

Annual Report

2013

This document contains the Annual Report of the Competition and Tariff Commission, inclusion of the Commission's activities and financial statements for the 2013 reporting year in terms of section 22 of the Competition Act [Chapter 14:28].

**Competition
and Tariff
Commission**

18 March 2014

The Honourable Mike Bimha, M.P.
Minister of Industry and Commerce
Mukwati Building
Cnr Fourth Street/ Livingstone Avenue
Harare

Dear Honourable Minister

I have the honour, Honourable Minister, to submit to you in terms of section 22(1) of the Competition Act [*Chapter 14:28*], the Annual Report of the Competition and Tariff Commission (“the Commission”) covering the reporting year ended 31st December 2013, which incorporates the Commission’s audited financial statement for the relevant year in accordance with the provisions of section 25(2) of the Act.

Yours Faithfully

Dumisani Sibanda
Chairman

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PART I: GENERAL INFORMATION

Country of Incorporation and Domicile	Zimbabwe
Core Business	Regulatory and Advisory Authority, with the twin mandates under the Act of: <ul style="list-style-type: none"> • Implementing and enforcing Zimbabwe’s competition policy and law; and • Executing the country’s trade tariffs policy.
Board of Commissioners	Mr. Dumisani Sibanda – Chairman Mrs. Varaidzo Zifudzi – Vice Chairperson Mr. Peter Kadzere Mrs. Chrysostoma Kanjoma Mr. Anthony Mutemi Mr. Fambaoga L. Myambo Mr. Thulani M. Ndebele Mr. Godfrey Sigobodhla
Management	Mr. Alexander J. Kububa – Director Ms. Ellen Ruparanganda – Assistant Director (Tariffs) Mr. Benjamin Chinhengo – Assistant Director (Competition) Mrs. Emmah Gwatinetsa – Commission Secretary
Contact Details	Block One, 2 nd Floor No.1 Kwame Nkrumah Avenue P. Bag 7774, Causeway Harare Telephone: +263-4-775042/4, +263-4-762063 Fax: +263-4-770175 Website: http://www.competition.co.zw
Auditors	AMG Global Chartered Accountants (Zimbabwe) 1 st Floor, Club Chambers Third Street/ Nelson Mandela Avenue Harare
Bankers	CBZ Bank 60 Kwame Nkrumah Avenue Harare ZB Bank of Zimbabwe Rotten Row Branch Harare
Lawyers	Dube, Manikai and Hwacha Legal Practitioners 6 th Floor, Goldbridge, Eastgate Harare Chihambakwe, Mutizwa & Partners Legal Practitioners No.7 Lawson Avenue Milton Park Harare

PART II: CORPORATE IDENTITY

The Competition and Tariff Commission is a statutory body established under the Competition Act [Chapter 14:28] (hereinafter referred to as “the Act”) to implement and enforce Zimbabwe’s competition policy and law, as well as to execute the country’s trade tariffs policy.

VISION	To be a leading advisory and regulatory authority on competition and trade tariffs internationally
MISSION	<ul style="list-style-type: none">• To promote competition and fair trade through the provision of quality advisory and regulatory services whilst attracting, developing and retaining competent staff;• We will be a responsible corporate citizen.
VALUES	<ul style="list-style-type: none">• Professionalism• Integrity• Fairness and transparency• Innovation• Timeliness• Teamwork

PART III: MANDATE OF THE COMMISSION

The Commission is mandated to regulate competition in all sectors of the Zimbabwean economy, and to give advice on trade tariffs matters. It derives its mandate from the Act. The statutory functions of the Commission in terms of section 5 of the Act are listed in Box 1 below:

Box 1: Statutory Functions of the Commission

- To encourage and promote competition in all sectors of the economy;
- To reduce barriers to entry into any sector of the economy or to any form of economic activity;
- To investigate, discourage and prevent restrictive practices;
- To study trends towards increased economic concentration, with a view to the investigation of monopoly situations and the prevention of such situations, where they are contrary to the public interest;
- To advise the Minister of Industry and Commerce in regard to all aspects of economic competition, including entrepreneurial activities carried on by institutions directly or indirectly controlled by the State, and the formulation, co-ordination, implementation and administration of Government policy in regard to economic competition;
- To provide information to interested persons on current policy with regard to restrictive practices, acquisitions and monopoly situations, to serve as guidelines for the benefit of those persons;
- To undertake investigations and make reports to the Minister of Industry and Commerce relating to tariff charges, unfair trade practices and the provision of assistance or protection to local industry;
- To monitor prices, costs and profits in any industry or business that the Minister of Industry and Commerce directs the Commission to monitor, and to report its findings to the Minister; and
- To perform any other functions that may be conferred or imposed on the Commission by the Competition Act or any other enactment.

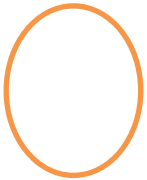
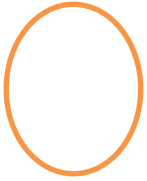
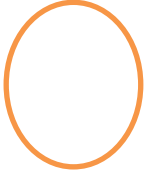
PART IV: INSTITUTIONAL ARRANGEMENTS

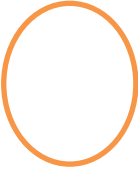
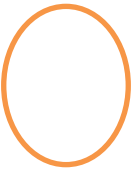
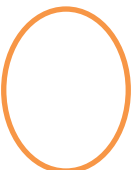
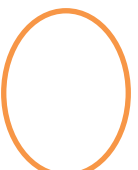

The Commission is both a regulatory authority in its competition operations and an advisory authority in its trade tariffs operations with wide investigative functions. In its competition operations, the Commission has full and final decision-making powers on restrictive and unfair business practices, and mergers and acquisitions. In its trade tariffs operations, the Commission has recommendatory powers on unfair trade practices, as well as on tariff relief applications. It also gives technical and analytical support to Government on trade negotiations.

The Commission has two operating arms, a Board of Commissioners (the adjudicative arm) and the Directorate (the investigative arm).

1. BOARD OF COMMISSIONERS

Members of the Board of Commissioners are appointed on a part-time basis in terms of section 6 of the Act by the Minister of Industry and Commerce, in consultation with the President. The current members of the Board are shown below:

	<p>Mr. Dumisani Sibanda, ACMA, ACIS Chairman</p> <p>Mr. Sibanda is an Associate Member of Chartered Accountants (ACMA) and Associate Member of the Institute of Chartered Secretaries and Administrators (ACIS). He has wide experience in financial accounting which began in 1987 to date. Currently he is the Managing Director of C. Gauche (Private) Limited.</p>
	<p>Mrs. Varaidzo Zifudzi, LLBS, LLM Vice Chairperson</p> <p>Mrs. Zifudzi holds a Bachelor of Laws (Hons) degree from the University of Zimbabwe as well as a Master of Laws from the University of London. She has experience ranging from the corporate and public sector, financial services as well as private practice. She co-founded the setting up of Capital Edge (Private) Limited, an advisory services unit in July 2008 and is currently the Managing Director.</p>
	<p>Mr. Peter Kadzere, BSc Econ (Hons), MBA, FCIS</p> <p>Mr. Kadzere is a holder of a Bachelor of Science Economics (Hons) degree and an MBA both from the University of Zimbabwe. He is a Fellow Member of the Institute of Chartered Secretaries and Administrators (FCIS) and is a registered Public Accountant. He has 25 years of progressive</p>

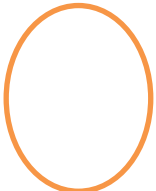
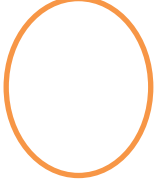
	<p>experience in the insurance, pensions and financial services sectors. He is currently the Managing Director of Kingdom Asset Management and sits on a number of boards.</p>
	<p>Mrs. Chrysostoma Kanjoma, BBS (Hons)</p> <p>Mrs. Kanjoma holds a Bachelor of Business Studies (Hons) degree. She has over 20 years experience in the administration of tax and customs operations. She has extensive knowledge and expertise in auditing and training. Currently, she is employed by Zimbabwe Revenue Authority as Head of Audits for Region 2 (Bulawayo).</p>
	<p>Mr. Anthony Mutemi, BSc Eng (Hons), MBA, FZIE, SAIMEchE</p> <p>Mr Mutemi holds a Bachelor of Science Engineering (Hons), an MBA and a fellow of the Zimbabwe Institution Of Engineers. Mr. Mutemi's experience has in the two decades varied from the shop floor to Boardroom level. He has had commercial experience in General Management, with assignments in Production, Finance, Human Resources and Marketing. He has obtained Economic and Regulatory experience within the context of Competition Law, with specific focus on Restrictive Practices, Mergers and Acquisitions.</p> <p>Mr Mutemi has had business experience in Steel/Mining and in Timber. He has had Regulatory experience in, among others, the Energy and Telecommunications Sectors. He is a member of the Mergers and Restrictive Practices Committee.</p>
	<p>Mr. Fambaoga L. Myambo, MIBA</p> <p>Mr. Myambo holds a Masters degree in International Business Administration. He was the first Zimbabwe Counsellor Commercial to be posted to Nairobi, Kenya (1989-1998). He has developed key competencies in market research, trade negotiations skills, spatial and leadership development. Currently, he is the Deputy Director in the Ministry of Industry and Commerce.</p>
	<p>Mr. Thulani M. Ndebele, BSc Econ (Hons), MBA</p> <p>Mr. Ndebele holds a BSc (Hons) in Economics and an MBA from the University of Zimbabwe. He is an Economist by profession and a Banker by design, having worked for both Standard Chartered Bank Zimbabwe Limited and African Banking Corporation Zimbabwe Limited at senior managerial levels. Currently, he is into Commodity Broking and Consultancy.</p>
	<p>Mr. Godfrey Sigobodhla, BAdmin, MSc Econ</p> <p>Mr. Sigobodhla holds a Bachelor of Administration degree and MSc Economics degree. He is a Public Administrator with over 20 years' experience in the civil service and is specialised in economic development, human resources management and change management. Currently, he is Director in the Ministry of Youth Development, Indigenisation and Empowerment.</p>

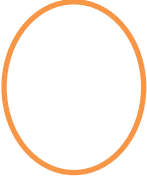
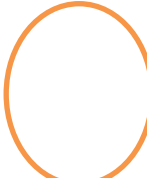

2. DIRECTORATE

The Commission’s Directorate is headed by the Director, who has the statutory responsibilities in terms of section 17(1) of the Act of “administering the Commission’s affairs, funds and property and for performing any other functions that may be conferred or imposed upon him by or under this Act or that the Commission may delegate or assign to him”. The Director is therefore the Commission’s Accounting Officer.

