CZI

Enterprise Leadership Service

ZIMBABWE INDUSTRY NEWSLETTER

January to March

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Foreword

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Chief Executive Officer – Confederation of Zimbabwe Industries

The first quarter of 2026 reflects an operating environment shaped by policy adjustment, cost pressures, and gradual stabilisation. Inflation has remained in single digits, creating improved planning conditions, while monetary tightening continues to influence access to credit and the cost of capital. At the same time, increases in fuel, fertiliser, and other input costs have continued to affect production and logistics across sectors.

Policy engagements during the quarter are expected to impact business operations when adjustments to selected tax measures and regulatory costs are gazetted to ease aspects of compliance, while changes in customs processes have required businesses to adapt how they manage cash flow and transactions. Developments in indigenisation policy have also required firms in affected sectors to review ownership structures and investment planning.

In response, CZI's work during the quarter focused on practical engagement with institutions such as ZIMRA, the Ministry of Industry and Commerce, and local authorities to address implementation gaps, clarify policy direction, and support business continuity. These issues also shaped discussions at the Business and Economic Outlook Symposium, where attention was given to production, cost structures, and the operating environment facing the industry.

Rising input costs and external pressures have also informed ongoing research and engagement, including work on trade and industrial positioning. Consultations with industry on Zimbabwe–China trade negotiations reflect the need to address market access constraints, strengthen value addition, and ensure that trade arrangements support domestic production.

Looking ahead, the focus will remain on strengthening production, supporting value addition, and improving competitiveness. Continued engagement on the cost of doing business, trade and industrial policy, and regulatory implementation will remain central to this work.

At a Glance

Business Environment and Policy Engagements - Engagement Footprint

Key Policy & Regulatory Focus Areas

- Customs reform – CZI engaged ZIMRA on the transition to Payment After Assessment, addressing delays, system adjustments, and cash flow implications for importers
- Company re-registration (CIPZ) – engagements focused on compliance challenges, documentation requirements, and facilitation of resolution mechanisms for affected firms
- Trade Measures Regulations (SI 56 of 1989) – industry validation inputs on packaging, labelling, and prescribed quantities to ensure alignment with operational realities
- Government debt to the private sector – member engagements raised concerns on delayed Treasury Bill settlements and liquidity pressures affecting operations
- Tax dispute resolution – ongoing engagements to address VAT issues, withholding tax concerns, and compliance-related disputes affecting firms

Research & Member-Focused Issues

- Manufacturing Sector Survey – first draft completed, providing data on capacity utilisation, investment trends, and industry performance
- Sugar Tax Impact Study – fieldwork conducted across farmers, Tongaat Hulett, and beverage manufacturers to assess cost, pricing, and value chain effects
- Distressed Firms Study – company visits underway to assess financial distress, operational constraints, and structural pressures affecting firms
- Value chain and sector studies – cotton insights report nearing completion; validation of farm-gate ginning, glucose, and gelatin studies to support intermediate goods production

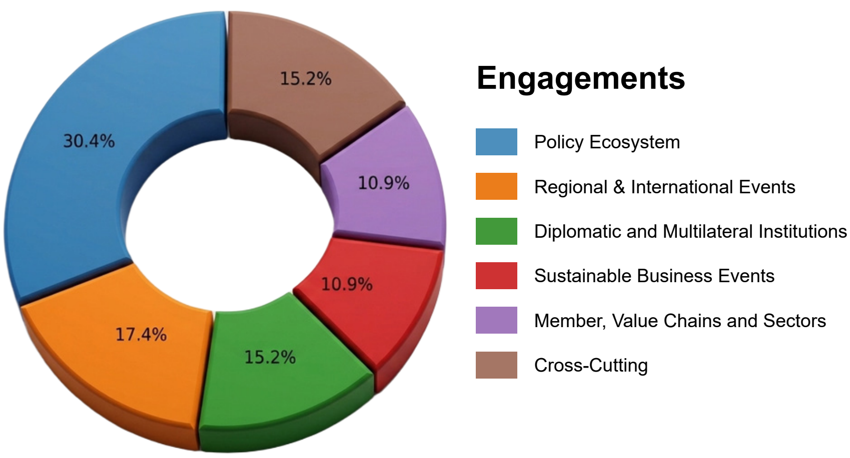
Sector Coverage

Engagements and research activities during the quarter covered a broad range of sectors, reflecting diverse member issues and value chain dynamics:

