



NATIONAL COMPETITIVENESS COMMISSION

Enhancing Zimbabwe's Global Competitiveness

**ANALYSIS OF THE IMPACT OF ZIMBABWE ELECTRICITY
TRANSMISSION AND DISTRIBUTION COMPANY MANDATORY
ELECTRICAL INSPECTIONS AND RE-INSPECTIONS ON BUSINESS
AND NATIONAL COMPETITIVENESS**

April 2025

1.0 INTRODUCTION

- 1.1 The Zimbabwe Electricity Transmission and Distribution Company (ZETDC) has introduced a mandatory US\$25 fee for inspections and re-inspections of electrical installations for all business and households in the country in a public notice of 27 March 2025.
- 1.2 The measure envisions enhancing safety and reliability in Zimbabwe's electrical infrastructure, following a surge in house fires and electrical accidents. These inspections are critical in preventing potentially devastating incidents emanating from unsafe wiring, faulty connections, and non-compliant installations. Thus, it is ZETDC's priority to ensure all electrical systems meet the highest safety standards. Table 1 below shows the fees and charges introduced by ZETDC.

Table 1: Fee charges for inspections and re-inspections

Description	Fee charge
Statutory inspections and re-inspections (all customers)	US\$25
Generator verification and safety inspection fees: - Up to 100KW (petrol, diesel, solar, wind, etc) - Above 100KW (petrol, diesel, solar, wind, etc)	US\$5 US\$50
Advanced safety inspections - For generators below 100KW (petrol, diesel, solar, wind, etc) - For generators above 100KW (petrol, diesel, solar, wind, etc) - For prototype generators below 100KW (petrol, diesel, solar, wind, etc)	US\$20 US\$100 US\$100

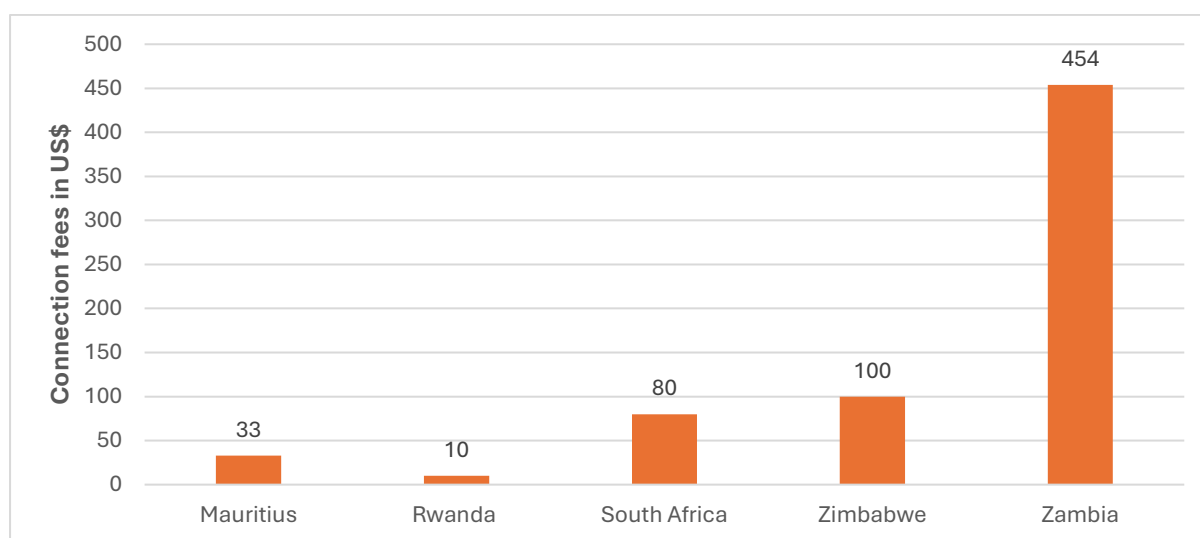
- 1.3 All these fees are additional charges to the already high fees affecting the business operating environment, such as water, fuel and electricity, among others. Already, businesses are being affected by the high cost of doing business, which is negatively impacting on national productivity and competitiveness.

2.0 REGIONAL BENCHMARKING OF INSPECTION FEES

2.1 The inspection and re-inspection policy for power generators are a new introduction in the region. Zimbabwe is the first country in Africa to introduce inspection and re-inspection charges on alternative energy solutions such as solar and generator electrical installations.