The Commission also has powers under section 17(6) to “appoint at least two Assistant Directors of the Commission to assist the Director in the performance of his functions, one of whom shall be responsible for tariffs and the other for competition”.

The Directorate has a Management Committee, which is chaired by the Director and comprises the Assistant Directors and other divisional/departmental heads, as outlined below:

	<p>Mr. Alexander J. Kububa, BAdmin (Hons), MPA (UZ) Director</p> <p>Mr. Kububa is the founding Director of the Commission. He is a holder of a Bachelor’s Degree in Administration from the then University of Rhodesia, and a Master’s Degree in Public Administration from the University of Zimbabwe. He has studied law and economics in his degree programmes. He also has qualifications in advanced management from Dalhousie University in Canada. Before joining the Commission in 1998, Mr. Kububa was the General Manager and chief executive officer of the Zimbabwe State Trading Corporation (ZSTC), and a senior trade official in the Ministry of Industry and Commerce. He also served as a diplomat at the Zimbabwe Embassy in Brussels.</p> <p>Mr. Kububa has written many articles on competition policy and law, and has been a Resource Person at numerous competition workshops organised by the United Nations Conference on Trade and Development (UNCTAD), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC).</p> <p>Mr. Kububa is the current Chairman of the COMESA Competition Commission (CCC), and has sat on the Boards of a number of enterprises in Zimbabwe, both private and public.</p>
	<p>Ms. Ellen Ruparanganda, BSc Econ (Hons), MBA (UZ) Assistant Director (Tariffs)</p> <p>Ms. Ruparanganda attained a Bachelor of Science Honours degree in Economics and a Master of Business Administration degree from the University of Zimbabwe. She has had vast working experience with Government and in the procurement field. Prior to her engagement with the Commission, she worked in the Ministry of Finance, the State Procurement Board, the then Tender Board, and the Ministry of Economic Planning and Development.</p> <p>Ms. Ruparanganda has been the Assistant Director (Tariffs) within the Competition and Tariff Commission since June 2007.</p>

	<p>Mr. Benjamin Chinhengo, BBS (Hons), MBA (ZOU), ZFETC (HEXCO) Assistant Director (Competition)</p> <p>Mr. Chinhengo has an Honors degree in Business Studies from the University of Zimbabwe, a Master of Business Administration degree from the Zimbabwe Open University, and a Post-graduate diploma in Further Training from the Higher Examination Council of Zimbabwe. Currently, he is studying for a Bachelor of Commercial Law with the University of South Africa.</p> <p>Prior to his engagement with the Commission, Mr. Chinhengo worked in the Ministry of Higher and Tertiary Education and the Agricultural Finance Corporation.</p> <p>Mr. Chinhengo has been Assistant Director (Competition) since May 2008.</p>
	<p>Mrs. Emmah Gwatinetsa, LLBS, MBA (UZ) Commission Secretary</p> <p>Mrs. Gwatinetsa holds a Bachelor of Laws (Hons) degree and a Master of Business Administration degree from the University of Zimbabwe. She has worked as a public prosecutor, and has served as a Legal Officer in the Ministry of Justice and Legal Affairs and in the Attorney General's Office. She has also worked for the City of Harare, and for the Zimbabwe United Passenger Company, before joining the Commission as Commission Secretary.</p>
	<p>Mr. Edgar Rindayi, BAcc Manager (Finance & Administration)</p> <p>Mr. Rindayi holds a Bachelor of Accountancy Honors Degree from the University of Zimbabwe and ACCA. He worked for the Counterpart Zimbabwe as the Accounts Clerk and the Methodist Church in Zimbabwe as an Assistant Accountant. Mr Rindayi also worked for the Cyberplex Africa before joining the Commission as a Sub Accountant. He rose through the ranks to the post of the Manager (Finance & Administration)</p>

The Commission has powers in terms of paragraph 9 of the Second Schedule to the Act “to employ, on such terms and conditions as the Commission thinks fit, such persons as are necessary for carrying out the Commission’s functions and conducting the Commission’s affairs”. In the exercise of those powers, the Commission has recruited full-time members of its Directorate for the conduct of its core business and provision of financial and administrative support services.

The Commission’s Directorate is organized into 3 operational Divisions and 1 support Department: (i) the Competition Division, headed by the Assistant Director (Competition); (ii) the Tariffs Division, headed by the Assistant Director (Tariffs); (iii) the Legal & Corporate Services Division, headed by the Commission Secretary; and (iv) the Finance & Administration Department, headed by a Manager. The broad functions of the Divisions and Department are shown in Table 1 below.

Table 1: Broad Functions of the Directorate’s Divisions and Department

Division/ Department	Broad Functions
Competition Division	The Competition Division investigates restrictive and unfair business practices in terms of Part IV of the Act, as well as examines mergers and acquisitions in terms of Part IVA of the Act. The Division also considers and makes recommendations on applications for authorization of restrictive practices and other anti-competitive conduct.
Tariffs Division	The Tariffs Division investigates unfair trade practices and requests for various forms of tariff relief in terms of Part IVB of the Act. It is also involved in an advisory capacity in the formulation and execution of the country’s trade policy, particularly in the area of trade tariffs. It further gives technical advice and support to Government in trade negotiations with other countries at bilaterail, regional and multilateral levels.
Legal & Corporate Services Division	<p>The Legal & Corporate Services Division provides legal advice internally to the Commission’s Board of Commissioners and other Divisions and Department, as well as briefs and liaises with external lawyers on litigations involving the Commission. It is also involved in competition cases at adjudicative level requiring public/stakeholder hearings.</p> <p>The Division provides secretarial services to the Board of Commissioners, and its Committees, and ensures the enforcement of the Board’s orders and decisions, and is responsible for the Commission’s public relations.</p>
Finance & Administration Department	The Finance & Administration Department is responsible for the provision of financial and administrative support services to the Commission’s operational Divisions, including human resources and training, information technology, and registry services.

A Research Unit was established in the Director’s Office during the 2013 year under review. The main responsibilities of the Unit are to: (i) undertake economic analyses on restrictive business practices and mergers; (ii) write briefing papers on key competition and trade tariffs issues; and (iii) undertake any other research into matters related to the operations of the Commission.

As at the end of the 2013 year under review, the Commission’s Directorate’s staff establishment had a total of 26 employees, of which 4 were in managerial positions, 13 in professional positions, and 9 in financial and administrative support positions. All the managerial and professional staff had the requisite qualifications in the relevant fields of economics, law, administration and management. The Directorate was however under-staffed, as shown in Table 2 below:

Table 2: Directorate Staff Strength As At End of 2013

Division/ Department	Position	No. of Posts On Establishment	No. of Posts Filled	Staff Strength
Director's Office	Director	1	1	100%
	Research Officer	1	1	100%
	Totals	2	1	100%
Competition Division	Assistant Director	1	1	100%
	Chief Economists	2	1	50%
	Senior Economists	2	1	50%
	Economists	6	2	33%
	Law Officers	2	0	0%
	Investigators	5	0	0%
	Totals	18	5	27%
Tariffs Division	Assistant Director	1	1	100%
	Chief Economists	2	1	50%
	Senior Economists	2	1	50%
	Economists	4	1	25%
	Totals	9	4	44%
Legal & Corporate Services Division	Commission Secretary	1	1	100%
	Legal Counsel	1	1	100%
	Legal Officer	1	1	100%
	Public Relations Officer	1	1	100%
	Totals	4	4	100%
Finance & Administration Department	Manager	1	0	0%
	Accountant	1	0	0%
	Administration Officer	1	1	100%
	Human Resources Officer	1	1	100%
	Sub-Accountants	2	2	100%
	Private Secretaries	3	2	67%
	Accounts Officers	2	1	50%
	Administrative Assistant	1	0	0%
	Registry Officer	1	1	100%
	Receptionist	1	1	100%
	Driver/Messengers	2	1	50%
	Office Orderly	1	1	100%
	Totals	17	11	65%
Grand Totals		50	26	52%

The Directorate was operating at just over 50% of its staff strength. The Competition Division, operating at 27% of its staff strength was the most affected, with the Tariffs Division operating at 44% staff strength.

Table 3 below shows the incumbents in the filled posts on the Directorate's staff establishment as at the end of the 2013 year under review:

Table 3: Incumbents in Filled Positions on the Staff Establishment

Division/ Department	Managerial Posts	Professional Posts	Support Posts
Director's Office	A.J. Kububa (Director)	I. Tausha (Research Analytical Officer)	P. Chikotosa (Personal Assistant)
Competition Division	B. Chinhengo (Assistant Director)	<ul style="list-style-type: none"> • C. Mashava (Chief Economist) • C. Dzenga (Senior Economist) • D. Chinoda (Economist) • E. Manjengwa (Economist) 	A. Malunga (Private Secretary)
Tariffs Division	E. Ruparanganda (Assistant Director)	<ul style="list-style-type: none"> • C. Chipanga (Chief Economist) • C. Phiri (Senior Economist) • T. Katsande (Economist) 	A. Malunga (Private Secretary)
Legal & Corporate Services Division	E. Gwatinetsa (Commission Secretary)	<ul style="list-style-type: none"> • L. Jayaguru (Legal Counsel) • M. Chirwa (Legal Officer) • F. Chikosi (PR Officer) 	
Finance & Administration Department		<ul style="list-style-type: none"> • S. Nyatsungo (Admin Officer) • R. Munyanyiwa (HR Officer) 	<ul style="list-style-type: none"> • D. Mwatsveruka (Sub-Accountant) • L. Chiwara (Sub-Accountant) • N. Jaure (Accounts Officer) • S. Mabhureni (Registry Officer) • P. Hove (Receptionist) • S. Murungweni (Driver/Messenger) • T. Chivinge (Office Orderly)

3. ORGANISATIONAL STRUCTURE

Like most other organizational structures, the Commission's organizational structure defines how activities such as task allocation, coordination and supervision are directed towards the achievement of organizational aims. The structure not only depicts the Commission's Strategic Apex, but also its three operational Divisions and support Department. The advantage of such a divisional structure is that it uses delegated authority so that the performance can be directly measured with each group. The structure also attempts to reduce bureaucratic processes in the handling of competition and trade tariffs cases by reducing decision-making layers.

