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Common Market for Eastern and Southern Africa

Case File No. CCC/MER/11/45/2024

Decision[1] of the 118th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Daimler Truck AG, Aktiebolaget Volvo (publ) and Evo Truck SDV AB

ECONOMIC SECTOR: Manufacturing (Vehicles)

22 June 2025

[1] In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**COMESA Treaty**");

Having regard to the COMESA Competition Regulations of 2004 (the "**Regulations**"), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the "**Rules**");

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State;

Desirous of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration;

Determines as follows:

Introduction and Relevant Background

1. On 16 January 2025, the COMESA Competition Commission (the **"Commission**") received a notification regarding the proposed merger involving Daimler Truck AG, Stuttgart, Germany ("**Daimler Truck**"), Aktiebolaget Volvo (publ), Gothenburg, Sweden ("**Volvo**") and Evo Truck SDV AB ("**JVCo**"), pursuant to Article 24(1) of the Regulations.

2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.

3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

The Parties

Daimler Truck

4. Daimler Truck, which has its headquarters in Germany, is a 100% subsidiary of Daimler Truck Holding AG, a company listed at the Frankfurt stock exchange. Daimler Truck is the operational parent company for the truck and bus activities of the Daimler Truck group of companies ("**Daimler Truck Group**") with brands such as Mercedes-Benz Trucks, Freightliner, Mitsubishi Fuso, Western Star, Setra and Rizon. Daimler Truck develops, manufactures and distributes trucks and buses and provides related services to its customers around the world.

5. In the Common Market, the Daimler Truck Group operates in Burundi, Democratic Republic of Congo ("**DRC**"), Egypt, Ethiopia, Kenya, Kingdom of eSwatini, Madagascar, Mauritius, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

Volvo

6. Volvo is a multinational company headquartered in Sweden and publicly listed on the Nasdaq OMX Nordic Exchange. Through its shareholdings in companies of the Volvo group ("**Volvo Group**"), Volvo is globally active in the manufacture and sale of on- and off-highway trucks, buses, construction equipment and marine, on- and off-highway and industrial engines. The Volvo Group brand portfolio comprises Volvo, Volvo Penta, Rokbak, Renault Trucks, Prevost, Nova Bus and Mack

7. In the Common Market, the Volvo Group operates in DRC, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda and Zambia.

JVCo

8. The JVCo is a company recently incorporated in Sweden whose principal place of business is Gothenburg, Sweden. The JV will focus on the research, development and commercialization of an integrated vehicle software platform, or SDV Platform, for commercial vehicles.

9. The parties submitted that the primary focus of the JV is the development of the non-differentiating elements/layers of an SDV Platform for commercial vehicles. This includes the development, sourcing, and commercialization by the JV of both software and hardware components of the SDV Platform. The scope of the JV will not include the end-user application layer, i.e. all elements which are experienced visually or acoustically by the driver of a vehicle. The JV will sell the SDV Platform (once developed) both to the Parties and to other third-party customers (i.e. other commercial vehicle original equipment manufacturers (OEM)).

Jurisdiction of the Commission

10. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

> *"Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or* the *target firm, operate in two or more Member States, shall be notifiable if:*
>
> *a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
>
> *b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State".*

11. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The CID was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

12. The notified transaction concerns the establishment of a greenfield joint venture between Daimler Truck and Volvo concerning the development and sale of an SDV Platform for commercial vehicles. As a result of the proposed transaction, Daimler Truck and Volvo will jointly control JVCo, in which Daimler Truck and Volvo will directly or indirectly hold equal shares.

Competition Analysis

Consideration of the Relevant Markets

Relevant Product Market

13. Paragraph 7 of the Commission's Guidelines on Market Definition states that a ***"relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the***

***consumer/customer, by reason of the products' characteristics, their prices and their intended use**".*

Integration of the vehicle operating system

14. The CID noted that the primary focus of the activities of the JV will be the development of an Integrated Vehicle Operating System (OS). The CID observed that traditionally, a vehicle (passenger or commercial vehicle) consists of multiple electronic control units ("**ECUs**") from different automotive suppliers which communicate with each other. Even though many or most suppliers use the AUTOSAR standard to achieve communication and compatibility of the several ECUs in a vehicle, this approach increasingly becomes inefficient and prone to errors as more and more software functions are added in vehicles.

