COMPETITION & TARIFF COMMISSION

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CTC NEWSLETTER

IN THIS ISSUE

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

COMPETITION & TARIFF COMMISSION

NEWSLETTER

Q2 2026

A. EDITOR'S NOTE

To our esteemed stakeholders…

The Competition and Tariff Commission (the Commission) is pleased to share with you highlights from its activities during the second quarter (Q^2) of 2026. The Q^2 edition provides a comprehensive summary of mergers and acquisitioıve revlerard during the period including *the proposed acquisition of Caribbea Bay by the Public Service Pension Fund.*

This edition also highlights the Commission's workshops, training initiatives and outreach programmes during the period.

The Commission is also pleased to present a series of informative and analytical articles, which namely (i) Balancing Growth and Fair Competition: Inside Competition and Tariff Commission's Merger Decision; (ii) Unlocking the Chinese Market: Opportunities for Zimbabwe Under China's Zero-Tariff Initiative; (iii) Competition and inclusive Growth in Zimbabwe; and iv) Abuse of Dominance.
The Newsletter concludes with highlights of internal activities varying from a courtesy visit by the CCCC CEO, ZITF exhibition and staff wellness program.

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B. COMPETITION

B.1 Merger and Acquisition Activity for Q2 2026

Eleven (11) merger cases were received in 2026 Q2 as shown in Table 1.

Approved Without Conditions

- ✓ Proposed Acquisition of Caribbea Bay by Public Service Pension Fund
- ✓ Proposed Acquisition of Safair Holdings by Harith Aviation

Ongoing

- ✓ Acquisition of Ariston/ Claremont Orchards by PZG BV
- ✓ Proposed Acquisition of Dokuma by CBZ Holdings
- ✓ Proposed Acquisition of Thorough Tech by Sandvik Group
- ✓ Proposed Acquisition of Crowvest Enterprises by Baraza Ventures

- ✓ Proposed Acquisition of Cheetah Logistics by Unifreight Africa Limited
- ✓ Proposed Acquisition of Lobels Holdings by Mega Market Pvt Ltd
- ✓ Proposed Acquisition of Tanganda by Rutanhi Beverages
- ✓ Acquisition of WFDR by Zimre Holdings Limited
- ✓ Proposed Acquisition of Martin and Martin Proprietary Limited by R.C.L Group Services Proprietary Limited.

B.2 MERGER ACTIVITY UNDER COMESA

The Commission provided information on twelve (12) transactions to the CCC in Q2 2026 as summarized below.

COMESA Competition Commission Transactions

- ✓ Proposed Joint Venture Involving Toyota Tsusho Corporation, Unicharm Corporation and CFAO Kenya Limited
- ✓ Proposed Acquisition of 39.5% of the issued share capital of Zamara Holdings Limited by Amethis Fund III S.C.A., SICAV-RAIF
- ✓ Proposed Acquisition by Amethis MENA Fund II of Tiba Starch and Glucose Industry S.A.E.
- ✓ Proposed sale of 100% of shares in Macquarie AirFinance Limited (MAF) to Dubai Aerospace Enterprise (DAE) Ltd
- ✓ Proposed Merger between Nedbank Group Limited and NCBA Group PLC
- ✓ Proposed Acquisition by CVC Fund IX of the Animal Nutrition and Health Business of DSM-Firmenich AG
- ✓ Proposed Creation of a Full Function Joint Venture involving Airbus SE and Société Air France
- ✓ Proposed transaction between Terminal Investment Limited Holding SA and Container Terminals of the Port located in the Misurata Free Zone
- ✓ Proposed Acquisition by CFAO Healthcare of Several Assets of the Pharmoscar Group from Pharmoscar
- ✓ Proposed acquisition of Warner Bros Discovery. Inc by Paramount Skydance Corporation
- ✓ Proposed Acquisition of Joint Control of Recordati Industria Chimica E Farmaceutica S.P.A. by Black Mountain S.A R.L. alongside CVC
- ✓ Proposed Acquisition of Joint Control over Hologic, Inc., by funds managed and advised by affiliates of each of Blackstone Inc. and TPG Inc.,

B.3 SELECTED MERGERS

1. Proposed acquisition of Caribbea Bay by the Public Service Pension Fund

Introduction

In accordance with section 34(A) of the Competition Act *[Chapter 14:28]* ("Act").

