

POSTAL AND TELECOMMUNICATIONS REGULATORY AUTHORITY OF ZIMBABWE (POTRAZ)



'creating a level playing field'

POSTAL & TELECOMMUNICATIONS ABRIDGED SECTOR PERFORMANCE REPORT

FIRST QUARTER 2025

Disclaimer:

This report has been prepared based on data provided by service providers. The information provided in this quarterly report is subject to alteration in case of any revisions or updates from the service providers. Whilst the Authority has taken effort to ensure accuracy of the data contained in this report, it is not liable for the inaccuracy of any information.

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LIST OF ACRONYMS

2G	Second Generation
3G	Third Generation
5G	Fifth Generation
CDMA	Code-Division Multiple Access
ADSL	Asymmetric Digital Subscriber Line
GB	Gigabyte
IAP	Internet Access Provider
LTE	Long Term Evolution
MB	Megabyte
PB	Petabyte (1PB = 1 billion Megabytes)
Mbps	Megabits per Second
VoIP	Voice Over Internet Protocol
VSAT	Very Small Aperture Terminal
WiMAX	Worldwide Interoperability for Microwave Access

NOTE TO READERS

All penetration rates are calculated by dividing the total number of subscribers by the total population and multiplying by 100%. Over and above changes in subscriptions, the penetration rates are therefore affected by an increase in the estimated annual population figure, which stands at **15,675,158** according to ZIMSTAT population projections. ZIMSTAT estimates the annual population to increase by a factor of 1.6% per annum.

MAJOR HIGHLIGHTS

The following are the main sector trends for the first quarter of 2025, compared to the fourth quarter of 2024:

- The sector recorded a 1.38% increase in active mobile subscriptions from 15,677,094 to 15,893,626. Despite an increase in the number of subscribers, mobile penetration rate declined by 0.87 percentage points from 102.26% to record 101.39% owing to an annual increase in population figures.
- Active fixed telephone subscriptions increased marginally by 0.91% from 298,047, to reach 300,748. However, fixed tele-density declined by a marginal 0.02 percentage points from 1.94% to 1.92% due to an annual increase in population figures.
- The total number of active Internet/data subscriptions increased by 0.45% from 11,889,736 to 11,942,857 in the first quarter of 2025.
- Internet penetration rate went down by 1.37 percentage points from 77.55% to reach 76.19% owing to a change in annual population figures.
- Broadband penetration rate went down by 1.15 percentage points from 75.52% to 74.37%.
- Total mobile voice traffic increased by 5.38% from 3.98 billion minutes to 4.20 billion minutes in the quarter under review.
- Mobile Internet/data traffic increased significantly by 17.31% from 97.19 Petabytes recorded in fourth quarter of 2024 to 114.02 Petabytes.
- Total voice traffic by the Public Switched Telephone Network (PSTN) Operator declined by 5.19% from 58.48 million minutes to record 55.44 million minutes in the quarter under review.
- Total revenue for Mobile Network Operators declined by 4.20% from ZWG6.42 billion to record ZWG 6.15 billion, whilst aggregate operating costs increased by 33.46% from ZWG2.8 billion to ZWG3.68 billion. Meanwhile, total capital expenditure decreased by 50% from ZWG842.20 million recorded in fourth quarter of 2024 to ZWG423.81 million during the first quarter of 2025.
- Total IAP revenues grew by 7.87% from ZWG2.09 billion in the fourth quarter of 2024, to ZWG2.26 billion in the quarter under review. Operating costs and capital expenditure also increased by 14.93% and 252.39%, respectively.
- Equipped international Internet bandwidth capacity increased by 2.29% from 1,401,746 Mbps to 1,433,865 Mbps in the quarter under review.

- Used incoming International Internet bandwidth capacity increased by 202.90% from 889,102 Mbps to 2,693,127 Mbps, whereas Used outgoing International Internet bandwidth capacity grew by 131.43% from 169,957 Mbps to reach 393,323 Mbps in first quarter of 2025.
- Postal and courier volumes declined by 3.88% from 329,055 items to 316,298 in the first quarter of 2025.
- The total number of operational postal and courier outlets increased from 511 to 516 outlets recorded in the first quarter of 2025.
- Postal and courier revenues, operating costs and capital expenditure declined by 15%, 21% and 68%, respectively.

1.0 MOBILE TELEPHONY

1.1 ACTIVE MOBILE SUBSCRIPTIONS

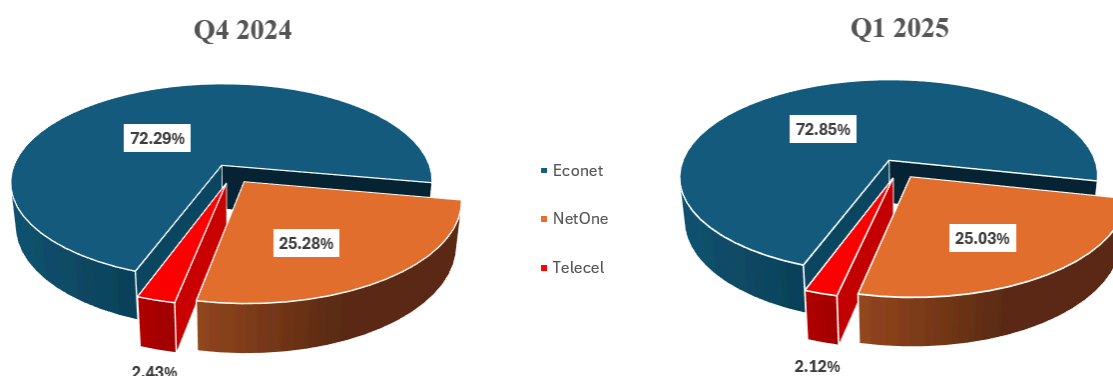
The sector recorded a 1.38% increase in active mobile subscriptions from 15,677,094 recorded in the fourth quarter of 2024 to 15,893,626 in the quarter under review. Despite an increase in the number of subscribers, mobile penetration rate declined by 0.87 percentage points from 102.26% to record 101.39%, owing to a corresponding increase in estimated population figures. The following table shows a quarterly comparison of active mobile subscriptions:

Table 1: Active Mobile Subscriptions

Operator	Q4 2024	Q1 2025	Change (%)
Econet	11,332,804	11,578,890	2.17%
NetOne	3,963,193	3,978,177	0.38%
Telecel	381,097	336,559	-11.69%
Total	15,677,094	15,893,626	1.38%
Mobile Penetration Rate	102.26%	101.39%	-0.87

In the quarter under review, Econet and NetOne increased subscribers by margins of 2.17% and 0.38% respectively, whilst Telecel lost subscribers by 11.69% 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 0.56 percentage points from 72.29% recorded in the fourth quarter to 72.85%. Meanwhile, NetOne and Telecel lost subscriber market shares by margins of 0.25 and 0.31 percentage points, respectively.