2.2 Figure 1 shows a comparison of connection fees charged by energy regulators in the region. Connection fees are a once-off charge paid by new customers of a utility company, which also covers the cost of setting up the customer's services. Zambia is the most expensive charging US\$454 followed by Zimbabwe at US\$100. The other countries' charges are below that of Zimbabwe making it uncompetitive.

Figure 1: Regional Comparison on Electricity Connection Charges, 2024



Source: Country-specific data sources

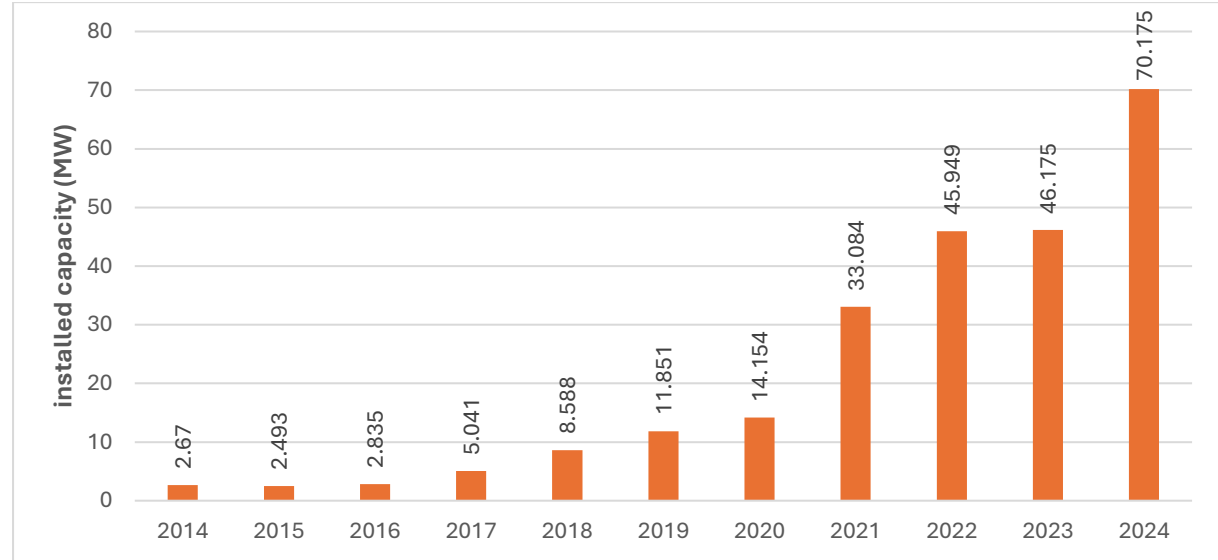
Use of Generators

2.3 Zimbabwe has been experiencing acute power shortages, which have called for stop gap measures, where business and house owners have invested in solar, wind, petrol or diesel generators to mitigate the challenge.

2.4 As a result, individual power production has led to installations and connections to existing ZETDC electricity infrastructures, which may be faulty in some cases thus necessitating these inspections. As shown by Fig 2 below, the scale of individual power production or use of alternative forms of power increased by 2 528% from 2.67MW in 2014 to 70.175MW in 2024.

One such example is solar power generation by business and households. The figure below shows installed capacity of solar energy on-grid and off-grid production in Zimbabwe from 2014 to 2024.