- Manufacturing – food and beverages, dairy processing, engineering, iron and steel
- Agriculture and agro-processing – dairy, grain, cotton, horticulture
- Mining and mineral value chains
- Trade and retail
- Financial services and investment
- momentum in reviews.

Regional Impact

- 7 SADC Quality Awards won across Zimbabwean industry



152

delegates attended the Business & Economic Outlook Symposium

Key Economic Highlights

The first quarter of 2026 reflects key developments shaping Zimbabwe's business and economic environment. These highlights provide a concise overview of policy changes, market conditions, and external factors that influenced industry operations during the period.

Policy Responsiveness and Fiscal Adjustments
Government revised several proposed tax measures following industry engagement, including the repeal of the cash withdrawal levy and adjustments to gold royalties and tax clearance requirements.

Reducing the Cost of Doing Business
Regulatory costs are expected to decline by the reduction of licence fees and vehicle registration charges by continuing engagements to ensure the legislation of the reviews.

Indigenisation Policy and Business Adjustment
Statutory Instrument 215 introduced stricter rules on foreign participation in reserved sectors, requiring operational and investment adjustments by affected firms.

Tax Administration Reform and Business Impact
ZIMRA introduced the payment-after-assessment system to strengthen governance and transparency in customs processes, with operational adjustments required by businesses during implementation.

Inflation Stabilisation and Monetary Conditions
Single-digit inflation improved planning conditions, while tight monetary policy maintained high borrowing costs and constrained access to credit.

Currency and Liquidity Dynamics
The directive to settle government payments fully in ZiG introduced liquidity considerations, alongside continued dollarisation in the economy.

Global Shocks and Cost Pressures
Increases in fuel, fertiliser, and commodity prices raised production and logistics costs across sectors.

Trade and Industrial Positioning
Zimbabwe advanced negotiations under the Framework Agreement with China, focusing on trade facilitation, supply chains, and industrial development.

Indigenisation Policy and Business Adjustment
Statutory Instrument 215 introduced stricter rules on foreign participation in reserved sectors, requiring operational and investment adjustments by affected firms.

Business Impact and Industry Feedback
Rapid surveys reflected operational pressures across firms, driven by rising input costs and supply chain disruptions.

Policy Advocacy & Industry Representation

CZI maintained a strong presence across the policy ecosystem during the first quarter, with 92 external engagements recorded across government, development partners, industry, and regional bodies. Engagements were led by the policy ecosystem (30.4%), followed by regional and international platforms (17.4%), diplomatic engagements (15.2%), and cross-cutting engagements (15.2%), with additional focus on sustainable business events (10.9%) and member, value chain, and sector engagements (10.9%).

Engagements with ZIMRA and other regulatory bodies responded directly to changes in customs administration, particularly the shift to the payment-after-assessment system. These discussions focused on operational efficiency, transaction processes, and the impact on business cash flow.

Engagements with government also reflected ongoing adjustments to fiscal measures and regulatory costs, ensuring that industry input continued to shape implementation. Across these platforms, the focus remained on aligning policy with operational realities and supporting business continuity.

Sector-Based Engagement and Value Chain Development

CZI's work during the quarter reflects a deliberate sector-by-sector approach, with targeted interventions across key value chains to address specific industry constraints. In the cotton value chain, the near-complete insight report is expected to inform production, processing, and value addition strategies within the broader Five-Year Industry Agenda, while validation work on farm-gate ginning, glucose, and gelatin is refining opportunities for intermediate goods manufacturing. In agriculture-linked sectors, the Grainseeds position paper submitted to the Agricultural Marketing Authority provides a structured industry perspective on policy and market conditions, while ongoing engagement with the Horticulture Development Council is addressing regulatory bottlenecks such as import duties on key inputs and mapping constraints affecting sector performance.