1.2 MOBILE VOICE TRAFFIC

Mobile Network Operators recorded a 5.38% increase in total voice traffic from 3.98 billion minutes to 4.20 billion minutes in the first quarter of 2025. The following table shows per operator total traffic for the MNOs in the quarter under review compared to the previous quarter:

Table 2: Mobile Telephone Traffic by Operator

Operator	Q4 2024	Q1 2025	Change (%)
Econet	3,529,628,662	3,689,230,138	4.52%
NetOne	452,109,614	507,523,225	12.26%
Telecel	1,669,888	947,186	-43.28%
Total	3,983,408,164	4,197,700,549	5.38%

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

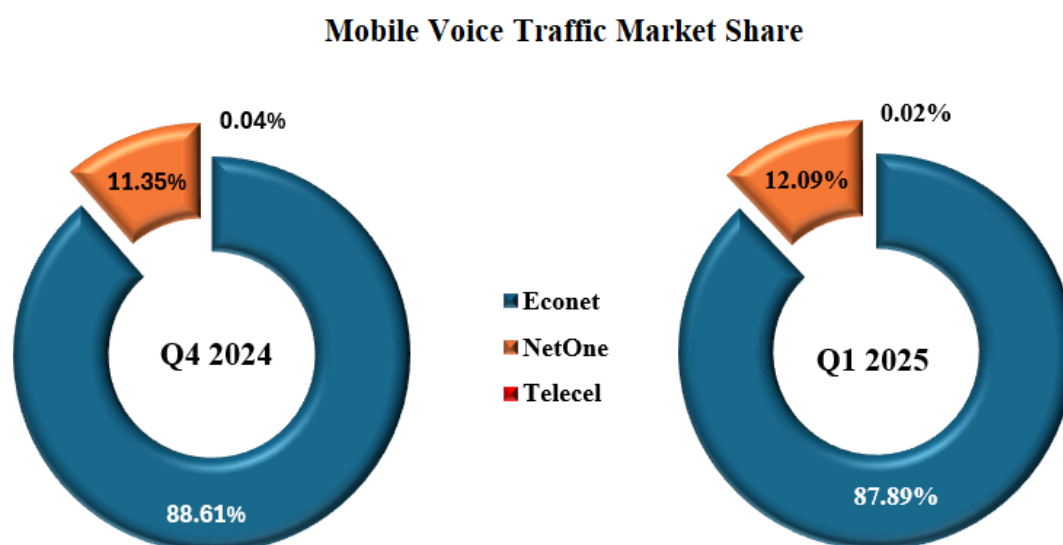
Table 3: Mobile Telephone Traffic

Traffic category	Q4 2024 (In Minutes)	Q1 2025 (In Minutes)	Change (%)
Net on Net	3,415,130,219	3,674,658,552	7.60%
Mobile to Fixed	3,781,390	3,491,395	-7.67%
Incoming from Fixed	47,296,171	45,178,654	-4.48%
Mobile to Other Mobile	466,286,596	427,642,864	-8.29%
Outgoing to IAPs	2,716,222	2,600,092	-4.28%
Incoming from IAPs	29,121,323	27,744,616	-4.73%
Total National	3,964,331,921	4,181,316,173	5.47%
International Incoming	15,046,423	12,292,031	-18.31%
International Outgoing	3,429,540	3,610,706	5.28%
Inbound Roaming	448,703	371,088	-17.30%
Outbound Roaming	151,577	110,550	-27.07%
Total	3,983,408,164	4,197,700,549	5.38%

Despite the increased use of data based services, the sector recorded an overall increase in mobile voice traffic. This may be attributed to on-net bundles and promotions by mobile network operators to stimulate mobile voice usage.

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, NetOne gained mobile voice traffic market share by 0.74 percentage points whilst Econet and Telecel recorded declines in shares by 0.72 and 0.02, respectively.

1.3 MOBILE INTERNET/ DATA TRAFFIC

Mobile Internet/data traffic increased significantly by 17.31% from 97.19 Petabytes (PB) recorded in fourth quarter of 2024 to 114.02 PB 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	Q4 2024 (MB)	Q1 2025 (MB)	Change (%)
Econet	76,428,126,608	92,234,138,261	20.68%
NetOne	20,488,882,172	21,559,678,190	5.23%
Telecel	276,849,792	226,303,448	-18.26%
Total	97,193,858,572	114,020,119,899	17.31%

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

During the quarter under review, all mobile operators, save for Telecel recorded Internet/data traffic growths. The proliferation of smartphones and the popularity of social media platforms have continuously driven Internet/data traffic in the country. Econet recorded a significant increase of 20.68% in traffic, followed by NetOne with 5.23%, meanwhile, Telecel recorded a significant decline of 18.26%.

