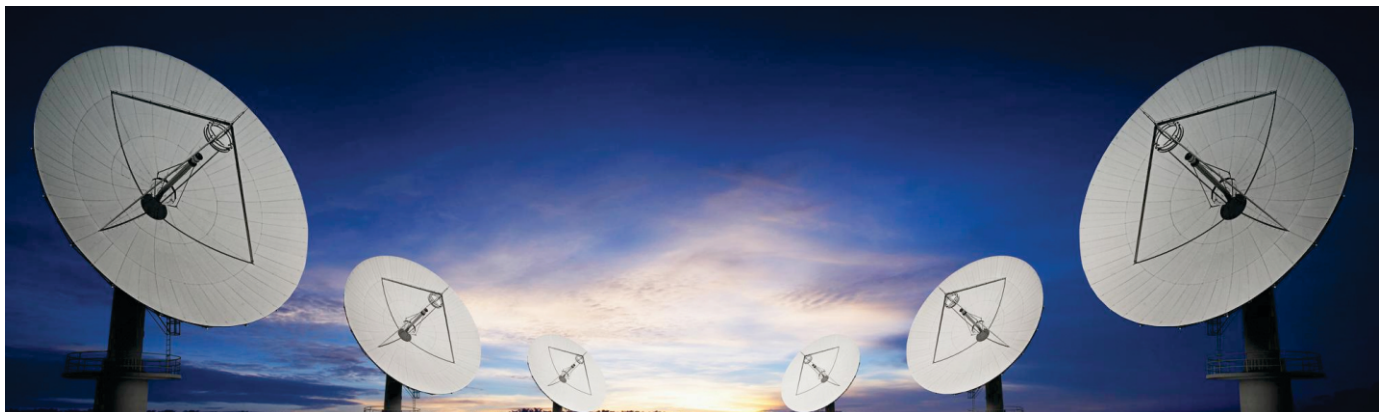
Figure 27: Social Reward



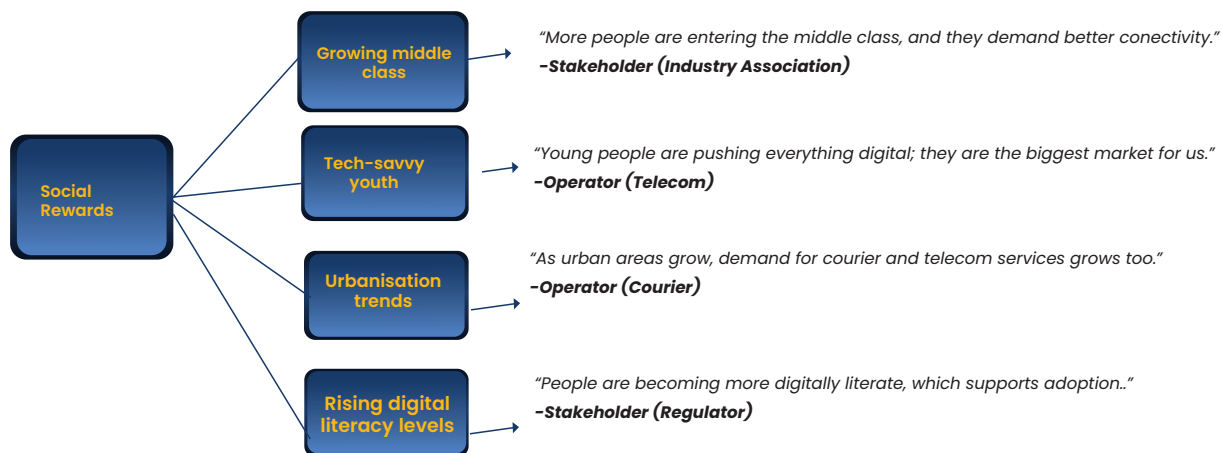
Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?

Table 19: P-Values, and Interpretation across rewards associated with Social reward

Indicator	p-value	Interpretation
Growing middle class	0.392	No Statistically Significant difference
Growing tech-savvy youth	0.475	No Statistically Significant difference
Growing urbanization trends	0.350	No Statistically Significant difference
Rising national digital literacy levels	0.897	No Statistically Significant difference



Qualitative Insights



The qualitative evidence makes clear that operators view Zimbabwe's shifting demographics as a structural advantage that is already shaping demand. Telecom players consistently linked opportunities to the growing influence of youth, describing them as early adopters of digital services who set new expectations for speed, convenience, and integration. For courier operators, urbanisation was the more prominent theme: as cities expand, the need for logistics, last-mile delivery, and e-commerce support was described as both urgent and highly scalable. Stakeholders also pointed to rising digital literacy as a slow but steady enabler, noting that consumers who once resisted digital platforms are increasingly comfortable transacting and communicating online. Associations framed this as evidence that national investments in education and ICT awareness are beginning to bear fruit, creating a broader base of customers ready to use digital services.

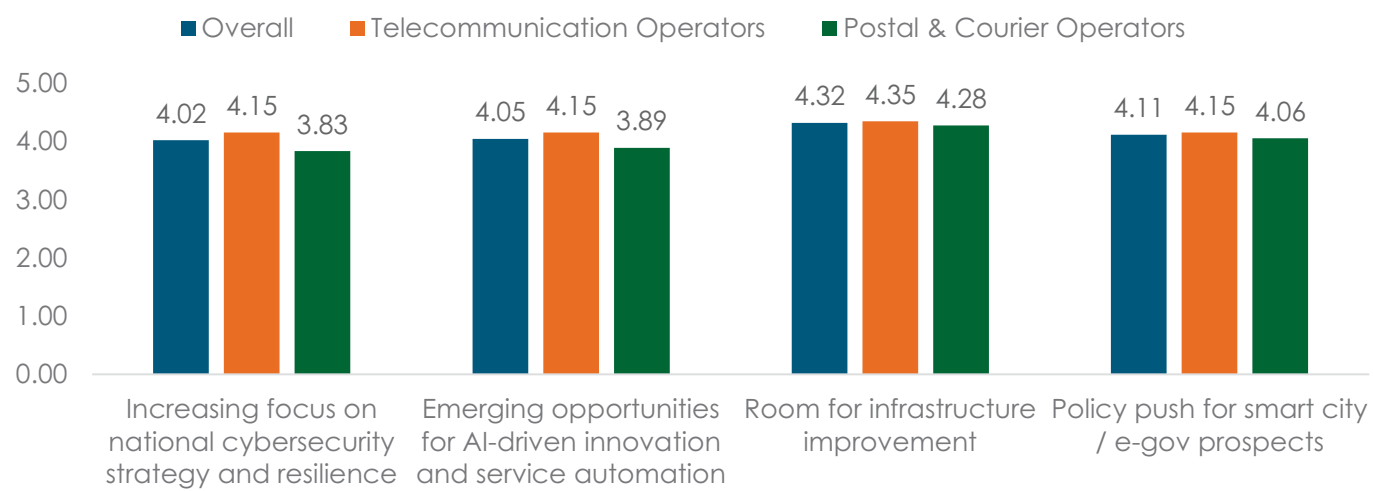
From a strategic angle, these findings highlight the importance of policies and investments that harness demographic dividends. For telecoms, this means leveraging the tech-savvy youth population and urbanization trends to expand adoption of data-driven services. For postal and courier operators, the key lies in aligning with urban growth and rising literacy to strengthen e-commerce logistics and last-mile delivery systems. At the national level, supporting digital skills training, urban infrastructure planning, and affordable service models will help ensure that social trends translate into sustained sectoral growth.

5.3.4 Technological Reward

The analysis of technological rewards reveals that operators see a broad and promising set of opportunities that can underpin sector transformation. The strongest overall score was for room for infrastructure improvement (4.32), underscoring recognition that while gaps exist, they also create space for targeted investment and network expansion. Close behind were policy push for smart city and e-government prospects (4.11) and emerging opportunities for AI-driven innovation and service automation (4.05), both of which point to Zimbabwe's readiness to align with global digital trends. Increasing focus on national cybersecurity strategy and resilience (4.02) was also positively rated, signalling a growing confidence in policy direction toward building digital trust and resilience. Together, these results confirm that technological opportunities are not just present but span both foundational infrastructure and frontier innovation.

When comparing sectors, Telecommunications operators consistently rated these opportunities slightly higher than Postal & Courier operators. For example, they rated cybersecurity resilience at 4.15 vs 3.83, AI-driven innovation at 4.15 vs 3.89, infrastructure improvement at 4.35 vs 4.28, and smart city/e-gov prospects at 4.15 vs 4.06. These descriptive differences suggest that telecoms are more directly positioned to benefit from advanced digital trends, while postal operators place less emphasis on cutting-edge innovations but still recognize the opportunities they present. Importantly, however, statistical testing confirmed that none of these differences were significant (p-values ranging from 0.189 to 0.990), demonstrating that both sectors perceive technological opportunities in a broadly similar way.

Figure 28:Technological Reward

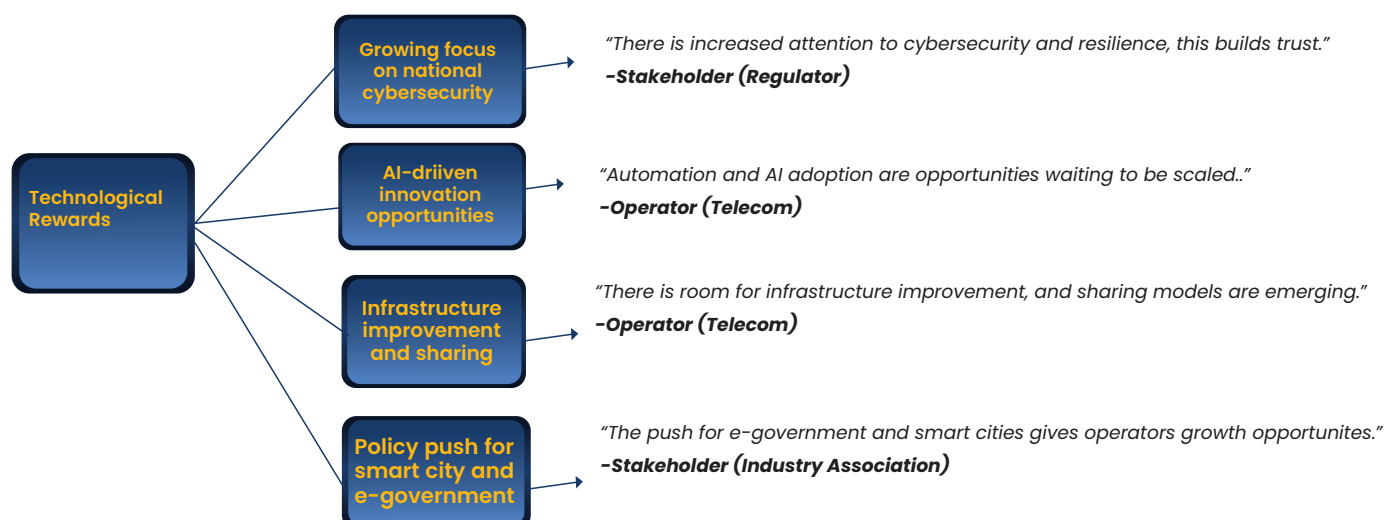


Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity?

Table 20: P-Values, and Interpretation across rewards associated with Technological Reward dimension

Indicator	p-value	Interpretation
Increasing focus on national cybersecurity strategy and resilience	0.189	No Statistically Significant difference
Emerging opportunities for AI-driven innovation and service automation	0.467	No Statistically Significant difference
Room for infrastructure improvement	0.0990	No Statistically Significant difference
Policy push for smart city/ e-gov prospects	0.645	No Statistically Significant difference

Qualitative Insights



The qualitative evidence shows that operators and stakeholders view technology as the sector's most forward-looking opportunity. Telecom players emphasized that infrastructure gaps, while costly in the short term, are also an invitation for investment and upgrading a way to rebuild networks around modern standards rather than continuing to patch legacy systems. Courier operators added that technology is central to transforming logistics chains, with digitized tracking, e-gov service delivery, and automation all seen as game changers.

Stakeholders described a growing sense of alignment between policy ambition and technological direction, particularly around smart city initiatives and national cybersecurity frameworks. Industry associations saw this as a chance to position Zimbabwe as regionally competitive, provided that policy translates into investment and capacity building. For operators, the excitement was most evident in discussions around AI and automation, which they framed as the tools needed to boost efficiency and unlock new service models. What emerges from these perspectives is a sector that recognizes technology as a bridge between present challenges and future competitiveness. Unlike other rewards that may be conditional on macro stability or consumer readiness, technological opportunities are perceived as both urgent and actionable.

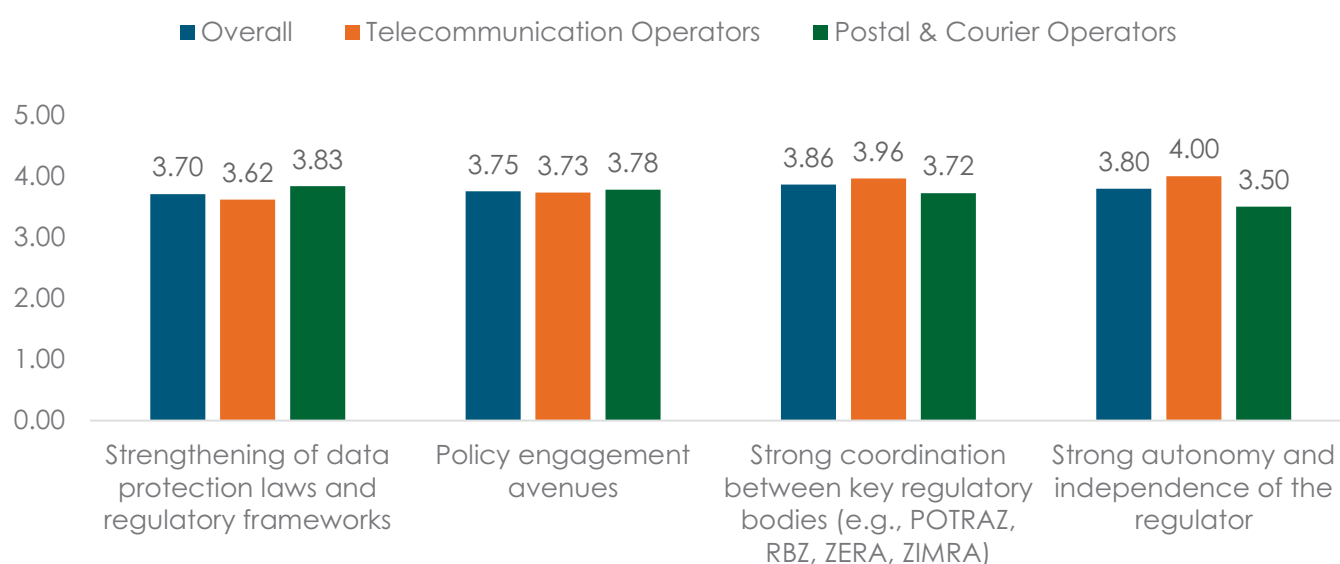
The findings point to a clear imperative for policy and strategy. These findings highlight the need to leverage both infrastructure gaps and emerging innovation pathways. For telecoms, priorities include strengthening national cybersecurity frameworks, accelerating the adoption of AI, and integrating into smart city and e-government initiatives. For postal and courier services, opportunities lie in digitalizing logistics networks, embedding e-gov service delivery, and harnessing infrastructure upgrades to modernize operations. By ensuring inclusive access to these technological rewards, policymakers can position Zimbabwe's communications sector to not only catch up with global standards but also pioneer innovative models suited to local needs.

5.3.5 Legal Reward

The findings on legal rewards show that operators view the institutional and regulatory environment as a source of moderate but important opportunity. Overall, the highest-rated indicator was strong coordination between key regulatory bodies (3.86), followed closely by strong autonomy and independence of the regulator (3.80). These results highlight that alignment across agencies such as POTRAZ, RBZ, ZERA, and ZIMRA, as well as the regulator's independence, are seen as critical enablers of sector confidence. Policy engagement avenues (3.75) and the strengthening of data protection laws and regulatory frameworks (3.70) were rated slightly lower but still signal growing trust in Zimbabwe's legal architecture to support sector growth.

Breaking down the results by sector reveals subtle differences. Telecommunications operators reported higher ratings for coordination between regulators (3.96 vs 3.72) and regulator autonomy (4.00 vs 3.50), suggesting stronger confidence in institutional support. Postal & Courier operators, however, rated data protection frameworks (3.83 vs 3.62) and policy engagement avenues (3.78 vs 3.73) slightly higher, indicating their emphasis on legal safeguards and participatory policymaking. Importantly, statistical testing confirmed that none of these differences were significant with p-values ranging from 0.193 to 0.898 meaning that while descriptive preferences differ, both sectors broadly perceive legal rewards in a similar way.

