COMPETITION & TARIFF COMMISSION

CTC NEWSLETTER

ISSUE 30

VOLUME 3

2026 | Q3



IN THIS ISSUE

- MERGER & ACQUISITION UPDATES
- TARIFF INTERVENTION ON POULTRY VALUE CHAIN
- COMPETITION & DIGITAL MARKETS
- TRADE OPPORTUNITIES & MARKET ACCESS
- WORKSHOPS, TRAINING & OUTREACH

director@competition.co.zw

Promoting and maintaining fair competition and Trade in all Sectors of the Economy

COMPETITION & TARIFF COMMISSION

CTC NEWSLETTER

A. Editor's Note

To our esteemed stakeholders.....

The Competition and Tariff Commission (*the Commission*) is pleased to present the third quarter (Q3) 2026 edition of its newsletter, showcasing key activities, achievements and developments during the period. This edition provides an overview of mergers and acquisitions reviewed by the Commission, including the proposed acquisition of 100% of the shareholding in Lobels Holdings (Pvt) Ltd by Mega Market (Pvt) Ltd. It also highlights the impact of the Commission's tariff intervention on the poultry value chain following promulgation of Statutory Instrument 141 of 2026.

The newsletter further captures the Commission's commitment to stakeholder engagement and institutional capacity-building through workshops, training initiatives and outreach programmes undertaken in Q3. Readers can also look forward to four informative and thought-provoking articles titled: (i) *Opening Capital Markets to the Many: The Pro-Competitive Promise of Digital Tokenization in Zimbabwe;* (ii) *Unlocking Zimbabwe's Trade Potential: Turning Preferential Tariffs into Export Opportunities;* (iii) *Barriers to Entry from A Competition Law and Policy Perspective;* and (iv) *Gatekeepers in Digital Markets: Balancing Innovation and Competition in Zimbabwe's Platform Economy.*

The edition concludes with highlights of the Commission's internal activities, including its participation at the Zimbabwe Industrialisation Conference and Expo (ZICE) and the Zimbabwe Agricultural Show (ZAS) and its staff wellness programme. We hope this newsletter offers valuable insights into the Commission's work and reaffirms our commitment to promoting fair competition, supporting sustainable industry growth and contributing to Zimbabwe's economic development.

We invite you to explore the stories, insights and achievements featured in this edition.

B. Competition



B.1 Mergers and Acquisitions Activity for Q3 2026

Ten (10) merger cases were handled in 2026 Q3 as shown below:

Transactions Approved Without Conditions

- ✓ Acquisition of Trans African Agri Processors (Pvt) Ltd by Afri Global Limited and Kairos Moyo Trust
- ✓ Acquisition of Icecash (Pvt) Ltd by Fazmart Investments (Pvt) Ltd and Justin Rick
- ✓ Acquisition of Springer Nature AG & CO. KGAA by Holtzbrinck GMBH & CO.KG
- ✓ Acquisition of Korridor Holdings Limited by Apis Growth Fund III (Pvt) Ltd

Approved With Conditions

- ✓ Proposed Acquisition of 100% shareholding in Crowvest (Pvt) Ltd by Baraza Ventures (Pvt) Ltd
- ✓ Proposed Acquisition of 100% shareholding in Lobels Holdings (Pvt) Ltd by Mega Market (Pvt) Ltd

Ongoing Assessment

- ✓ Merger of Varun Beverages Zimbabwe (Pvt) Ltd and Dairibord Holdings Limited
- ✓ Acquisition of Modern Maintenance Products (Pvt) Ltd by Dendairy (Pvt) Ltd
- ✓ Merger of TV Sales and Home (Pvt) Ltd and Mega Home (Pvt) Ltd
- ✓ Proposed Acquisition of Dokuma by CBZ Holdings

B.2 Merger Activity Under COMESA

COMESA COMPETITION AND CONSUMER COMMISSION

The Commission provided information on thirteen (13) transactions to the CCC in Q3 of 2026 as summarized below.

COMESA Competition Commission Transactions

- ✓ Proposed Merger involving the Government Employees Pension Fund, Hybrid SPV Proprietary Limited, WIPHOLD Shelfco No.1
- ✓ Proposed Merger involving the Brink's Company and NCR Atleos Corporation
- ✓ Proposed Acquisition of Joint Control by Sanad Services Group and Ace Aéro Partenaires II S.L.P. of Revima Holding SAS
- ✓ Proposed Acquisition by SII Rail Investments GP Proprietary Limited of Traxtion (Mauritius) Limited
- ✓ Merger involving Formation of a Full Function Joint Venture by Watson Bidco B.V. and Syngenta Crop Protection AG

- ✔ Proposed Merger involving Nikolaus (BC) Bidco GMBH and Everllence SE
- ✔ Merger involving Ravago S.A., TDCH Investment Holdings Proprietary Limited and Truesouth Pty
- ✔ Proposed Acquisition by TrumpetFish HoldCo Limited of UNICAF Limited
- ✔ Proposed Acquisition by funds/vehicles managed and advised by affiliates of CVC Capital Partners plc of the Food Ingredients Business of International Flavors & Fragrances Inc
- ✔ Proposed Acquisition by Advanta Holdings B.V. of Hytech Egypt USA LLC
- ✔ Proposed acquisition of Vivo Energy Rouge Holdings by MMPG Limited
- ✔ Proposed Merger involving Joint Control by Forward I S.à.r.l. and Nestlé S.A. of WPB JVco S.à.r.l.
- ✔ Proposed Acquisition by EQT Fund Management S.à.r.l of Intertek Group Plc

Please note that the final decision of the merger for COMESA transaction is made by CCCC.