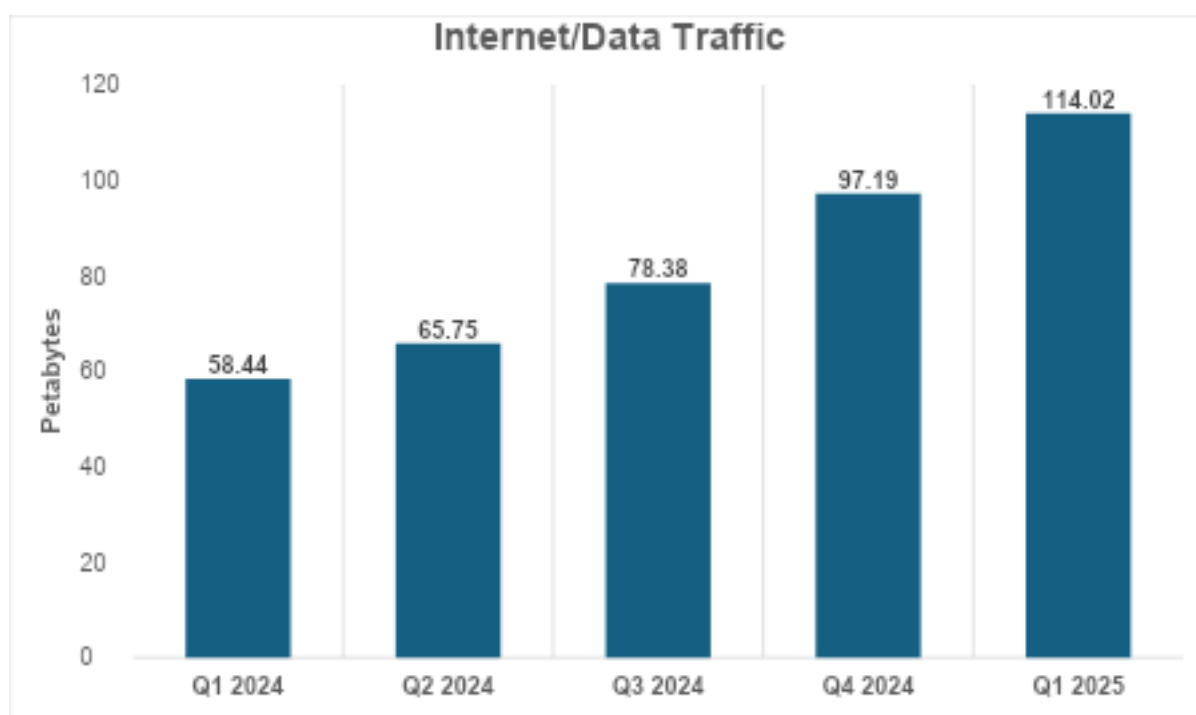
Also, during the quarter under review, total inbound and outbound roaming data traffic declined by 24.65% and 45.47% respectively as shown in the table below:

Table 5: Roaming Internet/Data Traffic (MB)

Data Roaming traffic	Q4 2024	Q1 2025	Change
Total Inbound Data Roaming (MB)	13,732,594	10,347,201	-24.65%
Total Outbound Data Roaming (MB)	362,837	197,872	-45.47%

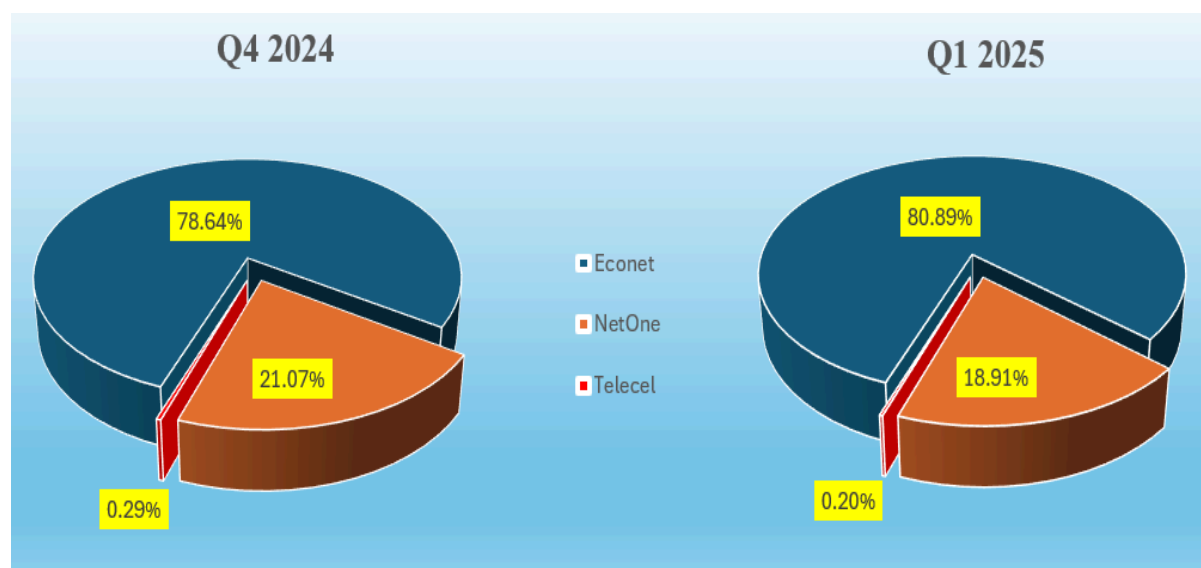
The growth in Internet/data traffic over the past year is shown in Figure 3 below.

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 by 2.25 percentage points in the quarter under review. NetOne and Telecel lost Internet/data traffic market shares by 2.16 and 0.09 percentage points respectively.

1.4 MOBILE REVENUES, COSTS & INVESTMENTS

Total revenue for Mobile Network Operators declined by 4.20% from ZWG6.42 billion to record ZWG 6.15 billion in the first quarter of 2025. Higher revenues in the previous quarter might have been driven by increased consumer spending due to the festive season, while back to school demands could have affected consumers' spending power in the quarter under review. On the other hand, aggregate operating costs for MNOs increased by 33.46% from ZWG2.8 billion recorded in the fourth quarter of 2024 to ZWG3.68 billion in the first quarter of 2025. Meanwhile, MNO total capital expenditure decreased by 50% from ZWG842.20 million to ZWG423.81 million in the quarter under review.

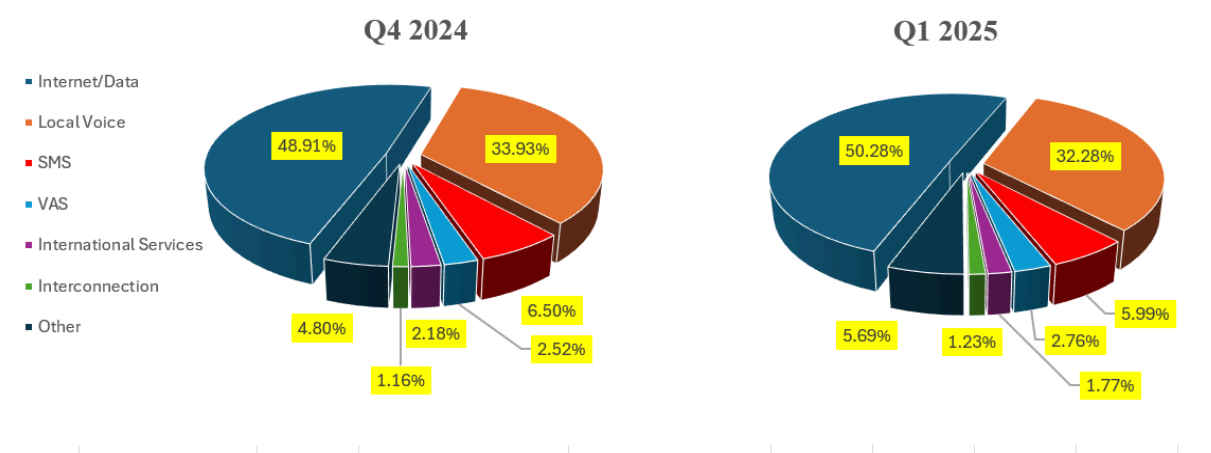
The following table shows revenues, operating costs and capital expenditure for the first quarter of 2025 compared to the fourth quarter of 2024:

Table 6: Mobile Operator Revenues

Operator	Q4 2024 (ZWG)	Q1 2025 (ZWG)	Change (%)
Revenue	6,416,135,503	6,146,369,160	-4.20%
Operating Costs	2,757,209,459	3,679,894,599	33.46%
Capital Expenditure	842,203,247	423,810,558	-50%

Figure 5 below shows a quarterly comparison of MNO revenue contribution by service.