Figure 29: Legal Reward

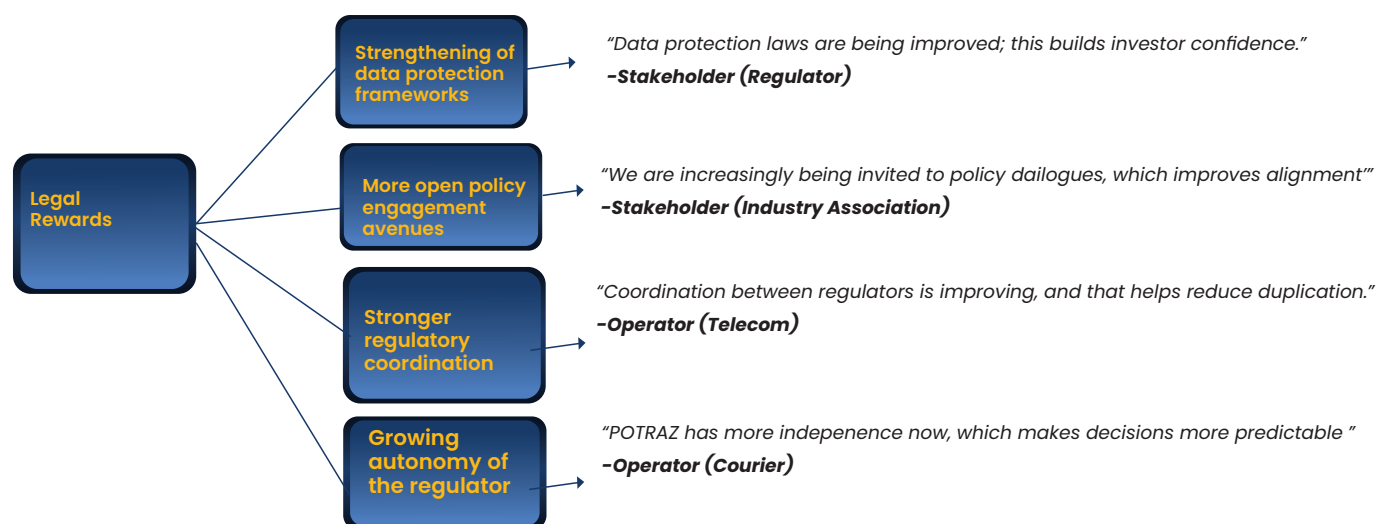


Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity

Table 21: P-Values, and Interpretation across rewards associated with Legal reward

Indicator	p-value	Interpretation
Strengthening of data protection laws and regulatory framework	0.730	No Statistically Significant difference
Policy engagement avenues	0.898	No Statistically Significant difference
Strong coordination between key regulatory bodies (e.g., POTRAZ, RBZ, ZERA & ZIMRA)	0.333	No Statistically Significant difference
Strong autonomy and independence of the regulator	0.193	No Statistically Significant difference

Qualitative Insights



Operators and stakeholders pointed to the strengthening of data protection and cyber frameworks as a step that not only improves consumer trust but also boosts investor confidence by aligning Zimbabwe with global compliance standards. Respondents also described a shift toward more open policy dialogue, where operators and associations are invited to contribute to regulatory processes. This was framed as evidence that legal structures are becoming more participatory, a change that improves alignment between policy and operational realities.

Equally significant is the perception of greater regulatory coordination, which operators said reduces duplication and streamlines compliance requirements. This was seen as particularly important for players who must navigate multiple oversight bodies . Complementing this, the growing autonomy of the regulator was highlighted as a

stabilising factor, giving the sector a sense that decisions are more predictable and less prone to political shifts.

As Zimbabwe's legal and regulatory landscape evolves, the real opportunity is to shift recent progress from policy intent into consistent practice. The momentum created through stronger frameworks, greater transparency, and regulator independence now needs to be consolidated into mechanisms that reinforce both investor confidence and operational stability. For telecoms, strong regulatory coordination supports large-scale infrastructure investment and cross-sectoral partnerships. For postal and courier operators, clearer engagement mechanisms and robust legal protections will provide the stability needed to modernize operations. By embedding these legal rewards into practice, Zimbabwe can foster a predictable and enabling environment for sector expansion.

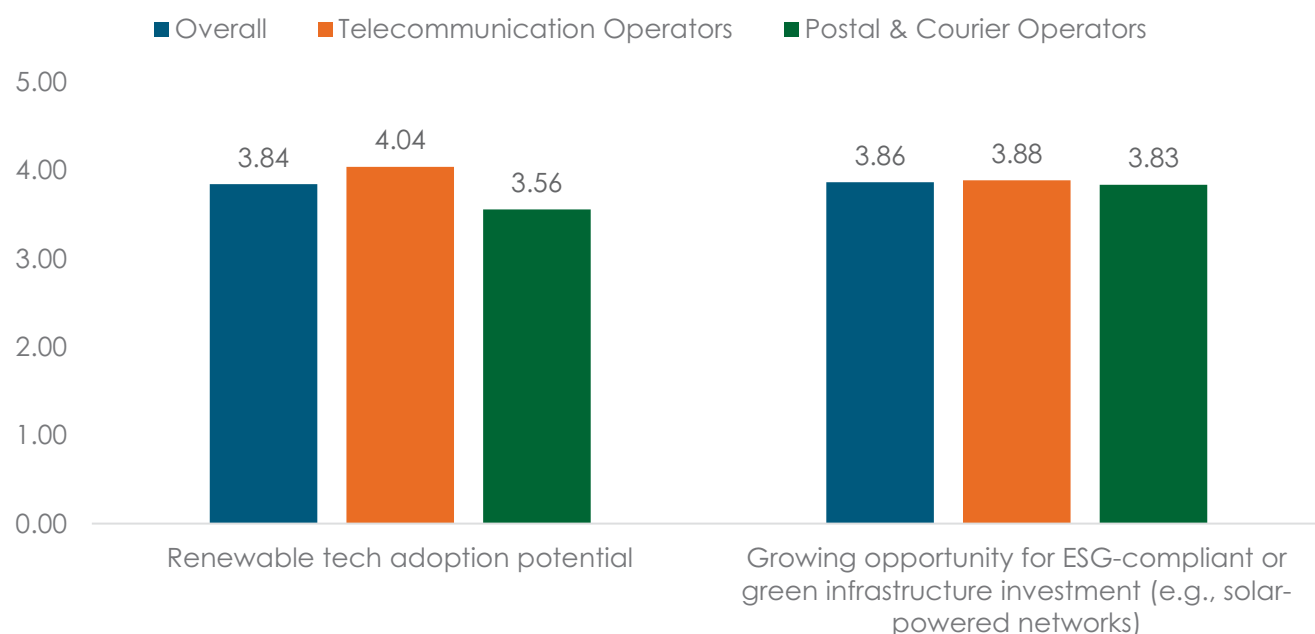
5.3.6 Environmental Reward

In contrast to the environmental risks, which operators rated as some of the highest constraints, particularly around energy unreliability and infrastructure costs the results on environmental rewards highlight the potential to turn these challenges into opportunities. Overall, operators viewed both renewable technology adoption potential (3.84) and opportunities for ESG-compliant or green infrastructure investment (3.86) as meaningful rewards, signalling recognition that the push toward sustainability can be harnessed as a driver of competitiveness and resilience.

When disaggregated by sector, clear differences emerge. Telecommunications operators rated renewable technology adoption (4.04) substantially higher than Postal & Courier operators (3.56), a gap that proved statistically significant ($p = 0.039$). This reflects the telecom sector's heavier reliance on power-hungry infrastructure such as towers and data centres, where renewable solutions like solar or hybrid systems can directly reduce costs and improve reliability. By contrast, Postal & Courier operators placed relatively greater emphasis on green infrastructure investments (3.83 vs 3.88), though the difference was not statistically significant ($p = 0.584$), suggesting broad consensus across both sectors on the benefits of ESG alignment.



Figure 30: Environmental Reward

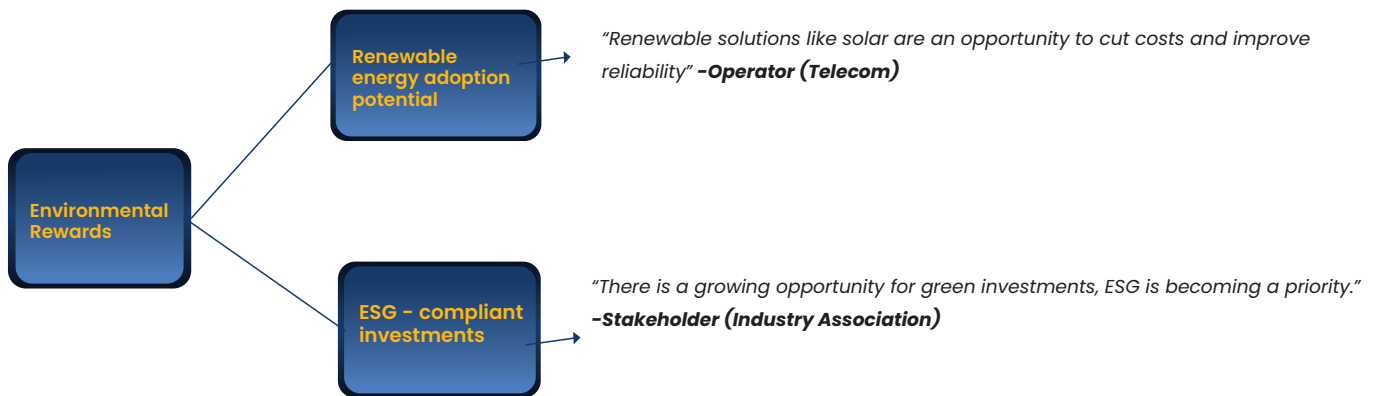


Q: Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for your organization's operations or investment in the Telecom or Postal/Courier sector using a 5-point scale: 1 = Very low opportunity | 2 = Low Opportunity | 3 = Moderate Opportunity | 4 = High Opportunity | 5 = Very High Opportunity

Table 22: P-Values, and Interpretation across rewards associated with Environmental

Indicator	p-value	Interpretation
Renewable tech adoption potential	0.039	Statistically Significant difference
Growing opportunity for ESG-compliant or green infrastructure investment (e.g., solar-powered networks).	0.584	No Statistically Significant difference

Qualitative Insights



Operators highlighted renewable energy, particularly solar, as a practical solution to mitigate power instability while simultaneously reducing operational costs. This perspective reframes energy reliability challenges, which were rated as high risks, into an avenue for innovation and resilience. Stakeholders, meanwhile, emphasised the broader momentum around ESG-aligned investment frameworks, noting that investors are increasingly directing capital toward green infrastructure and sustainability-focused initiatives. For industry associations, this was not only a reputational advantage but also a way to align Zimbabwe with global financing trends, where compliance with ESG standards is becoming a prerequisite for attracting long-term funding. Together, the qualitative findings suggest that environmental opportunities straddle both cost-efficiency and competitiveness. For operators, renewables are about reducing dependence on unreliable grids, while for stakeholders, they represent a gateway to global capital flows. This dual lens underscores that environmental rewards, though still in early stages, are poised to become a defining factor in shaping the sector's future investment narrative.

Looking forward, the results highlight the importance of sustainability-driven policy and investment strategies. For telecoms, this means scaling renewable energy adoption through incentives, financing models, and partnerships to stabilize operations and reduce fuel reliance. For postal and courier operators, the opportunity lies in leveraging green infrastructure projects and ESG-compliance frameworks to modernize logistics networks and attract sustainable investment. By positioning environmental sustainability as a growth enabler, policymakers can help both sectors move from cost-heavy vulnerabilities toward long-term competitive advantage.

5.4 Investment Sentiment and Priorities

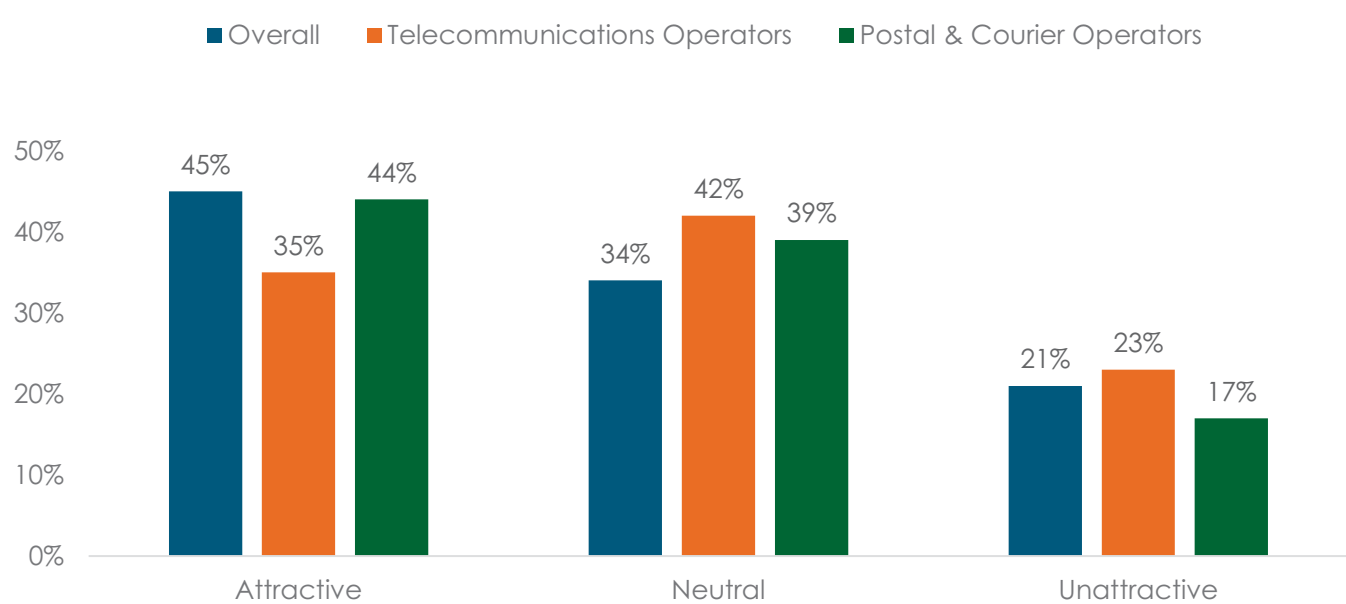
5.4.1 Attractiveness of Zimbabwe as an Investment Destination

Pinned to provide their overall view on Zimbabwe as an investment destination, findings from the operators reveal a cautious but moderately positive sentiment. In telecommunications, only 35% rated Zimbabwe as attractive compared to 44% in the postal and courier sector, while a large share in both sectors 42% of telecoms and 39% of

postal operators opted for a neutral stance. The proportion of unattractive ratings was also higher among telecoms (23%) than postal operators (17%), indicating that postal players are somewhat more optimistic about Zimbabwe's investment climate.

The sizeable neutral group across both industries is noteworthy, as it points to hesitation rather than outright rejection of Zimbabwe as an investment destination. This suggests that while operators acknowledge opportunities, they remain wary of risks and uncertainties in the operating environment. In essence, investment attractiveness is perceived less as a decisive strength and more as a conditional opportunity one that could shift positively with improvements in the policy and economic climate.

Figure 31: Attractiveness of Zimbabwe as an Investment Destination



Q: From your perspective, how would you currently rate Zimbabwe's attractiveness as an investment destination in your industry?

From a policy perspective, these findings emphasize the importance of reducing uncertainty and addressing structural risks to convert neutrality into confidence. Strengthening regulatory predictability, enhancing infrastructure, and stabilizing the macroeconomic environment will be crucial in shifting operator perceptions from cautious optimism to clear attractiveness.

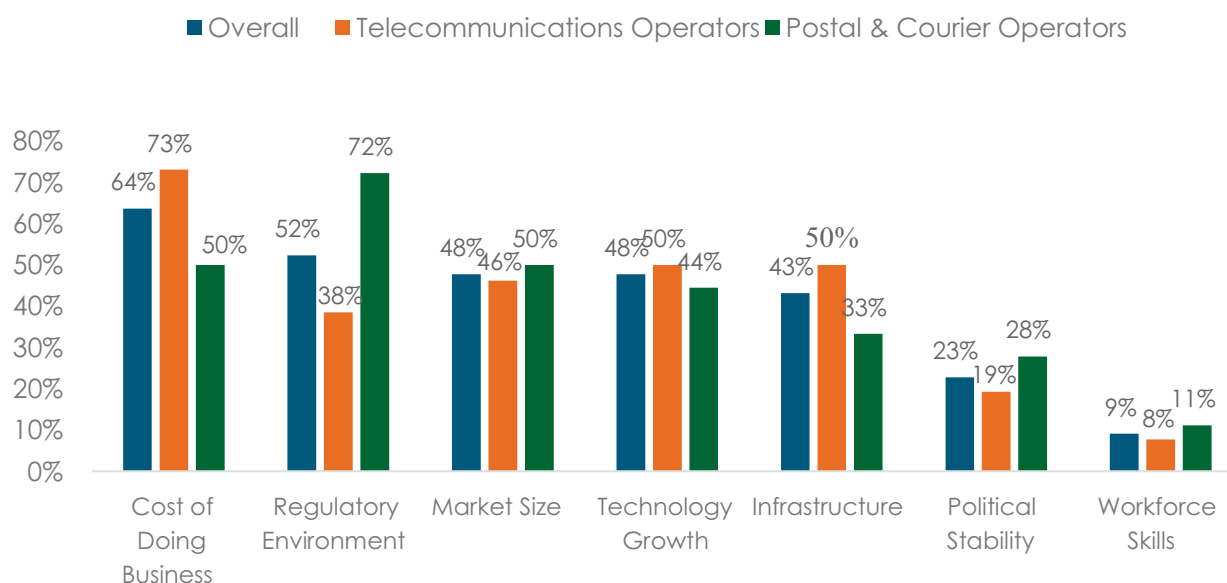
5.4.2 Factors Driving Investment Decisions

When asked to identify the three most important factors influencing their decision to continue or expand investment in Zimbabwe, operators pointed strongly to cost of doing business (64%) and the regulatory environment (52%) as the top drivers. These were followed by market size (48%), technology growth (48%), and infrastructure (43%), while political stability (23%) and workforce skills (9%) were mentioned less frequently. The overall

profile highlights that operators are most sensitive to immediate operational and regulatory conditions, though longer-term growth factors such as technology and market expansion also weigh heavily in decision-making.

