

POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ)



'creating a level playing field'

POSTAL & TELECOMMUNICATIONS ABRIDGED SECTOR PERFORMANCE REPORT

FOURTH QUARTER 2024

Disclaimer:

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LIST OF ACRONYMS

2G	Second Generation
3G	Third Generation
5G	Fifth Generation
ADSL	Asymmetric Digital Subscriber Line
GB	Gigabyte
LTE	Long Term Evolution
MB	Megabyte
ML	Machine Learning
PB	Petabyte (1PB = 1 Billion Megabytes)
Mbps	Megabits per Second
VoIP	Voice Over Internet Protocol

MAJOR HIGHLIGHTS

The following are the main sector trends for the fourth quarter, compared to the third quarter of 2024:

- The sector recorded a 3.71% growth in active mobile subscriptions from 15,116,302 to 15,677,094 in the fourth quarter. Resultantly, mobile penetration rate increased from 98.60% to 102.26%.
- Active fixed telephone subscriptions increased by 1.01%, from 295,056 to reach 298,047 in the fourth quarter of 2024, resultantly fixed tele-density increased by 0.02 percentage points from 1.92% to 1.94% in the quarter under review.
- The total number of active Internet/data subscriptions grew by 1.78% from 12,275,147 to reach 12,493,098 in the fourth quarter of 2024.
- Internet penetration rate increased by 1.42 percentage points, from 80.07% to reach 81.49% in the fourth quarter of 2024.
- Broadband penetration rate increased by 1.19 percentage points from 78.20% to 79.39%.
- Significant increase of 41.64% in national mobile voice traffic from 2.81 billion minutes to 3.98 billion minutes in the quarter under review. This is largely attributable to a quantum leap in net-on-net traffic.
- Quantum leap in mobile Internet/data traffic of 24.0% from 78.38 to 97.19 Petabytes (PBs).
- Total voice traffic by the Public Switched Telephone Network (PSTN) Operator contracted by 6.38%, from 62.21 million minutes to record 58.48 million minutes in the quarter under review.
- Total nominal revenue for Mobile Network Operators grew by 88.82% to reach ZWG6.42 billion from ZWG3.40 billion, whilst Mobile Network Operators' operating costs grew by 73.91% from ZWG1.61 billion to ZWG2.8 billion. At the same time, capital expenditure increased by 38.73% from ZWG607.07 million to ZWG842.20 million. In real terms, revenues and operating costs grew by 24.07% and 12.33% respectively, whilst capital expenditure declined by 8.84%.
- IAP nominal revenues grew by 69.92% to record ZWG2.09 billion from ZWG1.23 billion generated in the prior quarter. Meanwhile, operating costs grew by 17.06%, while capital expenditure declined by 1.72% during the quarter under review. In real terms, revenue grew by 11.38% whereas operating costs and capital expenditure declined by 23.08% and 35.42% respectively.

- Used incoming international Internet bandwidth capacity increased by 110.43% from 422,518 Mbps recorded in the third quarter of 2024 to 889,102 Mbps in the quarter under review, whereas used outgoing international Internet bandwidth capacity grew by 34.21% from 126,635 Mbps recorded in third quarter to reach 169,957 Mbps in fourth quarter of 2024.
- Equipped International Internet bandwidth capacity for Internet Access Providers increased by 28.35%, from 1,092,105 Mbps to record 1,401,747 Mbps in the fourth quarter of 2024.
- Postal and courier volumes declined by 27.12%, from 451,486 to record 329,055 items in the quarter under review.
- The total number of operational postal and courier outlets increased to 511 from 503 outlets recorded in the third quarter.
- Postal and courier revenues grew by 92% in nominal terms whilst operating costs declined by 77% and capital expenditure grew by 141% in the fourth quarter. In real terms revenues and operating costs grew by 25.94% and 16.28% respectively, whereas capital expenditure declined by 58.11%.

1.0 MOBILE TELEPHONY

1.1 ACTIVE MOBILE SUBSCRIPTIONS

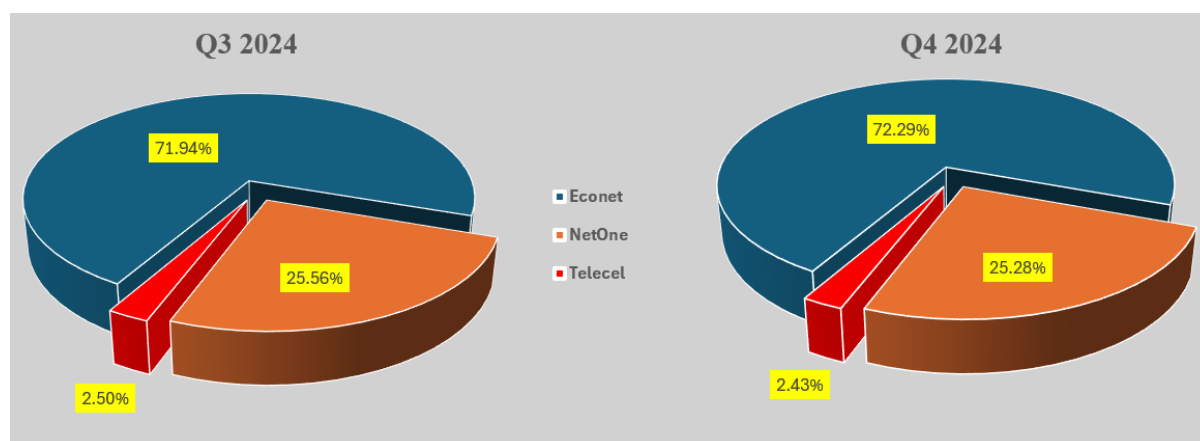
The sector recorded a 3.71% growth in active mobile subscriptions from 15,116,302 recorded in the third quarter of 2024 to 15,677,094 in the quarter under review. Resultantly, mobile penetration rate grew by 3.66 percentage points to record 102.26% from 98.60%. The following table shows a quarterly comparison of active mobile subscriptions:

Table 1: Active Mobile Subscriptions

Operator	Q3 2024	Q4 2024	Change (%)
Econet	10,874,464	11,332,804	4.21%
NetOne	3,864,048	3,963,193	2.57%
Telecel	377,790	381,097	0.88%
Total	15,116,302	15,677,094	3.71%
Mobile Penetration Rate	98.60%	102.26%	3.66

In the quarter under review, all mobile network operators gained subscribers as shown above. Figure 1 below shows a quarterly comparison of market shares of active mobile subscriptions by the three Mobile Network Operators (MNOs):

Figure 1: Market Share of Mobile Subscribers



Econet gained mobile subscribers market share by 0.35 percentage points from 71.94% recorded in the third quarter to 72.29%. Meanwhile, NetOne and Telecel lost subscriber market shares by margins of 0.28 and 0.07 percentage points, respectively.