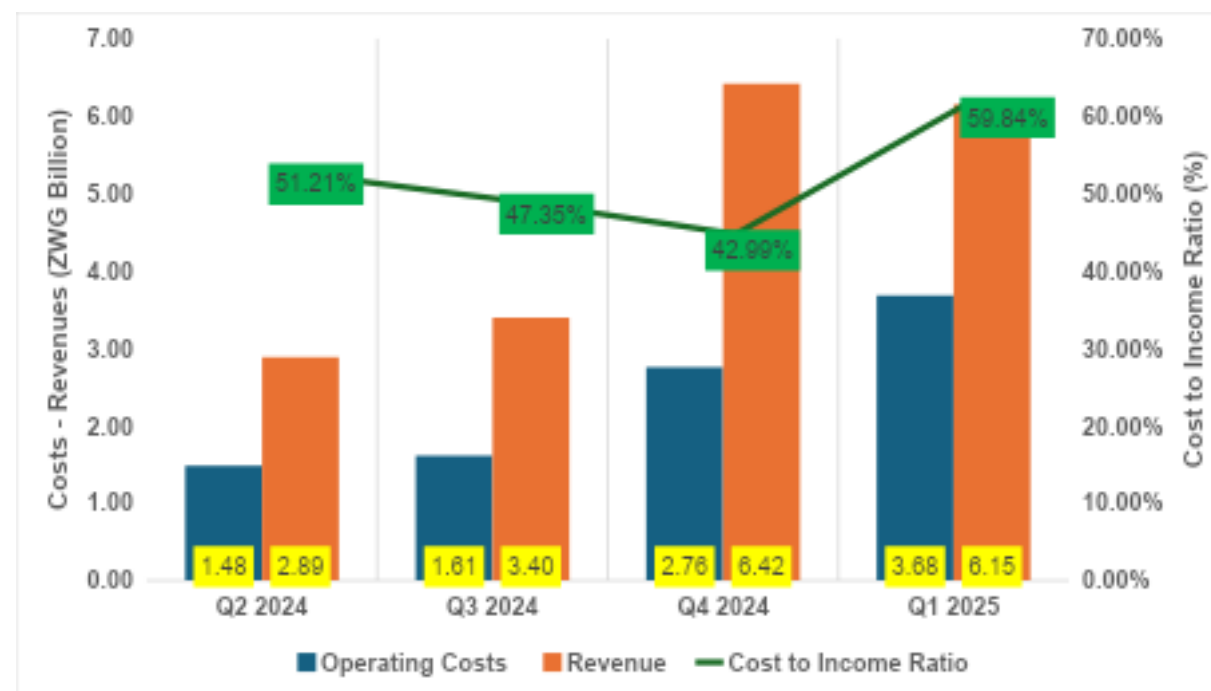
Figure 5: Revenue Contribution by Service



As shown above, Internet/data services have become the biggest revenues contributor for the MNOs as indicated by a move from 48.91% contribution in the previous quarter to 50.28% contribution in the quarter under review. This is attributed to the growing demand for data services and enhanced Internet connectivity, as well as continued shift in consumer preference from consumption of voice centric services to data centric services.

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

Figure 6: MNOs Revenue, Costs & Cost to Income Ratio



At a global level, costs to income ratio worsened significantly by 16.85 percentage points in the first quarter of 2025, signalling a decline in profitability by the MNOs.

1.5 MOBILE TELEPHONY INFRASTRUCTURE

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

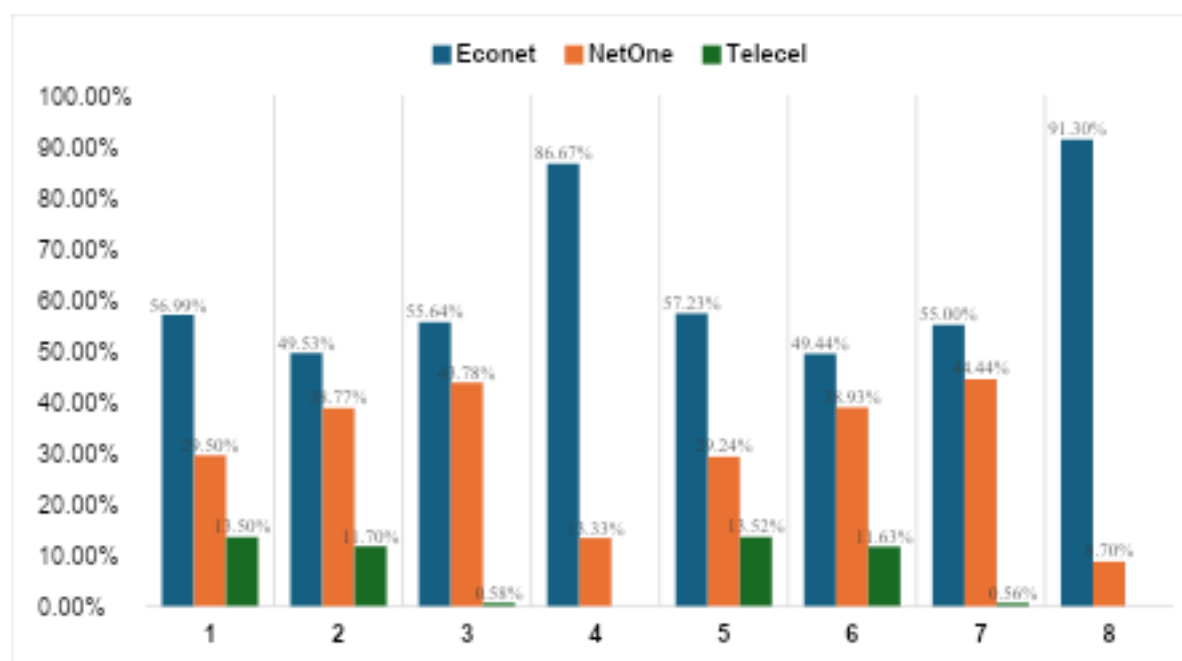
Table 7: Mobile Base Stations

	2G			3G			LTE			5G		
	Q4 2024	Q1 2025	Net Addition	Q4 2024	Q1 2025	Net Addition	Q4 2024	Q1 2025	Net Addition	Q4 2024	Q1 2025	Net Addition
Total	4,969	4,962	-7	3,725	3,748	23	2,924	3,047	123	120	184	64
Change (%)			-0.14%			0.62%			4.21%			53.33%