Sectoral differences sharpen this picture. Telecommunications operators were especially concerned with the cost of doing business (73% vs. 50% for postal operators), pointing to the capital-intensive nature of their industry and high input costs. Postal and courier operators, by contrast, rated the regulatory environment far higher (72% vs. 38%), suggesting that compliance frameworks and licensing are a greater preoccupation in their operations. Both sectors showed similar emphasis on market size (46–50%) and technology growth (44–50%), while infrastructure featured slightly more prominently for telecoms (50% vs. 33%). Political stability and workforce skills registered as relatively minor drivers for both groups, though postal operators again rated them slightly higher.

Figure : 32 Factors Driving Investment Decisions



Q: Which 3 factors are currently the most important in driving your decision to continue or expand investment in Zimbabwe?

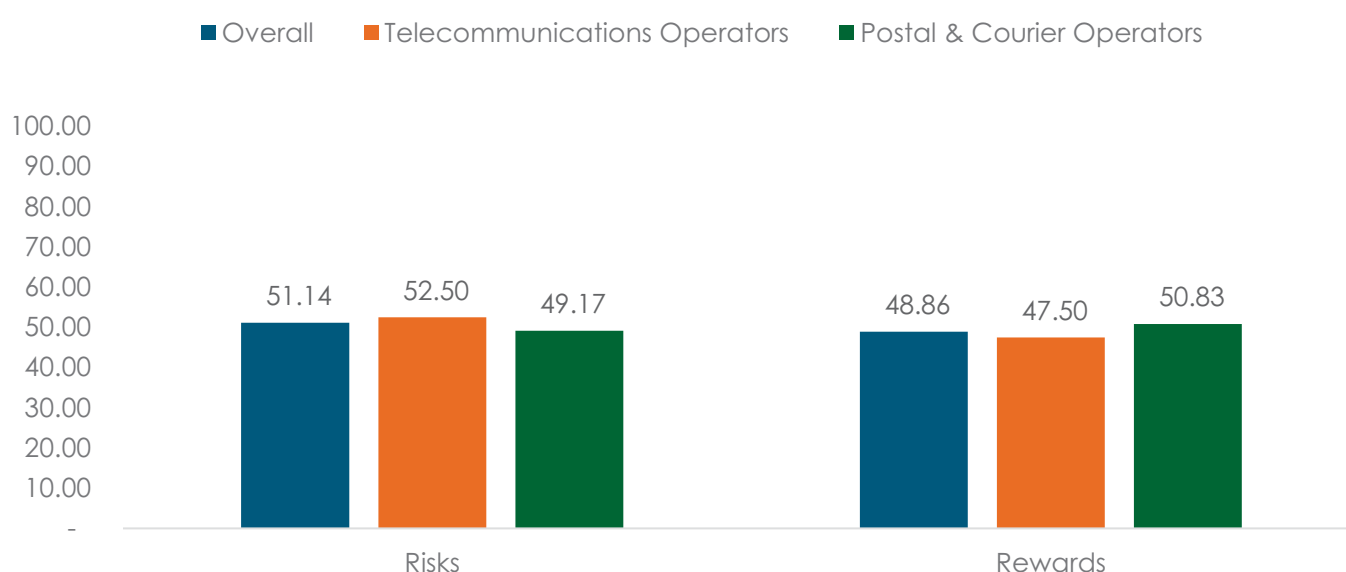
The findings suggest that investment priorities are shaped by a balance of cost pressures, regulatory clarity, and future growth potential. For policy, this means focusing on reducing operational overheads such as energy, taxation, and import costs while also streamlining regulatory processes to lower barriers for postal and courier players. At the same time, investment in infrastructure and digital ecosystems will be critical to sustain confidence, particularly for telecoms. Addressing these factors head-on will be central to converting investment interest into actual capital commitments.

5.4.3 Weighting the Pillars of the RRI – Risk vs Reward

Bearing in mind that the study was designed to develop the Risk–Reward Index (RRI), this section was particularly critical as it provided operators with the opportunity to directly guide the weighting structure of the index. By asking respondents to distribute 100 points between risks and rewards, the survey quantified the relative influence of these two compound pillars on investment decision-making. This became the empirical foundation for the weighting framework applied in both the Primary RRI (operator sentiment) and the Desk-Based RRI (secondary benchmarking), ensuring that the index design reflected the lived realities of Zimbabwe's licensed operators. The results show a delicate balance between risks and rewards.

Overall, operators leaned slightly towards risks, allocating 51.14% compared to 48.86% for rewards. Telecommunications operators placed even greater emphasis on risks (52.50% vs. 47.50%), reflecting their heightened sensitivity to the operational and regulatory uncertainties that shape capital-intensive industries. Postal and courier operators, in contrast, leaned slightly more towards rewards (50.83% vs. 49.17%), suggesting a stronger recognition of growth opportunities in e-commerce logistics and service expansion.

Figure 33: Weighting the Pillars of the RRI – Risk vs Reward



Q: If you had 100 points to distribute between RISKS and REWARDS to reflect how they influence your investment decision-making, how would you divide them?

Interpretively, these findings reveal two important dynamics. First, in the Zimbabwean context, investment decisions are fundamentally shaped by risk management, with operators unwilling to overlook barriers such as cost structures, regulatory complexity, and macroeconomic instability. Second, however, the near parity between risks and rewards underscores that opportunities remain just as influential: growth potential, market expansion, and digital adoption still weigh heavily in operators' calculations. The message is

clear that investors are not ignoring Zimbabwe's opportunities, but their willingness to act depends on how effectively risks are addressed.

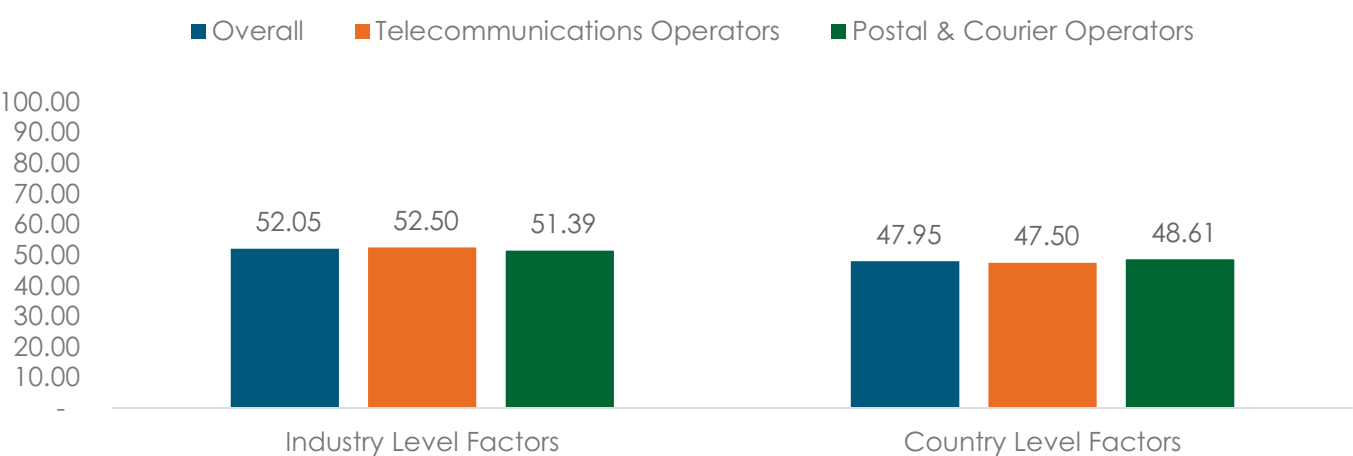
For policymakers and regulators, this weighting exercise carries direct implications. The fact that risks slightly outweigh rewards shows that efforts to improve the investment climate must focus on lowering operational barriers and stabilising the environment, while simultaneously unlocking and amplifying opportunities. By addressing both sides of the equation, Zimbabwe can tilt sentiment more firmly towards rewards and strengthen the country's positioning as an attractive destination for sector investment.

5.4.4 Weighting the Pillars of the RRI – Country vs Industry

In addition to weighing risks and rewards, operators were also asked to apportion importance between industry-level factors (such as competition, customer behaviour, and supplier dynamics) and country-level factors (such as economic conditions, government policy, and infrastructure). This was a crucial step in shaping the RRI, as it provided insight into whether investment decisions are driven more by the immediate realities of the sector or by the broader national environment.

The results reveal a slight tilt towards industry-level factors, with an overall score of 52.05% compared to 47.95% for country-level factors. Telecommunications operators showed a similar weighting (52.50% vs. 47.50%), while postal and courier operators also leaned towards industry factors, though by a smaller margin (51.39% vs. 48.61%). The narrowness of the gap across both sectors is telling: operators recognise that while the national environment sets the stage, their day-to-day competitiveness and operational viability are determined within the industry itself.

Figure 34:Weighting the Pillars of the RRI – Country vs Industry



Q: When making investment decisions, which type of factor is more important to you — factors that come from the industry itself (like competition, customer behaviour, suppliers) or broader country conditions (like the economy, government policy, or infrastructure)? Please divide 100 points between the two, depending on which influences you more.

This balance has important implications for interpreting the RRI. It indicates that while macro-level risks such as inflation or policy instability remain significant, operators ultimately prioritise factors closer to their operational realities, competition, demand dynamics, cost structures, and supply chains. In effect, the message from operators is that sector reforms and industry-level efficiency gains could have as much impact on investment sentiment as broader economic reforms. For policy, the finding underscores the need for a dual-track approach: on one hand, ensuring macroeconomic and policy stability; on the other, advancing reforms that directly strengthen sector competitiveness. By addressing both, regulators and policymakers can more effectively influence the variables that operators themselves believe matter most in their investment decision-making.

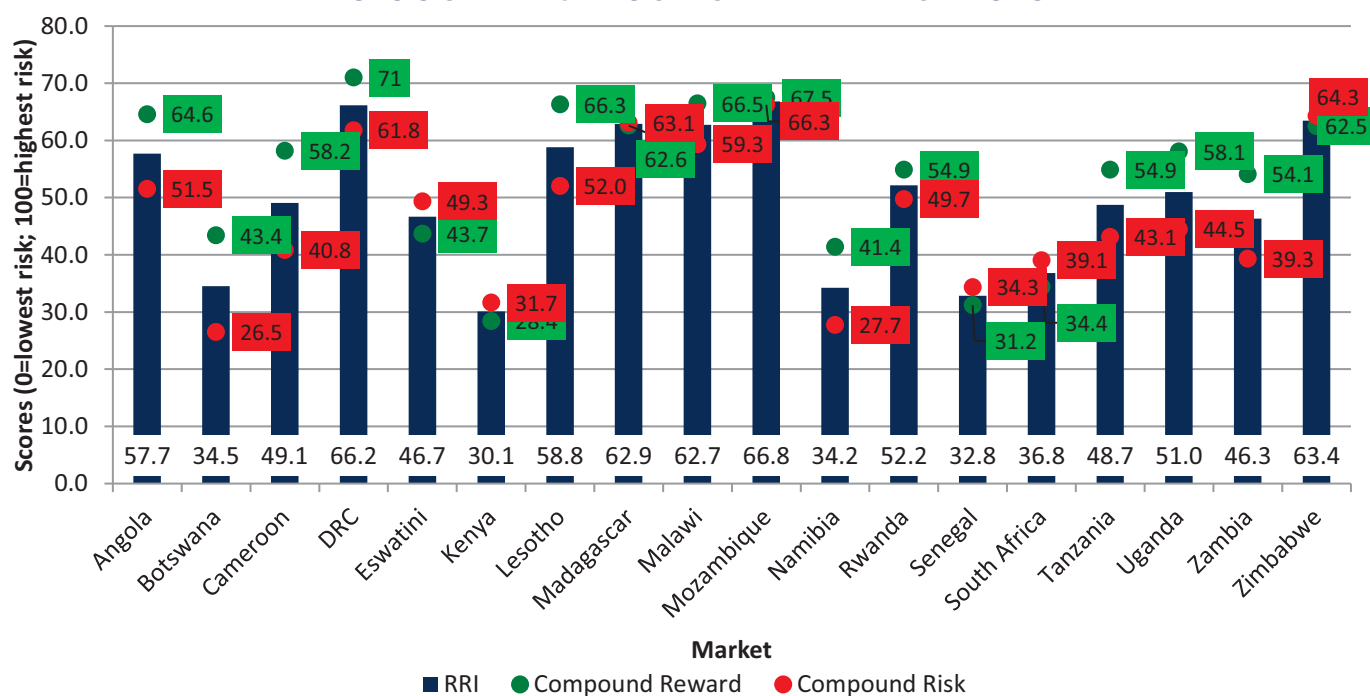
5.5 Desk Research (Comparative Lens)

Zimbabwe demonstrates notable sectoral strengths in telecommunications and postal services, particularly in foundational infrastructure and human capital development that positions it favourably against several regional peers. The telecommunications sector maintains a moderate risk profile above regional averages, supported by a clear regulatory mandate, robust legal framework, and comprehensive long-term development roadmap, while outperforming regional laggards across key metrics. Zimbabwe shows strong performance in postpaid service adoption, smartphone penetration, tower availability, and marked improvements in fibre expansion, complemented by reasonable market competition. The Postal and Courier sector benefits from solid road infrastructure, while Zimbabwe's exceptional human capital development, particularly strong digital skills and literacy rates, provides a robust foundation for e-commerce and digital service adoption that surpasses most regional comparators. However, these strengths are constrained by significant structural challenges, including high electricity costs weighing on telecommunications operations, concerns over regulatory independence, poor logistics competence, and critically elevated regulatory and legal environment risks in postal services, alongside broader macroeconomic instability that fundamentally undermines investment attractiveness despite the underlying sectoral capabilities.

5.5.1 Telecommunication

Bearing in mind that the secondary analysis covered 18 African markets and assessed a total of 93 indicators to construct these indices, the chart below presents a comparative view of the telecommunications sector across all benchmarked countries. It illustrates how each market performs on both risk and reward dimensions, highlighting overall sector balance and competitiveness. The blue bars represent the composite telecommunications performance index (RRI), while the green and red markers denote Country Reward and Compound Risk, respectively. This visual snapshot situates Zimbabwe within the broader regional landscape, revealing its strong reward potential but elevated risk exposure when compared to peers such as Zambia, Uganda, Tanzania, and Rwanda.

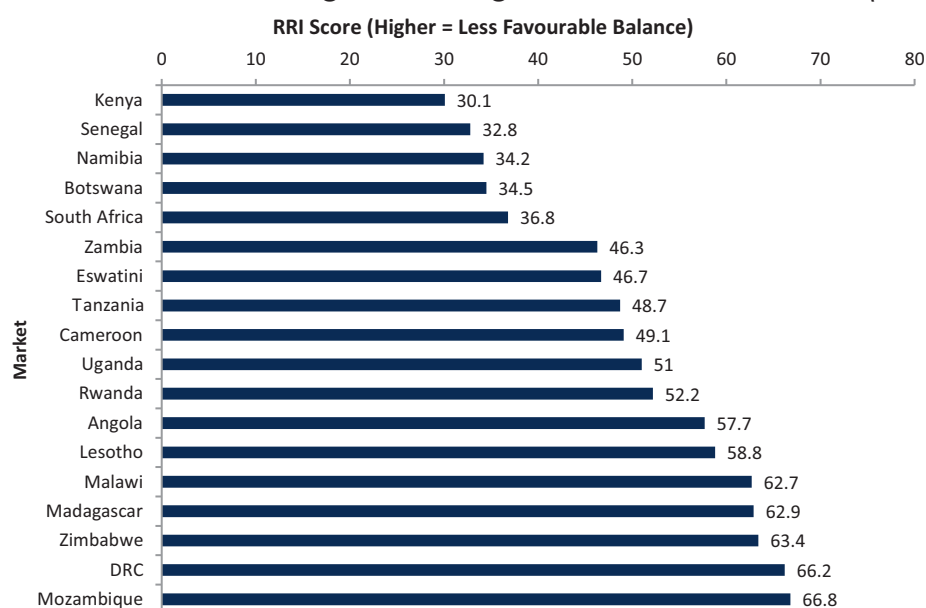
Telecommunication – All Markets



From the peer group of selected markets used in the benchmarking exercise in this study, with an RRI of 63.4, Zimbabwe ranks 16th of 18 (higher RRI = worse overall balance), third only to DRC (66.2) and Mozambique (66.8). The profile is driven by a high-Compound Reward of 62.5 (top-quartile demand potential) but offset by a high Compound Risk of 64.3 (among the riskiest in the set). In practical terms: Zimbabwe's telecom market has strong underlying opportunity scale and latent digital demand, yet risk conditions dominate (operational/cost pressures and business-environment fragility), pulling its overall position near the bottom of the ranking. The next ranking graphic shows Zimbabwe clustered at the high-RRI (worse) end, just ahead of DRC, with peers like Mozambique/Madagascar carrying similarly elevated risk but differing reward mixes.

