

Zimbabwe Postal, Courier & Telecommunications Sectors

Risk-Reward Analysis & Investment Implications

All quantitative data in this report is derived from the Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ)'s inaugural Risk-Reward Index (RRI) Survey published in November 2025. Supporting data sources are the International Telecommunication Union (ITU), Universal Postal Union (UPU), World Bank, UNESCO, IMF, Fitch Solutions BMI, CIA World Factbook and ZIMSTAT. Charts and visualizations are original IHC work produced from POTRAZ source data. IHC analysis & investment commentary represents original editorial content and does not constitute financial advice. This report is prepared for informational purposes. Independent due diligence is advised. IHC does not warrant the accuracy of projections or forward-looking statements.

EXECUTIVE SUMMARY

The Postal and Telecommunications Regulatory Authority of Zimbabwe (POTRAZ) commissioned its inaugural Risk Reward Index (RRI) Survey in November 2025. To do this POTRAZ engaged all 44 licensed operators across Zimbabwe's telecommunications and postal or courier sectors. The study benchmarks Zimbabwe against 18 Sub-Saharan African peers. This produces a dual index framework that unpacks both lived operator realities and external investment perceptions.

As IHC we have put together this analysis to serve as intelligence for prospective investors, financiers and policymakers. Opportunity owners also stand to appreciate some valuable insights from this. This will give you a structured view of Zimbabwe's communications environment. The core insight to take away is that Zimbabwe's communications sector is full of rewards but with systematic risks at play. It is a market full of strategic opportunities ready for uptake by disciplined investors.

Composite Risk-Reward Index (RRI) Scores Summary

NB: A higher score indicates a less favourable risk-reward balance (scores range from 0 being best to 100 being worst).



Figure Combined (Primary & Desk Research) RRI Composite Scores

The compound reward (64.63) and compound risk (64.82) are almost at par. This indicates that any marginal improvement in Zimbabwe's macroeconomic environment can positively shift things. It would effectively tip the balance towards rewards. Some of the core areas where such improvements matter most are currency stability, fiscal discipline and energy reliability. All of this means that there is high optionality for early-stage infrastructure investors and technology partners.

BRIEF NOTE ON METHODOLOGY & INDEX FRAMEWORK

The RRI was developed using a dual index approach. This was co-developed by POTRAZ, Consumer Feedback Consultancy (CFC) and Fitch Solutions BMI. Here is how it was structured:

Index Component	Description
Primary Research RRI	<ul style="list-style-type: none"> • This entailed a census of all 44 licensed operators • It also entailed weightings for risks versus rewards defined by the operators • It also included Porter's Five Forces (industry level) and PESTEL (country level) frameworks
Desk Research RRI	<ul style="list-style-type: none"> • This involved benchmarking Zimbabwe against 18 Sub-Saharan African peers • It entailed 90 standardized indicators from ITU, UPU, World Bank, IMF, Fitch BMI proprietary databases and national statistics offices
Combined RRI (Composite)	<ul style="list-style-type: none"> • This entailed a weighted blend of both indices • Essentially, the operator-derived weights anchor the desk research

● The two analytical frameworks used were Porter's Five Forces and PESTEL. Porter's Five Forces explores threat of new entrants, bargaining power of suppliers and buyers, threat of substitutes and industry rivalry. PESTEL explores political, economic, social, technological, environmental and legal factors at national level.

SECTOR RISK-REWARD PROFILES

The table below disaggregates the combined RRI into its constituent risk and reward scores. This enables a sectoral comparison.

Sector	Compound Risk	Compound Reward	Investment Implications
National Composite	64.82	64.63	<ul style="list-style-type: none"> • This indicates a fragile equilibrium (i.e. reward-rich but risk-heavy) • Macro stabilization is the decisive lever
Telecommunications	66.68	67.53	<ul style="list-style-type: none"> • It is high risk, high reward • Wields the strongest growth opportunity • Digital transformation, fintech integration and demographic demand drive reward • Currency and energy risks are dominant here
Postal & Courier	66.52	64.77	<ul style="list-style-type: none"> • High risk, moderate reward • E-commerce potential is real but is offset by road infrastructure deficits, high fuel costs and the acute threat from informal or unlicensed operators
Country Level (Desk Research)	81.8	73.8	<ul style="list-style-type: none"> • Zimbabwe carries the highest Country Risk score among the 18 benchmarked markets • Country Reward is comparably strong premised on human capital, literacy and digital readiness

TELECOMMUNICATIONS SECTOR IN DETAIL

Zimbabwe's telecommunications sector has an interesting emerging market paradox. As in, there are high-reward opportunities embedded within a high-risk environment. However, the sector is extremely important; it is the digital anchor of the Zimbabwean economy. Foreign currency and energy dynamics cause high costs of ownership for infrastructure investments.