15. The CID noted that the JV will focus on the development of an integrated solution for a vehicle operating system as a one-stop-shop for basic software and middleware. A small number of high performance computers ("**HPCs**") will replace a high number of small ECUs. Contrary to the traditional Vehicle OS, there will be no Vehicle OS specific to each individual vehicle, but the integrated Vehicle OS will be the software basis for a significant number of different newly developed commercial vehicles.

16. The CID noted that JVCo will be active in several markets, namely:

    i. the development and sale of SDV Platforms which are intended to be used by the JV partners and sold to third parties other than the JV partners;

    ii. the supply of SDV Platform software components, intended for the JV partners;

    iii. the development and sale of vision and perception software stacks for Advanced Driver Assistance Systems ("**ADAS**"), intended for the JV partners;

    iv. the purchase of ECUs for automotive applications, including HPCs for SDV Platforms. This market is an upstream market to the development and supply of SDV Platforms since it concerns input products for an SDV Platform. The JV and the Parties will be active in this market post-transaction, as the Parties will continue to purchase ECUs/HPCs for other applications;

    v. the production and sales of trucks, comprising light duty trucks, medium duty trucks and heavy duty trucks, which is a downstream market to the development and supply of an SDV Platform since an SDV Platform is an input production of trucks.

    vi. the production and sales of buses comprising city buses, intercity buses and coaches.

17. The CID therefore focused its assessment on the following relevant product markets.

Development and supply of software defined vehicle platforms

18. The CID observed that software defined vehicles are relatively new developments in the automotive industry, especially regarding commercial vehicles. The software defined vehicle is a new way of planning and constructing a vehicle. An SDV focuses on how the various functions of a vehicle operate through software.

19. The CID noted that the SDV Platform is the central element of the Electric/Electronic ("E/E") -architecture of the vehicle. The SDV platform is neither only software nor only hardware. The SDV Platform combines the operating system software with high performance computers to provide enough computing power to the system to execute all the installed application software. The SDV Platform is not a complete E/E-architecture since significant components of an E/E-architecture are not included in the SDV Platform scope. Components such as sensors and actuators[2] are not included in the SDV Platform scope.

20. The CID noted the parties' submissions that a further distinction within the SDV Platform between hardware, basic software and middleware would not be appropriate, since the SDV Platform, unlike the traditional way to construe a vehicle, is an integral combination of all these elements. Therefore, the CID considered that it is not likely for the SDV platform to be manufactured and supplied without having incorporated all the relevant components to make it function efficiently. The CID further noted that the JV will sell a package of hardware (limited number of HPCs) and software, including basic software and middleware.

21. The CID observed that the SDV platform only includes non-differentiating building blocks of the software architecture of a commercial vehicle and needs to be distinguished from the application layer towards the customer.

22. **The CID considered that since the JVCo intends to develop and supply SDV Platforms to the JV partners and to third party Original Equipment Manufacturers, the development and supply of SDV Platforms was a relevant market.**

The purchase of SDV Platform software components

23. The CID considered that the purchasing market for SDV Platform software components could be construed as a relevant market. Such components are intended for use in the SDV Platforms and are also used in traditional vehicle

[2] A device that converts energy (electric, hydraulic, pneumatic, etc.) into mechanical motion, producing force, torque, or displacement in a controlled manner

platforms. The SDV Platform is an integral combination of hardware, basic software and middleware. The CID noted that to develop such an integrated platform, SDV Platform developers may either develop all parts themselves or source certain parts from suppliers and integrate them. Further, SDV Platform developers all source at least parts of the same portfolio of software components for their SDV Platform. While these software components may have different applications, they are all components of and required for a SDV Platform. Therefore, the CID considered that even if separate markets for the different software components could be construed, this would not change the market structure on the purchasing side, as all these components are purchased by developers or integrators of vehicle platforms.