the Commission received notification of the proposed acquisition of the Caribbea Bay Resort ***("Caribbea Bay")***'s immovable property and associated staff houses by the Public Service Pension Fund ***("PSPF")***; as well as the acquisition of Caribbea Bay hotel business by Monomotapa Hospitality, a wholly owned subsidiary of the PSPF. The PSPF is a statutory pension fund for public service employees in Zimbabwe. Monomotapa Hospitality is a wholly owned subsidiary of the PSPF that operates Monomotapa Hotel and Ruparara Valley lodge - a wholly owned hospitality assets by the PSPF. Caribbea Bay is a three-star hotel domiciled in Kariba, currently owned by Africa Sun.

Market Definition and Type of Merger

In light of the operations of the merging parties, the relevant market was defined as *(i) the provision hospitality services in Kariba, and (ii) the provision of pension management services in Zimbabwe.*

The transaction was assessed as a horizontal merger with conglomerate elements.

Competition Analysis

Theories of harm associated with horizontal mergers and conglomerate mergers were analysed. Theories of harm associated with horizontal mergers were dismissed, as the transaction poses no significant risk of unilateral or coordinated effects mainly because of the differences in geographical locations of the hospitality operations of the merging parties. Theories of harm associated with conglomerate mergers were dismissed. The merging parties operate in unrelated markets, thereby rendering tying and bundling strategies unlikely. Furthermore, although parties may possess the ability to engage in entrenchment, assessment found no incentive to do so and any potential competitive impact arising from such entrenchment is unlikely to result in significant harm to competition.

Conclusion

The Commission established that the proposed transaction is unlikely to result in substantial lessening of competition, nor the creation of a monopoly situation that is contrary to the public interest. In light of the analysis, the Commission *approved the merger without conditions.*

TRAINING AND WORKSHOPS

C1. Local Content Studies Validation Workshop

The Commission made presentations on proposed local content thresholds in the Textiles & Clothing Sector as well as Soaps & Detergents Sector during a Local Content Threshold Validation Workshop in Harare on 7 May 2026 at Golden Conifer. Local Content Thresholds set the minimum percentage of locally sourced inputs, labour, services, or value addition that a product, sector, or project must contain to qualify as "local". Their main purposes are to promote domestic industry by encouraging firms to use locally produced raw materials, inputs, and services.

COMPETITION & TARIFF COMMISSION

Pictured above is Mr. P. Ziyadhuma and presenting at the Local Content Studies Validation Workshop

Pictured above is Mr. T. Mapuranga presenting at the Local Content Studies Validation Workshop

C2. Commission Staff Procurement Training

Commission staff was capacitated in procurement during a training session facilitated by PRAZ. The training capacitated participants to the principles and processes governing public procurement, with emphasis on the main categories of procurement, namely goods, works, consultancy services and non-consultancy services. The session further outlined public procurement core principles. These include transparency, which requires publicity of contract opportunities, clear procurement rules, rule-based decision-making, and mechanisms for verification and enforcement; competition, which helps Government obtain the best contract terms, promotes transparency and supports fair market functioning; equal opportunity and treatment, which ensures that all bidders have fair access to procurement opportunities and are treated consistently throughout the process; and value for money, which ensures that procurement decisions deliver the best possible outcomes for public resources.

Pictured above is Commission Staff and Management undergoing Procurement Training

C3. Great Zimbabwe University GZU Outreach Programme

The Commission conducted an outreach and awareness programme at Great Zimbabwe University in Masvingo on 14 May 2026, jointly facilitated by officers from the Tariffs Division, Mergers Division and Restrictive Practices Division and was held at the Chitepo School of Law. The outreach programme formed part of the Commission's ongoing stakeholder engagement and awareness initiatives aimed at enhancing understanding of competition law, trade tariff policy and the Commission's regulatory mandate among academia, the business community and other key stakeholders. Universities play a critical role in shaping future policymakers, economists, lawyers and business leaders, making them important partners in promoting awareness of competition and trade issues. The training attracted lecturers, researchers, and students from various disciplines, including law. Participants were afforded an opportunity to gain a deeper understanding of the Commission's role in promoting fair competition, safeguarding consumer welfare and administering trade tariff measures that support industrial development and economic growth.