1.2 MOBILE VOICE TRAFFIC

Mobile Network Operators recorded a massive growth of 41.78% in total voice traffic from 2.81 billion minutes recorded in the third quarter to 3.98 billion minutes in the fourth quarter of 2024. The following table shows per operator total traffic for the MNOs in the quarter under review:

Table 2: Mobile Telephone Traffic by Operator

	Econet	NetOne	Telecel	Total
Total Traffic	3,529,628,662	452,109,614	1,669,888	3,983,408,164

The following table shows a quarterly comparison of total mobile telephony traffic per category.

Table 3: Mobile Telephone Traffic

Traffic category	Q3 2024 (In Minutes)	Q4 2024 (In Minutes)	Change (%)
Net on Net	2,279,669,969	3,415,130,219	49.81%
Mobile to Fixed	3,932,729	3,781,390	-3.85%
Incoming from Fixed	51,591,528	47,296,171	-8.33%
Mobile to Other Mobile	421,279,438	466,286,596	10.68%
Outgoing to IAPs	2,633,327	2,716,222	3.15%
Incoming from IAPs	29,493,672	29,121,323	-1.26%
Total National	2,788,600,662	3,964,331,921	42.16%
International Incoming	16,257,874	15,046,423	-7.45%
International Outgoing	4,106,085	3,429,540	-16.48%
Inbound Roaming	481,766	448,703	-6.86%
Outbound Roaming	173,678	151,577	-12.73%
Total	2,809,620,065	3,983,408,164	41.78%

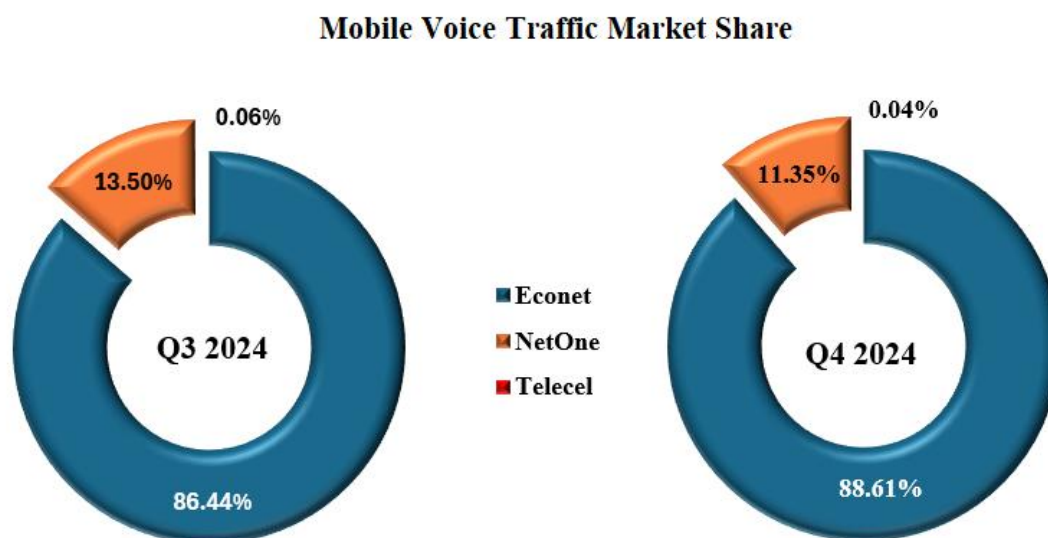
The sector recorded a 49.81% massive growth in net-on-net traffic in the quarter under review, consequently this led to an overall voice traffic growth of 41.78% despite significant contraction in other traffic categories such as international outgoing and incoming from fixed. The overall growth in traffic may be attributed to festive promotions offered during the quarter under review, as well as increased need by users to connect with loved ones, share greetings and make plans for the festive season.

International traffic continued a downward trend due to the substitution effect of third party applications such as WhatsApp, Facebook Messenger, Telegram, and Apple's FaceTime,

amongst others, which offer alternative voice and video calling functions at affordable rates compared to traditional means of communication.

Figure 2 below shows a quarterly comparison of mobile voice traffic market shares for Mobile Network Operators:

Figure 2: Mobile Voice Traffic Market Share



As depicted above, Econet increased its voice market share by 2.17 percentage points, from 86.44% to 88.61% in the quarter under review. NetOne lost voice market share by 2.15 percentage points whilst Telecel continued a downward trend, losing 0.02 percentage points of its market share realised in the prior quarter.

1.3 MOBILE INTERNET/ DATA TRAFFIC

Mobile Internet/data traffic grew significantly by 24.13% from 78.38 Petabytes recorded in third quarter of 2024 to 97.19 Petabytes in the quarter under review. Table 4 below illustrates a per-operator quarterly comparison of Internet/data traffic:

Table 4: Mobile Internet & Data Traffic

Operator	Q3 2024 (MB)	Q4 2024 (MB)	Change (%)
Econet	59,709,473,912	76,428,126,608	28.00%
NetOne	18,397,992,390	20,488,882,172	11.36%
Telecel	275,698,679	276,849,792	0.42%
Total	78,383,164,981	97,193,858,572	24.13%

NB: 1PB = 1,000,000,000MB

During the quarter under review, all mobile operators recorded Internet/data traffic growths. Econet, recorded a quantum leap of 28% in traffic, followed by NetOne (11.36%) and Telecel recorded a marginal growth of 0.42%. The exponential growth in mobile Internet/data traffic over the years may be attributed to several factors, which are but not limited to improved network infrastructure which has improved network speeds, e-commerce and e-learning, wide adoption of smartphones and social media engagement.