24. The CID noted that the market for SDV Platform software components was likely to include software components for both passenger and commercial vehicles. The CID considered that while these components are built according to specifications in the specific case, the suppliers of such software components (such as Tier-1 suppliers like TTTech, Bosch, Continental, ZF) typically cover both passenger cars and commercial vehicles.

25. **In view of the foregoing, the CID considered that the market generally comprised the purchase of SDV platform components.**

Development and supply of vision and perception software stack for ADAS

26. The CID noted that noted that the European Commission ("**EC**") has previously assessed the market for automatic driver assistance system ("**ADAS**").[3] The EC considered that the markets for ADAS components and systems could be differentiated depending on the type of vehicles such as passenger or commercial vehicle, in which they were to be implemented. Additionally, it was decided that the different components of an ADAS system, such as lidar, radar, software, all belonged to separate product markets.

27. The CID considered that given the JV is intended to develop and supply vision and perception software stack for ADAS, this was likely to comprise a distinct relevant market. **Therefore, for purposes of this transaction, the CID construed the development and supply of vision and perception software stack for ADAS as a relevant market.**

The purchase of ECUs for automotive applications

28. The CID observed that EC has considered the market for ECUs in the automotive sector likely to be categorized into different segments based on application of an electrical component unit ("**ECU**").[4] The CID observed that ECUs for diesel

[3] See European Commission, decision M.9383, ZF/Wabco, para. 279 et seqq.
[4] European Commission, decision of 27 July 2012, Case M.6640, para. 34, - Delphi / FCI MVL.

injection systems or transmission controls and airbag controls can be considered as belonging to separate markets since there is unlikely to be a possibility of substitution in the use of these components. Further, ECUs in the automotive sector are bespoke products which led to a conclusion that a market for automotive ECUs could be construed.

29. The CID noted that for an SDV Platform, a different type of vehicle computer (a so-called high performance computer or "HPC") is required that distinguishes itself from previous generations of ECUs through its superior computing performance. This leap in computing performance is due to the change from a traditional view of the vehicle architecture to a new SDV architecture. In the traditional vehicle architecture, a significant number of small ECUs with limited capacities were tailored to specific subsystems or domains of the individual vehicle. For instance, there were different ECU for diesel injection systems, transmission controls and airbag controls.

30. The CID also noted the contrary view that in an SDV, the significant number of small ECUs will be replaced by a small number of high performance vehicle computers that, in general, can perform in parallel all the functions that were assigned to the small and application specific ECUs. They accomplish this by combining more and more powerful system-on-chips into one powerful high performance computer.

31. **In view of the foregoing and considering that any alternative relevant product market would not alter the competitive assessment, the CID construed the purchase of ECUs for automotive applications as a relevant product market.**

Production and sales of trucks

32. The CID recalled its decisional practice in determining a global market for the sale of vehicles.[5] The CID further noted that the market for the production and sale of trucks could be further segmented according to the weight of a truck.[6] The CID considered the possibility of a separate market for the production and sale of heavy-duty trucks, categorizing heavy-duty trucks as those with a gross weight of more than 16 tons, as opposed to light-duty trucks whose gross weight is categorised as below 6 tons and medium-duty trucks with a gross weight between 6 - 16 tons. The CID also considered a possible sub-segmentation of this market based on the different powertrain and/or power sources used.

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[5] Case File No. CCC/MER/02/05/2019 – The Joint Venture involving Bollore Transport & Logistics Kenya Limited, Nippon Yusen Kabushiki Kaisha and Toyota Tsusho Corporation.

[6] European Commission, decision of 16 June 2022, Case M.10534, para. 45, - Traton / Aktienbolaget Volvo / Daimler Truck / JV.

33. The CID considered that substitution is likely to be limited between the different types of trucks, namely heavy, medium or light weight given that a lightweight truck could not be used to carry load intended for a heavy weight truck.