Figure 1 below shows the Commission's current organizational structure:

PART V: CORPORATE GOVERNANCE

The Commission subscribes, and adheres, to good corporate governance principles as enshrined in the *Corporate Governance Framework for State Enterprises and Parastatals* that was published in 2012 by the Ministry of State Enterprises and Parastatals in the Office of the President and Cabinet (OPC).

The Commission understands corporate governance to mean a system by which organisations are directed and controlled. It involves a set of relationships between the organisation's management, Board, shareholders, and other stakeholders. It also provides the structure through which the objectives of the organization are set, and the means of attaining those objectives and monitoring performance are determined.

The Act makes provision on a number of corporate governance principles. Under the Act, the Board of Commissioners and the Directorate are given clear responsibilities, with the Commission having delegated to the Directorate its investigative functions and leaving its adjudicative functions with the Board of Commissioners. This is in line with the rules of natural justice. The following are the other provisions of the Act that are relevant to corporate governance:

- Section 6 of the Act provides that the Board of Commissioners should consist of not fewer than five and not more than ten members, and that the persons appointed as members should “be chosen for their ability and experience in industry, commerce or administration or their professional qualifications or their suitability otherwise for appointment”;
- Section 8 of the Act provides that a member of the Board of Commissioners should hold office for a period not exceeding three years, which can be extended for another three-year term;
- Sections 9 and 10 of the Act provide for clear instances requiring vacation of office by members of the Board of Commissioners, including: (i) intention to resign by the member; (ii) insolvency or bankruptcy of the member; and (iii) imprisonment of the member; as well as being guilty of improper conduct or conduct that is prejudicial to the interests or reputation of the Commission, or being mentally or physically incapable of efficiently performing his functions as a member;
- Section 13 of the Act provides that the Board of Commissioners should meet at least six times in each financial year, and can also hold special meetings;
- Section 14 of the Act provides that for the better exercise of its functions, the Board Commissioners may establish one or more committees in which it may vest such of its functions as it considers appropriate, provided that the vesting of any function in a committee should not divest the Board of that function;
- Section 15 of the Act provides that every member of the Board of Commissioners, or of a committee, should be paid from moneys appropriated for the purpose by Act of Parliament such remuneration as should be fixed by the Minister of Industry and Commerce with the approval of the Minister of Finance, and allowances as should be fixed by the Minister to meet any

reasonable expenses incurred by the member in connection with the business of the Commission;

- Section 16 of the Act provides that members of the Board of Commissioners should disclose certain business connections and interests that might cause conflicts of interests with their work with the Commission, and should not take part in the consideration or discussion which relates to those connections and interests; and
- Section 18 of the Act provides that the Minister of Industry and Commerce may give the Commission general directions relating to the policy the Commission should observe in the exercise of its functions.

1. COMPOSITION OF THE BOARD

The Board of Commissioners throughout the year under review had a complement of 8 members, which was within the provisions of section 6 of the Act and the members of the Board, collectively, have the requisite qualifications and experience in economics, law, accounts, and administration.

All the 8 members of the Board were appointed on a part-time basis for three-year terms of office, as shown in Table 4 below:

Table 4: Commissioners' Terms of Office

Member	Appointment Date	Term Expiration Date
Mr. Dumisani Sibanda (Chairman)	1 January 2013	31 December 2015
Mrs. Varaidzo Zifudzi (Vice Chairman)	1 January 2013	31 December 2015
Mr. Peter Kadzere	1 January 2013	31 December 2015
Mrs. Chrysostoma Kanjoma	1 January 2013	31 December 2015
Mr. Anthony Mutemi	1 January 2013	31 December 2015
Mr. Fambaoga L. Myambo	1 January 2013	31 December 2015
Mr. Thulani M. Ndebele	1 January 2013	31 December 2015
Mr. Godfrey H. Sigobodhla	1 January 2013	31 December 2015

2. STANDING COMMITTEES AND MEETINGS OF THE BOARD

The Board of Commissioners has established in terms of section 14 of the Act four Standing Committees: (i) the Audit & Administration Committee; (ii) the Mergers & Restrictive Practices Committee; (iii) the Tariffs Committee; and (iv) the Legal & Enforcement Committee. The Table below shows the broad functions of the Committees, and their membership as resolved by the Board of Commissioners at its Fifty-Third Ordinary Meeting held on 31 January 2013 (attendance at Committee meetings is however open to all members of the Board of Commissioners).

Table 5: Standing Committees of the Commission

Committee	Broad Functions	Membership In 2013
Audit & Administration Committee	<p>The Audit & Administration Committee oversees the Board's responsibilities related to internal controls, risk management, financial and other resource management.</p> <p>The Committee is a requirement under the Government's Corporate Governance Framework for State Enterprises and Parastatals.</p>	<ul style="list-style-type: none"> • Mr. P. Kadzere (Chairman) • Mrs. C. Kanjoma • Mr. A. Mutemi • Mr. T.M. Ndebele • Mrs. V. Zifudzi
Mergers & Restrictive Practices Committee	The Mergers & Restrictive Practices Committee considers reports on preliminary investigations into restrictive and unfair business practices, and on examinations of mergers and acquisitions, and makes appropriate recommendations to the Board.	<ul style="list-style-type: none"> • Mr. T.M. Ndebele (Chairman) • Mr. P. Kadzere • Mr. A. Mutemi • Mr. F. Myambo • Mr. G. Sigobodhla • Mrs. V. Zifudzi
Tariffs Committee	The Tariffs Committee considers reports on investigations into unfair trade practices and requests for tariff relief, and on other issues related to trade tariffs, and makes appropriate recommendations to the Board.	<ul style="list-style-type: none"> • Mr. F.L. Myambo (Chairman) • Mrs. C. Kanjoma • Mr. T.M. Ndebele • Mr. G. Sigobodhla
Legal & Enforcement Committee	The Legal & Enforcement Committee oversees compliance with the Commission's remedial orders on restrictive business practices and other decisions, as well as with other laws and regulations.	<ul style="list-style-type: none"> • Mrs. V. Zifudzi (Chairperson) • Mr. P. Kadzere • Mr. F.L. Myambo • Mr. T.M. Ndebele

Also established is a Board of Trustees that administers the Commission's Employee Pension Scheme with Old Mutual Pensions. The Board of Trustees is comprised of two members of the Commission's Board of Commissioners, with the Chairman of the Commission's Audit & Administration Committee being the chairman, two members of the Commission's Management, and a member of the Commission's Workers Committee. The Board of Commissioners also has an Executive Committee, which considers high level organizational issues affecting all the operations of the Commission. The Executive Committee is chaired by the Commission Chairman and comprises chairpersons of the Commission's other Standing Committees.

Meetings of the Board of Commissioners are in the form of Ordinary Meetings and Special/Extraordinary Meetings. Public/Stakeholder Hearings are also held by the Board in its role of adjudicating on competition cases. The Pensions Board of Trustees meets occasionally. Standing Committees of the Board meet as and when required, but the practice is that the Committees meet at least once a Quarter and/or in preparation for Ordinary Meetings of the Board.

During the year under review, the Board of Commissioners met a total of six times, four times in Ordinary Meetings and twice in Special Meetings. It also held four Public/Stakeholder Hearings into competition investigations. All the Board's Standing Committees held meetings during the year, with the Audit & Administration Committee having met the most with 8 meetings, as shown in Table 6 below.

Table 6: Number of Commission Meetings in 2013

Type of Meeting	Abbreviation	No. of Meetings
Ordinary Board Meeting	OBM	4
Special Board Meeting	SBM	2
Audit & Administration Committee	A&AC	8
Mergers & Restrictive Practices Committee	M&RPC	5
Tariffs Committee	TC	2
Legal & Enforcement Committee	L&EC	2
Executive Committee	EC	1
Public/Stakeholder Hearings	P/SH	4
Total No. of Meetings		24

All the Commission Meetings held during the year under review were well attended by members of the Board of Commissioners, with no quorum problems experienced at any of the meetings.

Table 7: Attendance at Commission Meetings in 2013

Total No. of Meetings	4	2	8	5	2	2	4	1	23
Member	OBM	SBM	A&AC	M&RPC	TC	L&EC	P/SH	EC	Total
D. Sibanda (Chairman)	4	2	n/a	n/a	n/a	n/a	4	1	11
V. Zifudzi (Vice Chairperson)	4	2	7	4	n/a	2	4	1	24
P. Kadzere	4	2	7	5	n/a	2	3	1	24
C. Kanjoma	3	1	3	n/a	1	n/a	2	n/a	10
A. Mutemi	2	2	5	4	n/a	1	4	n/a	18
F.L. Myambo	4	1	3	3	2	2	3	1	19
T.M. Ndebele	4	2	5	5	2	2	4	1	26
G. Sigobodhla	1	0	n/a	0	0	n/a	2	n/a	3

3. COMMISSIONERS REMUNERATION

In accordance with the provisions of section 15 of the Act, the remuneration of the members of the Board of Commissioners during the year under review consisted of Board fees, and Board and Committee sitting fees. The members were also given transport allowances to meet the costs of their private vehicles on official Commission business, as well as airtime allowances for conducting Commission business using their mobile cellphones. The remuneration levels were approved by the Minister of Industry and Commerce, and these are shown in Table 8 below.