Pictured above is CTC staff presenting to students at GZU.

D. Informative and Analytical Articles

D1. Balancing Growth and Fair Competition: Inside Competition and Tariff Commission's Merger Decision

1. Introduction

Mergers can reshape entire industries affecting prices, consumer choice, employment, and the ability of smaller firms to compete. When companies merge, the impact is rarely limited to the businesses involved. While some mergers drive efficiency and economic growth, others may reduce competition or concentrate too much power in the hands of a few firms. It is for this reason that merger regulation plays a critical role in Zimbabwe's economy. As provided in the Competition Act *[Chapter 14:28]* (“**Act**”), the Competition and Tariff Commission (**“Commission”**) is mandated to assess mergers and ensure that they do not harm competition or undermine the public interest. In carrying out its merger regulatory function, the Commission does not simply approve or reject mergers. In many cases, it adopts a more nuanced approach- allowing transactions to proceed, but subject to specific safeguards. These are known as **conditional approvals** and are one of the most important tools available to competition authorities.

1. How Merger Decisions Are Made

Every merger notified to the Commission undergoes a structured assessment process that determines whether the transaction is likely to substantially prevent or lessen competition or create a monopoly situation contrary to public interest. Substantive competition analysis focusing on the likely impact of the merger on market structure and competitive rivalry is conducted. This considers factors such as market concentration, market power, barriers to entry, import competition, vertical integration, countervailing power, and whether the transaction may eliminate an effective competitor from the market. Assessment is not limited to market shares but also examines the broader competitive dynamics of the relevant market to determine whether the merger is likely to result in higher prices, reduced consumer choice or exclusion of competitors. The Commission also considers whether one of the merging parties is a failing firm and the extent to which new competiiors can enter the market.

Beyond competition analysis, merger regulation in Zimbabwe also incorporates public interest considerations. The Act requires the Commission, when determining whether a merger is contrary to public interest, to have regard to the desirability of maintaining and promoting effective competition in Zimbabwe, promoting the interests of consumers in relation to the price, quality and variety of goods and services, and encouraging the reduction of costs, innovation, efficiency, and the development of new products and techniques. In applying these provisions, the Commission considers the broader socio-economic implications of a merger, including its likely impact on employment levels and job security, the participation and competitiveness of small and medium enterprises, industrial development, investment, consumer welfare, and alignment with national economic and development policies. Public interest considerations therefore ensure that merger regulation contributes not only to efficient and competitive markets, but also to broader national economic development objectives and inclusive economic growth.

2. The Three Possible Decisions by the Commission

At the conclusion of its assessment, the Commission may reach one of three decisions:-

1. ***Approval without conditions***, where the merger raises no competition concerns; or
2. ***Approval with conditions***, where competition concerns exist but can be addressed through remedies/conditions; or
3. ***Prohibition***, where the merger significantly lessens competition and the competition concerns cannot be adequately remedied.

While outright prohibitions often capture the most public attention, they are, in practice, the exception rather than the norm. Experience at the Commission shows that even for transactions that raise competition concerns, a decision to prohibit is typically reserved for the most extreme cases where no workable solution can adequately address the risks to competition. In most cases, where concerns are identified, the Commission adopts a more pragmatic approach by issuing **conditional approvals**. Through this mechanism, identified competition concerns are addressed by requiring the merging parties to implement specific remedies designed to preserve market competitiveness and protect the public interest. These remedies, whether structural or behavioural, enable transactions to proceed while safeguarding against anti-competitive outcomes. Nature, design, and application of these remedies are discussed in detail in the sections that follow.

3. Defining a Conditional Approval

A conditional approval allows a merger to proceed, but only if the merging parties comply with specific requirements imposed by the Commission. These conditions are carefully designed to address identified risks, ensuring that the transaction does not harm competition or the public interest. In essence, conditional approvals reflect a **balanced regulatory approach**. Instead of blocking potentially beneficial transactions, the Commission crafts solutions that mitigate harm while allowing economic activity to continue. This approach is particularly important in developing economies, where mergers can bring investment, innovation, and efficiencies, but also carry risks if left unchecked.

4. Types of Conditions

Conditions imposed by the Commission generally fall into two main categories: **behavioral remedies** and **structural remedies**. Each serves a distinct purpose and is applied depending on the nature of the concerns identified.