Within the manufacturing, sector agendas are being developed for dairy, beverages, and food processing, with the Dairy Processing Sector Agenda undergoing validation to align stakeholders on cost pressures, capacity utilisation, and value chain efficiency. Complementing this, the Sugar Tax Impact Study is assessing effects across the full value chain, from farmers to beverage manufacturers, while the distressed firms study is generating firm-level evidence on operational and financial pressures affecting the industry. Additional engagements, including collaboration with the Tool, Die and Mould Making Association and support for the formation of the Tissue Manufacturers Association, are strengthening coordination within specialised manufacturing subsectors.

This body of work reflects a structured approach where sector-specific issues are translated into research, policy input, and practical interventions that respond directly to the needs of different industries.

Shaping Practical Regulations

CZI continues to advance regulatory frameworks that reflect how businesses operate across sectors.

Trade Measures Validation

CZI convened engagements with the Ministry of Industry and Commerce, regulators, and industry players to review the draft Statutory Instrument on Trade Measures (Sale of Articles) Regulations. The process focused on ensuring that the regulations are practical, enforceable, and aligned with how businesses operate across different sectors.

Key issues raised by industry included the rigidity of prescribed quantities, which may not reflect actual production and packaging realities, particularly in food and fast-moving consumer goods. Concerns were also raised around labelling requirements, including the cost and feasibility of compliance for small and medium producers.

There was also a need to balance consumer protection objectives with production flexibility, especially where standardisation could unintentionally disrupt existing supply chains or increase costs. Industry input focused on refining these provisions to support both compliance and operational efficiency.

This engagement is contributing to a more practical regulatory framework that supports production while maintaining standards.

Customs Reform: *Payment After Assessment*

CZI engaged with ZIMRA and industry stakeholders on the implementation of the Payment After Assessment system, which has changed how import duties are processed and settled.

Businesses highlighted several operational challenges during implementation. Cash flow pressures have increased as funds remain tied up during the assessment and clearance process. The requirement for multiple transactions per consignment has also increased administrative workloads and processing times.

System integration challenges and delays in clearing goods were raised as key concerns, particularly for businesses reliant on timely imports for production. These issues have had a direct impact on operations, especially in sectors with tight production schedules.

Engagements with ZIMRA focused on improving system efficiency, streamlining processes, and addressing bottlenecks affecting clearance timelines. The discussions also emphasised the need for ongoing communication and adjustment as the system continues to be implemented.

Company Re-Registration: *Addressing Compliance Constraints*

CZI engaged the Companies and Intellectual Property Office of Zimbabwe (CIPZ) on challenges arising from the mandatory re-registration of companies under Statutory Instrument 108 of 2025. The regulation requires all companies and Private Business Corporations registered before the introduction of the electronic registry system to re-register by 20 April 2026, with failure to comply resulting in automatic deregistration.

In engagements with members, several operational challenges were identified. Businesses reported difficulties in accessing or retrieving historical records, particularly annual returns, many of which could not be located despite repeated follow-ups. This has forced some companies to begin time-consuming reconstruction processes to regularise their records. Capacity constraints among SMEs have also affected the ability to meet the requirements within the set timeframe.

In response, CZI engaged CIPZ to better understand the re-registration process and formally requested an extension of the deadline to allow businesses additional time to comply. The request highlighted that many of the delays are driven by administrative backlogs and system-related constraints rather than non-compliance by businesses.

The engagement also informed the organisation of a dedicated platform to support members. Preparations began during the quarter for a webinar to guide businesses through the process, clarify requirements, and address key challenges being experienced.