Key Reward Drivers Cited By Operators

- Digital economy and e-commerce growth are the highest opportunities
- Mobile money and digital financial services integration carry huge prospects
- Rapidly growing tech-savvy youth demographic is accelerating data demand
- There is significant need for infrastructure improvements
- There is renewable technology adoption potential

Key Risk Factors Cited By Operators

- Currency exchange rate volatility is a significant concern
- There is low national readiness for AI adoption
- Cybersecurity resilience gaps are a concern and thus a material liability as digital services scale
- Econet's dominant market position limits competitive dynamics for new entrants
- Data transfer speeds trail behind 12 peer markets thus constraining digital service monetization

The telecommunications sector will reward investors who can de-risk the energy and foreign currency bottlenecks. Off-grid solar or hybrid tower financing is a good entry point. Domestic device financing schemes is another one. Infrastructure-sharing structures is yet another entry point. All these effectively reduce CAPEX per subscriber. The digital demand fundamentals are solid.

POSTAL & COURIER SECTOR IN DETAIL

This sector's risk profile is more nuanced. Its Combined RRI is marginally better than the telecommunications sector. However, its Compound Risk score is the highest amongst all the 18 benchmarked markets. This is predominantly driven by macroeconomic instability and cost pressures. It is not driven by dynamics specific to the sector per se.

Key Reward Drivers Cited By Operators

- There is high optimism for e-commerce driven demand for last mile logistics
- There is a high Country Reward score anchored by Zimbabwe's high literacy rates and rising digital payment adoption
- E-commerce integration with the postal network positions Zimbabwe's outlets as last mile fulfilment infrastructure
- Local SME ecosystem development is a cost reduction and supply chain lever

Key Risk Factors Cited By Operators

- Informal or unlicensed courier competition is a significant threat
- Road infrastructure deterioration creates delivery unpredictability and raises vehicle maintenance costs
- High fuel and electricity costs are significant
- Zimbabwe's Postal and Courier Industry Risk score is the second highest amongst the 18 peer markets surveyed
- There is limited tracking and tracing capabilities

The opportunities primarily lie in structural transformation, not necessarily incremental improvement. Investors should introduce digital parcel tracking, route optimization technology and automated sorting into the formal postal network. That way they can capture significant market share from informal operators. Simultaneously, this makes them qualified for ESG-aligned capital. This is especially so given the sector's financial inclusion and last mile positioning.

REGIONAL BENCHMARKING BASED ON DESK RESEARCH

Telecommunications Sector

- The lower the RRI score, the better. Zimbabwe ranks 16 out of 18.








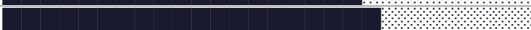










RANK	MARKET	RRI SCORE	RISK PROFILE
1	Kenya	30.1	
2	Senegal	32.8	
3	Namibia	34.2	
4	Botswana	34.5	
5	South Africa	36.8	
6	Zambia	46.3	
7	Eswatini	46.7	
8	Tanzania	48.7	
9	Cameroon	49.1	
10	Uganda	51	
11	Rwanda	52.2	
12	Angola	57.7	
13	Lesotho	58.8	
14	Malawi	62.7	
15	Madagascar	62.9	
16	Zimbabwe	63.4	
17	DRC	66.2	
18	Mozambique	66.8	

Figure Regional Telecoms Markets RRI Ranking Based On Desk Research

Apparently, Zimbabwe is in the high-risk zone along with Malawi, Madagascar, DRC and Mozambique. The gap to mid-zone markets (i.e. Zambia, Tanzania and Rwanda) can be closed through targeted macroeconomic reforms. Kenya is a case study on what full policy coherence and infrastructure investment can achieve.

Postal & Courier Sector

- The lower the RRI score, the better. Zimbabwe ranks 16 out of 18.