A Structural Remedies: Changing the Market Itself

Structural remedies address competition concerns by directly altering the structure of the market to preserve effective competition. These remedies typically require merging parties to divest certain assets, business units, subsidiaries, brands, shareholding interests, or operational facilities where the transaction is likely to create or strengthen market power. The objective is to prevent excessive market concentration and maintain competitive rivalry in the affected market. Examples of structural remedies include the divestiture of overlapping product lines or business units, sale of production plants, distribution facilities, retail outlets, or other strategic assets, and disposal of shareholding interests in competing firms. In certain cases, the Commission may also require the transfer of intellectual property rights, brands, or licenses to an independent competitor. Depending on the nature of competition concerns identified, a merging party may further be required to exit a specific geographic market or line of business altogether.

Structural remedies are commonly imposed in mergers involving horizontal overlaps between direct competitors, particularly in markets characterized by high levels of concentration or significant barriers to entry. In such markets, likelihood of new firms entering and effectively constraining the merged entity may be limited, thereby increasing the risk of anti-competitive effects. One of the major advantages of structural remedies is that they generally provide a permanent and self-sustaining solution to competition concerns. Once implemented, they reduce the need for continuous regulatory oversight and ongoing behavioral monitoring. Structural remedies are therefore often regarded as both effective and administratively efficient, particularly in cases where the competition concerns arise directly from changes to market structure.

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Behavioral Remedies:

Regulating Conduct Over Time

Behavioral remedies are designed to regulate the conduct of the merged entity following implementation of the merger. Unlike structural remedies, these do not alter the structure of the market, but rather impose obligations intended to prevent the merged firm from engaging in conduct that may harm competition, consumers, or other market participants. These remedies are particularly useful where competition concerns arise from the potential for anti-competitive behavior rather than from the merger itself creating excessive market concentration. Under behavioral remedies, the merged entity may be required to provide competitors with access to essential infrastructure, facilities, or services on fair, reasonable, and non-discriminatory terms. Other behavioral obligations may include prohibitions against exclusionary practices, discriminatory treatment of competitors or customers, tying and bundling arrangements, or refusal to supply. In certain cases, the merged entity may further be required to continue supplying existing customers, preserve separate brands, or maintain specified levels of production or employment for a defined period.

Behavioral remedies are generally ongoing in nature and therefore require continuous monitoring and enforcement by the Commission. To facilitate compliance, the Commission may impose reporting obligations, periodic compliance audits, or independent monitoring arrangements.

5. Conclusion

The Commission's merger review process reflects a balanced and pragmatic approach to competition regulation. While the Commission retains the power to prohibit mergers that are likely to substantially prevent or lessen competition and cannot be adequately remedied, prohibition remains relatively rare in practice. In most instances, identified concerns are effectively addressed through conditional approvals, which allow transactions to proceed subject to safeguards aimed at preserving competition and protecting the public interest. Use of structural and behavioral remedies enables the Commission to tailor solutions to specific concerns arising from each transaction. Structural remedies are primarily aimed at preserving market structure and competitive rivalry, while behavioral remedies regulate the future conduct of the merged entity where ongoing obligations are necessary to prevent anti-competitive outcomes. Through these mechanisms, the Commission can address competition and public interest concerns without unnecessarily hindering investment and commercial activity. As markets continue to evolve and businesses increasingly pursue strategic consolidations, merger regulation remains an important tool in ensuring that economic growth takes place in a manner that promotes fair competition and broader national development objectives. Through careful merger assessment and the effective application of remedies where necessary, the Commission continues to promote markets that are competitive, efficient, and responsive to the needs of the economy.

D2. Unlocking the Chinese Market: Opportunities for Zimbabwe under China's Zero-Tariff Initiative

1. Introduction

The recent decision by the Government of China to grant zero-tariff treatment to imports from 53 African countries, effective 1 May 2026, marks a significant development in global trade and presents a strategic opportunity for Zimbabwe's export sector. By allowing qualifying products to enter the Chinese market duty-free, the initiative opens access to one of the largest and most dynamic consumer markets in the world. This arrangement is unilateral, reflecting China's broader commitment to strengthening economic cooperation with Africa. It is expected to remain in place for an initial two-year period, during which China will continue advancing the China–Africa Economic Partnership for Shared Development. This creates a limited but critical window for Zimbabwean firms to position themselves within the Chinese market.