This work supports business continuity by ensuring that compliant firms are not at risk of deregistration due to factors beyond their control, while also contributing to a smoother transition to the electronic registry system.

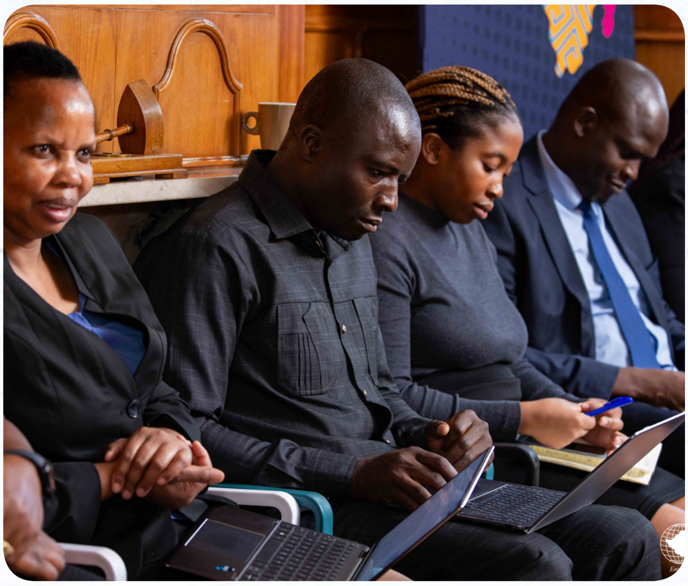
Zimbabwe–China Trade Engagements:
Industry Input into Negotiations

CZI is actively engaged with industry stakeholders to shape Zimbabwe's position under the Framework Agreement on Economic Partnership with China. Consultations held in Harare, Bulawayo, and Mutare brought together businesses across manufacturing, agriculture, mining, and services to provide input into the country's market access offer and broader negotiation strategy.

The discussions highlighted both opportunities and risks within the proposed agreement. Businesses are seeking improved access to the Chinese market, particularly through the removal of non-tariff barriers that continue to limit exports. Despite existing export protocols, products such as horticulture goods face high compliance costs linked to certification, traceability, and additional sanitary requirements. These constraints continue to affect the ability of firms, especially SMEs, to fully participate in export markets.

Concerns were also raised around competitiveness. Local firms are operating under high borrowing costs and constrained access to finance, while Chinese enterprises benefit from concessional funding and policy support. Without complementary domestic measures and clear safeguards, increased market access may place additional pressure on local industries.

Stakeholders emphasised the need to strengthen value addition and industrialisation. There is a strong call for investment models that support local processing of minerals and agricultural products, rather than continued export of raw materials. Proposals included requiring foreign investors to establish local manufacturing facilities and strengthening linkages with domestic value chains.



Issues of standards and market protection were also raised. The influx of sub-standard imports, smuggling, and weak enforcement of conformity requirements continue to affect local producers. Businesses called for stronger regulatory enforcement, improved border controls, and adherence to national standards to protect both consumers and industry.

Skills and technology transfer emerged as a key area of focus. Stakeholders raised concerns about limited opportunities for local professionals and graduates within some foreign-operated firms. Recommendations included mandatory local employment thresholds, structured apprenticeship programmes, and clearer requirements for technology transfer.

Additional issues included the need to expand Zimbabwe's export basket, improve access to affordable financing for exporters, strengthen local participation in services such as insurance, and ensure fair and reciprocal business conditions under the agreement.

These consultations inform Zimbabwe's negotiating position, with a focus on securing a balanced agreement that supports industrial development, protects local industry, and improves competitiveness within regional and global markets.

Research, Global Learning & Institutional Development

CZI continues to strengthen its Industrial and Economic Research capability through international engagement and learning. A recent exchange visit to the United Kingdom provided direction on how research institutions structure economic intelligence and support policy decision-making.

This work is being shaped by the need for timely and relevant insights, particularly in an environment where cost pressures and external shocks are affecting business performance. The focus includes strengthening firm-level data, producing high-frequency business intelligence, and supporting policy engagement with evidence.

