



NATIONAL COMPETITIVENESS COMMISSION

Enhancing Zimbabwe's Global Competitiveness

REGULATORY COSTS IN ZIMBABWE

MARCH 2025

1. RURAL DISTRICT COUNCILS

Land Development Levy

- 1.1 Regulatory burdens in Zimbabwe are not geographically and locationally sensitive. Industries operating in Rural District Councils (RDC) experience acute regulatory compliance challenges. RDCs charge a Land Development Levy of USD3 per hectare per year. The charge may seem to be small but is significant for firms owning huge plantations, with no commensurate services from the RDCs.
- 1.2 The charges also include non-productive land, which the firms are not benefiting from commercially. For example, a timber producer with 45,000 hectares of land will be charged USD135,000 per year, at a time when a significant portion of that land is mountains, rivers, graveyards, conservatives, and illegal settlers from which the company does not derive benefits.

2. FORESTRY COMMISSION OF ZIMBABWE

- 2.1 The Forest Commission of Zimbabwe is mandated to regulate the trade in timber and timber products in Zimbabwe. The Commission issues timber trading licenses and timber movement permits as provided by the Statutory Instrument (SI) 116 of 2002. The SI outlines the process and fees for the licences as shown in table 1.

Table 1: Forestry Commission of Zimbabwe Regulatory Fees

Licence	Amount charged
Application fee for timber trader's licence	USD 20
Timber trader's licence	USD 100
Application fee for renewal	USD 20
Trader's licence renewal	USD 100
Total	USD 240
Forest produce movement or export permit	1% of export value or USD100, whichever is higher

Statutory Instrument 116 of 2012 and submissions from Forestry Commission

3. AGRICULTURE MARKETING AUTHORITY

- 3.1 The AMA administers various regulations, which negatively impact the cost of doing business in Zimbabwe. For example, the SI 147 of 2012 requires companies in the business of buying and contracting agricultural products (including feed producers) to register annually and comply with several obligations.
- 3.2 For example, abattoirs must register with AMA and pay annual registration fees, despite being registered and paying annual registration fees to the Veterinary Public Health (VPH) Department. Apart from that, the SI 129 of 2017 requires registered cattle abattoirs to pay USD10 per slaughtered head which is a significant cost. The same SI requires milk processors to pay USD0.01 per litre and USD0.01 per chick produced.

4. RADIATION PROTECTION AUTHORITY OF ZIMBABWE

4.1 The Radiation Protection Authority of Zimbabwe (RPAZ) is also mandated under the Radiation Protection Act [*Chapter 15:15*] of 2004, to issue standards and norms governing the exemption, notification, registration and licensing of radiation sources. The RPAZ is further mandated to issue authorizations for the possession and use of radiation sources. Table 2 presents fees levied by the RPAZ as provided by SI 134 of 2012.

Table 2: Fees levied by the Radiation Protection Authority of Zimbabwe

Category	Costs (USD)
Laboratories, refractories refurbishes, water treatment and purification, ceramics and building materials	1,500
Scrap processors and scrap smelters	2,000
Fertiliser producers	10,000
Industrial gauging, industrial X-ray generators and import license	1,000
Total	14500

Source: SI 134 of 2012

5. ENVIRONMENTAL MANAGEMENT AGENCY

5.1 The EMA also administers several regulations that attracts fees and penalties as follows.

Table 3: Atmospheric Pollution Regulation Costs

Annual Registration Fees	USD 32				
Annual Monitoring Fees:					
Blue	USD 100				
Green	USD 145				
Yellow	USD 280				
Red	USD 555				
Quarterly environment fees for each license band and quantity of emissions					
License band	Volume of emissions discharge per mt per quarter				
	< 5 mt	> 5 but < 50mt	> 50 but < 100 mt	> 100 but < 200 mt	> 200 mt
Blue	USD 100	USD 145	USD 280	USD 555	USD 1 110
Green	USD 145	USD 280	USD 555	USD 1 110	USD 2 000
Yellow	USD 280	USD 555	USD 1 110	USD 2 000	USD 4 500
Red	USD 555	USD 1 110	USD 2 000	USD 4 500	USD 9 000
5% administration fee shall be charged on all fees					

Source: Environment Management (Atmospheric Pollution Control) Regulations 2009

5.2 The following are the charges and levies per year for the different categories of emitted hazardous substances as provided for by the SI 268 of 2018.