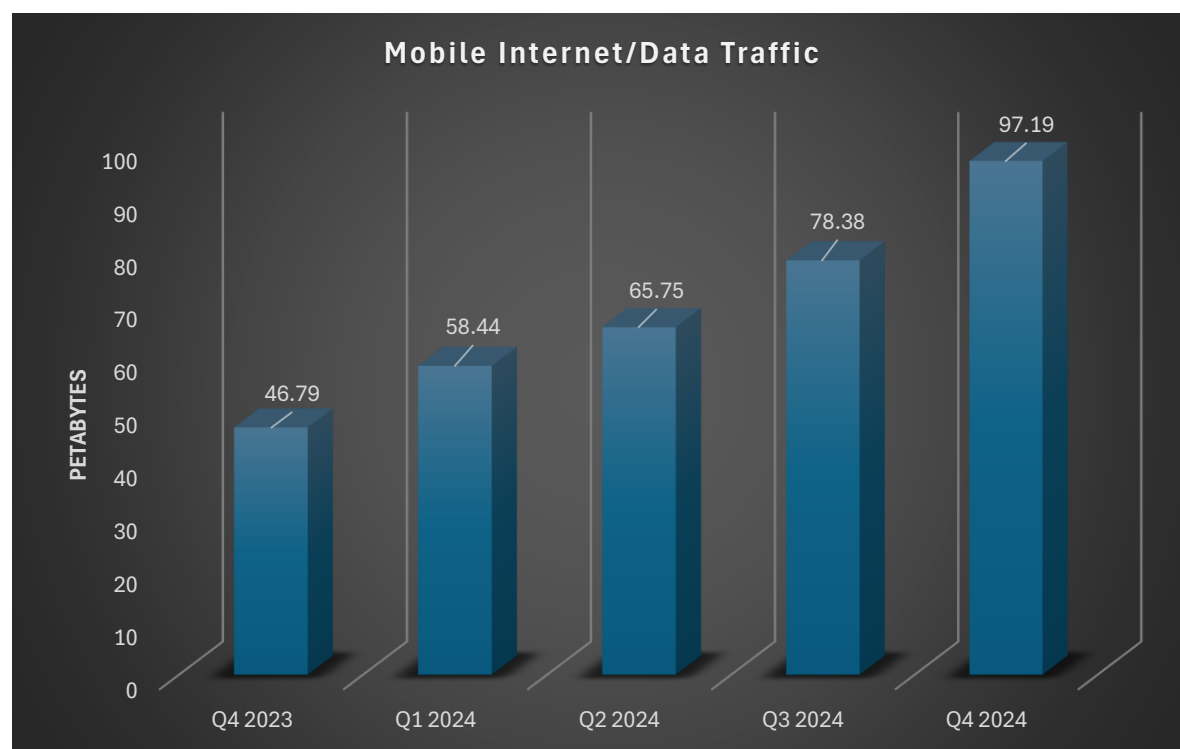
Also, during the quarter under review total outbound roaming data traffic increased by 11.73% whilst total inbound roaming data traffic declined by 6.87% as shown in the table below:

Table 5: Roaming Internet/data Traffic (MB)

Data Roaming traffic	Q3 2024	Q4 2024	Change
Total Inbound Data Roaming (MB)	14,746,229	13,732,594	-6.87%
Total Outbound Data Roaming (MB)	324,758	362,837	11.73%

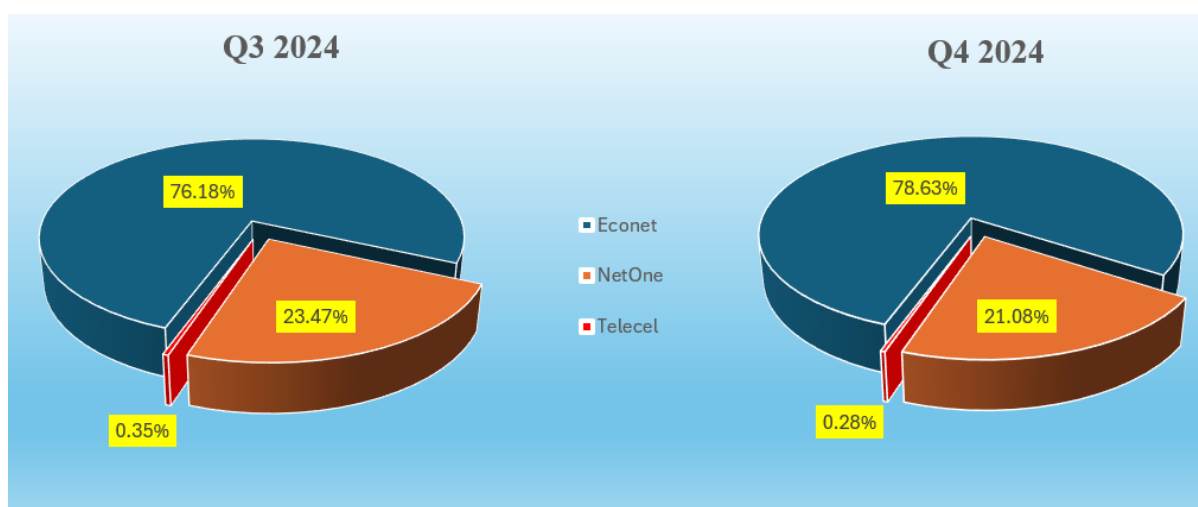
The growth in Internet/data usage over the past year is shown in Figure 3 below.

Figure 3: Mobile Internet & data Traffic in Petabytes (PB)



The market shares for Internet/data traffic are shown in Figure 4 below:

Figure 4: Market Share for Internet & data Traffic



As shown in Figure 4 above, only Econet gained market share for Internet/data traffic in the quarter under review. NetOne and Telecel lost Internet/data traffic market shares by 2.39 and 0.07 percentage points respectively.