Zimbabwe's Ranking within Regional Telecom Markets (RRI 2025)

Figure 36: Zimbabwe's Ranking within Regional Telecom Markets (RRI 2025)



The ranking graph highlights Zimbabwe's low comparative standing, sitting 16th out of 18 markets, ahead of Mozambique and the Democratic Republic of Congo (DRC). This positioning confirms that Zimbabwe's telecom investment environment remains one of the least balanced within the benchmarked peer group. Markets such as Kenya, Senegal, Namibia, and Botswana lead the ranking with RRI scores below 35, signalling a more stable policy climate and favourable investment sentiment. By contrast, Zimbabwe's RRI of 63.4 reflects a market where risk is quite high. Elevated macroeconomic uncertainty, currency volatility, and regulatory inconsistency continue to depress investor confidence despite strong underlying consumer demand. From a regional perspective, Zimbabwe aligns with a high-risk cluster that includes Malawi, Madagascar, Mozambique, and DRC, where structural and governance challenges hinder sustainable sector growth. The chart thus situates Zimbabwe as a high-risk, moderate-reward market, underscoring the need for policy clarity, stable fiscal conditions, and infrastructure strengthening to shift closer to the mid-tier performers such as Zambia, Eswatini, Tanzania, Cameroon, and Rwanda.

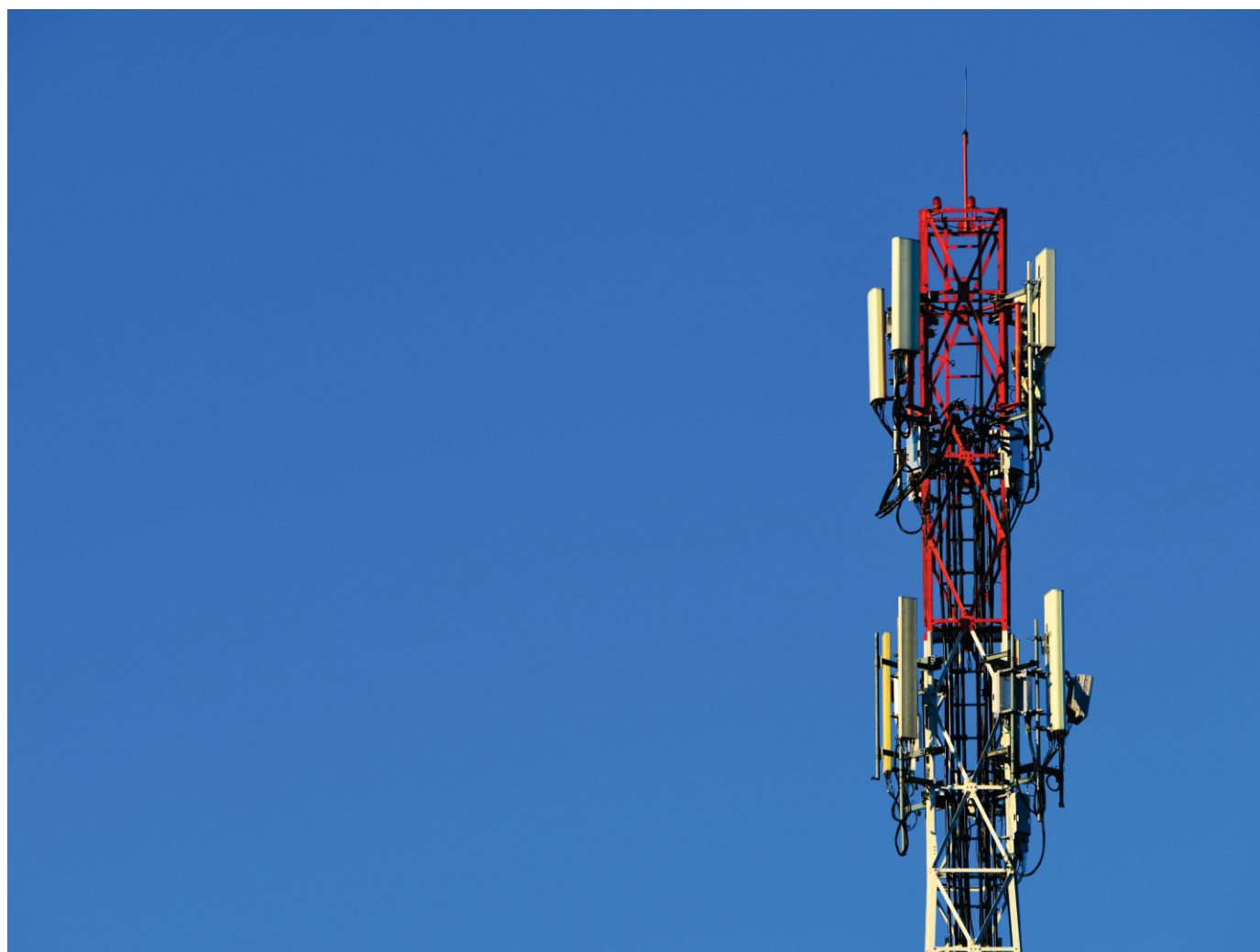


Table23:Comparative Telecoms Sector Risk–Reward Profile Across 18 African Markets

Market	Telecoms Reward	Country Reward	Compound Rewards	Telecoms Risk	Country Risk	Compound Risk
Angola	58.0	71.8	64.6	44.1	59.7	51.5
Botswana	31.7	56.3	43.4	36.7	15.3	26.5
Cameroon	57.3	59.3	58.2	26.4	56.7	40.8
DRC	66.9	75.5	71.0	47.0	78.1	61.8
Eswatini	41.5	46.1	43.7	47.0	51.9	49.3
Kenya	40.7	14.9	28.4	32.3	30.9	31.7
Lesotho	60.8	72.3	66.3	40.4	64.9	52.0
Madagascar	62.6	62.7	62.6	57.3	69.6	63.1
Malawi	59.2	74.6	66.5	53.6	65.7	59.3
Mozambique	65.6	69.5	67.5	60.3	72.9	66.3
Namibia	44.3	38.2	41.4	30.1	25.2	27.7
Rwanda	51.5	58.6	54.9	54.4	44.6	49.7
Senegal	28.3	34.3	31.2	33.8	35.0	34.3
South Africa	30.0	39.2	34.4	55.1	21.3	39.1
Tanzania	52.6	57.5	54.9	50.7	34.8	43.1
Uganda	55.9	60.5	58.1	46.3	42.6	44.5
Zambia	54.9	53.2	54.1	27.9	52.0	39.3
Zimbabwe	52.3	73.8	62.5	48.5	81.8	64.3

Zimbabwe's market environment in the Telecoms sector is defined by a High Risk, High Reward profile. This performance is structurally maintained by Zimbabwe's exceptionally high-Country Reward score, which effectively counteracts the significant drag imposed by its very high-Country Risk. Zimbabwe achieves a Compound Rewards score of **62.5** and a corresponding Compound Risk score of **64.3**. The high Compound Risk score reflects the combination of sector-specific and macroeconomic challenges, exceeding the peer group average of 46.9 points. The Compound Rewards score is notably high due to the powerful influence of the country's macro environment, compensating for the moderate sectoral attractiveness (Industry Reward score of 52.3).

Industry Rewards

Zimbabwe's overall Telecom Industry Rewards score is **52.3**. This score is bolstered by strong market development indicators, placing Zimbabwe in the middle tier of high-potential markets. The market demonstrates high user engagement and growth potential. High consumer activity is reflected in indicators such as Monthly Mobile Data Traffic/Subscriber (GB). Favourable market momentum is also indicated by the 5-year historical annual Mobile Subscriber Growth (%) and the average revenue per user (Blended Mobile ARPU (USD/month)). Furthermore, coverage metrics demonstrate strong potential for accessibility, with a good % Land Area Covered By Cellular Networks and % of the Population covered by cellular networks. While fixed broadband should not be overlooked, Zimbabwe ranks ahead of nine peer markets, including Botswana and Lesotho, with a good, fixed fibre (FTTx) availability rating.

Despite high data usage, there are significant limitations reflecting market maturity gaps. The penetration of advanced devices is low, with Smartphones as % of Total Mobile Base far below peers like Zambia and Uganda. Furthermore, the market relies heavily on lower-value prepaid services, as the proportion of stable contract subscribers (% of Postpaid Mobile Subscribers) is low. The competition indicator shows that the dominance of key players like Econet is difficult to break, potentially discouraging new mobile market entrants.

Industry Risks: Infrastructure, Regulatory, Operational Dimensions, Competition

Zimbabwe's Telecom Industry Risk score is 48.5, placing it significantly higher than low-risk markets such as Cameroon (26.4) and Zambia (27.9). The predominant risk factor is the extremely high cost of operation, driven by infrastructure quality. Here, Zimbabwe ranks 15th out of 18 markets. Indicators on electricity (cost and availability) weigh on stakeholders' ability to operate cost-effectively and for consumers to utilise power-hungry devices for extensive periods of time (thus impacting engagement rates with digital services). On the upside, the quality of electricity available to stakeholders in Zimbabwe is relatively superior to markets such as Namibia. Cameroon and Lesotho are among the markets where both quality and cost of power present low risks.

POTRAZ's efforts to popularise the adoption and use of mobile (4G/5G) and fixed (fibre, fixed wireless) broadband would proceed more smoothly if power availability were to improve even modestly. This would encourage telcos to invest more in infrastructure such as cellular towers (Zimbabwe scores 41.1 points for tower availability, ahead of 10 of its regional peers) and data transmission speeds (70.5 points, behind 12 peer markets).

When looking at the number of players active in the market and the relative vitality of those entities, Zimbabwe scores 53.0 points out of 100. The market is served by three mobile network operators and a handful of wireline Internet service providers, including utilities such as the national power company. While other markets may have more or fewer

active operators, the main factors determining the score for 'Competition' include the proportion of market shares held by dominant players and the progress being made (or otherwise) of smaller entities. Only eight other markets score better than Zimbabwe and one (Zambia) is on a par. Unattractive markets include Angola, Botswana, eSwatini, Malawi and Namibia; here, the state either owns and operates most if not all the market players or has failed to support new entrants for a variety of reasons. Zimbabwe fares reasonably well, but the dominance of Econet has proved hard to break, even though regulatory interventions, and this will likely discourage new players from entering the mobile market. Very low demand for fixed voice and the high costs involved in deploying fibre mean that new entrants are also unlikely to see any incentive in entering the wireline sector at this stage.

In contrast to operational risks, the regulatory environment presents a relatively low risk, with Regulatory Information easily available. The regulator, POTRAZ, performs well in operating within a robust legal framework and possessing a clear mandate and a long-term sector development roadmap. Zimbabwe outperforms regional laggards such as Angola (overall Telecoms Risk score of 64.7 points), Madagascar (73.5) and Malawi (79.4) where key weaknesses include the lack of long-term roadmaps and poorly defined legal frameworks. Where Zimbabwe falls short is in stakeholders' and observers' assessments of POTRAZ's independence, though it must be noted that many African sector regulators are subject to state intervention that can undermine investor confidence.

Country-Level (Macro) Risk–Reward Context

Zimbabwe's market potential is characterized by an extreme polarization between macro stability and growth factors. The country achieves a high-Country Reward score of 73.8, underscoring strong macroeconomic and structural fundamentals that enhance the nation's long-term growth potential. The score is primarily driven by indicators reflecting a modernising economy and a well-developed human capital base. The services sector's substantial contribution to GDP highlights the dominance of the tertiary economy, signalling a shift toward higher-value economic activities. Human capital strength, reflected through consistently high literacy rates and improving digital competencies, reinforces the country's competitive positioning. Moreover, rapid digital adoption, supported by progress in financial inclusion and e-commerce readiness, continues to anchor Zimbabwe's upward trajectory in macro-level rewards. Collectively, these dynamics contribute to a favourable perception of growth potential, demand resilience, and digital transformation readiness within the broader regional context.

On the downside, Macro Risk Indicators (Political, Financial, Operational), Zimbabwe carries the highest Country Risk score (81.8) in the entire peer group, establishing macro instability as the primary obstacle to investment. This extreme risk is defined by maximum risk scores for short-term economic risk, long-term economic risk, and financial & cybercrime risk. High political and operational instability further compounds the risk, with Political Risk

and Operational Risk (business environment) being severely high. This extremely challenging macro environment stands in stark contrast to markets offering much safer environments, such as Botswana (15.3) and Namibia (25.2).

Compound Risk–Reward Positioning

Zimbabwe's Compound Risk score of 64.3 is largely determined by the severe, systemic instability reflected in the Country Risk of 81.8. Although the Telecom Industry Risk (48.5) is less severe than the macro risks, the acute structural costs (such as electricity costs & availability) within the industry risk exacerbating the overall vulnerability. The resulting competitive Compound Rewards score of 62.5 is achieved because the strong Country Reward (73.8) successfully offsets the moderate Industry Reward (52.3).

Zimbabwe is firmly situated in the "High Risk, High Reward" market segment. While its RRI (63.4) is slightly behind the DRC and Mozambique, its risk profile is uniquely acute. For instance, the DRC (RRI 66.2) achieves a higher RRI but maintains a marginally lower Country Risk (78.1) than Zimbabwe, emphasizing that Zimbabwe is managing a higher baseline volatility. Conversely, lower-risk countries like Botswana (Compound Risk 26.5) and Namibia (Compound Risk 27.7) reside in the "Lower Risk" zones, sacrificing reward potential for stability.

Implications for Investors and Policymakers

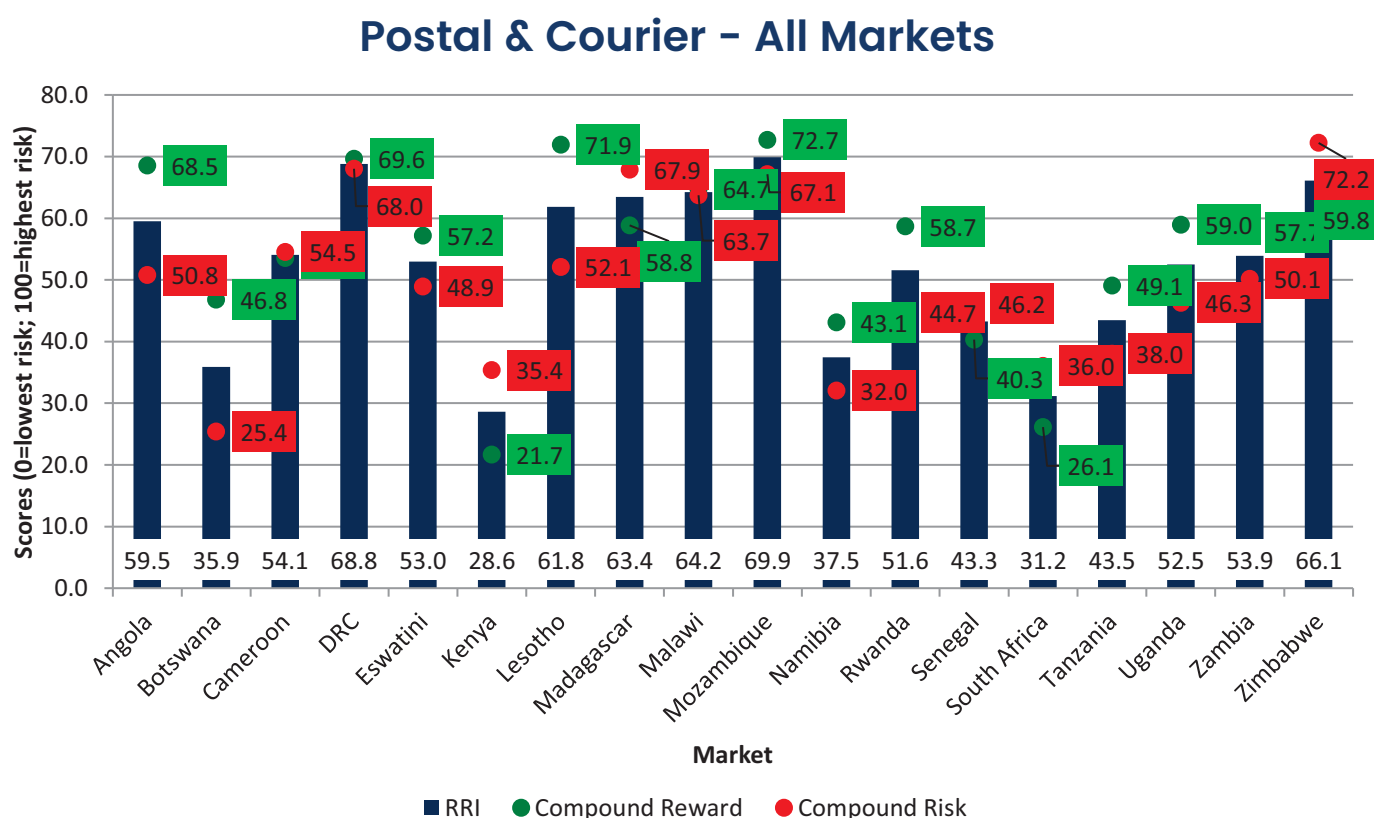
The primary imperative for investors operating in Zimbabwe is the effective management of an extreme risk environment. The country's telecom sector continues to present a challenging operating landscape characterised by high utility costs, economic volatility, and macroeconomic uncertainty. For policymakers, improving Zimbabwe's Risk–Reward Index (RRI) balance requires deliberate focus on enhancing macroeconomic stability, reducing structural inefficiencies, and driving operational efficiency within the sector. These measures are essential to creating a more predictable and competitive investment climate capable of sustaining long-term private sector participation.