Partnerships with academic institutions and research networks are also being developed to strengthen capability and expand access to data and analytical tools.

Regional Recognition & Industry Performance

Zimbabwean industry recorded a strong showing at the 2026 SADC Annual Quality Awards, with seven awards won across multiple categories. Companies such as Delta Beverages, Irvine's Zimbabwe, and Dinson Iron and Steel were recognised for excellence in product quality, service delivery, and export performance.

These awards reflect the level of capability within local industry and the progress being made in meeting regional benchmarks. Recognition at this level signals that Zimbabwean firms are able to operate within established standards that support trade, market access, and customer confidence across the region.

For industry, quality continues to shape competitiveness. Consistency in production, adherence to standards, and investment in systems and processes remain central to sustaining performance and expanding into regional markets.

Events & Industry Platforms

CZI platforms during the quarter created space for focused engagement on issues shaping industry.

Business & Economic Outlook: *From Stability to Growth*

The 2026 Business and Economic Outlook Symposium on the 5th of March brought together 152 delegates and served as a Monetary Policy Review platform, with direct engagement between the Reserve Bank of Zimbabwe Governor and industry leaders.

Discussions reflected the current operating environment, with a strong focus on production, cost structures, and investment. Businesses are operating in a context where input costs are rising, access to affordable finance remains constrained, and efficiency has become central to performance.
A clear message emerging from the engagement is that growth will be driven by production and value addition. Firms that are strengthening local production capacity and aligning with industrial development priorities are better positioned within the current environment.

Digital transformation continues to influence competitiveness, particularly in how businesses use data to guide decisions, improve efficiency, and respond to market shifts. The ability to anticipate trends and adjust operations is becoming increasingly important.

The platform also provided space for direct engagement on monetary conditions and policy direction, allowing businesses to align their strategies with the broader economic outlook.

Women in Industry: Give To Gain

The Women in Industry platform created space for reflection on resilience, entrepreneurship, and the discipline required to navigate business and life.

Elizabeth Magaya's story reflected persistence developed through lived experience. From early hardship and responsibility at a young age to building a livelihood through entrepreneurship, her journey illustrated how individuals continue to grow and adapt across different stages of life. Returning to education later in life reinforced this progression and the value of continuous development.

Her experience highlighted how mindset shapes outcomes. Confidence, self-belief, and the willingness to act on opportunity emerged as key themes, supported by discipline and consistency over time. These elements continue to influence how individuals navigate both personal and business challenges.

The platform also created space for shared learning across generations. Conversations reflected a range of experiences, with mentorship and peer engagement strengthening the exchange of ideas, perspectives, and practical insights.

W!N Women In Industry

Skills in Heels TO INSPIRE INCLUSION

CZI Enterprise Leadership Service

Here for business. 100 Years & counting.

Dairy Sector: Aligning for Competitiveness

CZI, in collaboration with the Dairy Processors Association of Zimbabwe, convened a strategic meeting to align stakeholders around the Dairy Processing Sector Agenda (2026–2030). The platform brought together processors, government representatives, and sector stakeholders to validate priorities and agree on the direction for implementation.

The discussion reflected current cost pressures affecting the sector. High raw milk prices, expensive feed and packaging inputs, and reliance on imports continue to drive production costs. At the same time, processing capacity remains underutilised, limiting the sector's ability to scale and compete effectively within the region.

ENERGY MANAGEMENT SYSTEM (EnMS) & ISO 50001 END USER TRAINING

- A structured industry programme supporting companies to reduce energy costs, improve operational efficiency, and strengthen competitiveness through practical energy management.

Masterclass	Date	Venue
Executive Training (Decision-Makers)	7 May 2026	Cresta Churchill Hotel, Bulawayo
Expert-Level Technical Training	29–30 April | 4–6 May	Cresta Churchill Hotel, Bulawayo
	25-29 May	Gweru
	08-12 June	Harare