Table 4: Charges for hazardous substances (USD)

	Red	Amber	Green
Manufacturer/user/importer or seller of hazardous substances per plant per person per premise	USD 610	USD 470	USD 310
Operators of hazardous substance	USD 1 000	USD 620	USD 400
Agrochemicals storage and use license:			
<100kg	USD 25	USD 15	USD 10
100kg-less than 1,000kg	USD 60	USD 40	USD 30
More than 1,000 kg	USD 640	USD 500	USD 340
Total	USD 2 335	USD 1 645	USD 1 090

Source: SI 268 of 2018

5.3 Table 5 summarizes the license fees levied to a manufacturing firm for effluent and solid waste disposal.

Table 5: Effluent and Solid Waste Disposal Costs

Regulatory cost	Effluent Disposal	Solid Waste Disposal
Annual registration fee (per year)	USD 32	USD 32
Monitoring fees (per year)		
Blue	USD 80	USD 80
Green	USD 155	USD 155
Yellow	USD 300	USD 300
Red	USD 585	USD 585
Discharge levy (per quarter)		
Blue	USD 80	USD 160
Green	USD 155 + 0.0075 per m ³ of effluent	USD 310
Yellow	USD 300 + 0.015 per m ³ of effluent	USD 600
Red	USD 585 + 0.030 per m ³ of effluent	USD 1200
Red License Penalty fee	50% of Discharge levy + Monitoring Fees + Registration fees	
Administration Fees	5% of all the above fees for each type of license	

Source: Statutory Instrument 6 of 2007

6. NATIONAL SOCIAL SECURITY AUTHORITY

6.1 Table 6 presents the regulatory costs resulting from the regulations administered by the National Social Security Authority (NSSA) as provided in the Factories and Works Act [Chapter 14:08]. The Act compels all factories to register with NASSA and obtain a registration certificate for

premises, an inspection license for industrial boilers and machinery, and a registration certificate for factories.

Table 6: NSSA Service Fees

License category	Dimension		Costs
Factory registration (per factory)	Number of employees		Registration fees
	1-50		USD 100
	51-100		USD 200
	101 and above		USD 300
Factory approval plan			1% of estimated costs of building
Elevator/Escalator registration/inspection fees	Registration fees		Inspection fee (per visit)
Elevator	USD 200 plus USD 20 per landing		USD 100 plus USD 20 per landing
Escalator	USD 200		USD 300
Boiler Registration/Inspection fees	Boiler type/heating surface area	Registration fees	General inspection fees (per visit)
	Electric/electrode	USD 150	USD 50
	Up to 4.5m ²	USD 300	USD 100
	>4.5to 25m ²	USD 600	USD 200
	>25 to 75m ²	USD 900	USD 300
	>75 to 150m ²	USD 1 200	USD 400
	>150 to 500m ²	USD 1 500	USD 500
	Over 500m ²	USD 1 800	USD 600

Source: NSSA Website

7. MEDICINES CONTROL AUTHORITY OF ZIMBABWE

7.1 Businesses are also expected to pay several charges in compliance with Statutory Instrument 186 of 2012, issued under the Medicines and Allied Substances Control Act [*Chapter 15:03*]. Table 7 presents various charges levied by the authority.

Table 7: Regulatory Fees Charged by the Medicines Control Authority of Zimbabwe

	Category	Costs (USD)
1	Licence for manufacturing premise	
	A sterile manufacturing unit	6 000
	Premise with more than 3 dosage forms but not including sterile product facilities	5 000
	A premise with up to 3 dosage forms	4 500
	A restricted pharmaceutical premise	3 500
2	Renewal licences	
	Pharmacist	50
	Nurse	60

	Industrial clinic	180
3	Inspection of premises	
	Sterile pharmaceutical unit	1 000
	Premise with more than 3 dosage forms	750
	Premise with up to 3 dosage forms	500
4	Registration of medicine	
	Medicine imported as a finished product (various categories)	750 - 3 000
	Imported and relabelled in Zimbabwe (various categories)	600 – 1 500
	Other categories of imported medicine besides the two	600 - 900
5	Retention of a registered medicine	
	Medicine imported as a finished product for human use	500
	Human medicine which is repackaged and relabelled after import	300
6	Application to manufacture on contract an unregistered medicine for export	
	In the case of a local principal	100
	In the case of a foreign principal	500
7	Approval of advertisement or promotional material	50