To achieve this, Zimbabwe must focus on three strategic levers. First, reducing structural operational costs is critical, secondly, achieving macroeconomic stability is an urgent national priority. The maximum risk scores recorded in short-term and long-term economic risk reflect systemic monetary challenges that hinder investment confidence and sector planning. Stabilising inflation, strengthening the exchange rate, and ensuring fiscal discipline would provide the macro-foundation necessary for risk reduction. Third, policy focus must also extend to driving device and network upgrades. Despite Zimbabwe's impressive data consumption levels and strong digital readiness, smartphone penetration levels can be enhanced. Encouraging smartphone adoption through device financing models, import duty incentives, and operator partnerships would unlock the full potential of the country's digital economy.

5.2.2 Postal & Courier

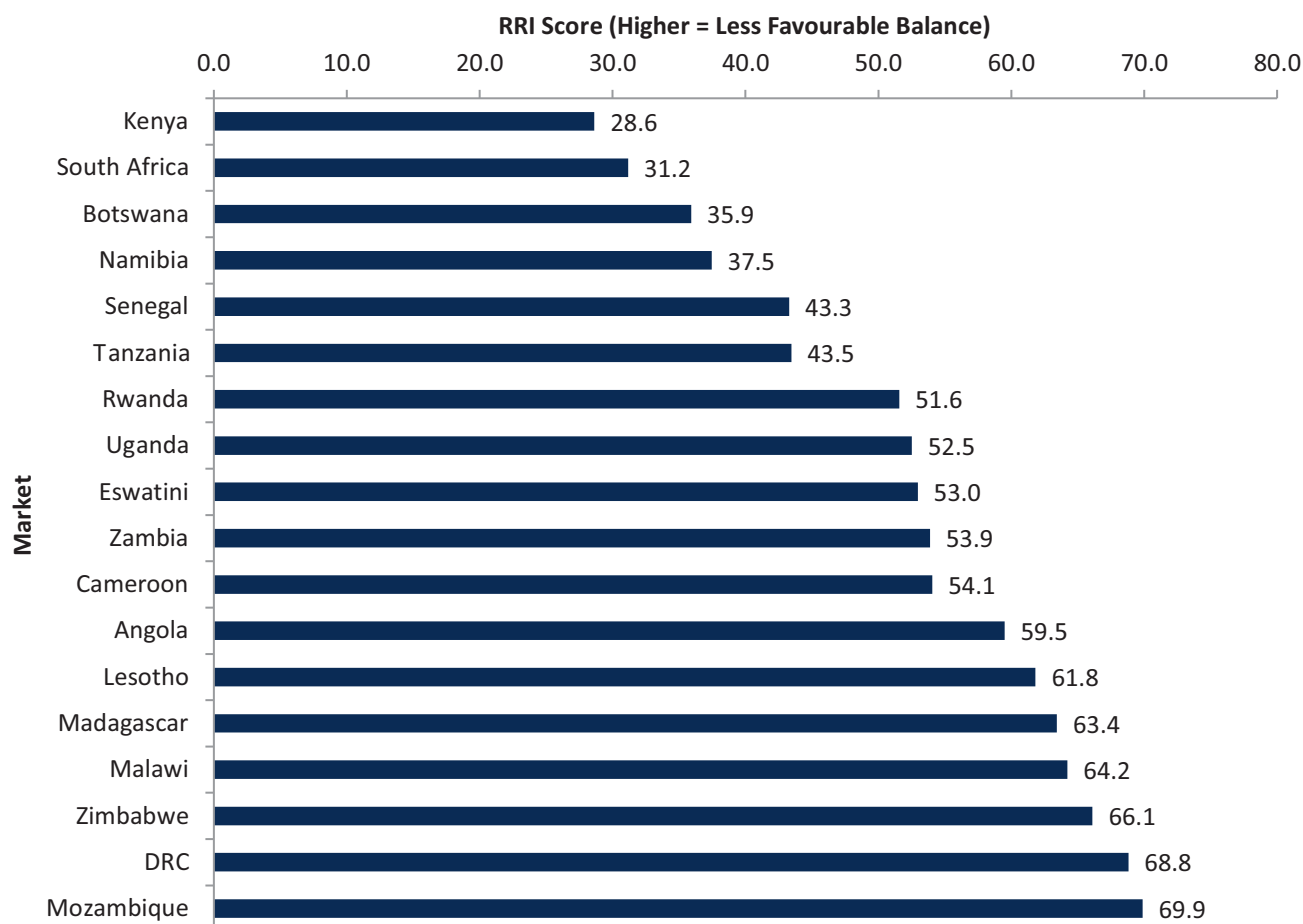
The Postal and Courier sector in Zimbabwe presents a complex duality of structural potential and operational fragility. While the country benefits from high literacy, and emerging digital readiness that could enable e-commerce growth, these strengths are offset by deep-seated macroeconomic instability, infrastructure gaps, regulation, logistics, and institutional trust limitations.

Figure 37: Postal & Courier - All Markets (RRI, Compound Reward & Compound Risk)



Zimbabwe's Postal and Courier sector reflects a high-risk, mid-reward profile when assessed through the Compound Reward and Compound Risk lens. With a Compound Reward score of 59.8 against a Compound Risk score of 72.2, Zimbabwe sits in the upper tier of risk within the 18-market comparison, recording an overall RRI of 66.1, the third highest in the region after Mozambique (69.9) and DRC (68.8). The challenge, therefore, lies in translating these structural foundations into operational efficiency and competitiveness, as compound risk remains elevated across indicators such as infrastructure gaps, regulation, logistics, and institutional trust limiting Zimbabwe's ability to close the gap with stable, low-risk peers such as Namibia (32.0) and Botswana (25.4).

Figure 38: Zimbabwe's Ranking within Regional Postal & Courier Markets (RRI 2025)



Within the 2025 Postal & Courier RRI rankings, Zimbabwe's RRI of 66.1 places it 16th out of 18 markets slightly better than DRC (68.8) and Mozambique (69.9), but notably weaker than mid-performing peers such as Rwanda (51.6), Uganda (52.5), Eswatini (53.0) Zambia (53.9) and Cameroon (54.1). Countries such as Botswana (35.9), South Africa (31.2) and Kenya (28.6) demonstrate significantly more balanced postal ecosystems, driven by stronger regulatory frameworks, higher automation levels, and reliable macroeconomic management.



Table 24: Comparative Postal & Courier Sector Risk–Reward Profile Across 18 African Markets

Market	Postal & Courier Reward	Country Reward	Compound Rewards	Postal & Courier Risk	Country Risk	Compound Risk
Angola	65.4	71.8	68.5	42.3	59.7	50.8
Botswana	37.8	56.3	46.8	35.0	15.3	25.4
Cameroon	48.1	59.3	53.5	52.5	56.7	54.5
DRC	64.1	75.5	69.6	58.5	78.1	68.0
Eswatini	67.6	46.1	57.2	46.1	51.9	48.9
Kenya	28.1	14.9	21.7	39.6	30.9	35.4
Lesotho	71.5	72.3	71.9	39.9	64.9	52.1
Madagascar	55.2	62.7	58.8	66.3	69.6	67.9
Malawi	55.4	74.6	64.7	61.9	65.7	63.7
Mozambique	75.7	69.5	72.7	61.7	72.9	67.1
Namibia	47.7	38.2	43.1	38.5	25.2	32.0
Rwanda	58.7	58.6	58.7	44.9	44.6	44.7
Senegal	46.0	34.3	40.3	56.8	35.0	46.2
South Africa	13.8	39.2	26.1	50.0	21.3	36.0
Tanzania	41.1	57.5	49.1	41.1	34.8	38.0
Uganda	57.5	60.5	59.0	49.8	42.6	46.3
Zambia	62.1	53.2	57.7	48.4	52.0	50.1
Zimbabwe	46.5	73.8	59.8	63.2	81.8	72.2

The country's Reward score (46.5) lies close to regional averages but lags leading reformers like Mozambique (75.7) and Zambia (62.1). However, the Risk score (63.2) sharply exceeds the subregional average of 49.7, reflecting regulatory stagnation, high input costs, and macro instability. Zimbabwe's postal industry thus occupies a paradoxical position possessing structural advantages (network, literacy, connectivity) but trapped in an ecosystem of persistent macroeconomic risk and institutional fragility. Zimbabwe achieves a Compound Rewards score of 59.8 and a corresponding Compound Risk score of 72.2. The Compound Risk score of 72.2 is the highest among all peer markets in the Postal & Courier sector. This extreme risk exposure reflects the overwhelming influence of macroeconomic challenges and high operational costs. Conversely, the Compound

Rewards score of 59.8 is driven mainly by the superior Country Reward (73.8), as the underlying Industry Reward score is moderate at 46.5. This indicates that the sector's attractiveness relies on Zimbabwe's macro-level potential, rather than the intrinsic strength or efficiency of its current postal and courier infrastructure.

Industry Rewards

The Industry Reward dimension shows that Zimbabwe demonstrates mixed performance in foundational infrastructure metrics when compared to regional peers, with notable strengths in physical transport networks but weaknesses in logistics sophistication. The country's road infrastructure scores favourably with mean speeds and road density positions it well against regional averages, outperforming countries like Angola and Madagascar on these indicators. However, Zimbabwe's logistics quality and competence indicators represents a critical vulnerability, underperforming against regional leaders like Kenya and South Africa, suggesting substantial gaps in supply chain efficiency that align with World Bank Logistics Performance Index concerns about Sub-Saharan Africa's logistics capabilities. The postal development level indicator places Zimbabwe among the higher-risk markets regionally, behind South Africa and Kenya, indicating below-average Universal Postal Union development standards that require enhancement to meet international benchmarks for postal service quality and reach.

Industry Risks

Zimbabwe's Postal & Courier Industry Risk score is 63.2, the second highest in the peer group, only slightly behind Madagascar (66.3). This high-risk profile is largely dominated by extreme structural costs and a challenging operational environment. From the indicators used in this study, the most severe risk is the acute structural cost pressure. This is driven by maximum or near-maximum risk scores for essential inputs: Cost of Labour registers, and Cost of fuel, and Cost & availability of electricity, which are high. This contrasts sharply with markets like Lesotho, which has a very low Structural Cost Pressures score. Operational risk is further compounded by the prevalence of the informal economy (Level of informal economy), where the percentage of firms competing against unregistered or informal firms scores high. Informality distorts pricing structures, limits tax compliance, and weakens investment incentives, while poor enforcement mechanisms make service quality unpredictable. This mix of high operational costs, weak institutional reliability, and unstructured competition cements Zimbabwe's placement in the upper-risk cluster regionally.

Country-Level (Macro) Risk-Reward Context

At the macro level, Zimbabwe's Country Reward (73.8) is offset by an extreme Country Risk (81.8), driven by chronic economic volatility, policy inconsistency, and exchange-rate fragility. The macroeconomic environment burdened by inflationary pressures and low fiscal discipline continues to distort business planning and cost projections, eroding investor confidence across all service sectors. Political and operational risks remain entrenched, with the latter reflecting a business environment that denotes systemic institutional

weakness. Yet, Zimbabwe exhibits structural advantages within human capital and digital readiness. Zimbabwe's literacy rate performance indicates strong educational foundations that surpass most regional comparators, aligning with UNESCO data showing Zimbabwe's historical strength in education infrastructure. Zimbabwe's high literacy rates reinforce the country's strong potential to support e-commerce expansion, underpinned by an adaptable workforce. When combined with rapid urbanisation and the steady growth of digital payment adoption, these factors create a solid foundation for diversifying and modernising postal and courier services. However, the broader economic environment reflects the hyperinflationary pressures and economic volatility that IMF assessments have consistently identified as core structural challenges, constraining the operating environment for postal and courier services despite the underlying human capital advantages

Compound Risk–Reward Positioning

Zimbabwe's Compound Rewards (59.8) are heavily counterbalanced by Compound Risk (72.2), making it one of the least balanced markets regionally. Its RRI of 66.1 indicates an overbearing macro penalty, where systemic fragility negates the postal sector's latent capacity. Relative to its peers:

- Worse than Botswana (35.9) and Namibia (37.5), where stability allows for sustainable reform.
- Better than DRC (68.8) and Mozambique (69.9), whose higher risks are offset by higher demand rewards.
- Comparable to Malawi (64.2) and Madagascar (63.4), where underinvestment and structural inefficiencies persist despite moderate macro recovery

The key insight is that Zimbabwe's compound performance is disproportionately shaped by macroeconomic risk rather than sector-specific shortcomings. While the postal industry shows relative promise in connectivity and human capital, its growth trajectory remains hostage to policy reform and currency stability.

Implications for Investors and Policymakers

The Postal and Courier sector in Zimbabwe presents significant opportunities for strategic investment and partnership, particularly as demand for reliable last-mile delivery and e-commerce logistics grows. With an expanding urban population and rising digital adoption, the sector is well-positioned for modernisation through technology-enabled courier networks, automated parcel tracking, and fulfilment infrastructure. Investors can therefore play a catalytic role by introducing new efficiencies, digital systems, and customer-centric innovations that enhance competitiveness. To maximise value, partnerships with local operators and alignment with the regulator's digital transformation agenda will be key. Such collaboration can help unlock the sector's full potential while supporting Zimbabwe's transition toward a more integrated, efficient, and inclusive postal ecosystem.

Policymakers, on the other hand, must focus on:

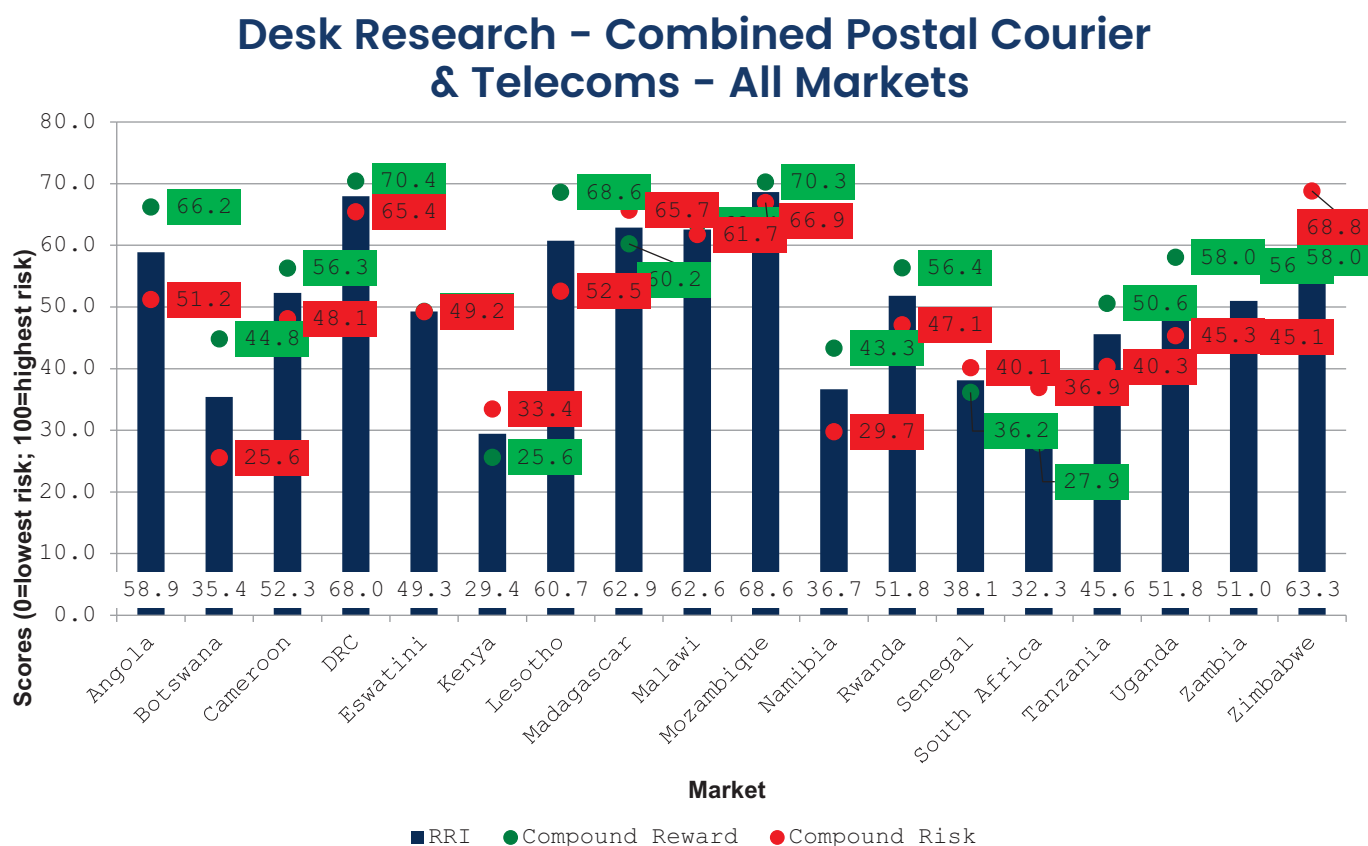
- **Regulatory clarity and simplification** - introduce clear service quality frameworks, automate licensing, and reduce bureaucracy to lower the current risk index. Transparent and predictable regulation will restore investor confidence and promote fair competition among postal and courier players.
- **Macroeconomic stabilisation** - prioritise monetary discipline, currency predictability, and consistent fiscal policy to reduce the macro penalty that drives the RRI up. Stability in exchange rates and inflation will enable postal operators to price services sustainably and plan capital investments.
- **Addressing informalisation** - a large proportion of Zimbabwe's parcel and small consignment traffic currently moves through unregistered or informal operators, eroding tax revenue and distorting competition. Policymakers should formalise this space by introducing graduated licensing tiers, incentives for registration (such as tax rebates or simplified compliance), and clear enforcement mechanisms. This would expand the formal postal economy, strengthen quality assurance, and create a transparent data trail to support planning and revenue mobilization.
- **Public-private collaboration** - create incentive schemes for logistics modernisation, targeting infrastructure automation, route optimisation, and performance-based service contracting that crowds in private investment while maintaining quality benchmarks.
- **E-commerce integration** - leverage Zimbabwe's human capital and high literacy to transform the postal network into a logistics backbone for domestic and regional digital trade, positioning postal outlets as key facilitators of last-mile delivery in the formal e-commerce ecosystem.