Table 8: Approved Commissioners Remuneration Levels in 2013

Member	Board Fees (US\$/month)	Board Sitting Fees (US\$/sitting)	Committee Sitting Fees (US\$/sitting)	Transport Allowance (US\$/month)	Airtime Allowance (US\$/month)
Chairman	125	100	100	100	75
Vice Chairman	100	90	90	50	70
Other Members	80	80	80	50	45

PART VI: CHAIRMAN'S STATEMENT

Policy Direction

The Commission has now come of age as shown by the depth and impact of its operations during 2013. The Commission is involved in the implementation of two very important economic policies – competition policy and trade tariffs policy, which have direct relationships with other public policies, such as industrial, investment, intellectual property, privatization, indigenization, and sector regulatory policies. As stated by Khemani (1999), “the competitive process should be protected not to maintain and promote competition for competition’s sake but to achieve other objectives” of an economic nature, since “competition policy aims to serve the broad public interest and thus includes sociopolitical goals”.¹

The Commission has therefore recognized the need to implement competition and trade tariffs policies in coherence with the Government’s other socio-economic policies.

The two competition studies that the Commission was involved in during the year under review, on prevention of insolvency, and on entry barriers into the mining industry, are aimed at achieving the above objectives. Company closures from insolvencies lead to increased market concentrations that breed anti-competitive practices. Such closures should therefore be prevented by tackling the root cause. Removal of entry barriers into markets and industries increase competition in the markets, which is essential for increased efficiency and consume welfare. Increased competition in the mining industry by the removal of entry barriers into that industry therefore has positive economy effects in relation to efficiency and technological advancement.

The extension of the Commission’s role from being a mere investigating and remedying agent of restrictive business and unfair trade practices to a wider developmental agent increases its importance and relevance.

Board of Commissioners

The terms of office of 8 members of the 10-member Board of Commissioners were extended for three years with effect from 1 January 2013. The appointment of the remaining two members of the Board was however still outstanding by the end of the year under review.

The Board was extremely busy during the year under review, and all Board members were actively involved in the Commission’s activities. A total of twenty-three Commission meetings were held during

¹ R. Shyam Khemani, “Objectives of Competition Policy”, in *A Framework for the Design and Implementation of Competition Law and Policy*, The World Bank, Washington, D.C., and Organisation for Economic Co-operation and Development (OECD), Paris, 1999.

the year, of which nineteen were Board or Committee meetings. Four public/stakeholder hearings into competition cases were held, which taxed members of the Commission in terms of preparation and adjudication.

The training and building of capacity of members of the Board in the highly specialized fields of competition and trade tariffs continued, and was intensified, during the year. Six members of the Board were exposed to international best practices through attendance at the following events: (i) the OECD Global Forum on Competition held in Paris, France, in February 2013; (ii) the Bunderskaartellamt International Conference on Competition held in Berlin, Germany, in March 2013; (iii) the Federal Trade Commission Round-Table Discussion on Institutional Design of Competition Agencies held in Washington D.C., the United States of America, in April 2013; (iv) the Annual Spring Meeting of the Anti-Trust Section of the American Bar Association held in Washington D.C., the United States of America, in April 2013; (v) the ICN Annual Conference held in Warsaw, Poland, in April 2013; and (vi) the 13th Session of the Inter-Governmental Group of Experts on Competition Law and Policy held in Geneva, Switzerland, in July 2013.

The Commissioners also attended three specific training events during the year. These were: (i) a training course on setting tariffs for utilities that was held in London, the United Kingdom, in March 2013; (ii) a SADC/GIZ regional training workshop for adjudicators that was held in Gaborone, Botswana, in September 2013; and (iii) a study tour of the International Trade Administration Commission (ITAC) of South Africa in September 2013.

The capacitation of members of the Commission increased their adjudication skills in the handling of competition cases.

Activities

The Director's Report on Operations will give details on the Commission's operational activities during the year under review. Suffice to note that the prioritization of the Commission's operational work from the previous year produced positive results during the year.

The public utilities sector was prioritized for competition investigations because of its impact on the whole economy, and wide consumer welfare implications. The Commission's investigations, and remedial action, into the monopolized utility sectors of electricity, telecommunications and municipal services achieved the desired results of elimination of abusive practices in the sectors. The prioritization of the Commission's work will continue with the identification of other priority sectors.

In the area of trade tariffs, the need for an effective trade defense mechanism has become imperative with the increase in imports of finished consumer goods under trade liberalization. Complaints of imported goods being dumped on the local market are being made to the Commission by the business community requesting protection against unfair trade practices. The Commission is therefore giving priority to the enforcement of the Competition (Anti-dumping and Countervailing Duty) (Investigation)

Regulations, 2002 (Statutory Instrument 266 of 2002) and the Competition (Safeguards) (Investigation) Regulations, 2006 (Statutory Instrument 217 of 2006) that it administers.

Challenges

The major operational challenge that the Commission faced during the year was shortage of staff for the effective handling of cases. While the financial constraints that had impeded the Commission's operations, and had affected its staff retention, were overcome during the year, authorization from the Government to recruit replacement and additional staff was not forthcoming. As a result, the Commission operated at about 50% of its staff strength during the year.

The efficiency challenge in the handling of cases is being overcome by the effective training and capacity building of the existing staff.

Acknowledgements

The Commission cooperated with, and received support and assistance from, various local and foreign organisations during the year under review. The Commission would like to acknowledge its appreciation to the organisations, too numerous to mention all by name. Suffice to acknowledge the cooperation given by the major business associations in the implementation of the Commission's programmes in both the competition and trade tariffs fields, i.e., the Confederation of Zimbabwe Industries (CZI), the Zimbabwe National Chamber of Commerce (CNCCI), the Chamber of Mines, and the Association for Business in Zimbabwe (ABUZ). The Consumer Council of Zimbabwe (CCZ) was also cooperative in the investigation of competition cases, and the Zimbabwe Economic Policy and Research Unit (ZEPARU) in the undertaking of competition studies.

The support given to the Commission by its parent Ministry, the Ministry of Industry and Commerce, was invaluable and enabled it to execute its statutory mandates. Other Government Ministries and Departments that are acknowledged include the Office of the President and Cabinet, the Ministry of Finance and Economic Development, the Ministry of State Enterprises and Parastatals, the Office of the Attorney General, the Zimbabwe Revenue Authority (ZIMRA) and Zimbabwe Statistics (ZIMSTATS).

The USAID-SERA Programme and the Delegation of the European Union in Harare are given special mention for the financial assistance given, or pledged, to the undertaking of competition studies and funding of the activities on the implementation of the recommendations of the voluntary peer review on competition policy and law in Zimbabwe. The Commission gained a lot from its collaboration with ZEPARU in the undertaking of the USAID-SERA-funded study on prevention of insolvency in Zimbabwe.

The United Nations Conference on Trade and Development (UNCTAD), the International Competition Network (ICN), the Common Market for Eastern and Southern Africa (COMESA) and the Southern African Development Community (SADC) continued to give the Commission valuable capacity building

and training assistance in the undertaking of its operations. The African Competition Forum (ACF) also became a big player in giving training assistance.

Members and staff of the Commission are acknowledged for the dedicated manner in which they carried out their duties and functions during the year.

Dumisani Sibanda
Chairman

PART VII: DIRECTOR'S REPORT ON OPERATIONS

1. OVERVIEW

The Commission's operations during 2013 continued to expand with a marked increase in cases handled, and advice given to Government and the business community.

The competition cases handled by the Commission, involving both restrictive business practices and mergers and acquisitions, are becoming more complex, requiring extensive investigation and intensive analyses. An increasing number of the Commission's competition decisions are also being challenged in law courts. The competition study in which the Commission was involved in 2013 was related to prevention of bankruptcies, thus averting market exits, in all sectors. This also abides well for the relevance of the Commission as a national body with developmental objectives.

The Commission has been engaged in providing technical advice to Government on trade tariffs negotiations. It is still to develop its skills and capacities in the field of trade defense in order to counter unfair trade practices by foreign companies in the face of trade liberalization.

Human resource constraints, however, besieged the Commission's operations throughout the year under review. The constraints were related to the ongoing government freeze on recruitment.

2. COMPETITION OPERATIONS

The Commission's competition operations are primarily handled by the Directorate's Competition Division at preliminary investigation stage under Part IV and at merger examination stage under Part IVA of the Act. The Division's mandate also extends to Part V of the Act, on authorization of restrictive practices, mergers and other conduct. The Director's Office and the Legal & Corporate Services Division are also directly involved in competition operations at case adjudicative and 'full scale' investigation stage requiring public/stakeholder hearings. The Research Unit also plays an active role in the competition operations. The staffing level in the Competition Division was substantially reduced during the year with the transfer of a Senior Economist to the new Research Unit and of the Law Officer to the Legal & Corporate Services Division.

2.1 Competition Cases

During the year under review, the Commission handled a total of 37 competition cases, of which 24 involved restrictive and unfair business practices and 13 were mergers and acquisitions. The number of cases handled during the year was higher than those handled in the previous year, indicative of increased economic activities in the country. Table 8 below shows the comparative number of competition cases handled by the Commission over the years.

Table 8: Comparative Number of Competition Cases Handled Over the Years

Case Category	1999-2001	2002-2004	2005-2007	2008-2010	2011	2012	2013	Total
Restrictive Business Practices	58	61	54	47	21	16	24	281
Mergers and Acquisitions	24	78	81	29	16	12	13	253
Totals	82	139	135	76	37	28	37	534

(a) Restrictive Practices

Restrictive practices and unfair business practices are investigated in terms of section 28 of the Act. During 2013, the Commission handled the following competition cases involving restrictive practices as summarised in Table 9 below:

Table 9: Handling of Restrictive Practices Cases in 2013

	Preliminary Investigation Stage	Full-Scale Investigation Stage	Total
Cases Brought Forward from 2012	8	6	14
New Cases in 2013	9	1	10
Cases Decided Upon in 2013	10	4	14
Cases Carried Forward to 2014	7	3	10
Total Cases Handled in 2013	17	7	24

The cases that were decided upon during the year by the Commission at preliminary investigation stage are briefly outlined in Table 10 below:

Table 10: Restrictive Practices Cases Decided Upon at Preliminary Investigation Stage in 2013

#	RBP Case	Competition Concerns	Commission Decision
1	Preliminary investigation into allegations of restrictive practices by Zuva Petroleum in the petroleum distribution industry	Abuse of Dominance	Case closed for lack of competition concerns.
2	Preliminary investigation into allegations of restrictive practices by Telecel Zimbabwe in the mobile telecommunications services sector	Abuse of Dominance	Case closed for lack of serious competition concerns.
3	Preliminary investigation into allegations of restrictive practices by Steel Makers (Pvt) Limited in the agricultural implements manufacturing industry	Abuse of Dominance	Case closed for lack of competition concerns.
4	Preliminary investigation into suspected	Vertical Restraints	Case closed for lack of

	restrictive practices by British American Tobacco Zimbabwe in the cigarette manufacturing and distribution industry	(Resale Price Maintenance)	competition concerns.
5	Preliminary investigation into allegations of restrictive practices by Tiger Brands in the pharmaceutical products market	Abuse of Dominance	Case closed for lack of competition concerns.
6	Preliminary investigation into allegations of anti-competitive practices by Hunyani Printopack in the packaging printing industry	Refusal to Deal	Case closed for lack of competition concerns.
7	Preliminary investigation into allegations by Zimplot Zimbabwe of unfair business practices in the agricultural implements manufacturing industry	Misleading Advertising	Case closed for lack of jurisdiction.
8	Preliminary investigation into allegations by Anchor Yeast of Tongaat Hullet Zimbabwe's restrictive practices in the molasses distribution industry.	Abuse of Dominance	Case closed for lack of competition concerns.
9	Preliminary investigation into allegations of restrictive practices by the Makoni Rural District Council in the provision of municipal services	Monopolisation	Investigations ongoing
10	Preliminary investigation into suspected restrictive practices by Econet Wireless in the mobile telecommunications services sector	Abuse of Dominance	Investigation suspended following the amicable resolution of the matter by the involved parties.