B.3 Selected Mergers

1. Proposed Acquisition of 100% shareholding in Lobels Holdings (Pvt) Ltd by Mega Market (Pvt) Limited

Introduction

The transaction entails the proposed acquisition of 100% shareholding in Lobels Holdings (Pvt) Ltd by Mega Market (Pvt) Ltd. Mega Market is a privately owned Zimbabwean company that was incorporated in 2000. The company is wholly owned by Mega Market Holdings (Pvt) Ltd and manufactures and distributes branded packaged FMCGs, including rice, pasta, tinned fish, salt among other products. Mega Market also wholly owns Mega Market Milling (Pvt) Ltd ("Mega Market Milling"). Mega Market Milling is a Zimbabwean company which was incorporated in 2023 and operates as a wheat and maize milling entity. Mega Market Milling produces bread flour, cake flour, self-raising flour, biscuit flour and maize meal.

Lobels Holdings is a holding company that was incorporated in terms of the company laws of Zimbabwe. It wholly owns Lobels Bread (Pvt) Ltd ("Lobels Bread"), Lobels Bulawayo (Pvt) Ltd ("Lobels Bulawayo") and Polton investments Pvt Ltd ("Polton"). Lobels Bread and Lobels Bulawayo are manufacturers and distributors of bread and confectioneries. Lobels Holdings' products include the following: prime white loaf; high fibre loaf; whole meal loaf; whole wheat loaf; tea loaf; and rolls. Lobels Holdings is a customer to Mega Market and is supplied 20-25% of its flour requirements by the latter.

Market Definition and Type of Merger

In light of the operations of the merging parties, the relevant market was defined as:

i) The supply of the standard loaf bread; and

ii) The manufacturing and distribution of flour in the whole of Zimbabwe.

The proposed transaction was classified as a Vertical Merger.

Competition Analysis

Theories of harm associated with vertical mergers were considered. It was established that, although input foreclosure is likely to occur, it is unlikely to result in a substantial lessening of competition in the downstream market, as bakeries have access to a sufficient number of alternative suppliers in the upstream market. Customer foreclosure emerged as the primary competition concern as the parties have both ability and incentive to foreclose, especially considering the target's significant market position in the bread market, which leaves Mega Market's rivals with limited alternative demand. Stakeholders in the milling market also raised customer foreclosure as a major competition concern likely to arise from the proposed transaction.

Conclusion

In light of the analysis, the merger was **approved on condition** that:

i) *In order to preserve a vibrant market for flour, for an initial period of two (2) years from the date of implementation of the merger, subject to review by the Commission, Lobels Holdings (Pvt) Limited, its subsidiaries, affiliates or successors in title, shall not source its entire bread flour requirements from Mega Market (Pvt) Limited. For avoidance of doubt, Lobels Holdings (Pvt) Limited shall procure at least 50% of its bread flour requirements from other local wheat millers, subject to conclusion of supply arrangements on reasonable commercial terms;*

ii) *Mega Market Milling (Pvt) Ltd shall continue to make flour available to third-party bakery customers on non-discriminatory, arm's-length commercial terms. For avoidance of doubt, the merged entity shall not discriminate between Lobels Holdings (Pvt) Ltd and other bakeries in respect of pricing, discounts, rebates, flour quality, product allocations, delivery schedules, credit terms, product availability or any other material trading conditions.*

iii) *For a period of 24 months, from the date of approval of the transaction by the Commission, Lobels Holdings (Pvt) Limited, its subsidiaries, affiliates or successors in title shall not terminate any employment contract as a result of the merger, except for positions at Senior Management Level. Termination of contract does not include:*

- *voluntary retrenchment and/or voluntary separation arrangements;*
- *separation upon the agreement with employees;*
- *voluntary early retirement offers;*
- *termination for unreasonable refusals to be redeployed;*
- *termination lawfully affected for operational requirements unrelated to the Transaction; and*
- *terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.*

iv) *The merging parties shall submit to the Commission, on an annual basis, a compliance report demonstrating adherence to conditions (i), (ii) and (iii) above.*

C. Tariffs

C1. Statutory Instrument (SI) 141 of 2026: Impact of the Commission's Tariff Intervention on the Poultry Value Chain

The gazetting of SI 141 of 2026 on 21 August 2026 marks a tangible outcome of the Commission's work to support local industry through evidence-based tariff policy. The measure arose from a request submitted by Corbett and Company (Pvt) Ltd (Corbett) in July 2024 for protection against low-priced imported plastic poultry drinkers and feeders.

Following analysis of company data, trade statistics, stakeholder consultations, a market survey and factory visits, the investigation found that local producers were operating in a challenging market. Corbett's capacity utilisation declined from 100% in 2021 to 41% in 2023, while its sales volumes fell by 37% in 2022 and a further 36% in 2023. Employment also declined by 22% over the period 2021 to 2023. Across the industry, manufacturers reported idle capacity and weak demand as imported products gained market presence.

Trade data showed a sharp rise in imports under the poultry-equipment classification, from 247 tonnes in 2020 to 2,538 tonnes in 2022 reflecting a 928% increase, while there were no recorded exports.

A central contribution of the Commission's work was correcting the tariff treatment of the products. Although the application referred to machinery tariff code 8436.29.00, technical advice from ZIMRA confirmed that plastic poultry drinkers and feeders were more appropriately classified under tariff code 3926.90.90 for "Other" plastic articles. Because that code covered many unrelated plastic products, a general duty increase would have affected goods outside the case. The Commission therefore recommended splitting the tariff line to create code 3926.90.91 specifically for poultry drinkers and feeders, with code 3926.90.99 retained for other products.

The recommendation also addressed an anomaly in the duty structure. Polypropylene, a major raw material used in local production, attracted 5% duty, while the imported finished poultry equipment entered at 0%. In Corbett's cost structure for a six-litre drinker, raw materials accounted for 81.9% of the total production cost, with polypropylene contributing 27.7%. The Commission proposed a cascading tariff structure: reduce duty on polypropylene under code 3902.10.00 from 5% to 0%, while applying a 25% duty to imported finished poultry drinkers and feeders. Its effective-rate-of-protection analysis found that 25% would provide meaningful support while still encouraging local producers to improve efficiency and pricing.