5.5.3 Desk Research Combined Postal Courier & Telecommunication RRI

The combined Postal, Courier and Telecommunications index provides an integrated view of Zimbabwe's communications landscape, reflecting both sectoral interdependence and shared regulatory oversight under POTRAZ. By merging the three sectors into one composite framework, the analysis captures how infrastructure, digital adoption, and , and regulatory stability interact to shape overall investment attractiveness. This approach enables a fairer, context-specific comparison across 18 African markets, positioning Zimbabwe within a balanced benchmark that recognises its unique unified regulatory model.

Desk Research Combined Postal Courier & Telecommunication RRI

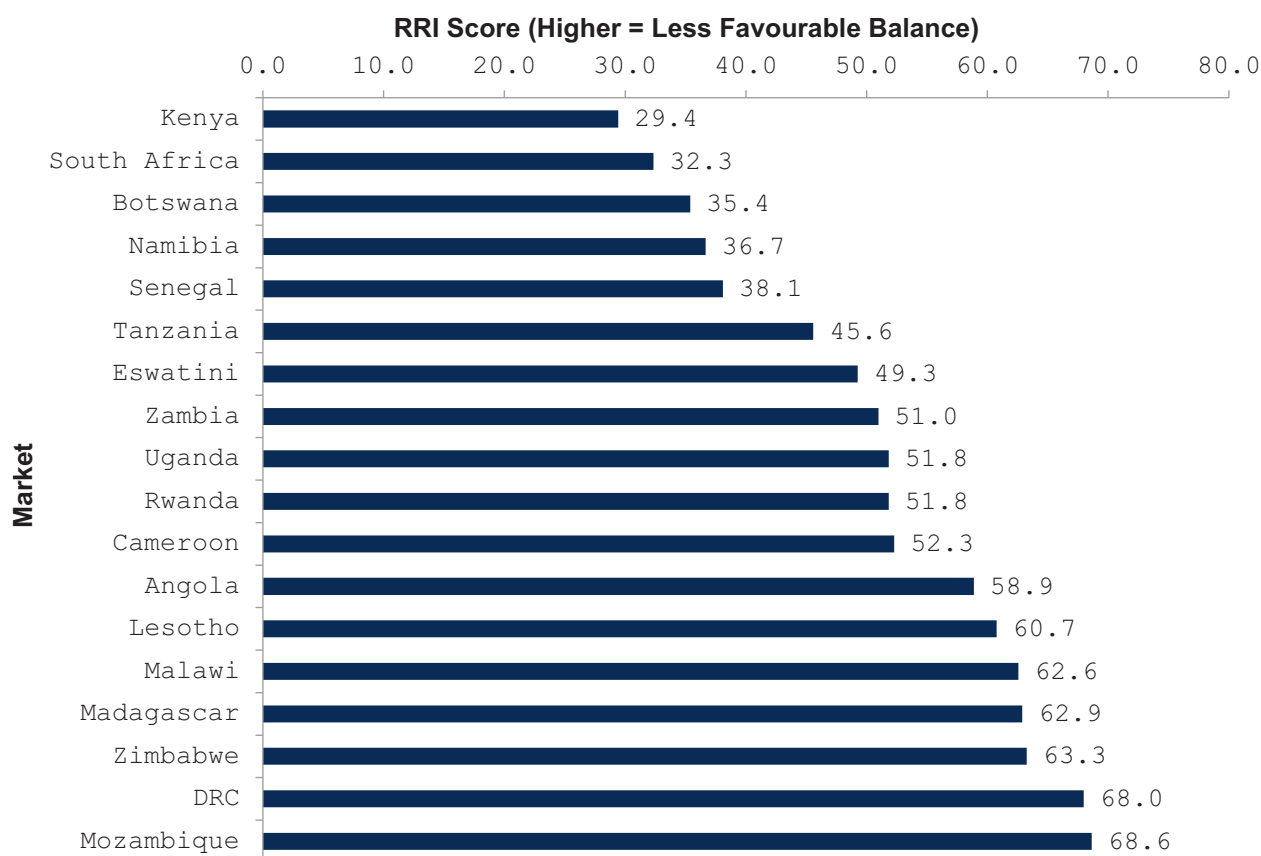
Figure 39: Desk Research Combined Postal Courier & Telecommunication RRI



Zimbabwe's overall Combined Postal, Courier, and Telecommunications RRI score of 63.3 places it among the high-risk, moderate-reward markets in the regional comparison. The country's Compound Reward of 58.0 signals underlying growth potential anchored in growing digital adoption, strong literacy rates, and expanding connectivity, while the Compound Risk of 68.8 reflects the persistent macroeconomic and institutional pressures weighing on investor confidence. Compared to peers, Zimbabwe performs better than Mozambique (68.6) and DRC (68.0) yet trails far behind Namibia (36.7) and Botswana (35.4), where macro stability and regulatory consistency underpin lower risk profiles. Importantly, this combined index is custom developed to align with Zimbabwe's unique regulatory landscape, where POTRAZ oversees all three sectors under one integrated communications framework. This holistic lens captures both the synergies and shared vulnerabilities within the regulated ecosystem, offering a more representative view of Zimbabwe's sectoral balance. The next slide presents the detailed ranking position of the RRI, illustrating how Zimbabwe compares against its regional peers across all key indicators.

Zimbabwe's Ranking within Regional Combined Postal Courier & Telecommunication (RRI 2025)

Figure 40: Zimbabwe's Ranking within Regional Combined Postal Courier & Telecommunication (RRI 2025)

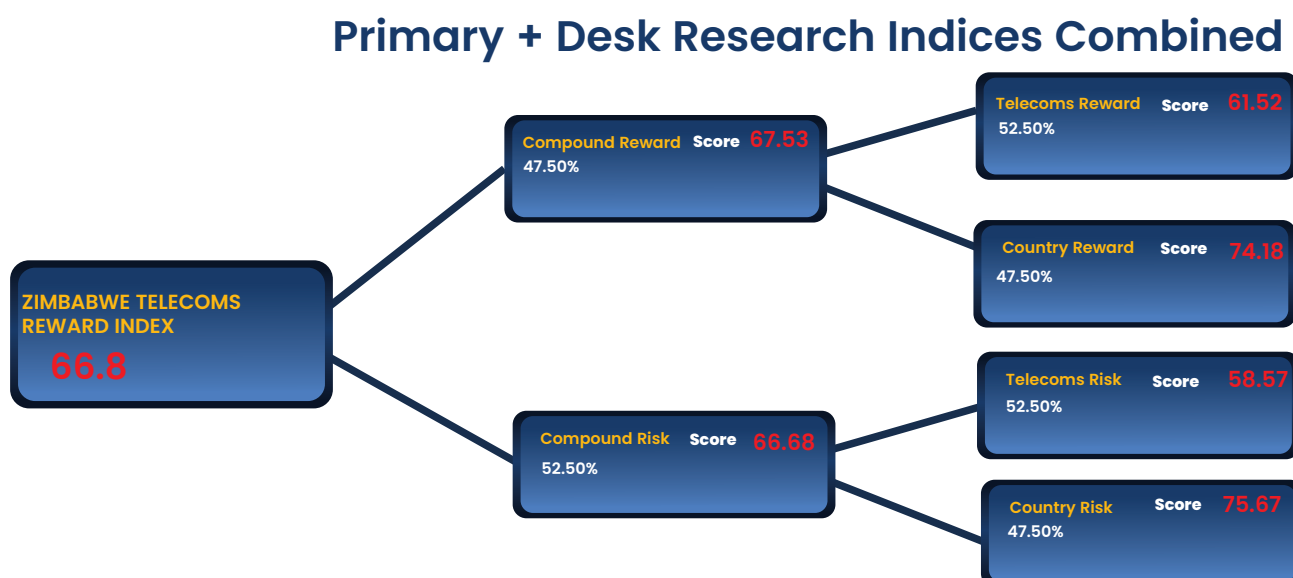


The ranking chart highlights Zimbabwe's position at 16th out of 18 benchmarked African markets, confirming its placement within the high-risk cluster of the regional communications landscape. With an overall RRI score of 63.3, Zimbabwe trails significantly behind stable, low-risk markets such as Kenya (29.4), South Africa (32.3), and Botswana (35.4), which demonstrate more balanced regulatory and macroeconomic environments. The country's position, however, remains marginally better than DRC (68.0) and Mozambique (68.6), both of which exhibit higher levels of systemic instability. This ranking underscores the persistent influence of macroeconomic volatility and regulatory inefficiencies on Zimbabwe's overall sector competitiveness. Importantly, the combined index reflects the integrated nature of regulation under POTRAZ, providing a holistic measure of how postal, courier, and telecom dynamics collectively shape the national communications risk-reward balance.

NB* Detailed outputs from desk research indicators are presented in the Appendix Section. For reference, the full Excel dataset is provided as Appendix III.

COMBINED PRIMARY & SECONDARY RESEARCH RRI

Figure 41: Combined primary & desk research (Telecommunications RRI Breakdown)



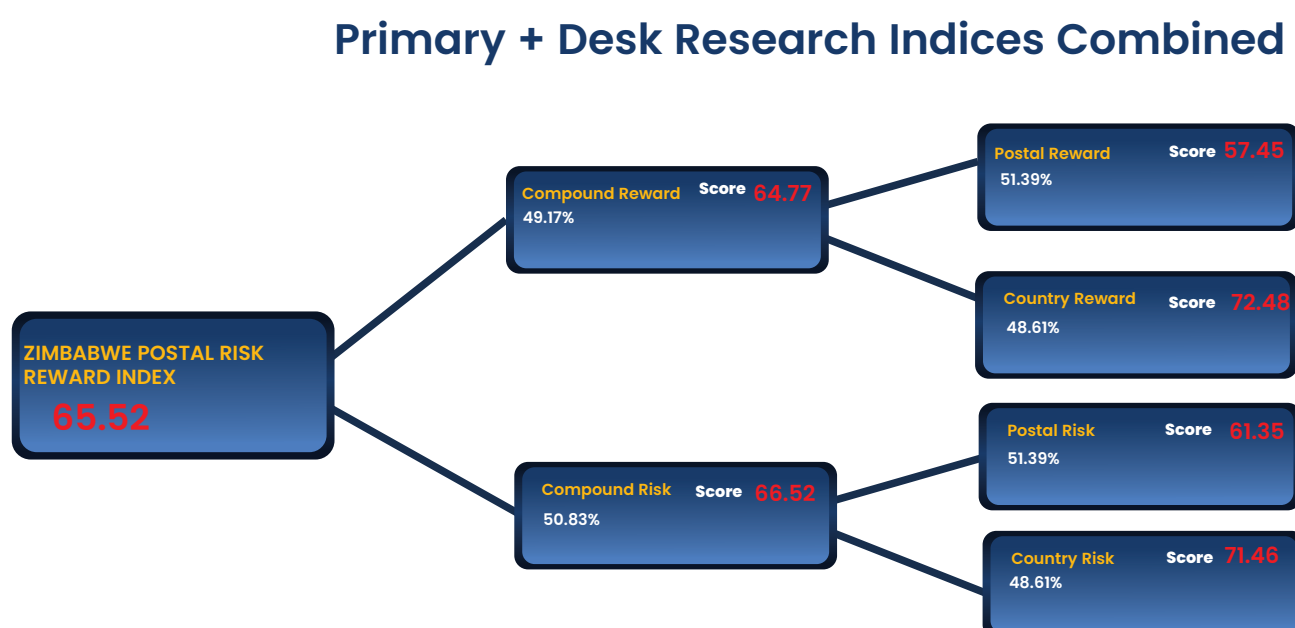
The combined Telecoms Risk–Reward Index (RRI) score of 66.8 derived from blending both primary (operator perception) and desk-based (secondary benchmark) research presents a holistic view of Zimbabwe's telecommunications investment environment. This composite score reflects a high reward yet high-risk ecosystem, where local optimism about market potential is moderated by external data pointing to persistent structural vulnerabilities. The Compound Reward Score of 67.53, supported by a Telecoms Reward Score of 61.52 and a much stronger Country Reward Score of 74.18, indicates that Zimbabwe's telecoms market remains fundamentally attractive from a macro-development standpoint. Secondary data reinforces what local operators expressed in the primary study: that Zimbabwe's digital economy, fintech integration, and demographic trends offer long-term growth prospects. However, the gap between industry-level (61.52) and country-level (74.18) reward scores reveals a critical insight, the national policy and infrastructure landscape is more promising on paper than it is in operational reality. In other words, while the macro narrative (policy inclusion, ICT alignment with national goals) is positive, implementation bottlenecks, affordability constraints, and capital access limitations continue to temper real-world rewards.

The Compound Risk Score of 66.68 almost matching the reward score highlights that perceived and structural risks are not just persistent but interdependent. The Telecoms Risk Score of 58.57 reflects challenges directly experienced by operators: cost volatility, energy shortages, regulatory inconsistencies, and limited supplier diversity. Conversely, the Country Risk Score of 75.67 reveals that macro-level risks, including inflation, currency instability, and legal unpredictability, continue to dominate the external risk landscape. This alignment between operator experience (primary) and market fundamentals (secondary) confirms a sector operating in a “fragile equilibrium” where profitability depends on constant

adaptation to macro shocks rather than organic market stability.

Together, these blended findings provide a more representative picture of Zimbabwe's telecom sector: it is one of strategic importance and digital potential yet constrained by systemic economic risks and execution gaps. The combined index (66.8) therefore tempers the optimism of the primary RRI (70.72) with the realism of the secondary data, positioning the sector as moderately attractive but highly sensitive to macroeconomic and policy shifts.

Figure 42: Combined primary & desk research (Postal & Courier RRI Breakdown)



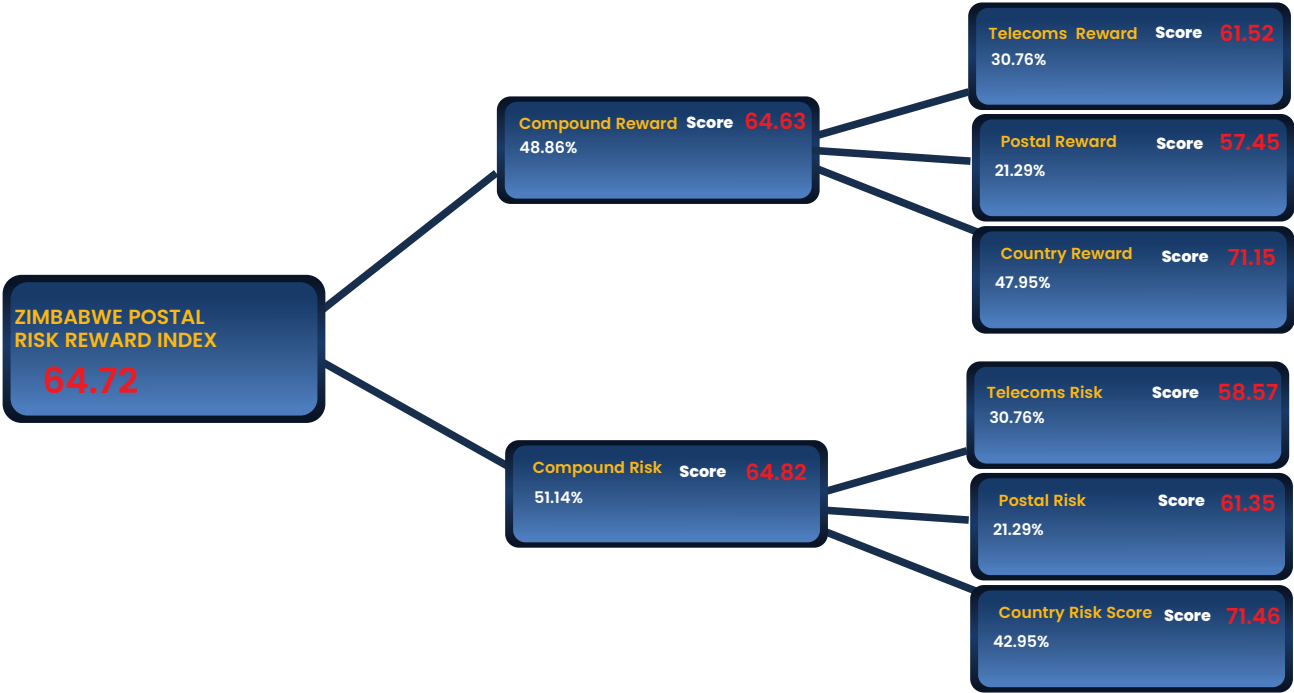
The combined Postal and Courier Risk–Reward Index (RRI) score of 65.52 represents a moderately stable but still constrained investment environment, shaped by the interplay of promising structural reforms and persistent operational and macroeconomic challenges. The blend of primary operator perceptions and secondary market benchmarks produces a holistic and balanced view, tempering the optimism expressed in the primary research with the realism of external data. Overall, this score positions Zimbabwe's postal and courier sector as one of measured potential: reform-aligned and opportunity-rich, yet weighed down by systemic inefficiencies and infrastructure gaps that limit full competitiveness.