34. The CID also noted the possibility of segmenting the sale of trucks further according to whether the trucks are premium (such as fitted with enhanced features, luxury amenities as well as comfort features) as opposed to basic (such as not fitting with the additional features). However, the CID considered that from an end use perspective, trucks whether premium or basic were likely serve a similar purpose of transporting goods with the major differentiator being the amount of load that a truck can carry. The CID considered that any alternative segmentation of the market was not likely to alter the competitive assessment and therefore resolved to limit the scope of the product market to the production and sale of trucks in accordance to the amount to load a truck can carry.

35. **In view of the foregoing, the CID construed the market for the production and sales of trucks (categorised into light duty, medium duty and heavy duty trucks) as a relevant product market.**

Production and sales of buses

36. The CID observed that the market for the production and sale of buses could be segmented based on end use as follows: city buses, inter-city buses and coaches.[7] Each type of bus is designed for a specific type of travel service. The CID considered that city buses are designed for public transport in urban areas, inter-city buses are designed for public transport in rural districts and public inter-city travel while coaches are more for long distance touristic travel and tend to service the leisure market.

37. **In view of the foregoing, the CID construed the market for the production and sale of buses, with a possible segmentation into city buses, intercity buses and coaches as a relevant market.**

38. Based on the foregoing assessment and without prejudice to the Commission's approach in similar future cases, the relevant product markets are determined as the markets for the:

    a. **development and supply of software defined vehicle (SDV) platforms;**

    b. **purchase of SDV Platform software components;**

[7] European Commission, decision of 16 June 2022, Case M.10534, para. 55, - Traton / Aktienbolaget Volvo / Daimler Truck / JV; decision of 20 December 2006, Case M.4336, paras. 26 et seqq., - Man / Scania; decision of 20 June 2001, Case M.2201, paras. 13 et seqq., - Man / Auwärter; decision of 1 September 2000, Case M.1980, paras. 17 et seq., - Volvo / Renault; decision of 15 March 2000, Case M.1672, paras. 214 et seqq., - Volvo / Scania.

c. **development and supply of a vision and perception software stack for ADAS;**

d. **purchase of ECUs for automotive applications;**

e. **production and sales of trucks (categorised into light duty, medium duty and heavy duty trucks); and**

f. **production and sales of buses (categorised into city, intercity and coaches).**

Relevant Geographic Market

39. The COMESA Guidelines on Market Definition define the relevant geographic market as comprising ***"...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas".***[8].

Development and supply of software defined vehicle (SDV) platforms

40. The CID observed that the geographic scope for the development and supply of an SDV Platform was likely to be global, noting that SDV platforms were intended as input into the manufacturing of vehicles, commercial vehicles which take place on a global scale. The CID noted that the JV is intended to supply other third party OEMs in addition to supplying the JV partners. **The CID construed the market for the development and supply of Software Defined Vehicle (SDV) Platform as global.**

Purchase of SDV Platform software components

41. The CID observed that the customers of SDV platform software components, comprising OEMs and undertakings such as the parties source the components from the global market, thus the geographic scope for this market is likely to be global. The CID also considered that although transportation costs and regulatory barriers may limit the extent of cross-border trade in SDV platform components, it was not likely that these would be prohibitive.

42. **In this respect, the CID considered the purchase of SDV platform software components to be global in scope.**

[8] Paragraph 8

Market for the development and supply of a vision and perception software stack for ADAS and the Market for the purchase of ECUs for automotive applications

43. Similar to the consideration above, the CID considered that the development and supply of vision and perception software stack for ADAS and purchase of ECUs for automotive applications were also likely to be global as these ultimately input into the manufacturing of commercial vehicles.

Markets for production and sales of trucks, subdivided into light duty trucks, medium duty trucks and heavy duty trucks

44. The CID observed that the production and sale of trucks could be considered as national in scope.[9] The CID observed that the geographic scope for production and sales of heavy trucks in several countries may be construed as national based on price level differences, customer preferences, technical requirements, suppliers' location, the configurations of distribution and service networks and large market share variations. However, the CID considered that this may not apply in the context of the Common Market given limited internal production of commercial vehicles, and that the market is generally characterised by importation of already assembled vehicles.