The investigation also recognised poultry farmers' interests, distributors and consumers. Stakeholders cautioned that drinkers and feeders are capital equipment for a sector supporting many small-scale and backyard farmers, and that protection could raise production costs or limit choice. The Commission's recommendation therefore was below the 40% MFN duty initially requested by Corbett and paired

protection of the finished product with duty relief on a key input. It also called on Corbett to improve production efficiency and reduce its mark-up. In assessing the request, the Commission also took into account the reciprocity commitments made by Corbett as part of its application for assistance. These commitments included increasing production volumes, investing further in plant and machinery, strengthening research and development activities, upgrading equipment, creating employment opportunities, developing export markets and improving overall company performance. The Commission will monitor and evaluate these reciprocity commitments made.

SI 141 of 2026 substantially adopted this approach by reducing the General and MFN duty on polypropylene to 0%, creating commodity code 3926.90.91 for poultry drinkers and feeders at 25%, and retaining a 0% rate for other goods under code 3926.90.99. The outcome shows how the Commission's tariff work can combine precise product classification, lower input costs and targeted protection to promote import substitution, investment, employment and stronger industrial linkages. Its ultimate impact should be assessed through changes in local production and capacity utilisation, employment, investment, product prices and availability, and the cost of poultry equipment to farmers.

D. TRAINING AND WORKSHOPS

D1 Capacity Building workshop by the CCCC



CCCC and CTC staff during the Capacity building Workshop at Rainbow Towers Hotel, Harare

The Commission attended a Capacity Building Workshop facilitated by the COMESA Competition and Consumer Commission (CCCC) in Harare at the Rainbow Towers Hotel from 28 to 30 July 2026. The workshop was facilitated by experts from the CCCC and covered several areas of competition law and enforcement, including enforcement of competition law orders, merger assessments in digital markets, penalty considerations and the conduct of market inquiries, among other topics.

The workshop aimed at strengthening the Commission's technical capacity and enhancing the practical application and enforcement of competition law. It also provided an opportunity for participants to exchange experiences, share best practices, deepen understanding of emerging competition issues, enforcement approaches and facilitate greater consistency in the application of competition law.

D2. Financial Wellness Workshop

As part of its wellness programmes and in line with the 8 Dimensions of Wellness, the Commission attended a Financial Wellness Workshop held at Mandel Training Centre on 4 September 2026. The workshop covered various topics, including setting retirement goals, exploring current income models and developing financial action plans. The training aimed to enhance participants' financial literacy and equip them with practical knowledge and skills to make informed financial decisions, effectively manage their income and expenses, plan for retirement, and work towards long-term financial stability and independence.

D3. Team Building Workshop

The Commission also held a Team Building Workshop at Golden Peacock from 15 to 18 September 2026 in Mutare as part of continued efforts to strengthen teamwork, collaboration, communication and employee engagement. The workshop provided staff with an opportunity to step away from their usual work environment, interact across departments, build stronger working relationships and participate in a range of engaging team-building activities. Through a range of interactive and engaging team-building activities, the workshop encouraged effective communication, mutual support, trust and cooperation among employees. The initiative fostered a positive and cohesive workplace culture and enhanced collaboration in the execution of the Commission's mandate.



Commission staff during Team Building Activities

E. Informative and Analytical Articles



E1. Opening Capital Markets to the many: The pro-competitive promise of Digital Tokenization in Zimbabwe

1.0 Introduction

For most Zimbabweans, owning shares in a listed company has always felt out of reach. An ordinary individual needed a stockbroker, a minimum amount of money that was often more than they could spare, and paperwork that could take days to clear, while

financial illiteracy and broader macroeconomic challenges also limited confidence, awareness and capacity to participate in the capital markets. Table 1 shows the operational highlights of active clients on the Zimbabwe Stock Exchange (ZSE) and Victoria Falls Stock Exchange (VFEX). A new generation of Zimbabwean fintech platforms such as Ndarama is now using digital tokenization to change that picture. Ndarama, for example, currently operates in the regulatory sandbox of the Securities and Exchange Commission of Zimbabwe (SECZIM) as it tests how tokenized investment products can work safely under Zimbabwean law.

Table 1: Number of Active Clients on ZSE & VFEX in 2024 and 2025

Year	2024	2025
ZSE Active Clients	13,572	20,446
VFEX Active Clients	1,608	2,143

Source: ZSE Holdings Limited 2025 Annual Report

This article explores what tokenization is, and what it could mean for competition in relation to making Zimbabwean investment markets more open, more contestable and better for ordinary people, or could they raise new competition risks of their own.

1.1 What Is Tokenization?

Think of a large cake that used to be sold only whole. Tokenization is like slicing that cake into thousands of small, identical slices, recording who owns each slice on a shared digital ledger (a 'blockchain'), and letting people buy and sell slices instantly on their phones. Applied to investing, this means an asset, such as a share is represented digitally as a token. Each token represents a small, verifiable claim on the underlying asset. Instead of needing to buy one whole share, an investor can buy a fraction of one. It is important not to confuse tokenization with cryptocurrency. A cryptocurrency such as Bitcoin is usually a digitally native payment token whose value does not represent a claim over a traditional asset (Proskurovska & Birch, 2025). By contrast, the type of tokenization relevant to capital markets normally involves creating a digital representation of an existing real-world or financial asset, such as a share, bond or other security, and recording ownership and transfer on a distributed ledger or similar programmable platform. The distinction matters because tokenized securities remain connected to issuers, custodians, investor records and securities regulation, while cryptocurrencies are often associated with payment or speculative use rather than ownership of an underlying capital-market asset.

1.2 How Tokenization Can Improve Competition

Competition policy asks a simple question: does something make it easier for more people to participate, harder for a few players to control the market, and cheaper and faster to transact?