2. Strategic Context for Zimbabwe

For Zimbabwe, this development is well aligned with national priorities under the country's development agenda, particularly industrialisation, value addition, export diversification, and private sector-led growth. While tariff policy has traditionally been viewed as a defensive tool for protecting domestic industries, this Chinese initiative demonstrates its strategic use as an instrument for export promotion. It provides Zimbabwe with an opportunity to expand exports, stimulate production, and strengthen its participation in global value chains.

3. Current Trade Position and Market Potential

China is already one of Zimbabwe's key export destinations. In 2024, exports to China were valued at US$1.29 billion, largely driven by tobacco, mineral ores, lithium-related products, and selected agricultural commodities. Despite this performance, Zimbabwe's export basket remains heavily concentrated in primary commodities. The zero-tariff initiative therefore offers an opportunity not only to increase export volumes but also to diversify and upgrade the country's export structure. With a population exceeding 1.4 billion people, China presents vast market opportunities across multiple sectors, particularly for processed and value-added goods.

4. Opportunities for Export Diversification and Value Addition

The zero-tariff arrangement creates significant prospects for Zimbabwe to transition from commodity exports toward higher-value products. Key areas of opportunity include agro-processing, leather products, steel products, and value-added mineral exports. For instance, Zimbabwe can expand from exporting raw hides to producing finished leather goods such as footwear. Similarly, the textile sector can shift from raw cotton exports to garment manufacturing, while ongoing developments in the lithium sector provide opportunities for local beneficiation. This shift is critical in addressing longstanding structural challenges where the economy exports raw materials while importing finished goods. Greater value addition will enhance domestic industrial capacity, increase foreign currency earnings, and support employment creation.

5. Non-Tariff Barriers and Compliance Requirements

While the elimination of tariffs improves market access, it does not automatically guarantee export success. Non-tariff measures remain a key determinant of competitiveness in the Chinese market. Zimbabwean exporters must meet stringent requirements relating to product standards, sanitary and phytosanitary measures, certification, packaging, and quality assurance. Chinese consumers and regulators place strong emphasis on product quality, consistency, and reliability of supply. Failure to comply with these requirements significantly limit the ability of firms to benefit from duty-free access. As such, investment in modern production systems, certification processes, and standards compliance is essential.

6. Institutional Support and Private Sector Readiness

Maximising the benefits of this initiative requires coordinated efforts across Government, regulatory institutions, and the private sector. There is need to strengthen testing and certification infrastructure, improve standards compliance, and ensure industry meets the rules of origin prescribed by the Chinese Government. Failure to comply with rules of origin may undermine the practical utilisation of the zero-tariff arrangement. In addition, export development programmes and targeted support for producers will be critical in enhancing competitiveness.

Concurrently, the private sector will play a central role in determining the extent to which Zimbabwe benefits from this initiative. Firms must proactively identify export opportunities, adapt products to meet market requirements, and establish relationships with buyers and distributors in China. Small and medium enterprises, in particular, require targeted support to overcome constraints related to financing, production scale, and compliance with standards. Strengthening export readiness across firms is therefore essential.

7. Conclusion

China's zero-tariff initiative presents Zimbabwe with a significant opportunity to expand exports, diversify its economy, and strengthen industrial development. It should be viewed not merely as a trade concession, but as a strategic platform for economic transformation. However, the realisation of these benefits will depend on Zimbabwe's ability to build competitive industries, meet international standards, and support exporters in accessing and sustaining presence in the

Chinese market. With coordinated action between Government and the private sector, the initiative can serve as a catalyst for export growth, industrialisation, and long-term economic resilience.

D3. Competition and Inclusive Growth in Zimbabwe

1. Introduction

Zimbabwe stands at a critical juncture in its economic development trajectory. With the National Development Strategy 2 (NDS 2) setting an ambitious agenda for inclusive growth, the role of competition policy has never been more significant. The strategy recognizes that sustainable development requires not just growth, but growth that expands economic participation and ensures the benefits are widely shared. Competition policy stands as a tool for inclusive development through reshaping market structures that have historically concentrated economic power.