The Compound Reward Score of 64.77 (driven by a Postal Reward Score of 57.45 and a Country Reward Score of 72.48) underscores the unevenness between national-level opportunity and industry-level execution. The secondary data reinforces government recognition of the postal and courier sector's strategic role in digital trade, logistics integration, and financial inclusion particularly through the growth of e-commerce and last-mile delivery services. However, the relatively lower postal reward score highlights that this potential has not yet been fully translated into operator profitability or operational efficiency. The mismatch suggests that while Zimbabwe's policy and demographic fundamentals are strong, the sector remains constrained by limited digitalisation, capital access, and investment in logistics infrastructure, which hinders the conversion of macro-opportunities into tangible growth.

On the risk side, the Compound Risk Score of 66.52, derived from a Postal Risk Score of 61.35 and a Country Risk Score of 71.46, paints a picture of sustained vulnerability across both operational and national domains. The primary research highlighted direct concerns around high energy and fuel costs, weak road networks, and informal courier competition, while secondary data accentuates macroeconomic instability, foreign currency shortages, and slow regulatory adaptation. The result is an environment where operators face rising operational costs and limited capacity to absorb shocks. The gap between postal and country risk scores suggests that while operators perceive some progress in sector regulation and market growth, the wider economic and infrastructural conditions continue to impose systemic strain.

In synthesis, the Postal and Courier combined RRI of 65.52 illustrates a sector caught between incremental progress and enduring structural risk. The integration of both primary and desk-based findings provides a more credible and realistic sector outlook: one where reward opportunities driven by e-commerce expansion, SME participation, and digital delivery platforms are promising but fragile, and risks rooted in cost structures, infrastructure, and macroeconomic instability remain high. Policymakers and investors should therefore interpret this index as a signal for targeted intervention rather than caution. Priorities should include modernising logistics infrastructure, formalising the courier market, stabilising energy supply, and incentivising digital investment to shift the balance from stability toward sustained growth.

Figure 43: Combined Telecommunications and Postal & Courier RRI Breakdown



The combined Telecommunications and Postal & Courier Risk–Reward Index (RRI) score of 64.72 presents a realistic national-level snapshot of Zimbabwe's communications ecosystem. The score indicates a moderate-risk, moderate-reward environment, where sectoral resilience and digital growth opportunities continue to be offset by macroeconomic fragility, infrastructure deterioration, and cost pressures.

The Compound Reward Score of 64.63 highlights the presence of genuine, though uneven, opportunities across the ecosystem. High country-level rewards (71.15) continue to elevate the index, reflecting Zimbabwe's policy alignment with digital transformation, fintech expansion, and e-commerce growth, all of which position the communications sector as a pillar of economic modernization. However, this national optimism contrasts sharply with the lower industry-level scores for telecoms (61.52) and postal operators (57.45), which reveal how systemic inefficiencies dilute the impact of these opportunities on the ground. The data suggests that while Zimbabwe's digital future is strategically well-anchored at policy level, operators still face structural barriers including limited investment capital, inadequate logistics networks, and affordability gaps that hinder the realisation of the sector's full reward potential.

On the risk side, the Compound Risk Score of 64.82 reinforces that the communications sector operates in a persistent high-cost, high-uncertainty environment. Country-level risks remain dominant (71.46), reflecting the continuing macroeconomic headwinds of currency volatility, inflation, and policy inconsistency that were flagged in both primary and secondary findings. Meanwhile, industry-level risks particularly for telecoms (58.57) and postal services (61.35) stem from operational fragility: energy unreliability, high input costs, vandalism, and the effects of informal competition. These interlinked vulnerabilities indicate that both sub-sectors are structurally exposed to the same economic and infrastructural ecosystem, though their risk expressions differ telecoms through technological and capital constraints, and postal through physical infrastructure and logistics barriers.

In synthesis, the national combined RRI score of 64.72 paints a picture of a sector at equilibrium reward-rich but still risk-heavy. The integrated primary and secondary results confirm that Zimbabwe holds strong strategic potential, driven by digital transformation and demographic opportunity, yet remains constrained by macroeconomic instability and cost inefficiencies. The lesson from this convergence is that the sector's resilience will depend on policy coherence, energy and infrastructure reforms, and the acceleration of local value-chain development.

This inaugural Postal & Telecommunications Risk Reward Index (RRI), developed via a dual-index approach, provides a comprehensive 360-degree assessment of Zimbabwe's communications sector. The study confirms that the ecosystem is characterized by strong strategic potential that is currently trapped by systemic instability.

The Fragile Equilibrium: High Risk, Moderate Reward

The Combined RRI score of 64.72 reflects a delicate near-parity between the Compound Reward Score (64.63) and the Compound Risk Score (64.82). This equilibrium underscores that the sector is reward-rich but systemically risk-heavy. Investment decisions are fundamentally shaped by risk management, with operators slightly prioritizing risks (51.14%) over rewards (48.86%) in the index weighting.

- **Macro Penalty Dominance:** The primary constraint on investment is macroeconomic instability, with Zimbabwe carrying the highest Country Risk score (81.8) among the 18 regional peer markets benchmarked. This extreme risk is defined by maximum risk scores for short-term and long-term economic risk, coupled with acute financial and cybercrime risk.
- **Reward Resilience:** Despite this macro instability, the sector's Compound Rewards score of 64.63 is significantly bolstered by high Country Reward scores (71.15), reflecting Zimbabwe's strong human capital, rapid digital adoption, urbanization, and e-commerce growth potential.
- **Sectoral Nuance:** The Telecommunications sector operates in a High Risk, High Reward environment (RRI 66.8) where technological ambition is constrained by high capital intensity and vulnerability to currency/supplier risk. The Postal & Courier sector operates in a High Risk, Moderate Reward environment (RRI 65.52), where potential is hindered by physical infrastructure deficits, high operational costs, and the acute challenge of informal competition.

Critical Structural Gaps

The analysis highlights three non-negotiable areas requiring urgent intervention:

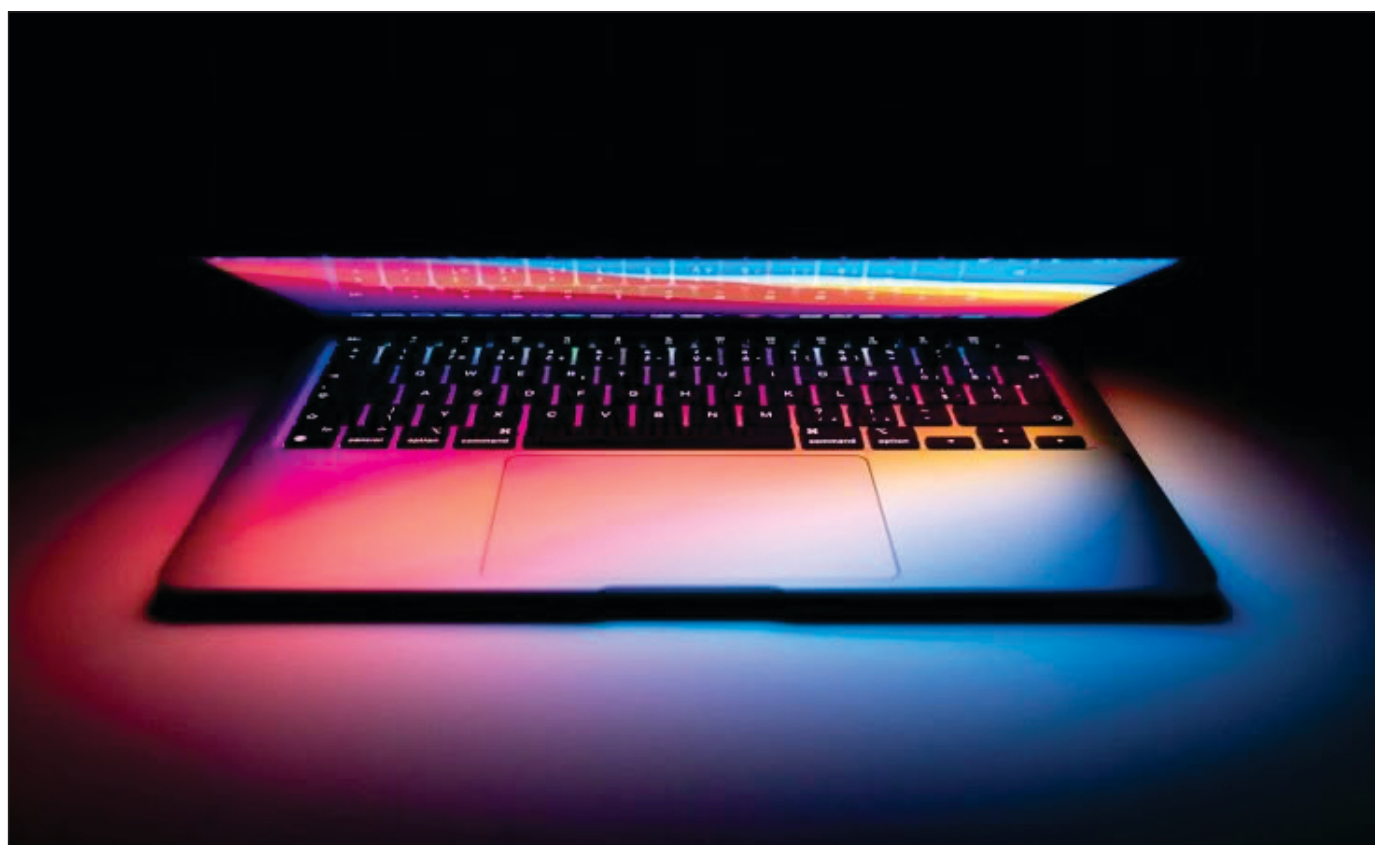
1. **Economic Drag:** Economic risks, notably taxation (4.41 overall mean), high inflation (4.30), and currency exchange rate volatility (4.20), are rated as the most severe

constraints, eroding profitability and making long-term investment planning precarious. Currency volatility poses a statistically significant risk to Telecoms ($p=0.026$) due to import dependence.

- 2. Operational Inefficiency:** High operational costs due to energy unreliability (4.36 overall mean) and poor road infrastructure (4.09) are systemic barriers that inflate TCO, disrupt last-mile delivery, and hinder network expansion across both sectors.
- 3. Regulatory Fragmentation:** Operators consistently flagged poor coordination between key regulatory bodies (3.77 overall mean, statistically significant for Telecoms, $p=0.045$) and unpredictable policy shifts (3.70) as constraints on investment certainty.

Strategic Imperative

The core conclusion is that the sector's resilience and undeniable growth potential will only be unlocked by policy coherence, energy and infrastructure stability, and consistent efforts to strengthen regulatory coordination. Marginal improvements in stabilizing the macroeconomic environment thereby reducing the macro penalty would disproportionately tilt the RRI balance more firmly toward reward, transforming the current high-stakes operational landscape into a predictably competitive investment destination.



The following recommendations are derived from the key findings of the RRI Survey. They are designed to address the systemic risks that erode investment confidence while simultaneously leveraging the high reward potential inherent in Zimbabwe's digital economy and human capital base. The recommendations require a dual-track approach focusing on national stabilization and targeted sector reform.

Macroeconomic and Fiscal Stabilization (National Imperative)

These measures are critical to reducing the severe Country Risk score (81.8) and converting operator caution into confidence:

- **Prioritize Monetary and Fiscal Discipline:** Urgent national efforts must prioritize currency predictability, reduce the burden of high taxation (4.41), and implement consistent fiscal policy to stabilize inflation and strengthen the exchange rate. This will directly reduce the *macro penalty* that constrains capital investment and planning.
- **Enhance Foreign Currency Access:** Implement mechanisms to ensure reliable access to foreign currency, specifically for Telecommunications operators, to procure imported technology and equipment essential for network continuity and expansion, mitigating the statistically significant risk of currency volatility ($p=0.026$).
- **Incentivize Device Adoption:** Drive device and network upgrades by encouraging smartphone adoption through targeted policy interventions such as import duty incentives, or device financing models.

Operational and Infrastructure Cost Mitigation (Cross-Sectoral)

Interventions must target the high operational costs associated with infrastructure deficiencies:

- **Scale Renewable Energy Adoption:** Introduce incentives, financing models, and partnerships to accelerate the adoption of solar and hybrid renewable technology solutions within the sector. This directly addresses the highest-rated risk, energy unreliability (4.36), and leverages the statistically significant opportunity for renewable tech adoption potential ($p=0.039$) in Telecoms.
- **Promote Infrastructure Protection and Sharing:** Strengthen national security frameworks to combat the statistically significant risk of vandalism or theft of infrastructure ($p=0.030$). Simultaneously, encourage infrastructure-sharing arrangements to reduce duplication, lower the cost of doing business (64% investment driver), and expand coverage into underserved areas.

- **Modernize Logistics Infrastructure:** Prioritize investment in upgrading poor road infrastructure (4.09) and enhancing logistics quality and competence to ensure efficient last-mile delivery and reliable network expansion, particularly for Postal & Courier operators.

Targeted Sectoral Regulatory Reform

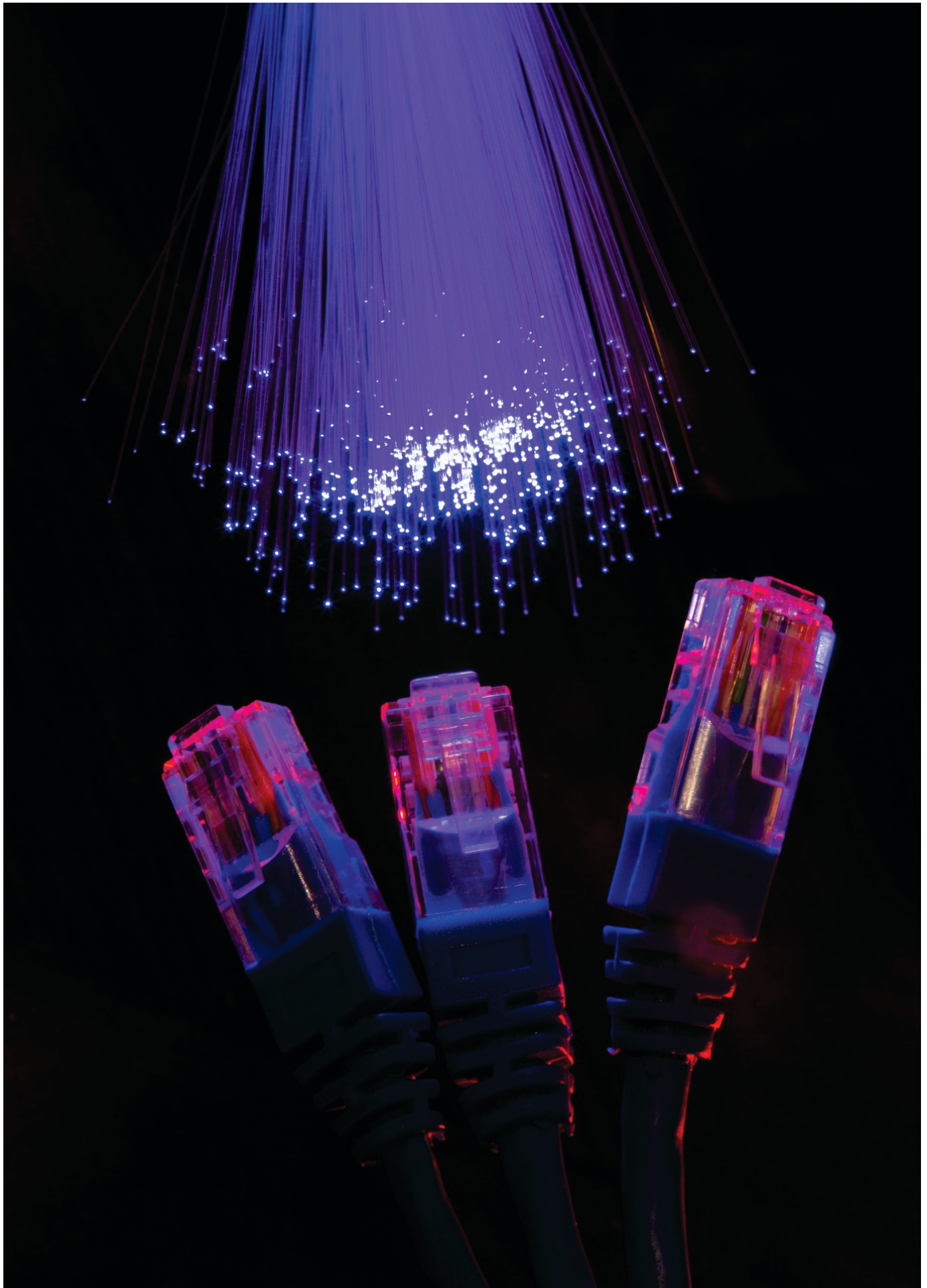
Policy must be tailored to address the unique vulnerabilities of each sector:

- **For Telecommunications (Frontier Risks):** Strengthen the policy and capacity framework to address advanced technological risks, particularly cybersecurity resilience ($p=0.003$) and limited national readiness for Artificial Intelligence adoption ($p=0.006$).
- **For Postal & Courier (Structural Competition Risk):** Introduce mechanisms to address informalization and counter the statistically significant threat of unlicensed service alternatives ($p=0.047$). This should include introducing graduated licensing tiers, offering incentives for registration (e.g., tax rebates), and implementing clear enforcement to ensure service standardization and fair competition.
- **Enhance Regulatory Coherence:** Establish clear lines of responsibility and cooperation among key regulatory bodies (POTRAZ, RBZ, ZERA, ZIMRA) to reduce compliance duplication and enhance operational efficiency.