1.2.1. Simplified access lowers the barrier to entry

Traditionally, investing on the ZSE or the VFEX required opening a brokerage account and meeting minimum balances. These requirements act as a barrier to entry not for companies competing to sell goods, but for ordinary citizens trying to enter the investment market itself. Platforms built on tokenization, operating through mobile money and SECZIM's sandbox, allow individuals to start investing with very small amounts, reportedly as little as US$1. When the cost and hassle of entering a market falls, more people can participate. A market with more participants is almost by definition more competitive. No single broker, bank or elite investor class can dominate it as easily when thousands of ordinary Zimbabweans can also take part.

Another important access issue is onboarding time. If digital investment platforms can complete know-your-customer (KYC) checks safely and proportionately through digital channels, investors do not have to lose days to paper-heavy processes. Faster KYC is therefore not only a convenience issue; it is also a competition issue, because long onboarding processes can discourage small, first-time and lower-income investors from entering the market. However, quicker onboarding should not be understood as the removal of compliance. Where tokens represent securities or other regulated assets, platforms still need effective KYC and anti-money laundering controls to confirm who is buying, holding and transferring the token. The competition benefit therefore lies in making compliance more proportionate, digital and less exclusionary, rather than allowing anonymous or unregulated participation in capital-market products.

The profile of the modern retail investor has changed. A younger, mobile-first generation is more likely to expect simple onboarding, low minimum investment amounts, real-time information and the ability to transact through familiar digital channels. If capital-market products remain designed mainly around traditional brokerage models, they may fail to attract this new group of investors. Tokenization platforms can therefore increase competitive pressure by forcing the market to respond to how investor behaviour has evolved.

1.3 Areas the Commission Should Watch

A fair competition assessment also implies being alert to new risks that tokenization itself could introduce.

1.2.2. Fractional ownership widens who can compete for the same asset

Considering some highly priced VFEX-listed counters, a single share can cost a significant sum more than many Zimbabweans could afford at once. Tokenization makes it possible, in principle, to own a tiny fraction of that share rather than needing the full price upfront. From a competition standpoint, this matters because it means many more buyers can compete for exposure to the same company, rather than that exposure being effectively reserved for those with larger sums of capital. A wider, more diverse pool of buyers and sellers tends to produce fairer, more efficient pricing, because the price reflects the views of many people rather than a small number of large players.

1.2.3. Instant settlement reduces the friction that protects incumbents

When one buys a share the traditional way, settlement – the point at which ownership officially changes hands and money is exchanged – can take days. That delay is not free since it ties up money, creates counterparty risk, and requires layers of intermediaries (custodians, clearing houses, agents) each charging a fee. Blockchain-based settlement can in principle make this near-instant. Ownership updates on the digital ledger the moment a transaction is confirmed. Fewer intermediary layers mean fewer built-in advantages for whoever currently controls those layers. In competition terms, this reduces a structural advantage that incumbent intermediaries have traditionally enjoyed simply by sitting in the middle of every transaction opening the door for new entrants to compete on service and price rather than on who controls the settlement pipes.

Tokenization should therefore be seen as reducing friction, not eliminating all intermediaries. Real-world asset tokens may still require issuers, custodians, registrars, settlement arrangements, compliance providers and reliable links between the digital token and the underlying asset. From a competition perspective, this is important because new digital intermediaries can also become gatekeepers if they control customer access, data, custody or the technical standards needed for transfer between platforms.

1.3 Areas the Commission Should Watch

A fair competition assessment also implies being alert to new risks that tokenization itself could introduce.

1.3.1 Platform concentration and interoperability

If only one or two tokenization platforms are permitted or able to operate, the market could simply shift from being dominated by traditional brokers to being dominated by a small number of digital platforms. Multiple, interoperable platforms preserve genuine competition. Tokenized markets will only be genuinely competitive if investors can move assets between platforms and if ownership rights are legally clear. Without interoperability, a dominant platform could lock investors into its own ecosystem and without legal certainty investors may not fully understand whether the token gives them enforceable rights against the issuer, custodian or underlying asset.

1.3.2 Data and gatekeeper power

Whoever controls the digital ledger and customer relationship gains valuable data and influence over investors, transactions and market activity. Such data should not be used to unfairly favour the platform's own products, services or affiliated businesses over those of competitors. The Commission should therefore watch for practices such as discriminatory access to transaction data, excessive data charges, self-preferencing and restrictions on data portability. Ensuring fair access to relevant market data can help prevent digital platforms from becoming gatekeepers that use their informational advantage to weaken competition.

1.3.3 A level playing field for new entrants

As tokenization matures, the Commission should ensure that new platforms and service providers are not excluded by unnecessarily high compliance costs, technical requirements or exclusive commercial arrangements. Regulatory and licensing requirements should be proportionate to the risks involved and should not create unnecessary barriers for smaller or innovative firms seeking to enter the market. The Commission should also be alert to agreements between established platforms, custodians, financial institutions or technology providers that may restrict access to essential infrastructure or customers. Maintaining fair and open entry conditions will encourage innovation, improve consumer choice and reduce the risk of market concentration as tokenized markets develop.

1.4 Conclusion

Digital tokenization has the potential to do something genuinely pro-competitive. It can turn investing from a privilege of the few into an option for the many by lowering the price of entry, widening who can own a piece of Zimbabwean companies, and cutting out costly delays in settlement. For the Commission, the task ahead is to encourage this kind of innovation while making sure that as the market grows, it grows as an open and competitive one not one where yesterday's gatekeepers are simply replaced by tomorrow.