The 7 outstanding cases at preliminary investigation stage that were carried forward to 2014 are listed in Table 11 below:

Table 11: Outstanding Restrictive Business Practices Cases at Preliminary Investigation Stage Carried Over to 2014

#	Outstanding RBP Case	Competition Concerns
1	Preliminary investigation into allegations of restrictive practices in the provision of municipal services by Makoni Rural District Council	Monopolisation
2	Preliminary investigation into restrictive practices in the insurance services sector involving ZimPost and Champions Insurance	Vertical Restraints

		(Exclusive Distribution)
3	Preliminary investigation into allegation by the Beverages Wholesalers Association of Zimbabwe of unfair business practices in the beverages industry	Abuse of Dominance
4	Preliminary investigation into allegations of unfair business practices in the tobacco auctioneering markets	Collusion
5	Preliminary investigation into allegations of restrictive practices in the safaris industry	Abuse of Dominance
6	Preliminary investigation into suspected unfair business practices by the Motor Industry Association of Zimbabwe in the motor trade industry	Collusion
7	Preliminary investigation into allegations by Unity Digital of restrictive practices in the photo printing industry	Abuse of Dominance

The 4 cases that were decided upon by the Commission at full-scale investigation stage during the year under review are listed in Table 12 below:

Table 12: Restrictive Practices Cases Decided Upon at Full-Scale Investigation Stage in 2013

#	RBP Case	Competition Concerns	Commission Decision
1	Full-scale investigation into allegations of restrictive practices by TelOne in the Fixed-line telecommunications services sector	Exploitative Abuse of Dominance	In closing its investigation into allegations of restrictive and unfair business practices in the fixed-line telephone services sector on the grounds that the investigated practices no longer existed in that sector, the Commission made the following recommendations aimed at improving the maintenance and promotion of competition in the sector: (i) that TelOne improves communication with its customers on matters affecting the provision of its services; and (ii) that the Commission and POTRAZ conclude an agreement on concurrent jurisdiction on competition in the telecommunications services sector for the effective undertaking of their competition functions in the sector.
2	Full-scale investigation into allegations of restrictive and unfair business practices in the cotton industry	Collective Abuse of Dominance and Collusion	The Commission issued an order in terms of section 31(1) of the Act that: (i) members of the CGA should cease and desist from engaging in the restrictive practice of setting uniform prices of seed cotton bought from cotton farmers and that the members individually negotiate such prices with their contracted farmers; and (ii) that the CGA desist from recommending to its members prices for inputs and cotton seed given to contracted farmers, and prices of seed cotton offered to cotton farmers.
3	Full-scale investigation into	Exclusionary	Case withdrawn following amicable resolution of the matter

	allegations of restrictive practices by Cimas Medical Aid Society in the pathological services sector.	Abuse of Dominance	with the respondents, Cimas Medical Aid Society, under the auspices of the Ministry of Health and Child Welfare.
4	Full-scale investigation into allegations of unfair business practices in the bread making and distribution industry	Collusion	The Commission entered into a competition compliance programme and agreement with the respondents, the National Bakers Association of Zimbabwe.

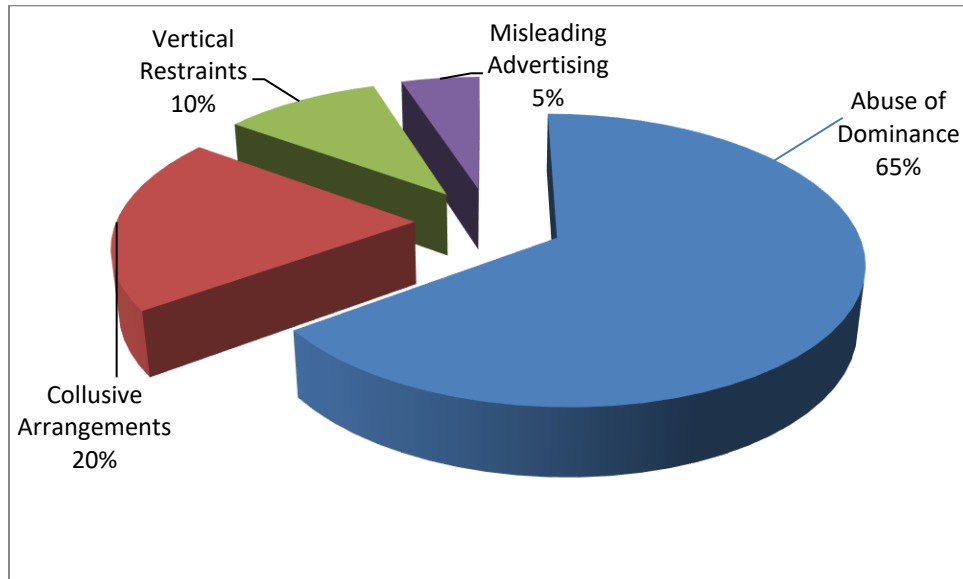
Table 13 below shows the list of the 3 outstanding cases at full-scale investigation stage that were carried forward to 2014:

Table 13: Outstanding Restrictive Practices Cases at Full-Scale Investigation Stage Carried Over to 2014

#	Outstanding Cases	Competition Concerns
1	Full-scale investigation into allegations of restrictive practices by the Harare City Council in the provision of municipal services	Monopolisation
2	Full-scale investigation into allegations of restrictive practices by the Bulawayo City Council in the provision of municipal services	Monopolisation
3	Full-scale investigation into allegations of restrictive practices by private abattoirs in the meat processing and distribution industry	Collective Abuse of Dominance and Collusion

The most prevalent restrictive practices that were investigated by the Commission during the year under review were related to abuse of dominance, or monopolization (with particular reference to the exploitative and exclusionary practices of excessive pricing, predatory behavior, and refusal to deal), which numbered 13 instances, followed by collusive arrangements (particularly price-fixing and market-sharing arrangements), which numbered 4 instances. Two instances of vertical restraints (resale price maintenance and exclusive distribution) were also investigated, as well as 1 instance of misleading advertising.

Graph 1: Forms of Restrictive Practices Investigated In 2013



The economic sectors and industries that were affected by the restrictive practices investigated during the year are shown in Table 14 below:

Table 14: Sectors and Industries Affected by Investigated Restrictive Practices

Sector/ Industry	No. of Interventions	Restrictive Practices
Telecommunications Services Sector	4	Abuse of Dominance, Vertical Restraints (exclusive distribution)
Municipal Utilities	3	Monopolisation
Agricultural Implements Manufacturing Industry	2	Abuse of Dominance, Misleading Advertising
Tobacco, and Cigarette Manufacturing and Distribution Industry	2	Collusion, Vertical Restraints (resale price maintenance)
Printing Industry	2	Abuse of Dominance
Petroleum Distribution Industry	1	Abuse of Dominance
Pharmaceutical Industry	1	Abuse of Dominance
Medical Aid Services Sector	1	Abuse of Dominance
Bread Making and Distribution Industry	1	Collusion
Meat Processing and Distribution Industry	1	Collective Abuse of Dominance, Collusion
Sugar Industry	1	Abuse of Dominance
Beverages Industry	1	Abuse of Dominance
Cotton Industry	1	Collective Abuse of Dominance, Collusion
Motor Trade Industry	1	Collusion
Tourism Industry	1	Abuse of Dominance

(b) Mergers and Acquisitions

The handling of cases of mergers and acquisitions during the year under review is summarized in Table 15 below:

Table 15: Handling of Mergers and Acquisition Cases in 2013

Cases Brought Forward from 2012	2
New Cases in 2013	11
Cases Determined in 2013	11
Cases Carried Forward to 2014	2
Total Cases Handled in 2013	13

The 11 mergers and acquisitions that were determined during the year by the Board of Commissioners are briefly outlined in Table 16 below:

Table 16: Mergers and Acquisitions Determined in 2013

#	Merger Case	Type of Merger	Commission Determination
1	Proposed acquisition of GlaxoSmithKline Group by Aspen Pharmacare Holdings	Vertical	Merger approved without conditions.
2	Proposed acquisition of Minerva Holdings by Masawara Mauritius Limited	Conglomerate with Horizontal and Vertical Elements	Merger approved without conditions.
3	Acquisition of National Foods Holdings Limited by Innscor Africa Limited	Conglomerate with Vertical Elements	Merger approved with conditions and a penalty was imposed for late notification.
4	Proposed acquisition of controlling interest in Bedra (Pvt) Limited by Innscor Africa Limited	Conglomerate with Vertical Elements	Merger approved without conditions.
5	Proposed acquisition of controlling interest in Crankrig (Pvt) Limited by Afghan African Holdings	Horizontal	Merger approved with conditions.
6	Proposed acquisition of controlling interest in Redan Petroleum by Puma Energy Africa NV	Vertical	Merger approved with conditions.
7	Proposed acquisition of controlling interest in United Refineries Limited by Grindrod Trading Limited	Conglomerate with Vertical Elements	Merger approved without conditions.