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 53.33% increase in 5G deployments in the quarter under review.

The market shares of mobile base station infrastructure across all technologies per MNO for the first quarter of 2025 compared to the fourth quarter of 2024 are shown in figure 7 below:

Figure 7: Market Share of Mobile Base Stations



Econet continued to dominate on all base stations across all technologies whilst NetOne had the second largest market share of base stations in the sector followed by Telecel.

2.0 FIXED TELEPHONY

2.1 SUBSCRIPTIONS

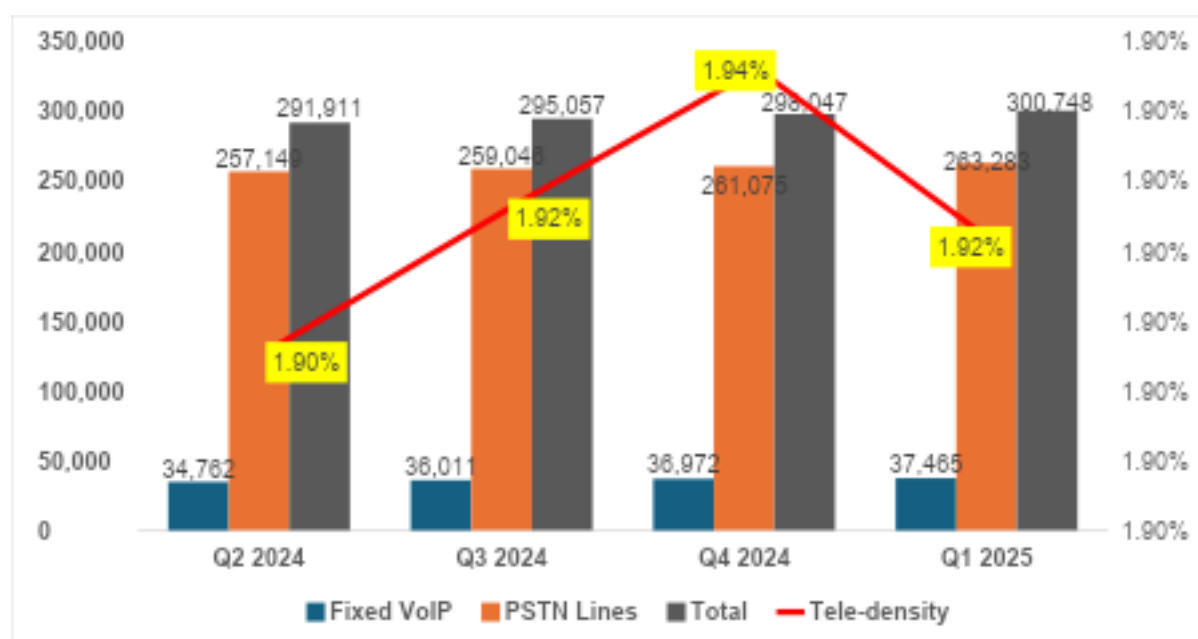
The total number of active fixed telephone subscriptions increased marginally by 0.91% from 298,047 in the fourth quarter of 2024, reaching 300,748 in the quarter under review. Fixed tele-density however declined by a marginal 0.02 percentage points from 1.94% to 1.92% in the first quarter of 2025 owing to a corresponding increase in population figures. The table below shows fixed telephone subscriptions for the first quarter of 2025 compared to the fourth quarter of 2024:

Table 8: Fixed Telephone Subscriptions

Subscriber Category	Q4 2024	Q1 2025	(%) Growth
PSTN Lines	261,075	263,283	0.85%
Fixed VoIP	36,972	37,465	1.33%
Total	298,047	300,748	0.91%

The trend for active fixed subscriptions for the past one-year is shown in Figure 8 below.

Figure 8: 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	Q4 2024	Q1 2025	Change
Liquid	53.94%	53.58%	-0.36
TelOne	5.25%	5.18%	-0.07
Dandemutande	17.71%	17.77%	0.06
Africom	22.71%	23.09%	0.38
Telco	0.39%	0.39%	0.00

As shown in table 9 above, Liquid Intelligent Technologies continued to dominate the VoIP subscriptions market with 53.58%, followed by Africom with 23.09%. Meanwhile, Dandemutande, TelOne and Telecontract had 17.77%, 5.18% and 0.39%, respectively.

2.2 PSTN VOICE TRAFFIC

Total voice traffic by the Public Switched Telephone Network (PSTN) Operator declined by 6.56% from 58.48 million minutes recorded in the fourth quarter of 2024, to record 54.64 million minutes in the quarter under review. The following table shows a quarterly comparison of PSTN traffic per service category:

Table 10: Fixed Voice Traffic (PSTN Traffic)

Traffic category	Q4 2024	Q1 2025	Change (%)
Net on Net	4,712,733	4,158,591	-11.76%
Outgoing to Mobile	47,231,224	45,124,190	-4.46%
Incoming from Mobile	3,795,973	3,475,935	-8.43%
Incoming from IAPs	511,950	470,340	-8.13%
Outgoing to IAPs	550,631	535,550	-2.74%
Total National Voice Traffic	56,802,511	53,764,606	-5.35%
International Incoming	524,174	550,640	5.05%
International Outgoing	1,151,954	325,003	-71.79%
Total traffic	58,478,639	54,640,249	-6.56%

Figure 9 below depicts PSTN voice traffic trend for the past one year:

Figure 9: PSTN Voice Traffic

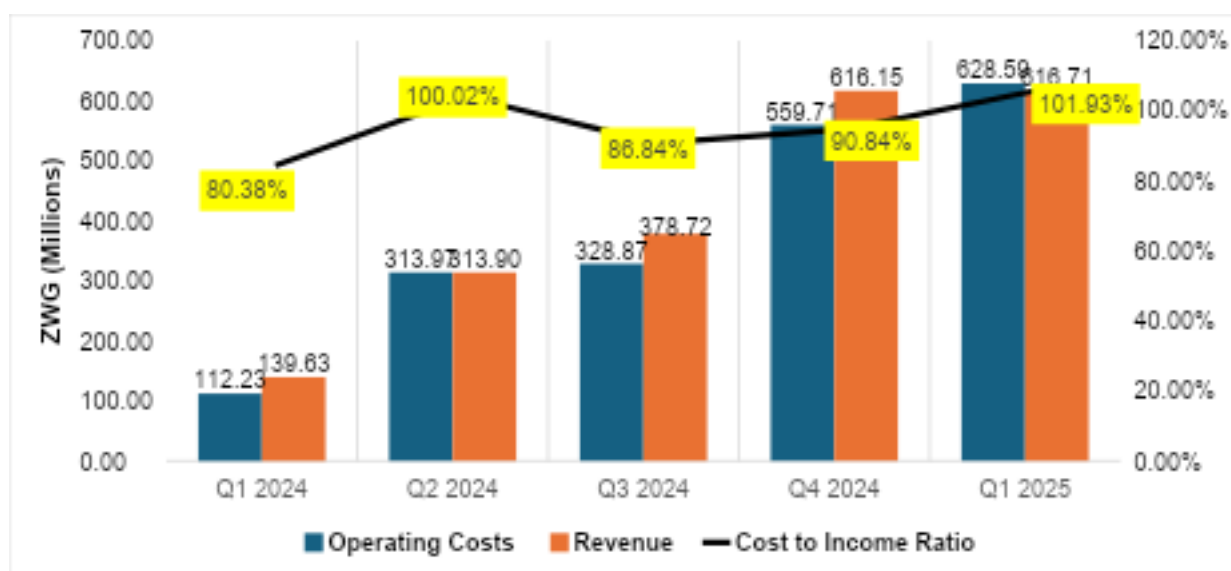


The Public Switched Telephone Network (PSTN) voice traffic contracted by 6.56% in the first quarter of 2025 compared to the fourth quarter of 2024. This may be attributed to the continued substitution effect of Over-The-Top communication applications which use the Internet to offer cheaper communication options, as well as continued movement from fixed to mobile services.

2.3 REVENUES & COSTS

The following chart shows a trend analysis of the fixed network revenue, operating costs, and cost to income ratios.

Figure 10: PSTN Revenues & Costs



An increase in cost to income ratio from 90.84% to 101.93% meant that growth in operating costs outpaced revenue in the quarter under review, signifying reduced business profitability.

3 INTERNET & DATA SERVICES

3.0 INTERNET/DATA SUBSCRIPTIONS

The total number of active Internet/data subscriptions increased by 0.45% from 11,889,736 recorded in the fourth quarter of 2024, to 11,942,857 in the first quarter of 2025. Internet penetration rate, however, went down by 1.37 percentage points from 77.55% to reach 76.19% owing to a corresponding change in annual population figures. Broadband penetration rate also went down by 1.15 percentage points from 75.52% to 74.37%. The following table shows a comparison of active Internet/data subscriptions by technology:

Table 11: Active Internet/Data Subscriptions

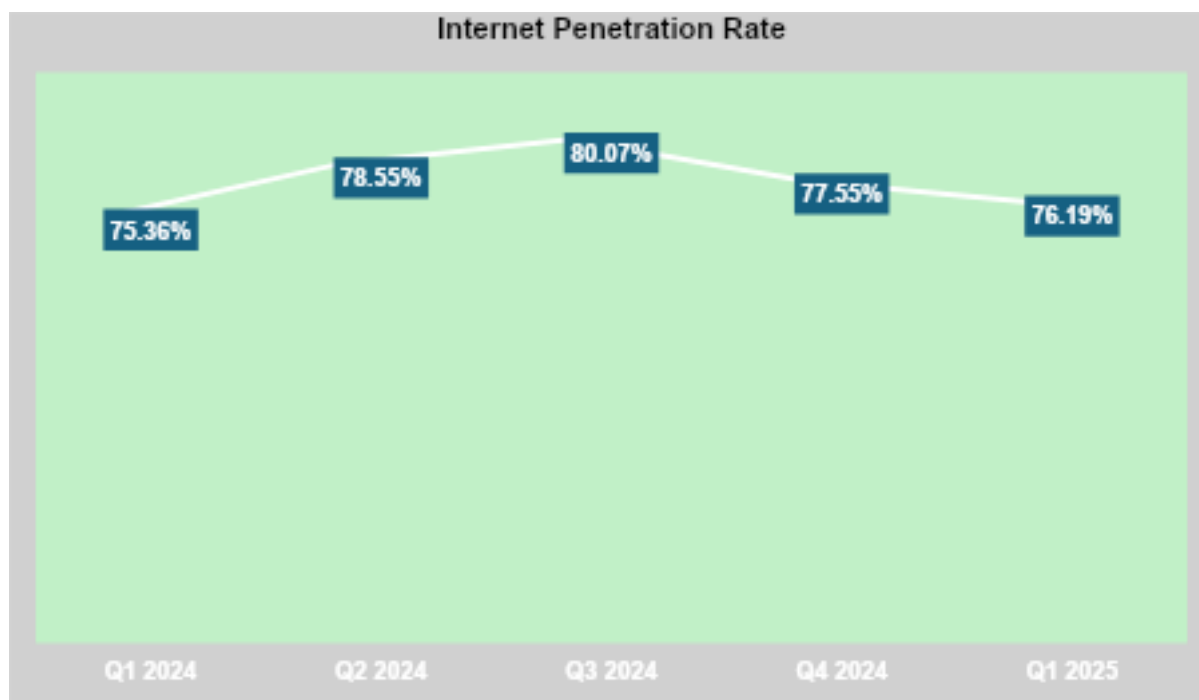
Technology	Q4 2024	Q1 2025	Change (%)
Mobile Internet Subscriptions	11,567,253	11,604,417	0.32%
Fixed LTE	102,105	109,504	7.25%
Leased Lines	2,871	2,863	-0.28%
DSL	97,667	94,346	-3.40%
WiMAX	16,814	19,371	15.21%
CDMA	200	162	-19.00%
VSAT	23,410	30,907	32.02%
Active Fibre Subscriptions	79,416	81,287	2.36%
Total	11,889,736	11,942,857	0.45%

NB: Mobile Internet Subscriptions for Q4 2024 were revised in line with operator submissions.