E2. Unlocking Zimbabwe's Trade Potential: Turning Preferential Tariffs into Export Opportunities

Introduction

For Zimbabwean businesses looking beyond the domestic market, Africa presents a vast and growing opportunity. Zimbabwe is strategically positioned within some of the continent's major regional and continental trading arrangements, providing access to markets that extend well beyond its borders. But having access to a market is not the same as successfully competing in it. One of the most important tools available to Zimbabwean exporters is the preferential tariff, a lower customs duty granted to qualifying products traded under a preferential trade arrangement. In some cases, the applicable preferential tariff may be zero. This creates an important opportunity for Zimbabwean businesses. However, the real value of preferential market access does not lie simply in having a lower tariff. It lies in the ability of businesses to produce competitively, satisfy the applicable Rules of Origin, meet destination-market requirements and consistently supply products that buyers want. The question for Zimbabwe, therefore, is no longer simply whether markets are available. The more important question is whether Zimbabwean businesses are prepared and equipped to use that market access to build sustainable exports.

What Is a Trade Agreement?

A trade agreement is an arrangement between countries designed to facilitate trade by reducing or

eliminating tariffs and addressing other barriers to the movement of goods and services.

Trade agreements may be bilateral, involving two countries, or regional and multilateral, involving several countries. They establish agreed terms under which businesses from participating countries can access one another's markets. For exporters, one of the most important features of these arrangements is the tariff preference that may be available to qualifying products.

MFN and Preferential Tariffs: What Is the Difference?

To appreciate the importance of preferential tariffs, it is useful to understand the difference between Most-Favoured-Nation (MFN) tariffs and preferential tariffs. MFN treatment is a fundamental principle of the World Trade Organization (WTO). In general terms, it means that a WTO member applies the same tariff treatment to like products from other WTO members, subject to permitted exceptions. MFN tariffs therefore represent the general or baseline tariff treatment applicable where no preferential arrangement provides otherwise.

Preferential tariffs, on the other hand, are lower tariff rates granted under a trade agreement or preferential trading arrangement to products that satisfy the applicable conditions. For example, if a product is subject to an MFN tariff of 20% but qualifies for a preferential tariff of 0% under a trade agreement, the importer may enter the product without paying the 20% import duty applicable under the MFN rate.

This can reduce the landed cost of the product and potentially improve its competitiveness in the destination market. However, there is an important qualification: membership of a trade agreement does not automatically entitle an exporter to preferential treatment. The product must satisfy the conditions established under the relevant agreement, particularly the applicable Rules of Origin.

Rules of Origin: The Gateway to Preferential Market Access

Rules of Origin are at the heart of preferential trade. They determine whether a product qualifies as originating in a particular country or group of countries and, consequently, whether it is eligible for preferential treatment. This is increasingly important in a globalised production environment where a single product may contain raw materials, components and other inputs sourced from several countries. Rules of Origin help ensure that tariff preferences benefit products that genuinely meet the agreed origin requirements rather than goods that merely pass through a member country on their way to the destination market.

Depending on the agreement and the product concerned, origin may be established through criteria such as:

- **Wholly obtained or produced:** where a product is entirely obtained or produced in the exporting country; such as certain agricultural products or minerals.

- **Change in tariff classification:** where imported materials undergo sufficient processing to result in a different tariff classification of the finished product.
- **Value addition**: where a prescribed minimum proportion of the product's value is generated through qualifying production.
- **Specific manufacturing or processing operations**: where the product must undergo particular processes specified under the applicable Rules of Origin.

The precise rule varies according to the trade agreement and the product. Exporters therefore need to establish the applicable rule before assuming that their products qualify for preferential treatment.

Why Preferential Tariffs Matter for Zimbabwe

Preferential tariffs can give Zimbabwean businesses a valuable platform for expanding beyond the domestic market. By lowering or eliminating customs duties on qualifying exports, they can improve price competitiveness and open access to larger regional and continental markets.

Greater market access can also support value addition and industrialisation, encouraging businesses to process Zimbabwe's agricultural, mineral and other resources into higher-value products. At the same time, predictable access to larger markets can make Zimbabwe more attractive for investment and participation in regional and continental value chains.

As businesses reach more markets and increase production, they can benefit from economies of scale, spreading fixed costs over larger volumes and potentially improving efficiency and competitiveness. However, preferential tariffs are only one part of the equation. Their economic value ultimately depends on whether Zimbabwean businesses can compete on quality, price, reliability and supply, while meeting applicable standards and overcoming logistics, infrastructure, financing and other non-tariff challenges. The opportunity, therefore, is not simply to obtain preferential market access, but to convert that access into competitive and sustainable Zimbabwean exports.

Zimbabwe's Regional and Continental Opportunities

Zimbabwe's participation in SADC, COMESA and the African Continental Free Trade Area (AfCFTA) provides businesses with access to preferential markets across the region and continent. Under the SADC and COMESA trade arrangements, qualifying Zimbabwean products can benefit from preferential tariff treatment when they meet the applicable Rules of Origin and other market requirements. These arrangements provide opportunties to expand exports of agricultural and manufactured products, construction materials, chemicals and other products in which Zimbabwe has production capacity.

At a broader level, AfCFTA expands the opportunity to the continental market, bringing together 55 African countries and creating a framework for

deeper intra-African trade, value addition and regional and continental value chains.

For Zimbabwe, the opportunity is therefore to move beyond reliance on the domestic market and identify products that can be produced competitively and supplied to markets across Africa.

From Market Access to Market Presence

Having preferential market access does not automatically create exports. Businesses must identify where demand exists, understand the applicable tariffs and Rules of Origin, meet required standards and ensure that products can be delivered competitively and reliably. The focus should therefore shift from simply asking "Which markets offer preferential tariffs?" to asking "Which products can Zimbabwe competitively supply to those markets?" This requires businesses to strengthen their understanding of export markets, invest in product quality and value addition, and build the capacity to supply consistently. It also requires efficient logistics, infrastructure, financing and trade facilitation.