8	Proposed acquisition of Sakunda Trading (Pvt) Limited by Sakunda Supplies (Pvt) Limited	Vertical	Merger approved with conditions.
9	Proposed acquisition of controlling interest in Astra Industries Limited by Kansai Plascon Africa Limited	Horizontal	Merger approved without conditions.
10	Proposed acquisition of United Builders Merchants Limited by P&L Hardware (Pty) Limited and The Zimbabwe Conglomerate (Pty) Limited	Horizontal	Merger approved without conditions.
11	Proposed acquisition of controlling interest in Victoria Foods (Pvt) Limited by Grindrod Trading Limited	Vertical	Merger approved without conditions.

The 2 cases that were outstanding and carried forward over to 2014 were: (i) the proposed acquisition of Pelhams Limited by TN Holding Limited, a merger with vertical elements, which the Board of Commissioners had agreed to hold a stakeholder hearing before making a determination; and (ii) the proposed acquisition of Profeeds (Pvt) Limited by Irvine's Zimbabwe merger with both horizontal and vertical elements.

The mergers and acquisitions occurred in various economic sectors and industries as shown in the table below:

Table 17: Sectors and Industries in Which Mergers and Acquisitions Occurred

Sector/ Industry	No. of Occurrences	Type of Transaction
Fast Moving Consumer Products Sector	3	Vertical Merger
Petroleum Industry	2	Vertical Merger
Pharmaceutical Manufacturing and Distribution Industry	1	Vertical Merger
Financial Services Sector	1	Conglomerate Merger with Vertical Elements
Beverages Industry	1	Vertical Merger
Mining Industry	1	Horizontal Merger
Paint Industry	1	Horizontal Merger
Hardware Distribution Services Sector	1	Horizontal Merger

2.2 Competition Studies

The Commission undertook a study on *Modernising the Laws and Procedures for Resolving Insolvency in Zimbabwe* under the sponsorship of the USAID-Strategic Economic Research and Analysis (SERA)

Programme. The study team comprised an American insolvency expert, the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) and the Commission’s Research Unit.

2.3 Voluntary Peer Review

Zimbabwe’s competition policy and law was voluntarily peer reviewed in 2012 together with Zambia and Tanzania. The year under review was spent working out with the UNCTAD Secretariat on the project proposal for the follow-up to the peer review recommendations. Table 18 below shows the agreed activities under the project proposal:

Table 18: Agreed Activities under the Peer Review Recommendations Project

National Level Activities		
Year	Activity	Intended Outputs
2013	Preparation of legal inventory in relation to competition in Zimbabwe.	Legal inventory in relation to competition in Zimbabwe. Target Group: Government, Legislature, business community, CTC.
2013	Preparation of a comprehensive competition policy for Zimbabwe.	Competition policy for Zimbabwe. Target Group: Government, Legislature, CTC.
2014	Drafting of a new competition law for Zimbabwe taking into consideration the findings and recommendations in the peer review report for Zimbabwe.	New Competition Act for Zimbabwe
2014	Conduct three seminars with the participation of foreign experts and practitioners on the role of competition law and its benefits for the economy addressed at: (i) government officials, including sector regulators, lawyers and academics (3 days); (ii) judges (1 day); and (iii) business community (1 day).	Increased awareness of competition issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2015	Organise one-day seminars for the business community in the country’s five major centres, namely, Harare, Bulawayo, Gweru, Mutare and Masvingo. The targeted participants of the seminars to include local branches of business associations (CZI, ZNCC, Chamber of Mines), labour unions, farmers’ organisations, and individual companies.	Increased awareness of competition issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2014 - 2015	National media campaign through print and electronic media: - publication in national newspapers of articles on the theory and practice of competition policy and law; - radio programmes for 30 minutes per month on the main national channel, showing the benefits of competition and consumer protection.	Increased awareness of competition issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2013	Create a quarterly electronic newsletter which provides news	Increased awareness of competition

	about competition law enforcement from Zimbabwe, the region and the world. Use the newsletter also to publish the summary of the latest CTC decisions. The newsletter should have a distribution list composed of business associations, consumer associations, government officials in relevant Ministries, sector regulators, Parliament, Bar Association , and academics.	issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2015	Build an internet-based system for businesses to file complaints about competition issues.	Increased awareness of competition issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2015	Write articles to be published in major national law journals and scholarly papers on competition law and policy.	Increased awareness of competition issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2015	Assistance to the Law Society of Zimbabwe and the Legal Resources Foundation to re-launch their journals and magazines, which have been stopped due to lack of funding, for use in the publishing of articles on competition law and policy.	Increased awareness of competition issues. Target Group: Government, Legislature, business community, lawyers, academics and consumers.
2013	Study on the pricing models of utilities and regulatory charges in Zimbabwe.	
Regional Level Activities		
Year	Activity	Intended Outputs
2014	Preparation of guidelines for conducting dawn-raids on the international best practices.	Institutional capacity for carrying out dawn-raids Target Group: staff of NCAs, Judiciary and police
2015	Select personnel to carry out dawn-raids and provide 5-day training based on the guidelines.	Institutional capacity for carrying out dawn-raids Target Group: staff of NCAs, Judiciary and police
2014	A two-day regional seminar on competition law enforcement.	Improved adjudication and judiciary review capacity Target Group: members of the competition tribunals and other members of the Judiciary, including magistrates and judges.

2015	A two-day regional training workshop on competition law enforcement and case handling for the Judiciary.	Trained judges with enhanced understanding and skills to handle competition cases. Target Group: Judiciary, including magistrates and judges.
2015	A three-day regional training workshop on investigative procedures and case handling for investigating officers.	Enhanced enforcement capacity and understanding of competition principles, and developed investigation and litigation skills. Target Group: staff of NCAs of Tanzania, Zambia and Zimbabwe.
2015	Development of competition law and policy, and competition economics courses in the main university in the capital city of each of the three reviewed countries.	Trained human resources and increased awareness of competition issues. Target Group: academics, university students, staff of the NCAs.

The EU indicated willingness to support the funding of the following activities: (i) preparation of legal inventory in relation to competition in Zimbabwe; (ii) preparation of a competition policy for Zimbabwe; (iii) review of international best practice in competition law; (iv) awareness seminars on the role of competition law in Zimbabwe; (v) training staff to improve competition law enforcement; (vi) development of internet-based system of filing complaints; (vii) assisting in preparatory action for launch of competition law for Zimbabwe; (viii) development of competition law and economics curriculum for Universities. The project was therefore scheduled to commence in 2014.

2.4 Other Competition-Related Activities

The Research Unit in the Director's Office was involved in a number of other competition-related activities during the year under review, including:

- (i) the compilation of Zimbabwean competition cases for inclusion on the SADC online database;
- (ii) participation in African Dialogue teleconferences on competition and consumer protection policies;
- (iii) exchange of information on competition investigations with other competition authorities in the region, particularly the Competition and Consumer Protection Commission of Zambia (CPCC), and the Namibian Competition Commission (NaCC); and
- (iv) responding to international questionnaires on implementation of competition policy and law.

2.5 Competition Capacity Building

The Commission during the year under review attended and participated in at least 15 competition workshops, conferences and seminars at national, regional and international levels. In addition, Board members and staff of the Commission undertook the following training courses on various aspects of competition policy and law:

Table 19: Competition Training Courses in 2013

#	Training Course
1	Training Course on Pricing of Utilities: London, United Kingdom: February 2013
2	Centre for Competition Economics Winter School: Johannesburg, South Africa: 6-7 May 2013
3	Advanced Competition Economics Course: Johannesburg, South Africa: 9-11 September 2013
4	Cartels Training Course: Cape Town, South Africa: October 2013

3. TRADE TARIFFS OPERATIONS

The Commission's trade tariffs operations are handled by the Directorate's Tariffs Division under Part IVB of the Act on investigation of tariff charges and related unfair trade practices. The staffing level in the Division remained subdued throughout the year with only four professionals in post.

Trade tariffs operations primarily involve giving assistance or protection to local industry through: (i) recommending import tariff assistance in the form of tariff reductions or import protection; (ii) countering unfair trade practices; (iii) giving technical assistance to Government in trade negotiations with other countries; and (iv) undertaking informative sectoral studies into trade tariffs issues.

3.1 Trade Tariffs Cases and Studies

A total of 9 trade tariffs cases and studies were concluded by the Commission during 2013. Six were tariff relief cases, one was an unfair trade practices case and two were sectoral studies. The number of cases and studies handled by the division from 1999 to 2013 are as indicated in Table 20.

Table 20: Trade Tariffs Cases and Studies Concluded Over the Years

Case Category	1999-2001	2002-2004	2005-2007	2008-2010	2011	2012	2013	Total
Tariff Relief	37	44	12	17	4	4	6	124
Unfair Trade Practices	0	0	0	4	2	1	1	8
Sectoral Studies	6	8	0	0	0	1	2	17
Totals	43	52	12	21	6	6	9	149

(a) Tariff Relief Cases

The number of tariff relief cases that were handled by the Commission during 2013 is reflected in Table 21.

Table 21: Break Down of Tariff Relief Cases Handled in 2013

Cases Brought Forward from 2012	1
New Cases in 2013	6
Cases Concluded or Closed in 2013	6
Cases Carried Forward to 2014	1
Total Cases Handled in 2013	7

The 6 cases that were concluded by the Commission during the year are briefly outlined in Table 22 below.