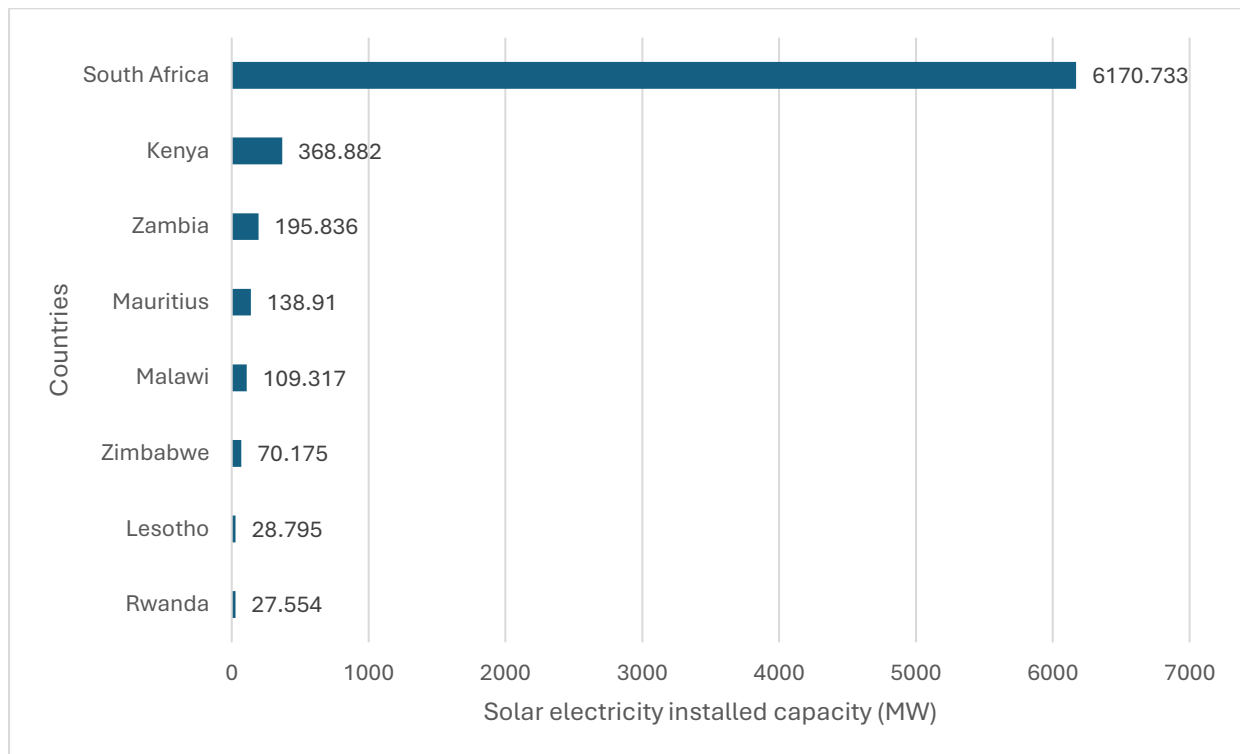
Figure 2: Solar Photovoltaic Electricity Installed Capacity (MW), 2014 – 2024



Source: IRENA (2025), *Renewable Capacity Statistics 2025*, International Renewable Energy Agency, Abu Dhabi
<https://www.irena.org/Publications/2025/Mar/Renewable-capacity-statistics-2025>

- 2.5 Installed capacity for solar energy has been on a steady rise from 2014 to 2024; rising from 2.67MW to 70MW in the given period. This gradual increase is applauded and should be encouraged as it is contributing to the country’s power generation and supply. In most cases these installations get connected to existing ZETDC infrastructures. However, there is a possibility of a reversal on this trend due to the additional US\$25 Statutory fee on solar installations, which discourages potential investors.
- 2.6 There is scope to increase energy produced from solar installations given that other regional countries are ahead of Zimbabwe. A synopsis of the regional countries solar electricity installed capacities is given in Figure 3.

Figure 3: Solar Electricity Installed Capacity (MW)



Source: Compilation from IRENA (2025), *Renewable Capacity Statistics 2025*, International Renewable Energy Agency, Abu Dhabi <https://www.irena.org/Publications/2025/Mar/Renewable-capacity-statistics-2025>

- 2.7 South Africa emerges as the highest producer of solar electricity in the region with 6 170 MW of installed capacity, surpassing all other countries.

3.0 IMPACT OF MANDATORY INSPECTION AND RE-INSPECTION FEES BY ZETDC

- 3.1 Although, individual power production, in some cases, has led to installations and connections to existing ZETDC infrastructures, which may be faulty, thus necessitating these inspections, the mandatory inspection and re-inspection fees could have several impacts on the country's competitiveness, affecting both domestic and commercial consumers as highlighted below:

Positive Impacts

Improved Electrical Safety and Reliability

- 3.2 Proper inspections ensure compliance with safety regulations, reducing risks of electrical fires, outages, and equipment damage. In addition, a more reliable electricity supply, are expected to

mitigate transmission losses, resulting in improved supply, which could enhance business productivity in the long run.