45. The CID observed that that there were similarities of requirements in the sales of commercials vehicles across the Common Market which may be a basis for construing a regional or COMESA-wide market. The CID noted that there were similarities in the technical requirements for trucks throughout COMESA and there were no major differences in customer preferences between countries in COMESA. The CID further noted that larger fleet customers increasingly reach out to the OEMs to negotiate framework agreements valid across COMESA. The CID also observed that commercial vehicles available in the Common Market were sourced from the global market for use across the Common Market.

46. In view of the foregoing, the CID considered the market for production and sale of trucks was at lease COMESA-wide.

Markets for the production and sales of buses, subdivided into city buses, intercity buses and coaches

47. Similar to the market for trucks, the CID construed that the market for the production and sale of buses should also be least COMESA-wide.

[9] European Commission, decision of 1 September 2000, Case M.1980, paras. 20 et seqq., - Volvo / Renault; decision of 15 March 2000, Case M.1672, paras. 31 et seqq., - Volvo / Scania.

Conclusion on Relevant Markets

48. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the relevant markets were identified as follows:

    a. **global market for the development and supply of software defined vehicle (SDV) platforms;**

    b. **global market for the purchase of SDV Platform software components;**

    c. **global market for the development and supply of a vision and perception software stack for Automatic Driver Assistance System ("ADAS");**

    d. **global market for the purchase of Electronic Component Units ("ECUs") for automotive applications;**

    e. **production and sales of trucks (categorised into light duty, medium duty and heavy duty trucks) in at least COMESA region; and**

    f. **production and sales of buses (categorised into city, intercity and coaches) in at least COMESA region.**

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

49. The CID observed that with respect to the development and/or sale of SDV Platforms, the JVCo is yet to start developing this product as such, its market share is 0% and the transaction will not raise any horizontal overlap in this market. Further, the JVCo is likely to face competition from other existing providers of SDV Platforms for commercial vehicles.

50. The CID noted that in the market for development of vision and perception software stacks for ADAS, the parties do not provide this product solution on the market, hence their market shares are also 0% and the transaction was not likely to raise any competition concerns given the absence of market share accretion. Further, the CID noted that the market is characterised by the presence of other players who will continue to compete with the merged entity. These include established suppliers such as Mobileye, NVIDIA, Bosch, Continental and ZF, as well as technology companies such as Qualcomm, Google and Apple and OEMs like Tesla.

51. The CID noted that the JV parent companies, both Daimler Truck and Volvo, purchase SDV Platform software components, however their combined market share was limited. Further, the CID noted that the JV parent companies also both

purchased ECUs for various functionalities and that their combined market share was very limited and estimated at below 1%.

52. The CID has further observed the presence of competitors in the SDV platform market whereby other players are also invested in the development of operating system for passenger cars and commercial vehicles. The CID noted that in addition to Tesla being one of the players in this market, Rivian had announced a potential joint venture with the Volkswagen Group to develop a software for vehicle technology.[10] The CID further noted that following their joint announcement, Honda and Nissan were cooperating as well in the development of next generation SDV platform[11] following the signing of an MoU under which they plan to conduct joint research for SDV fundamental technologies, which they hope to complete by the end of 2025. The CID considered that this was further evidence to the presence of alternative suppliers of SDV platforms.

53. The CID also considered the following market share trends of the parties and their competitors in the production and sales of trucks in COMESA.

Table 1: Market shares of the parties and competitors in the sale of heavy duty trucks in COMESA[12]

Name of Entity	2023	2022	2021
Daimler	[0 – 10]%	[0 – 10]%	[0 – 10]%
Volvo	[0 – 10]%	[0 – 10]%	[0 – 10]%
Sinotruck	[60 – 70]%	[50 – 60]%	[60 – 70]%
Isuzu	[0 – 10]%	[0 – 10]%	[0 – 10]%
Hino Motors	[0 – 10]%	[0 – 10]%	[0 – 10]%
Others	[0 – 10]%	[10 – 20]%	[10 – 20]%
Total	100%	100%	100%

Table 2: Market shares of the merging parties and competitors in the sale of medium trucks in COMESA[13]