Notably VSAT subscriptions continued a growth trajectory as evidenced by a 32.02% increase in the quarter under review. This is attributed to the continued increase in Starlink subscriptions.

Figure 11 below depicts Internet penetration rate trend from the first quarter of 2024:

Figure 11: Internet Penetration Rate



3.1 IAP REVENUES, OPERATING COSTS & INVESTMENT

Total IAP revenues grew by 7.87% from ZWG2.09 billion in the fourth quarter of 2024, to ZWG2.26 billion in the quarter under review. Operating costs and capital expenditure also increased by 14.93% and 252.39% respectively as shown in the table below:

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

Metric	Q4 2024 (ZWG)	Q1 2025 (ZWG)	Change (%)
Revenue	2,092,980,466	2,257,708,827	7.87%
Operating Costs	1,384,946,370	1,591,701,748	14.93%
Capital Expenditure	35,353,950	124,584,363	252.39%

3.2 INTERNATIONAL INTERNET CONNECTIVITY

3.2.1 EQUIPPED INTERNATIONAL INTERNET BANDWIDTH CAPACITY

Equipped international Internet bandwidth capacity increased by 2.29% from 1,401,746 Mbps in the previous quarter, to 1,433,865 Mbps in the quarter under review. Powertel and Dandemutande upgraded their equipped international Internet bandwidth capacities by 84.50% and 34.75%, respectively. Meanwhile, the rest of the operators maintained their previous quarter positions as shown in Table 13 below:

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

Operator	Q4 2024	Q1 2025	Change (%)
Liquid	1,150,000	1,150,000	-
TelOne	195,000	195,000	-
Powertel	27,100	50,000	84.50%
Dandemutande	26,526	35,745	34.75%
Telecontract	2,500	2,500	-
Africom	620	620	-
Total	1,401,746	1,433,865	2.29%

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

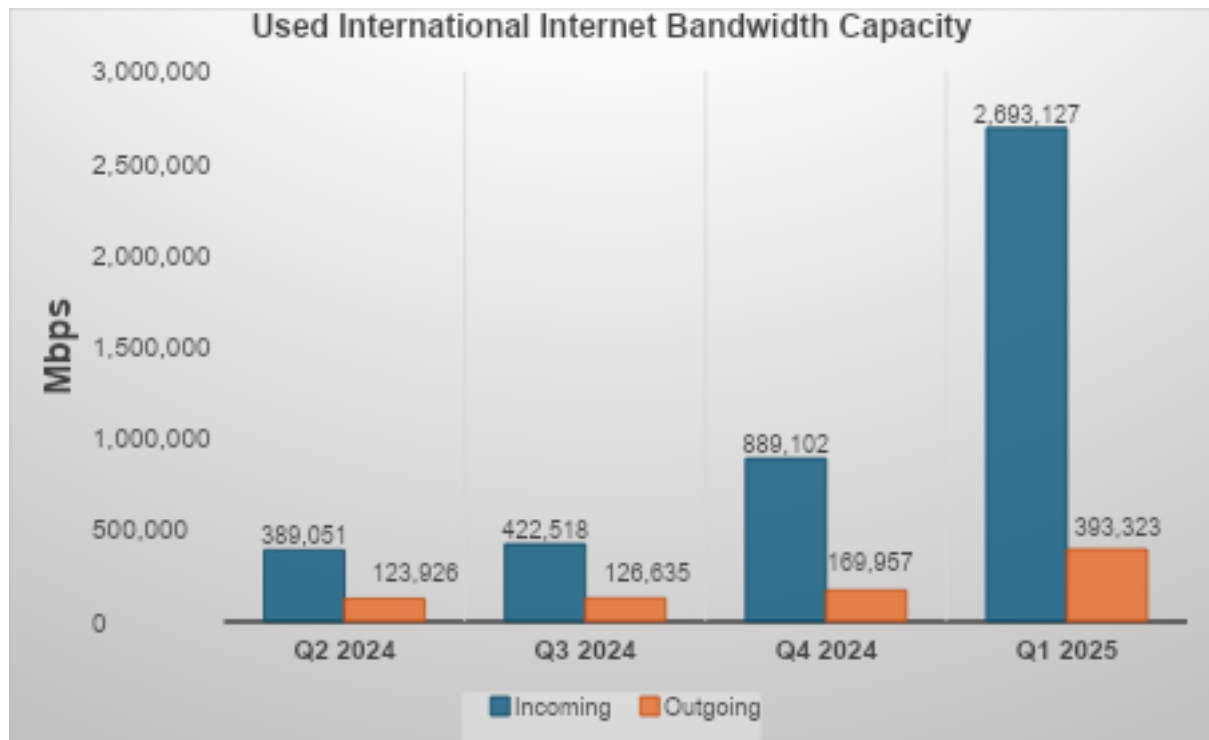
Table 14: Market Share of Equipped International Internet Bandwidth Capacity

Operator	Q4 2024	Q1 2025	Change
Liquid	82.04%	80.20%	-1.84
TelOne	13.91%	13.60%	-0.31
Dandemutande	1.89%	2.49%	0.60
Powertel	1.93%	3.49%	1.56
Telecontract	0.18%	0.17%	-0.01
Africom	0.04%	0.04%	0.00

3.2.2 USED INTERNATIONAL INTERNET BANDWIDTH CAPACITY

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

Figure 12: Used International Internet Bandwidth Capacity (Mbps)



Used incoming international Internet bandwidth capacity increased by 202.90% from 889,102 Mbps recorded in the fourth quarter of 2024 to 2,693,127 Mbps in the quarter under review, whereas Used outgoing International Internet bandwidth capacity grew by 131.43% from 169,957 Mbps to reach 393,323 Mbps in first quarter of 2025. The massive growth in Used incoming International Internet bandwidth capacity may be attributed to Starlink as it commanded 83% of the usage in the quarter under review.