Source: SI 186 of 2012

8. BORDER FEES FOR TRUCKS

Table 8: Border Charges for Trucks

Name of Service Charge	Amount (USD)
Gate pass	23/ trip
Zimborders for rigid trucks	122/ trip
Zimborders for trucks with more than 2 axles	213/ trip
Third Party Insurance (Horse)	50/ 30 days
Third Party Insurance (Trailer)	10/ 30 days
Third Party Insurance (Trailer)	10/ 30 days
Carbon tax	10/ 30 days
Commercial Vehicle Guarantee (CVG)	25/ 30 days per unit
Toll fees	10/ 100km

8.1 It is critical to note that commercial trucks also may have to pay extra inspection fees depending on what they would be carrying, such as agriculture fumigation if goods are on wooden pallets, National Biotechnology Authority fees if carrying goods like maize or general foods, EMA fees and Port Health fees, among others.

9. RETAIL SECTOR LICENCES

9.1 Table 9 shows licences required to operate in the retail sector.

Table 9: List of Licences for the Retail Sector

Name of Service Charge		Cost (US\$)	
City of Harare Shop Licences	Bakery	703	Annual
	Butchery	649	Annual
	Fish Monger	649	Annual
	Food Pavveyors	649	Annual
	Restaurant	649	Annual
	Takeaway	649	Annual
	Bottle Store	504	Annual
	Restaurant Liquor	504	Annual
	Wholesale	504	Annual
	Financial Services	573	Annual
	Food Factory	2300	Annual
	Healthy Report	575	Annual
	Shop Licence	564	Annual
	Application Fee for Shop Licence	72	Annual
	Take away food shop	1213	Annual
Liquor Licences- Ministry of Local Government - Liquor Board	Bottle Store	110	Annual
	Wholesale	800	Annual
	Restaurant Special	350	Annual
	Bottle Store new application	360	Annual
	Temporal Liquor Licence	200	Annual
Zimbabwe Tourism Authority	ZTA Licence	305	Annual
PRAZ	Groceries and Provisions	120	Annual
	Stationery Products and Paper Raw Materials	120	Annual
	Butchery (beef, pork, fish, poultry products etc)	120	Annual
	Corporate Gifts	120	Annual
	Packaging Materials and Related Products	120	Annual
	Vegetables and Fruits (Fresh Farm Produce)	120	Annual
Music and Copy Rights	Zimbabwe Council and Copy Rights	350	Annual
ZINARA - Motor Vehicles	Including ZBC Licence	105	per quarter

Financial Services – Payzones	Financial Services	1150	Annual
Environmental Management Agency (EMA)	Generator Emissions Green	152,25	Annual
	Generator Emissions Blue	136,5	Annual
Grand Total		15495,75	

Source: Confederation of Zimbabwe Retailers, 2025

10. THE ZIMBABWE NATIONAL WATER AUTHORITY

10.1 The Zimbabwe National Water Authority (ZINWA) also administers regulations that require it to set water prices and manage water permit systems. Table 8 shows charges levied by ZINWA in exercising its mandate.

Table 10: Industrial Regulatory Fees Charged by ZINWA

Name of Service Charge	Amount (USD)
Clear Water Security Deposit	500
Sewer Connection Fee	100
Sewer charges per month	10

Source: ZINWA Website

11. COSTS FOR STARTING A MANUFACTURING BUSINESS IN ZIMBABWE

11.1 Box 1 summarises the general steps and estimated costs for establishing a new manufacturing firm in Zimbabwe.

Box 1: Legal Requirements to Start a Manufacturing Business in Zimbabwe

Starting a formal business in Zimbabwe requires the investor to follow several procedures. The following are the legal steps the investor must take to register as a Private Limited company.

1. Registering with the Registrar of Companies

- The process begins with filling and submission of CR 1 Form (electronical communications) which must be assessed and approved by the Chief Registrar.
- If the documents lodged meet the standards, the Registrar will then enter the company in the register and return a copy with the date of registration to the applicant.
- The applicant must then submit in duplicate the Memorandum and Articles of Association and two copies of CR 5 Form (Registered office address) and CR 6 Form (List of directors and secretaries) together with a subscription fee of USD65 within 30 days.
- A successful applicant will be issued a Certificate of incorporation.
- The whole process of company registration with the Registrar of companies takes an average of 5 working days to complete.