Name of Entity	2023	2022	2021
Daimler	[0 – 10]%	[0 – 10]%	[0 – 10]%
Volvo	[0 – 10]%	[0 – 10]%	[0 – 10]%
FAW	[10 – 20]%	[10 – 20]%	[10 – 20]%
Tata Motors	[10 – 20]%	[10 – 20]%	[10 – 20]%
Isuzu	[0 – 10]%	[0 – 10]%	[0 – 10]%
Others	[60 – 70]%	[70 – 80]%	[60 – 70]%
Total	100%	100%	100%

54. The CID noted that the transaction would not result in a change in market structure for sale of trucks. The CID also considered the markets shares of the JV partners were small as such the market would remain competitive and it was unlikely that

[10] See https://rivian.com/de-DE/newsroom/article/rivian-and-volkswagen-group-announce-plans-for-joint-venture.
[11] https://global.honda/en/newsroom/news/2024/c240801aeng.html.
[12] The parties claimed confidentiality on the market shares.
[13] The parties claimed confidentiality on the market shares.

competition concerns to arise. The CID further observed that the market for the sale of truck was fragmented, with alternative suppliers of trucks, such that in the even to any anti-competitive strategy by the parties, customers may switch to other suppliers.

55. The CID observed that barriers to entry may exit in the relevant market such as financial investments, technological know-how to develop the relevant products including advertising and marketing. However, the CID considered that the transaction was not likely to contribute to heightening of the barriers to entry give the market structure would not be altered.

Consideration of Unilateral Effects

56. The CID noted the absence of product and geographic overlap in the activities of the JV partners hence the absence of market share accretion in any of the identified relevant markets. The CID considered that the transaction would not result in the creation of a dominant play in the relevant markets which were global and charactered by alternative suppliers.

Consideration of Vertical Effects

57. The CID observed that there was a potential vertical overlap in the activities of the JV in relation to the development/supply of SDV Platforms, purchase of ECUs for automotive applications, purchase of SDV platform software components, development/supply of a vision and perception software stack for ADAS, and the downstream market for the production and sale of trucks and buses given the former products are ultimately meant as final inputs into trucks and buses. The CID considered that for vertical concerns to be likely, dominance by the parties in in either the upstream markets or the downstream markets such as for production/sale of trucks should be evident.

58. The CID considered that given the market shares of the parties, and in the absence of the merger resulting in the creation of a dominant player in any of the identified markets, the transaction would not give rise to any vertical concerns in the form of input foreclosure.

59. The CID also observed that given the JV will be producing the SDV platform for supply to parent companies and third parties, it will be handling information which may give the parent companies a competitive advantage over their competitors in the downstream market for the production and sale of trucks and buses. The CID noted that a vertical concerns in terms of access to confidential information may be likely and would result in substantially lessening competition on the market.

60. However, the CID noted that given the transaction involved the creation of a full function JV, the JV is intended to operate on the market independent of its parent companies and its business will operate at arm's length from the JV parent

companies. The CID also noted that the JV would engage other customers such as third party OEMs in the same manner as its parent companies. Further, the CID observed that the nature of the production and supply of the SDV Platform is dependent on the hardware and software specifications that a customer (for example either the JV parent companies or other OEMs) provides to the JV. The CID considered that such specifications are likely to be unique and distinct to a particular OEM. Therefore, the incentive to share such information was not likely given the information is intended for building different vehicle systems.

61. The CID therefore considered that no competition concerns were likely to arise from the information of JV parents and third party OEMs that the JV may access.

Consideration of Third-Party Views

62. In arriving at its determination, the CID also considered submissions from the national competition authorities of Egypt, Ethiopia, Eswatini, Kenya, Libya, Zambia and Zimbabwe all of whom confirmed the transaction did not raise any competition and or public interest concerns in their respective territories.

Determination

63. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.

64. The CID, therefore, approved the transaction.

65. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 22nd day of June 2025

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma **Commissioner Vipin Naugah**

COMESA COMPETITION COMMISSION LILONGWE