RANK	MARKET	RRI SCORE	RISK PROFILE
1	Kenya	28.6	
2	South Africa	31.2	
3	Botswana	35.9	
4	Namibia	37.5	
5	Senegal	43.3	
6	Tanzania	43.5	
7	Rwanda	51.6	
8	Uganda	52.5	
9	Eswatini	53	
10	Zambia	53.9	
11	Cameroon	54.1	
12	Angola	59.5	
13	Lesotho	61.8	
14	Madagascar	63.4	
15	Malawi	64.2	
16	Zimbabwe	66.1	
17	DRC	68.8	
18	Mozambique	69.9	

Figure Regional Telecoms Markets RRI Ranking Based On Desk Research

Zimbabwe's postal sector underperformance relative to Zambia, Rwanda and Uganda is attributable to macroeconomic risk. It is not necessarily due to inferior postal infrastructure per se. Zimbabwe's road mean speeds and network density compare favourably to Angola and Madagascar. This indicates that macro stabilization alone can materially improve Zimbabwe's regional competitive position.

OPERATOR SENTIMENTS ON RISK & REWARDS

Top Risk Factors

- All 44 licensed operators rated each risk on 1 to 5 scale. Factors rated 4.0+ indicate highly severe constraints that directly affect CAPEX and OPEX structures. Threshold for investor-critical risk is highlighted in red.

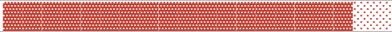









RISK FACTOR	OPERATOR RATING (1 to 5 Scale)	MEAN
Taxation burden on operators		4.41
High inflation		4.30
Energy unreliability (fuel or electricity costs)		4.36
Currency exchange rate volatility		4.20
Poor road infrastructure (last mile disruption)		4.09
Capital requirements to compete		4.07
Dependence on foreign technology vendors		3.93
Poor inter-agency regulatory coordination		3.77
Unpredictable policy shifts		3.70
Informal or unlicensed service alternatives		3.89

Figure Top Risk Factors By Mean Operator Rating

Top Reward Factors

- Reward factors rated 4.0+ indicate strong or very high opportunity perceptions. These are perceptions held across both the Telecommunications and Postal & Courier subsectors. Essentially, these highlight the most credible entry points for investment.











REWARD FACTOR	OPERATOR RATING (1 to 5 Scale)	MEAN
Infrastructure improvement opportunity		4.32
Digital economy and e-commerce ecosystem growth		4.20
Growing urbanisation trends		4.16
Tech-savvy youth population driving data demand		4.14
Mobile money and digital financial services integration		4.11
Smart city and e-government policy alignment		4.11
Growing digital adoption among youth		4.00
E-commerce demand for logistics or last-mile delivery		4.00
First-mover advantage in emerging niches (IoT, e-learning)		3.93
Ability to innovate and bundle services		3.95

Figure Top Reward Factors By Mean Operator Rating

STRATEGIC CONSIDERATIONS

IHC has identified 3 actionable areas of focus that the POTRAZ RRI provides. These are considerations that investors and opportunity owners alike must bear in mind:

De-Risking Infrastructure Unlocks Rewards

● This is the most fundable investment case here i.e. de-risking infrastructure. This is especially so for energy and connectivity. These areas directly address the high-rated risk factors. At the same time, they also capture the highest-rated reward opportunities. These are bankable areas that are even eligible for DFI and impact capital.

E-Commerce Logistics Carries Prospects

● There genuine e-commerce demand that is steadily increasing. The growing urban population and increasing mobile money penetration are anchors to that. Thus, investors who bring in logistics technology and formalize the informal market will capture value. This is value that is currently leaking to unregistered or unlicensed operators. ESG-aligned investors will have some interest here given the financial inclusion and last mile aspects entailed here.

Country Risk Is Macro, Not Sector-Specific

● Zimbabwe's Country Risk score is the highest in the region. This indicates systemic macro conditions, not fundamental sector failure. Telecommunications and Postal sectors continue to generate revenue and pursue expansion. This is despite the systemic macro conditions. This means that sophisticated investors with macro risk management capabilities can tap into the sector's strong reward dynamics. Essentially, it is investors who are abreast with and have access to currency hedging, US\$-denominated offtake structures and political risk insurance.

CONCLUSION

Zimbabwe's postal, courier and telecommunications sectors are currently at an inflection point. The structural enablers for high growth in the digital economy are present. Such core enablers are human capital, digital readiness, urbanization and e-commerce demand. However, they are currently stifled by macrolevel instability and uncertainty. The good thing though is that any marginal positive targeted policy action can significantly reduce that. Bottom line is that all this constitutes the definition of a fundable market. There is a strong asymmetric upside for investors with macro risk management capabilities.



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