1.4 MOBILE REVENUES, COSTS & INVESTMENTS

The growth in mobile revenues, operating costs and capital expenditure in the fourth quarter compared to the third quarter of 2024 is shown in Table 6 below:

Table 6: Mobile Operator Revenues

Operator	Q3 2024 (ZWG)	Q4 2024 (ZWG)	Change (%)	Real Change (%)
Revenue	3,398,104,668	6,416,135,503	88.82%	24.07%
Operating Costs	1,612,903,866	2,757,209,459	70.95%	12.33%
Capital Expenditure	607,067,675	842,203,247	39%	-8.84%

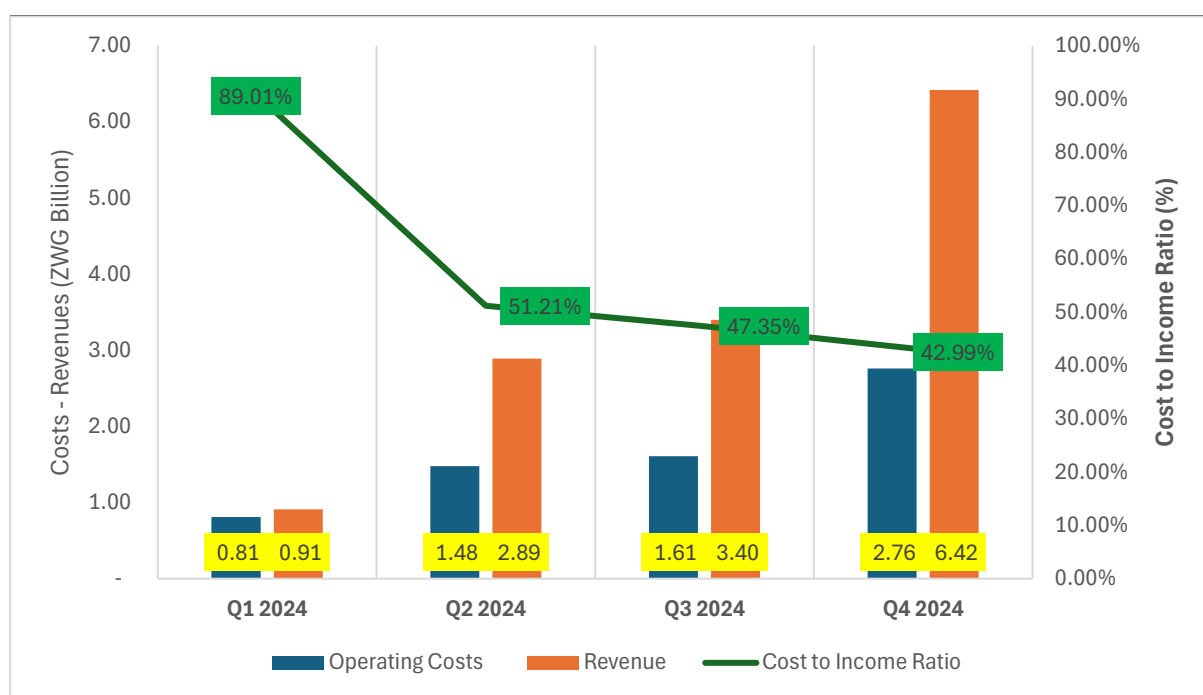
Total nominal revenue for Mobile Network Operators grew by 88.82% to reach ZWG 6.42 billion from ZWG 3.40 billion recorded in the third quarter of 2024. The massive nominal growth in the quarter under review is attributed to the devaluation of the local currency towards the beginning of the fourth quarter from USD1:ZWG13.9987 to ZWG24.3902. In light of this movement, the MNOs sector realized a 24.07% growth rate in real terms, after discounting the

exchange rate changes. On the other hand, aggregate nominal operating costs for MNOs grew by 70.95% from ZWG1.61 billion recorded in the third quarter to ZWG2.8 billion in the fourth quarter of 2024. However, in real terms, operating costs grew by 12.33%.

MNOs total capital expenditure increased by 39% from ZWG607.07 million recorded in third quarter to ZWG842 million. In real terms, capital expenditure declined by 8.84%.

The following figure shows a trend of revenues, operating costs, and cost to income ratios:

Figure 5: MNOs Revenue, Costs & Cost to Income Ratio



At a global level, costs to income ratio improved by 4.36 percentage points in the fourth quarter, signalling improved efficiency and effectiveness in cost management by the MNOs.

1.5 MOBILE TELEPHONY INFRASTRUCTURE

A quarterly comparison of base station deployments per technology is shown in the tabular exposition below:

Table 7: Mobile Base Stations

Operator	2G			3G			LTE			5G		
	Q3 2024	Q4 2024	Net Addition	Q3 2024	Q4 2024	Net Addition	Q3 2024	Q4 2024	Net Addition	Q3 2024	Q4 2024	Net Addition
Total	4,972	4,969	-3	3,675	3,725	50	2,784	2,924	140	81	120	39
Change (%)			-0.06%			1.36%			5.03%			48.15%

As the MNOs strive to enhance connectivity, quality of service and network speeds, effort is being made towards deployment of 5G base stations across the country. This is evidenced by a 48.15% increase in 5G deployments in the quarter under review.