2. Understanding Inclusive Growth

The concept of inclusive growth has evolved considerably in development literature. Inclusive growth encompasses both participation in the growth process and equitable sharing of its benefits. It is not merely about poverty reduction or welfare transfers, but about fundamentally altering who can participate in economic activity. This understanding resonates powerfully with Zimbabwe's development challenges where concentrated ownership patterns have limited broad-based economic participation. In the Zimbabwean context, inclusive growth must address the legacy of concentrated economic structures that emerged during the pre-2000 period and have persisted through various policy shifts. The NDS 2's emphasis on value addition, beneficiation, and private sector development cannot succeed without addressing the underlying market structures that determine who can enter markets, on what terms, and with what prospects for growth.

3. Competition as a Driver of Inclusive Growth

Competition drives inclusive growth through a clear cause-and-effect process that links market conditions to real economic outcomes. When markets are competitive, firms are forced to lower prices and improve quality to attract customers, which directly benefits consumers especially low-income households. For example, if multiple suppliers are allowed to compete in Zimbabwe's school uniforms market, prices fall and families can afford essential goods more easily. At the same time, open and competitive markets allow small and medium enterprises (SMEs) to enter and grow, creating jobs and expanding economic participation; for instance, local tailors or small manufacturers can supply schools instead of being excluded by exclusive contracts. Competition also pushes firms to innovate and operate more efficiently, leading to better products and increased productivity over time. However, in highly concentrated markets where a few dominant firms control supply chains or distribution such as in stock feeds these firms may block new entrants or restrict access to inputs, keeping prices high and limiting opportunities for smaller players. This weakens the entire chain: fewer businesses participate, consumers pay more, and economic benefits remain concentrated among a few firms, thereby reinforcing inequality instead of promoting inclusive growth.

4. Barriers to Entry

Roberts and Vilakazi's (2015) comprehensive review of barriers to entry provides a valuable analytical framework for understanding Zimbabwe's market dynamics. They distinguish between structural barriers, inherent features of markets such as economies of scale, sunk costs, and network effects and strategic barriers, which arise from incumbent firms' deliberate conduct to exclude or handicap rivals. Structural barriers are particularly significant in Zimbabwe's relatively small economy. The fixed costs of establishing manufacturing capacity, distribution networks, and brand presence can be prohibitive, creating natural advantages for first movers. However, it is the strategic barriers that often prove most pernicious. These include exclusive supply arrangements, predatory pricing, margin squeezes, and the leveraging of market power from one segment to another.

The Commission's recent cases illustrate these dynamics vividly. In the stock feeds sector, investigations have revealed patterns of conduct that effectively foreclose smaller competitors from accessing critical inputs or distribution channels. Similarly, the school uniforms market a sector of enormous significance given Zimbabwe's large school-going population has shown evidence of anti-competitive arrangements that raise costs for parents and limit opportunities for small manufacturers.

5. Vertical Foreclosure in Practice

Vertical foreclosure occurs when a firm with power at multiple levels of a value chain uses that position to disadvantage rivals by limiting their access to essential inputs or key customers. This has been an existential threat to well-functioning markets in Zimbabwe. In markets where a few vertically integrated firms dominate, the risks of exclusionary conduct are particularly high. Such firms often control upstream inputs, manufacturing processes, and downstream distribution channels, allowing them to influence competitive conditions across the entire chain. In practice, these firms may employ strategies that raise the operational costs of independent players or restrict their ability to compete effectively. This can include preferential access to critical inputs, discriminatory pricing, or leveraging dominance in one market segment to entrench power in another. These practices, although subtle, create significant barriers for new entrants and smaller firms attempting to scale, thereby inhibiting inclusive growth in Zimbabwe.

6. Anticompetitive Practices and Consumer Harm: Case of School Uniforms

The school uniforms market represents a different facet of anti-competitive behaviour. Here, the focus has been on exclusive dealing among suppliers and schools which raises the price of school uniforms. For Zimbabwean families, school uniforms constitute a significant annual expense, and anticompetitive conduct in this sector directly impacts household budgets including many low-income families.

7. The Policy Framework: NDS 2 and Beyond

Zimbabwe's NDS 2 provides a strategic framework that recognizes the importance of inclusive growth. The strategy's pillars of structural transformation, value addition, and private sector development all presuppose market structures that enable new entrants to compete effectively. However, translating these high-level commitments into concrete outcomes requires specific attention to competition policy implementation. This includes integration of public interest considerations into competitive cases in order to craft remedies that address both competition concerns and developmental objectives.