4.0 POSTAL & COURIER

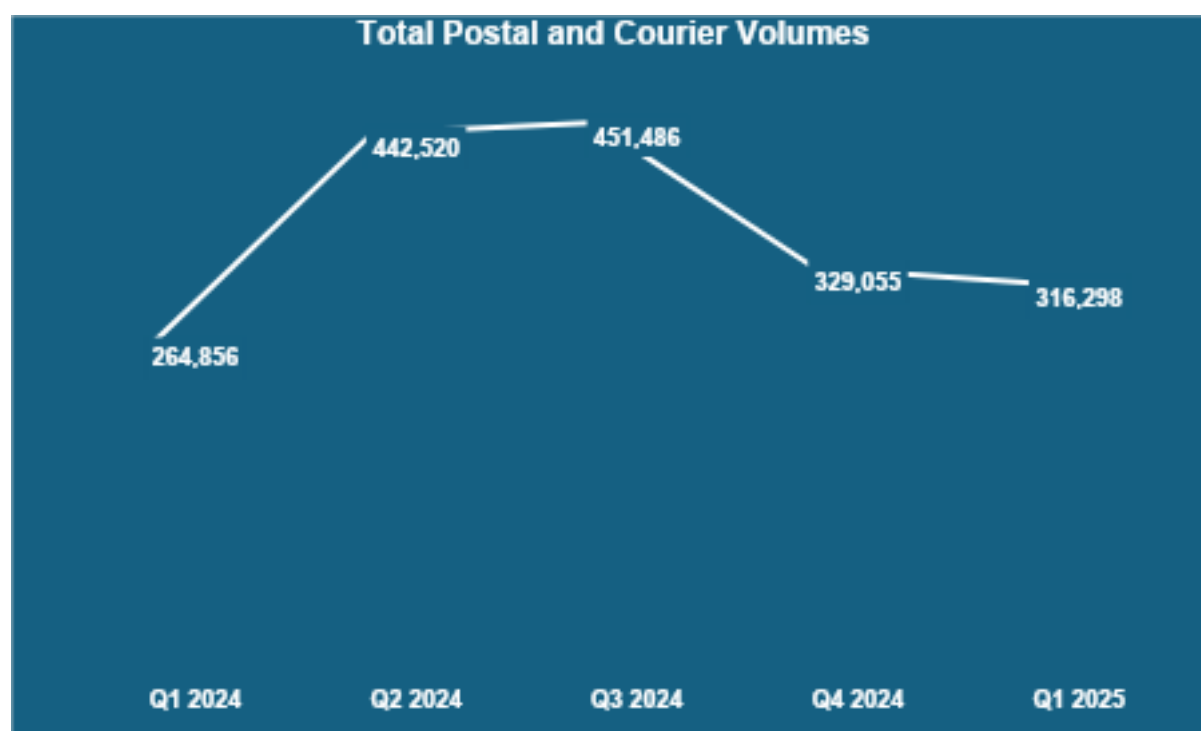
4.1 POSTAL & COURIER VOLUMES

Postal and courier volumes declined by 3.88% from 329,055 items to 316,298 items in the first quarter of 2025. The quarterly comparison per postal/courier category is shown in Table 15 below:

Table 15: Postal and Courier Volumes

Service Category	Q4 2024	Q1 2025	Change (%)
Domestic postal letters	125,921	138,318	9.85%
International incoming letters	43,410	39,879	-8.13%
International outgoing letters	604	708	17.22%
Domestic courier	127,763	106,216	-16.86%
International incoming courier	17,993	19,405	7.85%
International outgoing courier	13,364	11,772	-11.91%
Total Postal & Courier	329,055	316,298	-3.88%

Figure 13 below depicts the Postal and Courier volumes trend from the first quarter of 2024 to the quarter under review.

Figure 13: Postal and Courier Volumes

4.2 POSTAL DENSITY

The total number of operational postal outlets remained 281 in the quarter under review, however courier outlets increased by 5 outlets from 230 recorded in the last quarter of 2024, to 235 in the first quarter of 2025. The distribution of courier outlets is tabulated below:

Table 16: Distribution of Courier Outlets

Operator	Q4 2024	Q1 2025	Net Addition
Overnight	8	8	-
UPS	16	16	-
Skynet	32	32	-
Unifreight	36	36	-
DHL	45	50	5
FedEx	93	93	-
Total	230	235	5

Despite an increase in postal and courier outlets, the postal and courier density worsened from 30,002 people per postal/courier outlet to 30,378 people per postal/courier outlet in the quarter under review, owing to an increase in estimated population as shown in the table below.

Table 17: Postal and Courier Density

Sector Outlets	Q4 2024	Q1 2025	Net Addition
Postal	281	281	-
Courier	230	235	5
Total	511	516	5
Postal and Courier Density	30,002	30,378	

4.3 POSTAL & COURIER REVENUES, COSTS & INVESTMENT

During the period under review, postal and courier revenues, operating costs and capital expenditure declined by 15%, 21% and 68% respectively as shown in the table below:

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

Metric	Q4 2024	Q1 2025	Change (%)
Revenues	183,838,052	156,159,458	-15%
Operating Costs	219,363,888	172,734,653	-21%
Capital Expenditure	2,980,376	966,094	-68%
Cost - Income Ratio	119%	111%	-9

Although not by much, cost to income ratio for the licensed postal and courier operators improved by 9 percentage points from 119% recorded in the previous quarter to 111% in the first quarter of 2025.

5.0 OUTLOOK

Going forward, the sector is well positioned for growth, fuelled by the swift deployment of 5G network, entry of low Earth orbit satellite provider, and the increasing adoption of emerging technologies such as Artificial Intelligence and Machine Learning. With the ZWG exchange rate showing signs of stability, a more favourable operating environment is anticipated, instilling confidence in continued sector development throughout 2025. The African ICT landscape is experiencing robust growth, with projections estimating the industry will surpass US\$160 billion by 2025. Initiatives such as the African Continental Free Trade Area (AfCFTA) are expected to open further opportunities for the ICT sector, fostering enhanced regional connectivity and collaboration. Countries like Nigeria and South Africa remain at the forefront of this digital transformation, demonstrating significant advancements in mobile and internet penetration that serve as benchmarks for Zimbabwe to aspire to.

In conclusion, Zimbabwe's telecommunications and ICT sector stands at a pivotal crossroads, filled with both challenges and opportunities. The sector still faces challenges related to power outages and other macroeconomic challenges, which have compelled operators to rethink their pricing strategies to remain competitive while managing rising operational costs. On the other hand, there has been a clear shift in consumer preferences toward data-driven services, with an increasing demand for reliable and affordable telecommunications options.

The sector can drive higher demand for technology services, further integrating into the global digital economy. Zimbabwe has the potential to emerge as a competitive player in the rapidly evolving African ICT landscape, contributing to economic growth and social development.