2.0 FIXED TELEPHONY

2.1 SUBSCRIPTIONS

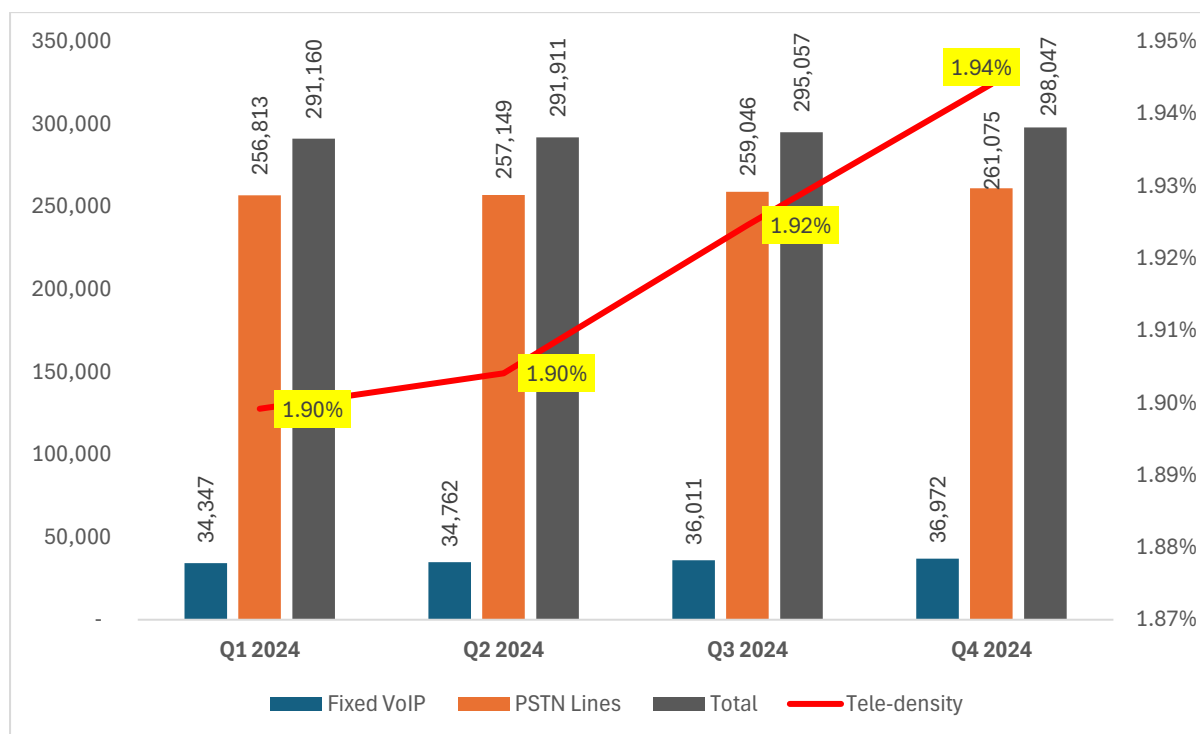
The total number of active fixed telephone subscriptions increased by 1.01% in the fourth quarter of 2024, reaching 298,047 from 295,056 recorded in the previous quarter. Resultantly fixed tele-density grew by a margin of 0.02 percentage points to record 1.94% from 1.92% realised in the prior quarter. The table below shows fixed telephone subscriptions for the fourth quarter of 2024 in comparison to the third quarter:

Table 8: Fixed Telephone Subscriptions

Subscriber Category	Q3 2024	Q4 2024	(%) Growth
PSTN Lines	259,046	261,075	0.78%
Fixed VoIP	36,010	36,972	2.67%
Total	295,056	298,047	1.01%

Figure 6 below shows trend of active fixed subscriptions for the past one year.

Figure 6: Active Fixed Telephone Subscriptions



2.1.1 FIXED VoIP MARKET SHARE

The market shares for fixed VoIP subscriptions are shown in the table below:

Table 9: Market Share for Fixed VoIP Subscriptions

Operator	Q3 2024	Q4 2024	Change
Liquid	57.45%	53.94%	-3.51%
TelOne	5.39%	5.25%	-0.14%
Dandemutande	13.24%	17.71%	4.47%
Africom	23.51%	22.71%	-0.80%
Telco	0.41%	0.39%	-0.02%

As shown in table 9 above, Liquid Intelligent Technologies continued to dominate the VoIP subscriptions market followed by Africom with market shares of 53.94% and 22.71% respectively, albeit the contraction in their market shares during the fourth quarter of 2024. All operators save for Dandemutande, realised market share contraction during the quarter under review as indicated above.

2.2 PSTN VOICE TRAFFIC

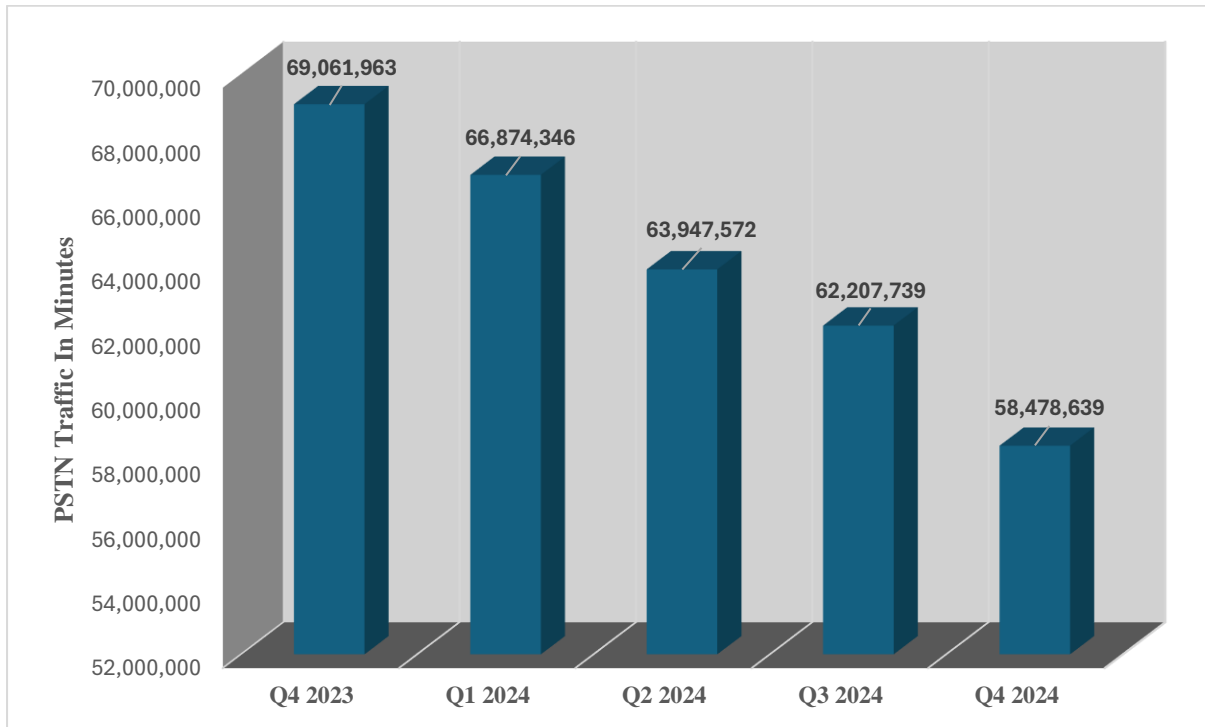
Total voice traffic by the Public Switched Telephone Network (PSTN) Operator declined by 5.99% to record 58.48 million minutes from 62.21 million minutes recorded in the third quarter. The following table shows a quarterly comparison of PSTN traffic per service category:

Table 10: Fixed Voice Traffic (PSTN Traffic)

Traffic category	Q3 2024	Q4 2024	Change (%)
Net on Net	4,969,694	4,712,733	-5.17%
Outgoing to Mobile	50,806,163	47,231,224	-7.04%
Incoming from Mobile	4,030,934	3,795,973	-5.83%
Incoming from IAPs	518,111	511,950	-1.19%
Outgoing to IAPs	659,598	550,631	-16.52%
Total National Voice Traffic	60,984,500	56,802,511	-6.86%
International Incoming	545,007	524,174	-3.82%
International Outgoing	678,231	1,151,954	69.85%
Total traffic	62,207,739	58,478,639	-5.99%

Figure 7 below depicts PSTN voice traffic trend for the past one year:

Figure 7: PSTN Voice Traffic



The Public Switched Telephone Network (PSTN) voice traffic contracted by 5.99% in the fourth quarter of 2024 from the previous quarter. This may be attributed to the substitution effect of Over-The-Top communication applications which use the Internet to offer cheaper communication options.

3 INTERNET & DATA SERVICES

3.0 INTERNET/DATA SUBSCRIPTIONS

The total number of active Internet/data subscriptions increased by 1.78% in the fourth quarter to reach 12,493,098 from 12,275,147 recorded in the third quarter of 2024. Resultantly, Internet penetration rate increased by 1.42 percentage points to reach 81.49% from 80.07% attained in the prior quarter. The following table shows a comparison of active Internet/data subscriptions by technology:

Table 11: Active Internet & Data Subscriptions

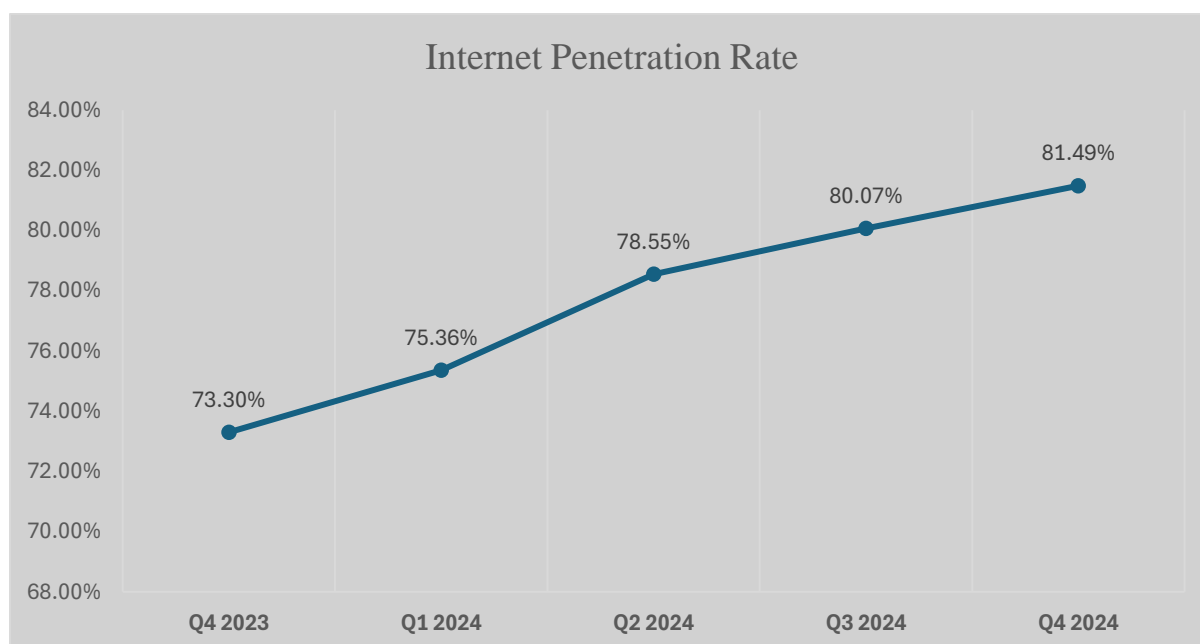
Technology	Q3 2024	Q4 2024	Change (%)
Mobile Internet Subscriptions	11,988,876	12,170,615	1.52%
Fixed LTE	89,716	102,105	13.81%
Leased Lines	2,873	2,871	-0.07%
DSL	98,155	97,667	-0.50%
WiMAX	12,059	16,814	39.43%
CDMA	192	200	4.17%
VSAT	3,814	23,410	513.79%
Active Fibre Subscriptions	79,462	79,416	-0.06%
Total	12,275,147	12,493,098	1.78%

NB: Mobile Internet Subscriptions for the third quarter of 2024 were revised.

Notably VSAT subscriptions skyrocketed by 513.79% to record 23,410 from 3,814 recorded in the previous quarter. This may be attributed to the coming on board of Starlink Zimbabwe.

Figure 8 below depicts Internet penetration rate trend from the fourth quarter of 2023:

Figure 8: Internet Penetration Rate



3.1 IAP REVENUES, OPERATING COSTS & INVESTMENT

Total IAP nominal revenues increased by 69.50% to record ZWG2.09 billion in the fourth quarter, from ZWG1.23 billion generated in the prior quarter. Operating costs grew by 17.06% and capital expenditure decreased by 1.72% as shown in the table below:

Table 12: IAP Revenues, Operating Costs & Capital Expenditure (ZWG)

Metric	Q3 2024 (ZWG)	Q4 2024 (ZWG)	Change (%)	Real Change (%)
Revenue	1,234,769,182	2,092,980,466	69.50%	11.38%
Operating Costs	1,183,086,062	1,384,946,370	17.06%	-23.08%
Capital Expenditure	35,971,380	35,353,950	-1.72%	-35.42%

In real terms, IAPs operating costs and investment decreased by 23.08% and 35.42% respectively during the quarter under review, while revenues registered growth (11.38%).