Turning Opportunity into Export Growth

To realise the benefits of regional and continental trade agreements, Zimbabwe needs to strengthen Rules of Origin awareness, value addition, export market intelligence and trade logistics. Businesess, in particular, need to understand the requirements for claiming preferential treatment and identify markets where Zimbabwean products have genuine commercial potential. At the same time, investment in processing and manufacturing can enable Zimbabwe to export more value-added products and participate more meaningfully in regional and continental value chains. Ultimately, preferential tariffs are a means rather than an end.Their value lies in Zimbabwean businesses being able to convert preferential market access into competitive, sustainable exports.

Conclusion: From Preferences to Performance

Zimbabwe has access to important regional and continental markets. The challenge is to turn that access into commercial opportunities. The pathway is clear: from preferential market access to competitive exports; from commodities to value-added products; and from participation in trade agreements to active engagement with African markets. The opportunity is available. The task is to convert market access into market presence, and market presence into sustainable export growth.

E3. Barriers to Entry from a Competition Law and Policy Perspective

1. Understanding Barriers to Entry

Barriers to entry are economic, legal, technological, financial, or strategic factors that make it difficult, costly, or sometimes impossible for new firms to enter a market and compete effectively with established businesses. They explain why some markets have many competitors while others are dominated by a few firms or a single supplier.

Barriers to entry are important in competition law as an incumbent firm's market power depends not only on its current market position but also on whether new competitors can realistically enter or expand. Where entry is easy, existing firms face competitive pressure because new businesses can enter when prices are high or quality is poor. Where entry is difficult, incumbents may have greater ability to maintain high prices, reduce quality, limit innovation, or restrict consumer choice. Not all barriers are harmful to competition. Some, such as licensing requirements, safety standards, and professional qualifications, may serve legitimate public-policy objectives. Competition authorities therefore consider whether a restriction is justified and proportionate to its purpose. A regulation that goes beyond what is necessary and unnecessarily excludes efficient competitors may therefore raise competition concerns.

2. Types of Barriers to Entry

Barriers to entry can broadly be divided into **structural, regulatory, and strategic barriers.**

Structural Barriers: Structural barriers arise from economic and technological characteristics of a market rather than deliberate actions by firms or government. These include high capital requirements, economies of scale, specialised expertise, limited access to technology, control of essential infrastructure, and ownership of important raw materials.

Network effects can create significant barriers. A product or service becomes more valuable as more people use it, giving an established business with a large customer network an advantage over new entrants. A new competitor may therefore struggle to attract enough users to compete effectively.

Regulatory Barriers: Regulatory barriers result from laws, regulations, licensing requirements, administrative procedures, and other government-imposed conditions. They include licensing and registration requirements, technical standards, minimum capital requirements, import restrictions, tariffs, and regulatory approvals. Such requirements can be legitimate in protecting consumer health and safety, the environment, or the stability of financial markets. However, they can also increase the cost, time, and complexity of entering a market. The competition policy question is therefore whether the regulation is necessary, proportionate, and applied in a manner that does not unnecessarily restrict competition.

Strategic Barriers: Strategic barriers arise from deliberate conduct by incumbent firms that makes entry more difficult or less attractive. Examples include:

- **Predatory pricing**, where a dominant firm deliberately prices below an appropriate measure of cost to exclude competitors and potentially recover losses later.
- **Exclusive dealing**, where customers or suppliers are tied to the incumbent through

arrangements that prevent them from dealing with competitors.

- **Refusal to deal**, where an incumbent denies competitors access to essential inputs, infrastructure, distribution channels, or other facilities that they need to compete.
- **Loyalty rebates**, where discounts are structured to encourage customers to purchase exclusively from the incumbent, making it difficult for new entrants to attract customers.

Competition law is particularly concerned where firms with significant market power use such practices to exclude competitors rather than compete through superior efficiency, innovation, quality or service.

3. Importance of Barriers to Entry in Competition Law

Barriers to entry are relevant when competition authorities assess whether a firm has **market power or dominance**. Dominance generally refers to a position of economic strength that enables an undertaking to prevent effective competition from being maintained and to behave to an appreciable extent independently of competitors, customers, and ultimately consumers. If barriers to entry are low, an incumbent that raises prices may attract new competitors. This potential entry can constrain the incumbent's ability to exercise market power. Where consumers can easily switch to new providers offering lower fees or better digital services, existing providers face stronger competitive pressure and have greater incentives to improve their services. Conversely, high barriers may allow an incumbent to maintain market power for longer periods because potential competitors cannot easily enter. Barriers to entry are also relevant to **merger control**. When assessing a proposed merger, competition authorities may consider whether the transaction would strengthen an existing firm's position in a market where new entry is difficult. A market with significant barriers may be more vulnerable to reduced competition following a merger.

4. Barriers to Entry in Zimbabwe

In terms of Section 5(1)(a) and (b) of the Competition Act [Chapter 14:23] (the Act) the Competition and Tariff Commission (Commission) is mandated to encourage and promote competition and to reduce barriers to entry into all sectors of the economy and in all forms of economic activity. Section 2 of the Act provides a broader framework for identifying conduct or circumstances that may undermine competition. The definition of a restrictive practice includes agreements, business practices, deliberate acts, or situations that restrict competition to a material degree, including conduct that has, or is likely to have, the effect of preventing or restricting the entry of new competitors into a market.

Zimbabwean markets experience different forms of barriers to entry. For example, a new mobile-money provider may struggle to compete if it cannot access existing payment systems used by consumers. A new

manufacturer may face difficulties obtaining raw materials where established firms have entered into exclusive arrangements with suppliers. Smaller retailers may also struggle to compete with large chains that benefit from economies of scale and bulk purchasing. The Commission takes remedial action where practices such as exclusionary pricing, denial of access to essential facilities, or restrictive agreements prevent entry or where businesses face unnecessary or unreasonable obstacles to entering or expanding in a market due to government policy.

5. Promoting Open and Competitive Markets

The Commission uses market studies and surveillance as well as information obtained from various stakeholders to identify barriers to entry and potentially anti-competitive practices. Businesses and the general public can bring potential restrictive practice concerns to the Commission's attention, including: –

- unfair denial of access to essential infrastructure;
- pricing practices intended to exclude competitors;
- exclusive supply or distribution arrangements that restrict market access; and
- regulatory or other requirements that unnecessarily prevent or delay market entry.