Table 22: Tariff Relief Cases Concluded in 2013

#	Applicant Company	Tariff Relief Sought	Commission Recommendation										
1	Nestle Zimbabwe (Pvt) Limited	Removal of import duty on chicory mixture, a key ingredient in the manufacture of Nestle Zimbabwe's <i>Nescafe Ricoffy</i> 3-in-1 product: <table border="1" data-bbox="500 1136 1013 1268"> <thead> <tr> <th>Tariff Code</th> <th>Description</th> <th>MFN Duty</th> <th>SADC Duty</th> <th>Prop. Duty</th> </tr> </thead> <tbody> <tr> <td>2101.3000</td> <td>Roasted coffee substitute</td> <td>40%</td> <td>15%</td> <td>0%</td> </tr> </tbody> </table>	Tariff Code	Description	MFN Duty	SADC Duty	Prop. Duty	2101.3000	Roasted coffee substitute	40%	15%	0%	The Commission recommended retention of the 15% SADC duty on the roasted coffee substitute.
Tariff Code	Description	MFN Duty	SADC Duty	Prop. Duty									
2101.3000	Roasted coffee substitute	40%	15%	0%									
2	Proplastics (Pvt) Limited	Tariff protection on plastic pipes imported from South Africa.	The Commission recommended rejection of the tariff protection as the applicant was competitive on both the local and export markets.										
3	Delta Beverages	Removal of import duty on aluminium foil.	The case was closed after relief was provided by the Ministry of Finance and Economic Development.										
4	Anchor Yeast (Pvt) Limited	Import duty reduction on molasses.	The case was closed after the applicant resolved the molasses pricing problems with the local supplier.										
5	Honeywood (Pvt) Limited	Import duty reduction on raw materials.	The case was closed after the applicant failed to return the completed tariff relief form.										

6	Polyfoil (Pvt) Limited	Import duty reduction on raw materials.	The case was closed after the company was placed under judicial management.
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The tariff relief carried forward to 2014 pertained to a flour survey on the impact of Statutory Instrument 154 of 2012 (.....) on importation of flour.

(b) Unfair Trade Practices

During the year under review, the Commission handled one unfair trade practices case which involved a complaint by Kind Brands (Pvt) Limited on dumping of imported shoe polish on the local market. The case was closed for lack of interest by the company in furnishing the required information in support of the alleged practice.

(c) Sectoral Studies

The sectoral studies undertaken by the Commission during 2013 are summarized in Table 23 below.

Table 23: Undertaking of Sectoral Studies in 2013

Studies Brought Forward from 2012	3
New Studies in 2013	0
Studies Completed in 2013	2
Studies Carried Forward to 2014	1
Total Studies Undertaken in 2013	3

The 2 studies completed during the year were in the fertilizer and motor vehicle industries and are summarised in Table 24.

Table 24: Sectoral Studies Completed in 2013

#	Sector/ Industry	Summary of Study
1	Fertilizer Industry	<p>The main objective of this study was to analyze the competitiveness of the fertilizer manufacturing sector in Zimbabwe, specifically intending to: (i) establish the level of competitiveness and performance of the fertilizer industry; (ii) explore the extent to which tariffs influence the industry's competitiveness and performance; and (iii) highlight other areas/aspects besides tariffs which need Government attention to ensure self-sufficiency in local fertilizer production.</p> <p>The productivity analysis established that the fertilizer industry has been uncompetitive since 2005 and there is need for improvement on its performance. The correlation matrix established that some inputs showed a positive relationship whereas others showed a negative relationship with output. The raw material analysis highlighted that some imported raw materials into the fertilizer</p>

		industry are duty free and others are charged 5% duty. The study recommended the removal of duty on some raw materials.
2	Motor Vehicle Industry	<p>The objectives of the study were threefold, namely: (i) to evaluate factors that impact on the performance and competitiveness of the motor assemblers industry; (ii) to make appropriate recommendations to Government regarding any tariff changes in the industry; and iii) to stir Government and business to come up with modalities to stimulate the competitiveness of the industry.</p> <p>The analysis of the study focused on, <i>inter alia</i>: (i) the range of vehicles produced; (ii) industry competitiveness; (iii) demand determinants; and (iv) barriers to entry.</p> <p>The findings of the study were that: (i) the industry is facing serious competition from South African and Asian vehicle imports; (ii) competitiveness is low (as a result of use of obsolete technology and obtaining high cost of utilities among other factors); (iii) barriers to entry are high; and (iv) employment is shrinking.</p> <p>The conclusion of the study is that the motor vehicle assembly industry is facing serious competitiveness challenges, making it difficult to wade off stiff competition from South African and Asian imports. The main recommendations of the study are that Government should have its own Zimbabwean Motor Industry Development Policy with a supportive and protective duty structure while recapitalization is put in motion. The policy should also include the introduction of special production incentives in order to improve the competitiveness of the industry. Rather than concentrating on assembly of light commercial vehicles, the programme should also promote the assembly of passenger vehicles affordable to the majority of domestic consumers.</p>

The study that was carried forward to 2014 is on the poultry industry whose objective is to assess the competitiveness of that industry in as far as trade tariffs are concerned.

3.2 Trade Negotiations Activities

The Tariffs Division attended and participated at a total of 19 trade negotiations preparatory and feedback meetings that were held at the Ministry of Industry and Commerce in Harare. A total of 14 trade negotiations meetings were attended at bilateral, regional and international levels under the auspices of SADC, COMESA, the Interim Economic Partnership Agreement and the Tripartite Arrangement.

3.3 Business Community Consultations

The Commission's consultations with the business community were in the form of factory visits and business association meetings.

(a) Factory Visits

The Tariffs Division during the year under review visited 27 industrial companies country-wide, situated in the major towns of Harare, Bulawayo, Gweru, Mutare, Masvingo, Marondera, Chegutu, Triangle and Vumba . The companies visited are listed in Table 25.

Table 25: Companies Visited in 2013

#	Company	Location	Production Lines	Date of Visit
1	Plastique (Pvt) Limited	Harare	Plastic skillets (biscuit packaging) and punnets (vegetable trays)	February 2013
2	Proplastics (Pvt) Limited	Harare	Polyvinyl chloride (PVC) pipes, high-density polyethylene (HDPE) pipes, low-density polyethylene (LDPE) pipes, and related fittings for various applications in irrigation, water and sewer reticulation, mining, telecommunications, and building construction sectors	February 2013
3	Proton Bakeries	Marondera	Confectionery lines- bread, buns/rolls, and biscuits	February 2013
4	Honeywood Enterprises (Pvt) Limited	Vumba	Farmgold brand of jams, and other jams	March 2013
5	Cairns (Pvt) Limited	Mutare	Jams	March 2013
6	Tanganda Tea Company	Mutare	Tea and coffee products	March 2013
7	Manica Boards and Doors (Pvt) Limited	Mutare	Fibre boards	March 2013
8	Golly Bakeries (Pvt) Limited	Mutare	Confectionery - bread, buns, cream puffs, doughnuts and pies	March 2013
9	ZimGlass (Pvt) Limited	Gweru	Glass packaging	April 2013
10	Datlabs (Pvt) Limited	Bulawayo	Over-the-counter medications, prescription drugs, lotions and creams	April 2013
11	Tregers Plastics	Bulawayo	Polyethylene packaging, PVC rigid and flexible piping used in the agriculture and mining industries	April 2013
12	Olivine Industries (Pvt) Limited	Harare	Fast moving consumer goods - cooking oil, margarines/bakers' fats, laundry and bath soaps, and canned foods	May 2013

13	Delta Beverages	Harare	Beverages - clear beers, and carbonated soft drinks	May 2013
14	Polyfoil (Pvt) Limited	Bulawayo	Printed plastic packaging	June 2013
15	Zimbabwe Grain Bag (Pvt) Limited	Bulawayo	Poly woven bags	June 2013
16	Chegutu Cannery (Pvt) Limited	Chegutu	Canned baked beans, tomato paste and tomato sauce	July 2013
17	The Wattle Company (Pvt) Limited	Mutare	Wattle extract, as well as kiln dried timber, treated poles used for fencing, telephone and transmission, and charcoal	September 2013
18	Border Timbers (Pvt) Limited	Mutare	Rough sawn timber, veneer sheets, block boards, thin and multi-ply boards, solid doors, shelvings, moldings and poles	September 2013
19	Triangle Limited	Triangle	Raw and refined sugar, molasses, ethanol, and animal feed	October 2013
20	Hippo Valley Estates	Triangle	Raw and refined sugar, and molasses	October 2013
21	Steelmakers (Pvt) Limited	Masvingo	Sponge iron, an input into the steel industry	October 2013
22	Nestle Zimbabwe	Harare	Milks, cereals, beverages and culinaries	October 2013
23	Zimbabwe Hosiery Company	Bulawayo	Panty hose, socks, mutton cloths and bandages	November 2013
24	Plus Five Pharmaceuticals	Bulawayo	Pharmaceuticals, galenicals, and cosmetics	November 2013
25	Zimplow (Pvt) Limited	Bulawayo	Animal-drawn agricultural implements and hoes	November 2013
26	Tassburg Fasteners	Bulawayo	Woodscrews and wire	November 2013
27	Sino-Zimbabwe Cement Company	Gweru	Cement	November 2013

The factory visits were undertaken mainly as part of the Tariffs Division's investigations into tariff relief applications and sectoral studies. The visits were also used to gather information on the competitiveness of the concerned companies and industries for trade policy formulation. The companies visited faced varied challenges in their operations, with the most common being (i) unfair import

competition; (ii) power outages; (iii) financial constraints for recapitalization and working capital; (iv) high import duties on raw materials; (v) high labour costs; (vi) high utility charges (electricity and water); and (vii) consumer liquidity constraints.

(b) Business Associations Meetings

The Commission is a member of the relevant Standing Committees of both the Confederation of Zimbabwe Industries (CZI) and the Zimbabwe National Chamber of Commerce (ZNCC), whose meetings are attended by the Tariffs Division. The CZI committees are the Trade Development & Investment Promotion Standing Committee, and the Economics & Banking Standing Committee. The ZNCC committee is the Trade Development Committee.

A total of 11 meetings of the CZI Standing Committees were attended. It also attended both the ZNCC and CZI Annual Congresses. The Tariffs Division participated at a number of ZNCC workshops and seminars as indicated in Table 26.