3.2 INTERNATIONAL INTERNET CONNECTIVITY

3.2.1 EQUIPPED INTERNATIONAL INTERNET BANDWIDTH CAPACITY

Equipped international Internet bandwidth capacity for Internet Access Providers increased by 28.35% to record 1,401,746 Mbps from 1,092,105 Mbps recorded in the third quarter of 2024. Liquid Intelligent Technologies, Dandemutande and Telecontract upgraded their equipped international Internet bandwidth capacities by 35.29%, 52.58% and 25% respectively while, the rest of the operators maintained their previous quarter positions as shown in the Table 13 below:

below:

Table 13: Equipped International Incoming Internet Bandwidth Capacity (Mbps)

Operator	Q3 2024	Q4 2024	Change (%)
Liquid	850,000	1,150,000	35.29%
TelOne	195,000	195,000	0.00%
Powertel	27,100	27,100	0.00%
Dandemutande	17,385	26,526	52.58%
Telecontract	2,000	2,500	25.00%
Africom	620	620	0.00%
Total	1,092,105	1,401,746	28.35%

The table below shows a quarterly comparison of equipped international Internet bandwidth capacity market shares.

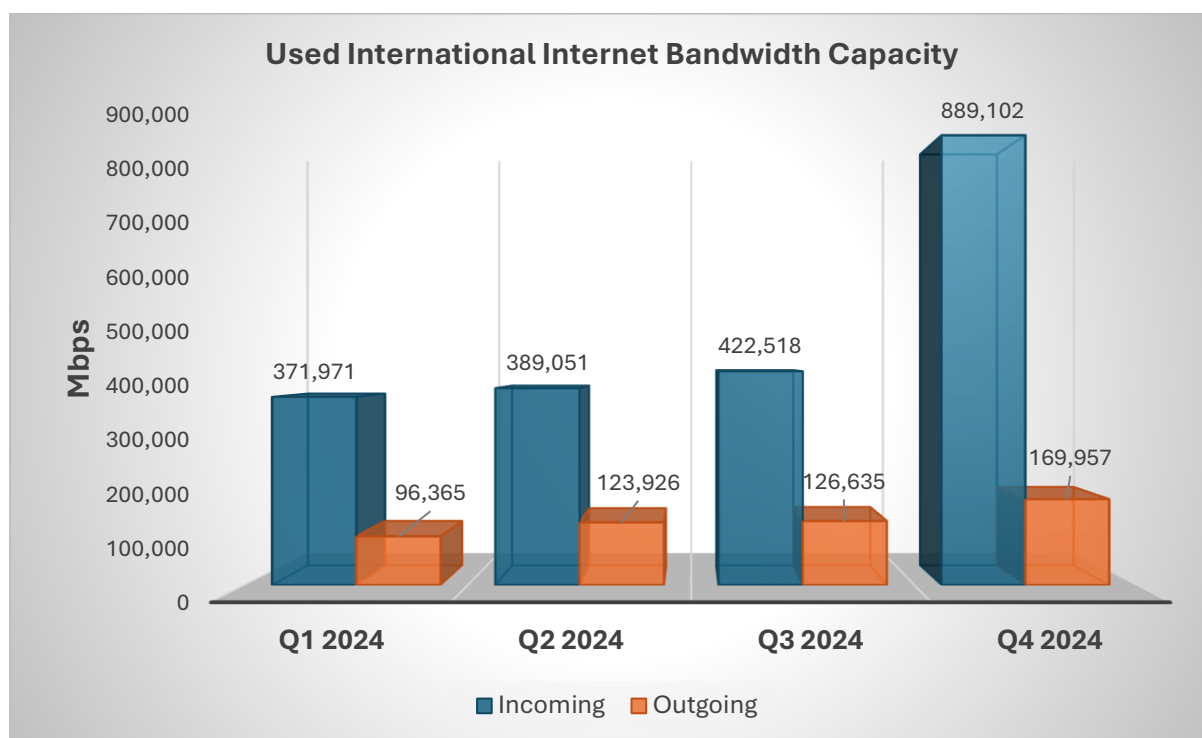
Table 14: Market Share of Equipped International Internet Bandwidth Capacity

Operator	Q3 2024	Q4 2024	Change
Liquid	77.83%	82.04%	4.21
TelOne	17.86%	13.91%	-3.95
Dandemutande	2.48%	1.89%	-0.59
Powertel	1.59%	1.93%	0.34
Telecontract	0.18%	0.18%	0.00
Africom	0.06%	0.04%	-0.02

3.2.2 USED INTERNATIONAL INTERNET BANDWIDTH CAPACITY

A quarterly comparison of used international incoming and outgoing bandwidth capacity is shown below:

Figure 9: Used International Internet Bandwidth Capacity (Mbps)



Used incoming international Internet bandwidth capacity increased by 110.43% from 422,518 Mbps recorded in the third quarter of 2024 to 889,102 Mbps in the quarter under review, whereas used outgoing international Internet bandwidth capacity grew by 34.21% from 126,635 Mbps recorded in third quarter to reach 169,957 Mbps in fourth quarter of 2024.