The objective is to promote markets where businesses compete on the basis of price, quality, efficiency, innovation, and service, rather than benefiting from unnecessary barriers that prevent competitors from entering or expanding.

6. Conclusion

A barrier to entry is **not automatically an infringement of competition law**. Some barriers arise naturally from the characteristics of a market, while others are created by legitimate regulation. The central competition policy question is whether a barrier unnecessarily restricts effective competition or is created or maintained through conduct or regulation that warrants intervention. Effective competition requires not only competition among firms already operating in a market but also reasonable opportunities for new businesses to enter and compete on merit. Lower and fairer barriers to entry can encourage efficiency, innovation, improved services, lower prices, and greater consumer choice. Artificial barriers can protect incumbent firms, strengthen market power, restrict competition, and contribute to market structures such as monopolies and oligopolies. Consequently, identifying and addressing inappropriate barriers to entry is one of the key objectives of competition law and policy.

E4. Gatekeepers in Digital Markets: Balancing Innovation and Competition in Zimbabwe's Platform Economy

1. Introduction

Digital platforms have shaped consumer access to goods and services, how businesses interact with

customers and facilitate interactions between different groups of users. Services such as mobile money, e-commerce platforms, online marketplaces and digital advertising platforms have become an integral part of modern economic activity (Gawer, 2021). Online platforms support society daily activities, and people rely on them to buy and sell goods and services, to find information, for entertainment, news, finding apps, and for many other purposes.[1] While digital platforms create efficiencies, stimulate innovation and economic growth, some evolve into "gatekeepers" that exercise significant control over access to digital markets (Büchel, 2020).

Zimbabwe is no exception to this transformation with a mobile penetration rate of 102.64% as at the second quarter of 2025, increasing internet connectivity (81.83% internet penetration rate)[2] and widespread adoption of digital payment systems have contributed to the growth of the country's digital economy. Mobile money platforms, in particular, have become a critical component of financial transactions for households and businesses, while online platforms are increasingly being used to facilitate activities such as retail trade, transport services, and professional services.

As digital markets expand, certain platforms occupy positions that make them unavoidable trading partners for businesses seeking to reach consumers. In competition policy, these firms are commonly referred to as **gatekeepers** because they effectively control access to users, customers or digital **infrastructure**. This article examines the concept of digital gatekeepers within the context of Zimbabwe's evolving platform economy, their role in promoting innovation and explains why effective competition remains essential for dynamic and inclusive digital **markets**.

2. Understanding Digital Gatekeepers

The term gatekeeper refers to a digital platform that occupies a strategic intermediary position between businesses and consumers, allowing it to influence market access and competitive outcomes. Rather than merely participating in a market, gatekeepers control essential digital pathways through which transactions, communication or information flow. As a result, their decisions regarding access, pricing can significantly influence competitive conditions. Unlike traditional monopolies, digital gatekeepers often acquire market power not solely through pricing strategies but through characteristics inherent in digital markets. These include strong network effects, extensive data collection, economies of scale, ecosystem integration and high switching costs. Together, these characteristics create self-reinforcing advantages that make it increasingly difficult for new entrants to compete effectively.

[1] See https://www.oecd.org/content/dam/oecd/en/publications/reports/2019/03/understanding-the-market-definition-and-harms-in-the-digital-transformation_079dc177/51e56507-en.pdf

[2] See postal & telecommunications abridged sector performance report second quarter 2025

Key Forms of Anti-Competitive Conduct by Digital Gatekeepers

i) Self-preferencing and steering restrictions

Self-preferencing occurs where a platform gives preferential treatment to its own products or services over those of competing businesses using the platform. Such practices may disadvantage competitors by limiting their visibility or restricting their ability to reach consumers.

ii) Ecosystem tying and bundling

Gatekeepers often link or bundle different products and services within their ecosystems, making access to one service conditional on the use of another. While bundling can generate efficiencies and convenience for consumers, it may raise competition concerns where a firm uses market power in one service to strengthen its position in another market and makes it more difficult for competing providers to gain or retain customers.

Global Experience: Gatekeeper Concerns in Digital Markets

Emergence of gatekeepers and the competition concerns associated with large digital platforms have attracted significant attention globally. A prominent example is Google, whose position as a major digital platform has generated several competition concerns across different markets. In the European Union, Alphabet, Google's parent company has been designated as a gatekeeper under the Digital Markets Act (DMA)[3], reflecting the significant role played by Google services as gateways between businesses and consumers in digital markets.

The European Commission found that Google had systematically given prominent placement to its own comparison-shopping service in its general search results while demoting competing comparison-shopping services. The conduct was found to have strengthened Google's position in comparison-shopping services and reduced effective competition on the merits. Its conduct in the Google Shopping case provides an illustration of self-preferencing concerns in digital markets. The case also illustrates how a platform with a strong position in the digital market can use that position to favour its own services in an adjacent market, raising concerns about self-preferencing and the ability of competitors to compete on equal terms. The Commission ordered Google to bring the identified non-compliance to an end.[4] This global experience demonstrates that the competition concerns associated with digital gatekeepers extend beyond traditional price-based competition. These developments have prompted competition authorities and policymakers globally to examine whether existing competition frameworks

[3] The DMA, in force since November 2022 and applied since May 2023, aims to ensure contestable and fair markets in the digital sector. It regulates gatekeepers, large online platforms that provide an important gateway between business users and consumers, whose position can grant them the power to create a bottleneck in the digital economy

[4] See https://ec.europa.eu/commission/presscorner/detail/en/ip_23_4328

are sufficient to address the distinctive characteristics of digital markets.