2. Opening a bank account

- To register as a taxpayer at ZIMRA, one requires a bank account. However, to obtain a bank account, one requires an advice letter from ZIMRA.
- An initial deposit is required when opening a bank account in Zimbabwe which is very minimal, averaging at about USD20 and it takes up to 48hrs to have a functional account.

3. Register with Zimbabwe Revenue Authority (ZIMRA) for income tax, VAT and PAYE

- After submitting a copy of the certificate of incorporation and memorandum of association to ZIMRA, the company will be issued a registration number, current tax tables and pay-as-you-earn receipt books at no charge.
 - The process takes 2-3 weeks to complete.
 - A new organisation can only register for VAT after a year of operation and if the annual turnover reaches USD40,000.
 - However, to be liable for VAT, a business needs to have a fiscalisation device which cost USD500-USD600.
- 4. Register with the National Social Security Authority (NSSA) for pension and accident prevention.**
- Registration with NSSA should be done within 30 days of becoming an employer and the process is done online. After processing the application, NSSA will notify the employer of the registration number.
 - The employer and employee will have to contribute 3.5% of employee gross monthly salary.
- 5. Register with the Manpower Development Fund (ZIMDEF)**
- Employers must register with the Zimbabwe Manpower Development Fund (ZIMDEF), which is a statutory body with the mandate of funding the development of critical and highly skilled human capital in Zimbabwe. The company contributes 1% of their wage bill to ZIMDEF. The fund allows employers to recover expenses when employees complete training.
- 6. Application for a licence to the City Health Department**
- The company then retrieves the license application notice form from the City Health Department in their location. This application can now be downloaded from the website for some urban councils and there is no longer a need to pay for its collection.
- 7. Apply to the Local Authorities Licensing Office for the issuance of new licenses**
- The process begins by paying USD20 administration fee at a local council before proceeding to the licensing office.
 - The Local Authority Licensing Office will issue the applicant with the SL2 Form which captures the necessary details.
 - The applicant will be required to pay a \$60 submission fee with the completed SL2 forms and apply for a registration certificate.
 - If all is satisfactory, one must pay USD160 for a temporary trading permit, pending date of authority meeting.
 - After the date of authority meeting, a licensing fee will then become payable, whose amount varies depending on the type of business.
 - The registration certificate is renewed annually.

Source: CZI, 2024

12. CONCLUSION

- 12.1 Regulatory costs are real costs and affect consumers by increasing the prices of goods and services. Whilst Zimbabwean firms are experiencing several setbacks that adversely affect their ability to compete, regulatory costs have played a significant role as they are rigid and have remained at the 2009 levels. This is when the use of multi - currency system was introduced and it was a period of information asymmetry due to a lack of a coordinated national approach in determining wages and salaries and other charges of the various sectors of the economy.
- 12.2 Regulatory costs form part of the fixed costs of the economy and have led to high prices as part of firms' production costs. The high prices have resulted in Zimbabwean prices being higher than

those of surrounding countries. The regulatory environment is a major factor in determining the cost structure of firms.

13. RECOMMENDATIONS

- 13.1 **Reduction of Fees:** The regulatory fees of EMA, NSSA, local authorities, in particular, should be reviewed downwards. Local authorities should also reduce their charges for property taxes in line with the reduction level of the rest of regulatory levies. A significant level of reduction would be appropriate.
- 13.2 **Primary Producers Fees:** Regulatory charges on primary producers should be kept at minimum level to minimize the multiplier effect of costs along a value chain. Costs on agricultural activities at the primary stage should be kept low to avoid the compounding effect of costs due to mark ups at various stages of production. Regulatory costs in the fertilizer industry should be reduced to a lower level than those industries at downstream stage.
- 13.3 **Open Ended Regulatory Charges as a Percentage of Turnover:** Open ended tariffs should be avoided. Fixed Fees with a cap would be most cost effective for business.
- 13.4 **Continuous Review of Regulatory Costs:** The regulatory costs, as is the practice in advanced economies, should be reviewed on a continuous basis, to contextualise their activities and level of cost on firms and the general economy.