8. Institutional Role and Enforcement Capacity

The Commission plays a central role in enforcing competition law and promoting fair markets and is in the process of amending its Act to strengthen enforcement by increasing penalties for anti-competitive conduct; expanding powers to conduct market inquiries; incorporating public interest considerations into competition assessments; among other areas. However, effective enforcement requires more than legal provisions. It depends on institutional capacity, technical expertise, and political support. The political economy remains a challenge, as dominant firms often possess the resources and influence to resist pro-competitive measures.

9. Conclusion

Competition policy is not a panacea for Zimbabwe's economic challenges, but it is an essential tool in the broader arsenal of policies needed to achieve inclusive growth. Effective enforcement against anti-competitive conduct can lower prices, stimulate innovation, create opportunities for new entrants, and contribute to employment creation. The Commission's work in the stock feeds and school uniforms sectors represents important steps in this direction. By addressing unfair business practices, these cases demonstrate the potential for competition enforcement to reshape market structures in ways that expand economic participation. In the long run, inclusive growth depends on ensuring that economic participation depends not on who you know but on what you can do.

D4. Abuse of Dominance

i) Dominance

Dominance is defined as the ability of a company to act independently of competitors, customers, and consumers, or the ability to raise prices or exclude competitors over the long term. This is often determined by factors such as a large market share, high barriers to entry for new competitors, and significant market power.

ii) What is Abuse of Dominance?

Competition law recognizes that businesses can attain dominance through legitimate means such as superior commercial performance, technological innovation, efficient operations, or investment. While holding a dominant market position is not illegal, exploiting it to restrict competition is a violation of competition law and policy. The legal provisions on abuse of dominance in the Competition Act *[Chapter 14:28]* are not meant to punish companies for their size, but to prevent abusive conduct such as hindering a competitor's ability to operate or making it difficult for new competitors to enter a market. The law identifies several instances that might indicate possible abuse of dominance by dominant companies in the conduct of their business; considering their size, scope, and position of economic strength. The law therefore prohibits the abuse of a dominant position, not the position itself.

Abuse of a dominant position occurs where the dominant company, either individually or together with other companies, exploits its dominant position in the relevant market or excludes other competitors. Market power is the ability of a firm to behave in a manner that does not take into account the reactions of its competitors, customers or suppliers, or to control prices. Instead of winning customers through better products or lower prices, in instances where dominance is abused, the dominant company engages in conduct that excludes competitors, limits consumer choice, or exploits customers.

iii) Types of abuse

Abusive behaviour can be categorized into two main types namely i) exploitative abuses, which harm consumers directly, and ii) exclusionary abuses, which harm competitors.

Exploitative Abuse: these practices involve a dominant firm using its market power to impose unfair terms on customers. Examples include: -

- **Excessive pricing:** charging excessively high prices not justified by costs.
- **Price discrimination:** unjustifiably charging customers different prices or conditions for the same goods or services, placing some at a competitive disadvantage.
- **Tying and bundling:** forcing customers to purchase a second product (the tied product) in order to get the primary product (the tying product). The supply of particular goods or services are dependent upon the purchase of other goods.
- **Loyalty Rebates:** offering discounts to customers to encourage them to buy exclusively from the dominant firm.

Exclusionary Abuses: these practices are designed to hinder or eliminate competitors, thereby protecting the dominant firm's market power, for example:

- **Predatory pricing:** temporarily selling of goods or services below production costs to drive competitors out of the relevant market. The dominant firm can then increase prices once competition is eliminated.
- **Refusal to deal or supply:** denying competitors access to essential inputs or services not available elsewhere without a valid business reason such as refusal to supply scarce goods to a competitor, inducing suppliers or customers not to deal with a competitor, buying up a scarce input required by a competitor.

- **Exclusive dealing:** requiring customers to exclusively buy from the dominant company, often through loyalty rebates or other incentives.
- **Margin squeeze:** a vertically integrated dominant firm charging its downstream competitor's high prices for an upstream input, while also selling the finished product at a lower price. This squeezes the competitor's profit margin and makes it difficult for them to compete.

iv) Anti-Competitive Effects of Abuse of Dominance

Abuse of dominance can have significant, though not always immediately visible, consequences for consumers, competitors, suppliers, distributors, and potential new entrants, ultimately reducing consumer welfare and undermining competition.