Harnessing Rewards (Growth and Innovation)

Focus policy to accelerate digital and demographic advantages:

- **E-commerce and Digital Integration:** Leverage Zimbabwe's strong digital literacy and youth demographics to fully transform the postal network into a logistics backbone for e-commerce, ensuring full integration with digital financial services and last-mile delivery infrastructure.
- **Support Local Value Chain Development:** Incentivize local sourcing partnerships and technological collaborations to support the emerging local vendor and SME ecosystem (3.84). This reduces reliance on foreign vendors (a statistically significant risk, $p=0.002$) and anchors resilience in domestic capacity.
- **Promote Innovation Niches:** Support emerging niches for innovation (3.93) such as IoT, e-learning, and smart agriculture through innovation-friendly policies that foster service diversification beyond traditional communication channels



APPENDIX I: QUANTITATIVE QUESTIONNAIRE

	Zimbabwe Postal, Courier & Telecom Risk Reward Survey Quantitative Questionnaire					

INTRODUCTION

READ OUT: Good day. My name is _____, and I am from Consumer Feedback Consultancy, an independent market research agency. We are conducting a Risk Reward Index (RRI) Survey on behalf of the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) to glean insight into investment decision-making within Zimbabwe's telecommunications and postal/courier sectors. Your insights as an investor/industry operator are invaluable in shaping a comprehensive understanding of the factors that drive market entry, expansion, and investment strategies in this sector.

Purpose of the Survey

This study seeks to evaluate the key considerations influencing investment decisions in Zimbabwe's telecom and postal/courier industries. By rating critical market and economic factors, we aim to develop a risk-reward assessment framework that reflects the real-world priorities of industry stakeholders. Your responses will contribute to an evidence-based analysis that supports informed investment strategies and policy recommendations. The interview will take not more than 30 minutes of your time and all your answers will remain strictly confidential. The information will be used for research purposes only. Can I proceed?

RESPONDENT DETAILS

Respondent name.....

Company NAME.....

Contact NUMBER

Date.....

S1. Which best describes your organization?

Telecommunications	1
Postal/Courier	2

S2. Which of the below best describes your role in your organization?

CEO/MD	1
Strategy/Planning	2
Operations	3
Regulatory Affairs	4
Finance/Investments	5
Other specify	6

S3. How many years has your organization been operating in Zimbabwe?

Less than 3 years	1
3 – 5 years	2
6 – 9 years	3
10 years +	4

S4. Which one of the below best describes the ownership of your organization?

Locally owned	1
Regional	2
International/MNC	3

SECTION A: INDUSTRY RISKS

1a. Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to your organization's operations or investment decisions in the Telecom or Postal/Courier sector

Please use the scale below:

1 = No Risk || 2 = Low Risk || 3 = Moderate Risk || 4 = High Risk || 5 = Very High Risk

Risk Area	Indicator	Rating				
		1	2	3	4	5
Threat of New Entrants	Regulatory hurdles for market entry					
	Capital requirements to compete					
	Dominance of existing brands					
	Limited access to national infrastructure (e.g., towers, logistics networks)					
Bargaining Power of Suppliers	Dependence on foreign tech vendors					
	Limited number of qualified suppliers locally					
	Network dependency on single vendor					
	High-cost volatility of essential inputs					
Bargaining Power of Buyers	High customer churn / low switching costs					
	Demand for lower pricing due to economic hardship					
	Customer bargaining power in high-density					

	markets (influence customers hold due to market competition)					
Threats of substitutes	Over-the-top (OTT) platforms (e.g., WhatsApp, Zoom, courier alternatives)					
	Informal/unlicensed service alternatives					
	Changing consumer preferences (e.g., digital-first behaviour)					
Industry Rivalry	Saturated market					
	Overlapping service areas, lack of segmentation					
	Lack of infrastructure-sharing collaboration					
	Aggressive discounting or undercutting/P					

SECTION B: COUNTRY RISKS

2a. Based on the current business and macro environment in Zimbabwe, how would you rate the level of risk each of the following factors presents to **your organization's operations or investment decisions** in the Telecom or Postal/Courier sector

Please use the scale below:

1 = No Risk | **2 = Low Risk** | **3 = Moderate Risk** | **4 = High Risk** | **5 = Very High Risk**

Dimension	Indicator	Rating				
		1	2	3	4	5
Political	Unpredictable policy shifts					
	Limited consultation with stakeholders on regulation					
	Lack of long-term sector strategy					
	Economic sanctions affecting access to capital or partnerships					
	Corruption affecting operations or regulatory processes					
Economic	Currency exchange rate volatility and unpredictability					
	Taxation					
	Limited access to foreign currency					
	High inflation affecting cost structures					

	Overall economic stagnation/low growth					
Social	Mismatch between available skills and technical needs					
	Limited digital literacy in the country					
	Resistance to digital service adoption in some segments					
Technological	Outdated telecom/ICT/Postal & Courier infrastructure					
	Low 4G/LTE/5G coverage in many areas					
	Limited national readiness for Artificial Intelligence (AI) adoption					
	Risk of cybersecurity breaches or lack of cyber resilience					
	Slow integration of new tech trends					
	Weak enforcement of contracts/IP rights					

Legal	Poor coordination between key regulatory bodies (e.g., POTRAZ, RBZ, ZERA, ZIMRA)					
	Unclear or weak enforcement of data protection laws					
	Perceived lack of independence or autonomy of the regulatory authority					
	Inadequate or outdated telecom/postal legislation					
Environmental	High operational costs due to energy unreliability (Power cuts, High fuel costs)					
	Compliance costs related to environmental standards					
	Natural risks (e.g., drought, flooding, lightning damage to masts)					
	Vandalism or theft of telecom/courier infrastructure (e.g., cables, towers, post-boxes)					
	Poor road infrastructure affecting last-mile delivery & network expansion					
	Weak ESG enforcement or lack of alignment with global standards (e.g.,					

	sustainability, governance transparency, social safeguards)					
	Limited access to high-traffic zones (e.g., rural market routes, logistics corridors)					

SECTION C: INDUSTRY REWARDS

3a. Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for **your organization's operations or investment** in the Telecom or Postal/Courier sector?

Please use the scale below:

1 = Very low opportunity | | **2 = Low Opportunity** | | **3 = Moderate Opportunity** | | **4 = High Opportunity** | | **5 = Very High Opportunity**

Area	Indicator	Rating				
		1	2	3	4	5
New Entrants	First-mover advantage in emerging areas					
	Supportive policies for expansion					
	Incentives for new licensees e.g. tax breaks					

	Government incentives for expanding into underserved areas					
Suppliers Dynamics	Potential for local sourcing partnerships					
	Technological collaborations					
	Emerging local vendor and SME ecosystem					
Buyer Dynamics	Expanding consumer base					
	Digital inclusion growth					
	Growing digital adoption among youth					
	Expanding need for logistics/postal services (e-commerce boom)					
Substitutes	Sectoral convergence (e.g. fintech + telco)					
	Ability to innovate around services					
	Low adoption of substitutes					

Competition	Emerging collaborative models					
	Emerging niches for innovation (IoT, e-learning, smart agriculture)					

SECTION D: COUNTRY REWARDS

4a. Thinking about the current conditions and operating environment in Zimbabwe, how much of an opportunity does each of the following factors present for **your organization's operations or investment** in the Telecom or Postal/Courier sector?

Please use the scale below:

1 = Very low opportunity | **2 = Low Opportunity** | **3 = Moderate Opportunity** | **4 = High Opportunity** | **5 = Very High Opportunity**

Dimension	Indicator	Rating				
		1	2	3	4	5
Political	Political will for digital transformation					
	Sector inclusion in national priorities					
	Sector prioritization in national policy					

Economic	Untapped market potential					
	Growth in digital economy/e-commerce ecosystem					
	GDP growth in ICT contribution					
	Integration of telecoms with mobile money and digital financial services creates new growth opportunities					
	Postal sector alignment with informal economy growth					
Social	Growing middle class					
	Growing tech-savvy youth					
	Growing urbanization trends					
	Rising national digital literacy levels					
Technological	Increasing focus on national cybersecurity strategy and resilience					
	Emerging opportunities for AI-driven innovation and service automation					

	Room for infrastructure improvement					
	Policy push for smart city / e-gov prospects					
Legal	Strengthening of data protection laws and regulatory frameworks					
	Policy engagement avenues					
	Strong coordination between key regulatory bodies (e.g., POTRAZ, RBZ, ZERA, ZIMRA)					
	Strong autonomy and independence of the regulator					
Environmental	Renewable tech adoption potential					
	Growing opportunity for ESG-compliant or green infrastructure investment (e.g., solar-powered networks)					

SECTION E: INVESTMENT SENTIMENT & PRIORITIES

5ai. From your perspective, how would you currently rate Zimbabwe as an investment destination in the **telecoms** sector?

	CODE
Very Unattractive	1
Unattractive	2
Neutral	3
Attractive	4
Very Attractive	5
Can't say	

5aii. From your perspective, how would you currently rate Zimbabwe as an investment destination in the **postal & courier** sector?

	CODE
Very Unattractive	1
Unattractive	2
Neutral	3
Attractive	4
Very Attractive	5
Can't say	

5b. Which 3 factors are currently the most important in driving your decision to continue or expand investment in Zimbabwe?

	CODE
Market Size	1
Regulatory Environment	2
Cost of Doing Business	3
Workforce Skills	4
Infrastructure	5
Political Stability	6
Technology Growth	7
Others specify	8
Other specify	9
Other specify	10

5c. If you had 100 points to distribute between **RISKS** and **REWARDS** to reflect how they influence your investment decision-making, how would you divide them?

Dimension	Points Allocated
Risks	
Rewards	
Total	100

5d. When making investment decisions, which type of factor is more important to you — factors that come from the industry itself (*like competition, customer behaviour, suppliers*) or broader country conditions (*like the economy, government policy, or infrastructure*) ?

Please divide 100 points between the two, depending on which influences you more.

Dimension	Points Allocated
Industry Level Factors	
Country Level Factors	
Total	100

THANK RESPONDENT & CLOSE THE DISCUSSION

APPENDIX II: QUALITATIVE DISCUSSION GUIDE

 Consumer Feedback Consultancy <i>Insights that Inspire Growth</i>	POTRAZ Key Informant Interview Guide for High-Level Interviews JOB NO.						

Introduction

Good Day. My name is _____ from Consumer Feedback Consultancy, an independent market research agency. We are conducting a Risk Reward Index (RRI) Survey on behalf of POTRAZ, assessing the investment climate, regulatory environment, financial viability, and risks associated with the telecommunications, postal, and courier sectors in Zimbabwe. As a key stakeholder, your insights will be invaluable in shaping a comprehensive industry outlook.

The interview will take no more than 45 minutes, and all responses will remain strictly confidential, used only for research purposes.

NB* MODERATOR AS YOU PROBE TAKE NOTE OF THE NEED TO SEPARATE AND PROBE RESPONSES UNDER EACH SECTOR [POSTAL & COURIER, TELECOMS]

SECTION A: INDUSTRY-LEVEL RISKS

Threat of new entrants

- In your view what are the biggest barriers new players face when trying to enter the telecom or postal industry?

Probe: Licensing, capital intensity, brand dominance

- Are current market entry rules enabling or limiting innovation?

Bargaining power of suppliers

- In your view how dependent are local operators on a few suppliers or imported technologies/foreign dependencies)?
- Have supplier-related issues (e.g., pricing, vendor lock-in) ever stalled operations or expansion?

Bargaining power of buyers

- To what extent do customers in Zimbabwe, particularly in competitive markets, have the power to influence service offerings, pricing, or business strategies of telecom and courier providers?
- Do operators adjust their services or pricing frequently in response to customer demand or behavior? Do customers switch easily if dissatisfied?

Threat of substitutes

- Are OTT platforms (e.g., WhatsApp, Zoom) reducing demand for traditional services?
- Are informal courier services becoming more dominant?

Rivalry among existing competitors

- How intense is the competition in the sector (pricing, promotions)?
- Does infrastructure sharing exist or is it mostly a competitive barrier?
- Is there anything else apart from this that we have discussed in terms of industry level risks that you see that we have not talked about?

SECTION B COUNTRY LEVEL RISKS

- From your perspective, what macro-level risks are currently discouraging investment in the sector?
 - *Probes (PESTLE):*
 - **Political:** Are there risks linked to policy changes, instability, or administrative processes?
 - **Economic:** How have issues like currency volatility, taxation, forex challenges and inflation impacted sector growth? How about economic sanctions? How about access to capital?
 - **Social:** Are there demand-side risks (e.g., affordability, digital divide, skills gap)?
 - **Technological:** Are there risks related to legacy systems or lack of innovation readiness? How prepared is Zimbabwe's telecom and postal infrastructure to withstand cybersecurity threats, and does this level of preparedness attract or deter investment? To what extent is Zimbabwe ready to support the growth of Artificial Intelligence (AI) in telecom and postal services?
 - **Legal:** Are there legal or institutional constraints (e.g., overlapping regulation, contract enforcement) that hinder investment confidence? How would you assess the current data protection and privacy regulations in Zimbabwe — are they investor-friendly, overly burdensome, or still evolving?
 - **Environmental:** Are there infrastructure vulnerabilities linked to climate, energy (power cuts/supply), or sustainability? Has vandalism of telecoms/postal infrastructure been a significant concern?

Short vs Long-Term Risks

- How would you classify the most pressing risks today vs structural risks likely to shape the sector 5+ years from now?
- What mitigation mechanisms are already in place?
- Is there anything else apart from this that we have discussed in terms of country level risks that you see that we have not talked about?

SECTION C – INDUSTRY LEVEL REWARDS

- What are the most promising opportunities you see within Zimbabwe's telecoms and postal sectors?

Probe: digital transformation, fintech-telco convergence, last-mile delivery demand, rural expansion, smart cities

- Are there untapped service niches or underserved markets worth investing in?
- What support exists (or is needed) for new entrants and innovation in the sector?
- Are local partnerships or vendor ecosystems growing (e.g., logistics startups, tech SMEs)? and do they enhance investment potential?
- Are there incentives or government programs supporting new entrants?
- Are evolving customer needs (e.g., e-commerce, youth demand) being met?
- Is there anything else apart from this that we have discussed in terms of industry level rewards that you see for these sectors?

SECTION D – COUNTRY LEVEL REWARDS

- Are there any recent government policies, strategies, or reforms that you believe support the growth of the telecom and postal sectors?

Probe: Political will, national digital agenda, support for public-private partnerships

- What economic factors do you believe could enhance the investment case for Zimbabwe?

Probe: Growing digital economy, mobile money growth, postal sector's role in serving informal trade, GDP contribution from ICT

- Are there social trends or demographic shifts that you believe present an opportunity for telecom or postal service expansion?

Probe: Youth-driven tech adoption, urbanization, rising digital literacy, growing middle class

- Do you see opportunities in the current state of Zimbabwe's technology infrastructure or innovation space?

Probe: Room for infrastructure upgrades, smart city initiatives, digital government platforms

- Do you believe AI adoption presents a competitive opportunity for Zimbabwe's telecom and postal sectors?
- Have there been any legal or regulatory developments that you think are supportive of investment in this sector?

Probe: Regulatory reforms, licensing improvements, investor protections

- Are there environmental trends or green infrastructure initiatives that create opportunities for the sector?

Probe: Solar-powered tower rollouts, interest in green logistics, opportunities sustainability-focused innovation

Comparative Positioning

- In your view, how do Zimbabwe's sector-specific advantages compare regionally and globally? What unique strengths do we have?
- As Zimbabwe looks ahead, how critical do you believe AI, cybersecurity, and data protection will be in shaping the future competitiveness of the telecom and postal sectors?

Thank you for your time and insights. Your contribution is instrumental in designing a meaningful Risk Reward Index that can shape effective sector policy, regulation, and investment planning.

CLOSE THE DISCUSSION

APPENDIX III: SECONDARY DESK RESEARCH DATASET

<C:\Users\Consumer Feedback\OneDrive\Desktop\CFC -23\Potraz\2024\Telecoms Risk Reward Survey\Execution decks\1 Sept 2025 index data potraz.xlsx>



'creating a level playing field'