Table 26: Trade Tariffs-Related Workshops and Seminars Attended in 2013

#	Workshop/ Seminar	Issues Discussed
1	ZNCC/ASCCI Workshop on the Tripartite Free Trade Area: Harare: 15 February 2013	This consultative workshop was hosted by the ZNCC and the Association of SADC Chambers of Commerce and Industry (ASCCI). It discussed the various opportunities and threats under the Tripartite Free Trade Area (TFTA).
2	ZNCC Workshop on Impact of Reduced Interest Rates on the Banking Sector and on Business: Harare: 7 March 2013	The workshop provided an opportunity for direct engagement with the monetary authorities on the Monetary Policy Statement, and explored further issues to do with banking.
3	EU Export HelpDesk Seminar on How to Export to the European Union: Harare: 6-7 May 2013	The participants were enlightened on how to export to the European Union (EU) using the EU Export HelpDesk.
4	ZNCC Public Private Dialogue Seminar: Harare: 17 July 2013	The deliberations highlighted the necessary targets and conditions for re-introducing the Zimbabwe Dollar in the economy.
5.	ZNCC Budget Consultation Workshop: Harare: 16 September 2013	The workshop held in conjunction with the Zimbabwe Civil Society Budget Coalition, sought inputs into the 2014 National Budget.

3.5 Training and Development

Trade tariffs training courses undertaken in 2013 are briefly outlined in Table 27 below:

Table 27: Trade Tariffs Training Courses in 2013

#	Training Course	Course Outline
1	MRIIC Training Course on Trade Negotiating Skills: []: 20-24 May 2013	The training course, organized by the Ministry of Regional Integration and International Cooperation (MRII), was aimed at developing trade negotiations skills in the participants.
2	MRIIC/ZEPARU/TRALAC Training Course on Trade Negotiations: Kadoma: 3-5 June 2013	The training course, organized by MRIIC together with the Zimbabwe Economic Policy Analysis and Research Unit (ZEPARU) and TRALAC of South Africa, was meant to equip participants with trade negotiation skills under the EPA negotiations.
3	COMESA Training Course on TFTA Negotiations: Lilongwe, Malawi: 2-6 September 2013	The training was mainly for negotiators participating in the TFTA negotiations from three COMESA countries, namely Malawi, Zambia and Zimbabwe. It focused on the drafting of trade agreements, tariff liberalization and rules of origin.

The Commission also undertook a study visit to the International Trade Administration Commission (ITAC) of South Africa in Pretoria, South Africa in September 2013. The objectives of the visit were to: (i) establish links with ITAC, paving the way for future collaboration between the two Commissions; (ii) compare notes on how both institutions undertake trade tariffs investigations, and identifying areas for improvement; (iii) learn from ITAC's experiences in the area of trade remedies; (iv) allow for cross fertilization of ideas; and (v) explore possibilities for joint capacity building endeavors.

4. LEGAL & CORPORATE SERVICES

The Legal & Corporate Services Division provides internal legal services to the Directorate and the Board of Commissioners, and secretarial services to the Board. It also undertakes competition investigations at adjudication stage and enforces of the Commission's orders and other decisions. It is also responsible for the Commission's public relations activities.

Of the three positions of lawyers on the establishment, the posts of Legal Counsel and Legal Officer were only filled during the month of February 2013 while that of Commission Secretary, the head of the Division, was filled during the month of August 2013. The Division's investigative and economic analytical functions were hampered by the absence of an Economist.

4.1 Legal Advice and Enforcement

The Legal & Corporate Services Division rendered legal opinion to interested parties on the interpretation and application of the Act as well as drafting Orders. It also made follow-ups on suspected mergers and acquisitions that were not notified to the Commission in accordance with the provisions of the Act, and took legal action on non-compliance with the Commission's Orders.

(a) Legal Drafting

The Legal & Corporate Services Division during the year under review drafted a number of legal notices and orders, including those shown in Table 28 below:

Table 28: Legal Notices and Orders Drafted in 2013

Notices	Orders
<ol style="list-style-type: none">1. Public hearing into allegations of abuse of monopoly position by the City of Harare in the provision of municipal services.2. Public hearing into allegations of abuse of monopoly position by the City of Bulawayo in the provision of municipal services.	<ol style="list-style-type: none">1. Innscor Africa Limited's / National Foods Holdings Limited merger2. Restrictive and unfair business practices in the cotton industry by the Cotton Ginners Association of Zimbabwe.

(b) Unnotified Mergers and Acquisitions

The Legal & Corporate Services Division made follow-ups on the following suspected mergers and acquisitions that came to the attention of the Commission during the year under review.

Table 29: Followed-Up Suspected Mergers and Acquisitions

#	Transaction	Follow-Up Findings and Opinion
1	Medtech Distribution Limited /Titanium Marketing and Distribution (Pvt) Limited	The transaction was considered as a non notifiable merger in terms of the Act.
2	Scotia Holdings Limited/ Toyota Mike Harris (Private) Limited	Investigations revealed that it was a notifiable merger. The Commission referred the matter to its external lawyers, Chihambakwe, Mutizwa and Partners Legal Practitioners. The matter was before the law courts as at the end of the year under review.
3	iWay Africa (Pvt) Limited /Africa Online (Pvt) Limited	Investigations established that the transaction was a notifiable merger and the matter was referred to the Commission's external lawyers for institution of legal action.
4	Ariston Holdings Limited/ Afrifresh Group	Follow ups established that it was a notifiable merger and the company was in the process of completing the notification processes.
5	Autoworld (Pvt) Limited / Paza Buster Car Sales	Follow ups were made.

4.2 Board Secretarial Services

The Legal & Corporate Services Division organized all the 20 Commission meetings. It also organized the holding of 4 Public/Stakeholder Hearings into competition investigations held during the year.

4.3 Public Relations and Visibility

The Commission's public relations and visibility activities which were coordinated by the Division involved participation at trade fairs and other exhibitions, publication of promotional articles and media coverage.

(a) Fairs and Exhibitions

The Commission participated as an exhibitor at the 2013 Zimbabwe International Trade Fair (ZITF). The Division also arranged the Commission's exhibition at the Harare Agricultural Show during the period 23-31 August 2013. The Division organized the participation of the Commission at the Manicaland and Masvingo Agricultural Shows held during the period 19-22 September 2013 and 26-29 September 2013 respectively.

4.4 Legal & Corporate Services Training

Members of the Legal & Corporate Services Division underwent training that was specifically related to the effective delivery of their services, as shown in Table 30 below:

Table 30: Legal and Corporate Services Staff Training in 2013

#	Training Programme
1	International Law Institute-African Centre for Legal Excellence (ILI-ACLE) Training on <i>Negotiation, Drafting and Management of Contracts</i> : Dubai, United Arab Emirates: 7 – 18 April 2013
2	Commercial Law Training: Victoria Falls: 8 July 2013
3	Law Society of Zimbabwe (LSZ) Winter School: Victoria Falls: 9-12 July 2013
4	Zimbabwe Institute of Management (ZIM) Training on <i>Report Writing and Presentation Skills</i> : []
5	Law Society of Zimbabwe (LSZ) Summer School: Nyanga: November 2013

5. FINANCE & ADMINISTRATION SERVICES

Financial and administrative support services to the Commission are provided by its Finance & Administration Department. The Department's support functions include human resources management, maintenance and allocation of assets, and control and efficient utilization of financial resources. The Department operated at 65% of its staff establishment.

5.1 Administration

(a) Human Resources

As at the end of the year under review, the staff complement of the Commission stood at 26 employees, of which 4 were in managerial positions, 13 in professional positions, and 9 in financial and administrative support positions. The Commission lost 1 employee during the year.

5.2 Finance

(a) Funding

The trade development surcharge levy (TDSL) was a major source of funding for the Commission during the year under review, at 61.80% of total funding, followed by merger notification fees (23.65%), and then by the Government grant (13.47%), as shown in Table 31 below:

Table 31: Sources of Commission Funding in 2013

Source of Funds	Amount (US\$)	Contribution (%)
Trade Development Surcharge Levy	1,163,720	61.80
Merger Notification Fees	445,337	23.65
Government Grant	253,721	13.47
Investment Income	17,798	0.95
Other Income	2,433	0.13
Totals	1,883,009	100

(b) Financial Performance

The report of the independent auditors, AMG Global Chartered Accountants, on the Commission's financial statements for the year ended 31 December 2013 is attached. The opinion of the auditors was that [refer to Audit Opinion]

7. CONSTRAINTS AND OUTLOOK

The perennial transport and visibility problems that had besieged the Commission over the years were somewhat overcome during the year under review. The acquisition of new vehicles for the Commission's fleet greatly facilitated the handling of competition and trade tariffs cases throughout the country effectively increasing the Commission's visibility.

The major remaining constraint to the Commission's operations is human resources, in terms of both numbers and capacities. The Commission's desired staff establishment is 50 posts which are optimal for the effective and efficient undertaking of its operations, but only 26 of the posts were filled by the end of the year under review, with all the Commission's Divisions and Department affected. The Commission had not been able to fill the vacant posts by recruiting replacement or additional staff

because of a Cabinet directive. Cabinet Circular No.10 of 2011 of 7 July 2011, on *Immediate Cost-Cutting and Saving Measures* directed a freeze on vacant posts in all public organisations, including the Commission. Even though the freeze was for the period to December 2011, it had not been formally lifted by the end of 2013.

The Commission, in April 2012, sought authorization from the Ministry of Industry and Commerce to recruit replacement and additional staff to fill essential posts in all its Divisions and Department, which authorization was not provided. In September 2013 the Commission re-submitted its request to the Ministry to recruit critical staff listed in Table 32 below, which remains pending.

Table 32: Critical Vacant Posts in the Commission

Division/ Department	Recruitment Staff Requirement	Grade
Director's Office	1x Senior Research Officer	D4
	1x Internal Auditor	D3
	1x Librarian/ Research Assistant	C2
Tariffs Division	1x Chief Analyst	D3
	8x Analysts	D1
Competition Division	3x Economists	D1
	2x Law Officers	D1
Legal & Corporate Services Division	1x Senior Public Relations Officer	D3
	1x Legal Officer	D1
	1x Economist	D1
	1x Clerical Secretary	C2
Finance & Administration Department	1x Accountant	D3
	1x Systems Administrator	D3
	1x Administrative Assistant	C1
	1x Drive/Messenger	B1

In spite of the above constraints, the outlook for the Commission looks bright with the realization of the importance of its work to the country's economic development. The Commission has a definite role to play in the effective implementation of the country's two major industrial and commercial policies, the Industrial Development Policy (2012-2016) and the National Trade Policy (2012-2016), as well as the national economic blueprint, the Zimbabwe Agenda for Sustainable Socio-Economic Transformation (ZIMASSET).

Alexander J. Kububa
Director