Effects On Customers

- leads to higher prices where consumers have limited alternatives,
- reduces consumer choice as competitors are excluded or discouraged from entering the market,
- lowers incentives for innovation, resulting in fewer product and service improvements, and
- can lead to poorer service quality and reduced responsiveness to customer needs.

Effect On Competitors and the Other Market Players

- excludes competitors through practices such as predatory pricing, exclusive dealing, or refusal to supply essential inputs,
- discourages new market entry, reducing business opportunities and competition,
- reduces investment as businesses become reluctant to enter or expand in unfairly competitive markets,
- harms small and medium-sized enterprises (SMEs), which often lack the resources to withstand anti-competitive conduct, and
- distorts the competitive process by allowing firms to rely on market power rather than efficiency, innovation, and customer value.

v) Prohibition of Abuse of Dominance

The prohibition of abuse of dominance is one of the three pillars of competition law. The Competition Act *[Chapter 14:28]* prohibits businesses from abusing a dominant position in a market. The law is, however, not intended to punish firms simply because they are large or successful; rather, it seeks to prevent the misuse of market power in ways that harm competition and consumers. Central to this prohibition is the concept of substantial market control enshrined in Section 2 (2) of the Act, which provides as follows: -

"A person has substantial market control over a commodity or service if: -

(a) being a producer or distributor of the commodity or service, he has the power,

(a) *either by himself or in concert with other persons with whom he has a substantial economic connection profitably to rise or maintain the price of the commodity or service above competitive levels for a substantial time within Zimbabwe or any substantial part of Zimbabwe,*

(b) *being a purchaser or user of the commodity or service, he has the power, either by himself or in concert with other persons with whom he has a substantial economic connection, profitably to lower or maintain the price of the commodity or service below competitive levels for a substantial time within Zimbabwe or any substantial part of Zimbabwe."*

In practical terms, the competition authority assesses whether a company has sufficient influence to behave independently of normal competitive pressures. This means that dominance is not determined solely by market share, but by the ability of a firm to influence prices, trading conditions, or market outcomes. A company that can increase prices without losing customers, or a buyer that can compel suppliers to accept unfairly low prices due to limited alterantives, may be found to possess substantial market power. A company may have a significant market share but still face strong competition from rivals or potential entrants. Conversely, a firm with a lower market share may still exercise substantial market control if market conditions allow it to influence prices or trading conditions.

vi) How to Address Abuse of Dominant Position: -

- competition authorities first identify the relevant market and assess if a company holds a dominant position;
- an assessment is made as to whether the company's conduct harms competition, which can be done by looking at the effects on consumers, such as higher prices or reduced choice;
- while dominance is often indicated by market share, authorities also consider other factors like the availability of alternatives and the ease of market entry; and
- prohibition of abuse of dominance is usually done by imposing fines or orders to stop the conduct.

vii) How Can Companies Ensure Compliance with the Law

Companies should ensure compliance by avoiding exclusionary and exploitative practices, maintaining transparent and objective business decisions, training employees, and obtaining legal review of potentially anti-competitive conduct. The goal is to compete on merit through better products, services, innovation, and efficiency rather than using dominance to restrict competition.

E. Internal Activities

E1. Courtesy Visit by the CEO of the COMESA Competition and Consumer Commission

The CCCC CEO Dr Willard Mwemba paid a courtesy visit to CTC Directorate and Management to discuss areas of collaboration that will enhance effective enforcement of competition regulation in Zimbabwe and the COMESA at large.

E2. Weekly Wellness Activities

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

Commission staff participating in wellness activities

F. ZITF Exhibition

As part of its regular stakeholder engagement activities, the Commission exhibited at the recently concluded ZITF 2026 edition. The Trade Fair gave an opportunity to the Commission to engage with stakeholders explaining twin mandate of competition regulation and trade tariff Assistance.

COMPETITION & TARIFF COMMISSION

Thank You

for Reading!

See you in Commission's Q3 Newsletter!!!

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COMPETITION & TARIFF COMMISSION

For Economic Recovery through
Fair Business and Trade Practices