4.0 POSTAL & COURIER

4.1 POSTAL & COURIER VOLUMES

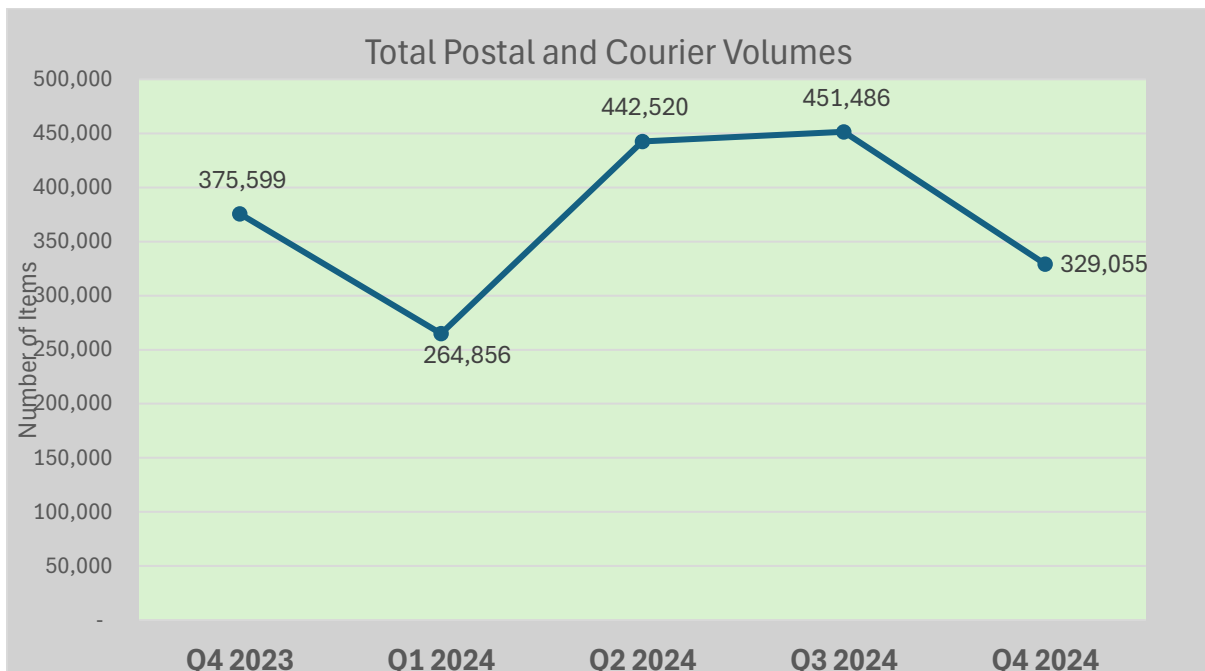
Postal and courier volumes declined by 27.12% to record 329,055 items from 451,486 recorded in the third quarter of 2024. The quarterly comparison per postal/courier category is shown in the Table below:

Table 15: Postal and Courier Volumes

Service Category	Q3 2024	Q4 2024	Change (%)
Domestic postal letters	207,484	125,921	-39.31%
International incoming letters	53,467	43,410	-18.81%
International outgoing letters	474	604	27.43%
Domestic courier	160,922	127,763	-20.61%
International incoming courier	19,374	17,993	-7.13%
International outgoing courier	9,765	13,364	36.86%
Total Postal & Courier	451,486	329,055	-27.12%

Figure 10 below depicts the Postal and Courier volumes trend from the third quarter of 2023 to the quarter under review.

Figure 10: Postal and Courier Volumes



4.2 POSTAL DENSITY

The total number of operational postal outlets increased to 281 in the quarter review from 268, whilst courier outlets decreased by 5 outlets to record 230 outlets from 235 recorded in the last quarter. The distribution of courier outlets is tabulated below:

Table 16: Distribution of Courier Outlets

Operator	Q3 2024	Q4 2024	Change (%)
Overnight	8	8	0.0%
UPS	16	16	0.0%
Skynet	32	32	0.0%
Unifreight	36	36	0.0%
DHL	50	45	-10.0%
Fedex	93	93	0.0%
Total	235	230	-2.1%

The postal and courier density improved from 30,479 people per postal/courier outlet to 30,002 people per postal/courier outlet in the quarter under review, as shown in the table below.

Table 17: Postal and Courier Density

Sector Outlets	Q3 2024	Q4 2024	Change (%)
Postal	268	281	4.9%
Courier	235	230	-2.1%
Total	503	511	1.6%
Postal and Courier Density	30,479	30,002	-1.6%

4.3 POSTAL & COURIER REVENUES, COSTS & INVESTMENT

During the period under review, postal and courier nominal revenues grew by 92% whilst operating costs increased by 77% and capital expenditure grew by 141% as shown in the table below:

Table 18: Postal & Courier Revenues, Costs & Capital Expenditure

Metric	Q3 2024	Q4 2024	Change (%)	Real Change (%)
Revenues	95,920,322	183,838,052	92%	25.94%
Operating Costs	123,962,499	219,363,888	77%	16.28%
Capital Expenditure	1,238,698	2,980,376	141%	58.11%
Cost - Income Ratio	129%	119%	-10	

Although not by much, cost to income ratio for the licensed postal and courier operators improved by 10 percentage points from 129% recorded in the previous quarter to 119% in the fourth quarter of 2024.

5.0 OUTLOOK

The fourth quarter of 2024 was a transformative period for Zimbabwe's postal and telecommunications sector, driven by a mix of technological advancements, economic challenges, and regulatory reforms. The accelerated rollout of 5G networks and coming on board of low earth orbit operators, significantly enhanced connectivity, enabling faster and more reliable communication while paving the way for innovative applications such as IoT (Internet of Things) and smart city initiatives. These developments are expected to revolutionize sectors like healthcare, transportation, and urban planning, positioning Zimbabwe to compete more effectively in the global digital economy. Alongside this, the expansion of digital services, including mobile banking, e-commerce, and online education, continues to respond to growing consumer demand for convenience and accessibility, fostering financial inclusion and creating new opportunities for education and entrepreneurship, particularly in underserved areas.

However, the sector faced significant economic challenges, including local currency depreciation against major currencies, which created difficulties for telecommunication operators reliant on imported technology and equipment. This compelled companies to innovate their pricing strategies to maintain competitiveness while ensuring profitability.

Consumer preferences continued to evolve significantly, with a marked shift towards data-centric services, driving demand for reliable and cost-effective telecommunications solutions. Meanwhile, Starlink's market entry disrupted traditional ISPs by offering relatively affordable Internet services, prompting price competition, but sparking debates over licensing and equitable service obligations.

Going forward the sector envisages a growth trajectory driven by increased adoption of emerging technologies like AI, IoTs and ML. Exchange rate stability of ZWG provides a stable operating environment bringing some optimism on the trajectory of the sector in 2025.