3. Zimbabwe's Emerging Platform Economy

Zimbabwe's digital economy has expanded considerably over the past decade, driven by increasing smartphone adoption[5], improvements in mobile broadband infrastructure and growing demand for digital financial services. The COVID-19 pandemic further accelerated digital adoption as consumers and businesses increasingly relied on electronic transactions and online services. The most visible example is the evolution of mobile money. The widespread adoption of EcoCash, developed by Econet Wireless Zimbabwe, transformed financial inclusion by enabling millions of Zimbabweans to send and receive money, purchase goods and pay utility bills without requiring conventional bank accounts. The platform reduced transaction costs, expanded financial access and supported commerce during periods characterised by cash shortages.

However, the growth of mobile money also illustrates competition dynamics associated with digital platforms. As the number of users and merchants for Ecocash increased, the platform became increasingly attractive to additional participants, demonstrating powerful indirect network effects. Consumers preferred merchants accepting EcoCash because of convenience, while merchants accepted EcoCash because many customers used it. Such mutually reinforcing adoption contributed to the platform's rapid expansion. However, the same network effects that encourage innovation may also create barriers to entry where new digital payment entrants such as Inn Bucks had to simultaneously attract consumers and merchants while competing against established platforms with existing user networks, merchant relationships and consumer trust. Consequently, incumbents often enjoy substantial first-mover advantages, being one of the first to enter a market.

The influence of digital platforms extends beyond financial services. Online marketplaces and social media platforms increasingly serve as important channels for trade, enabling businesses, particularly small and medium enterprises, to advertise products, engage customers and conduct transactions digitally. For many businesses, these platforms have become essential routes to accessing consumers rather than merely optional marketing channels. Zimbabwe's digital economy is gradually developing although the scale remains significantly smaller than that of global technology giants, the underlying competition dynamics are remarkably similar. Platforms that initially emerge through innovation may progressively acquire gatekeeper characteristics as their user base expands and dependence upon their services increases.

[5] See https://www.heraldonline.co.zw/internet-access-smartphone-ownership-surges-in-zimbahwe/

4. Balancing Innovation and Competition: The need for Competition in Zimbabwe's Digital Economy

Emergence of digital gatekeepers presents a fundamental policy challenge: how can economies encourage digital innovation while ensuring that markets remain competitive? In dynamic markets, firms should be able to grow, benefit from innovation and achieve market leadership through superior products, efficiency and consumer trust. Competition policy does not seek to prevent firms from innovating and growing. Rather, it seeks to ensure that innovation and growth is achieved through competition on the merits and that market power is not used to unfairly restrict the ability of other firms to compete.

For Zimbabwe, the growth of digital platforms demonstrates significant benefits that competition and innovation can generate. Mobile financial services have expanded access to payments, telecommunications platforms have increased connectivity, and online marketplaces have created new opportunities for small businesses to reach enosumers. These developments should be encouraged as part of broader efforts to promote digital transformation and inclusive economic growth. However, preserving the benefits of digital innovation requires maintaining competitive pressure. Without effective competition, dominant platforms may have reduced incentives to improve services, invest in new technologies or respond to consumer needs. Competitive markets ensure that firms remain accountable to consumers because alternative providers can challenge their position. Therefore, the policy objective should not be to limit the growth of digital platforms but to ensure that markets remain open and subject to competition. This requires addressing conduct that prevents rivals from competing effectively while allowing firms to continue innovating and creating value.

Conclusion

Zimbabwe's digital economy is undergoing significant transformation, with digital platforms increasingly shaping how consumers and businesses access services, conduct transactions and participate in markets. However, the same characteristics that drive digital platforms to innovate can also result in the emergence of gatekeepers with the ability to shape competitive outcomes. Ultimately, competition remains the most effective driver of innovation in the platform economy. The success of Zimbabwe's digital economy will depend not only on the growth of digital platforms but also on the quality of competition within those markets.

F. Internal Activities

F1. Weekly Wellness Activities

Commission staff continue to participate in weekly wellness activities held every Friday. Activities include a range of fitness programmes, from gym sessions to ball games. In addition to promoting physical wellbeing, the initiative has strengthened interaction between staff and management, fostering team spirit across the Commission.

Employee wellness



Commission staff participating in wellness activities.

H. Exhibitions

H1. ZICE Exhibition

As part of its regular stakeholder engagement activities to raise awareness of its mandate and functions among industry, business and Government stakeholders, the Commission participated in the Zimbabwe Industrialisation Conference and Expo (ZICE) held from 23 to 24 July 2026 at the Harare International Conference Centre (HICC). ZICE 2026 was convened as a national industrialisation platform aimed at unlocking investment, strengthening industrial partnerships and accelerating Zimbabwe's transition into a competitive manufacturing and industrial economy. The event was organised by the Ministry of Industry and Commerce in partnership with Africa Economic Development Strategies (AEDS).

H2. Zimbabwe Agricultural Show (ZAS) Exhibition

The Commission participated in the 2026 Zimbabwe Agricultural Show (ZAS), held from 24 to 29 August 2026 under the theme 'Powering Growth - Where Agriculture, Technology and Commerce Converge,' signalling a sharper focus on tech-enabled commercial agriculture. The participation was part of the Commission's public awareness, exhibitions and stakeholder engagement activities aimed at enhancing public understanding of the Commission's mandate and promoting awareness of competition and tariff matters.

Thank You
for Reading!

See you in Commission's Q4 Newsletter!!!

CONTACT US AT

COMPETITION AND TARIFF COMMISSION

ADDRESS
23 Broadlands Emerald Hill, Harare

CALL
+2638677700800

WHATSAPP
+263 71 149 5915

EMAIL
director@competition.co.zw

X
@CTCZimbabwe

LINKEDIN
Competition and Tariff Commission Zimbabwe (CTC)

FACEBOOK
Competition and Tariff Commission

COMPETITION & TARIFF COMMISSION

For Economic Recovery Through Fair Business and Trade Practices