Enhanced Revenue Generation for Infrastructure Development

- 3.3 If properly managed, the fees could help ZETDC invest in rehabilitation, upgrading and modernisation of the infrastructure, potentially leading to better service delivery and fewer power outages.

Negative Impacts

- 3.4 Whilst introduction of inspection and re-inspection fees to electricity infrastructure may have some positive benefits, it has some negative impact to business and households at large which is detrimental to competitiveness of the country, as indicated below:

Increased Cost of Doing Business

- 3.5 Businesses, especially small and medium enterprises (SMEs), face higher operational costs due to these additional fees. Manufacturing and industrial sectors, which rely heavily on electricity, could see increased compliance costs, reducing profit margins and investment appeal.

Reduced Ease of Doing Business

- 3.6 Zimbabwe has been working to improve its Ease of Doing Business ranking, and additional mandatory fees could discourage foreign and local investors. Time delays in inspections and re-inspections could slow down project implementation, leading to inefficiencies.

Inflationary Pressure

- 3.7 Businesses may pass on the costs to consumers, contributing to price increases in goods and services, further straining the already struggling economy.

Potential for Corruption and Bureaucratic Delays

- 3.8 If the inspection process is not well-regulated and transparent, businesses may experience delays or be pressured into paying unofficial "facilitation fees."

Disincentive to Investments in Renewable Energy and Off-Grid Solutions

- 3.9 Higher costs associated with inspections and re-inspections relating to the ZETDC grid may encourage businesses and households to disinvest or shy away from investing in renewable and

other off-grid energy solutions, thus weighing down on demand for energy from the national grid.

4.0 PROPOSED RECOMMENDATIONS

4.1 To enhance Zimbabwe's competitiveness while balancing the benefits and drawbacks of mandatory ZETDC inspection fees, the Commission recommends the following, among others:

4.1.1 Mitigate Cost Burdens on Businesses & Households

- **Removal of the additional US\$25 fee charge.**
- ***Introduce a tiered fee structure:*** SMEs and low-income households should pay reduced or subsidized fees to avoid stifling growth.
- ***Phase in fees gradually:*** Allow businesses time to adjust by implementing fees incrementally over 1–3 years.
- ***Offer tax incentives:*** Businesses complying with inspections could receive tax rebates or deductions to offset costs.

4.1.2 Improve Efficiency & Transparency of Inspections

- **Digitize the inspection process:** Implement an online booking and tracking system to reduce delays and bureaucratic bottlenecks.
- **Set strict service-level agreements (SLAs):** Mandate that inspections be completed within a fixed timeframe (e.g., 14 days) to avoid project delays.
- **Establish an anti-corruption hotline:** Allow businesses to report bribery demands anonymously, with strict penalties for corrupt inspectors.

4.1.3 Reinvest Fees into Infrastructure & Service Improvements

- **Ring-fence inspection revenue:** Ensure fees are directly allocated to grid upgrades, maintenance, and renewable energy integration.
- **Prioritize Special Economic Zones:** Focus infrastructure upgrades on key manufacturing and export hubs to boost productivity.

4.1.4 Encourage Renewable Energy & Off-Grid Solutions

- **Exempt or reduce fees for renewable energy systems:** Solar, wind, and battery storage projects should face lower or no inspection fees to promote adoption.

- **Fast-track approvals for off-grid solutions:** Simplify permitting for businesses investing in independent power sources.
- **Introduce net metering incentives:** Allow businesses/ households with solar to sell excess power back to the grid at fair rates.

5.0 CONCLUSION

5.1 Research conducted by the Commission has shown that such measures as introduced by the ZETDC on inspection and re-inspection are normally conducted on initial installations for electricity supplied by authorised national energy suppliers and not on generators installed by business and households as a result of own initiatives. Thus, this measure may have negative repercussions to the demand and uptake of power generators by households and business.

5.2 In the short term, Zimbabwe's competitiveness may decline due to higher costs, reduced investor confidence, and bureaucratic inefficiencies. Business and households would be overburdened by additional fees and charges and diminished competitiveness.

5.3 On a positive note, if ZETDC uses the funds harnessed from this measure for additional power generation and infrastructure improvements and efficiency, the policy measure could enhance the business environment by ensuring stable power supply and safety compliance.