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Common Market for Eastern  
and Southern Africa

9 December 2024

CCC Merger Inquiry Notice No. 42 of 2024

## **Notice of Inquiry into the Proposed Acquisition of control by Robert Bosch GMBH of the Residential and Light Commercial Heating, Ventilation and Air Conditioning Business of Johnson Controls International plc**

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed acquisition of control by Robert Bosch GmbH (“**Bosch**”, together with its controlled and controlling affiliates, the “**Acquiring Group**”) of Johnson Controls International plc’s (“**JCI**”) residential and light commercial Heating, Ventilation, and Air Conditioning (“**HVAC**”) business (the “**Target**”), entailing the acquisition of 100% of the shares of Johnson Controls-Hitachi Air Conditioning Holding (UK) Ltd (“**JCH**”), a ductless Heating, Ventilation and Air Conditioning joint venture, from its current owners, JCI and Hitachi Global Life Solutions, Inc., all entities and assets related to JCI’s residential and light commercial ducted HVAC business and several brand and IP licenses, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties submitted that Bosch is a private, globally active supplier of technology solutions for a wide variety of industries, headquartered in Gerlingen, Germany. Its activities are organized in four business divisions: (i) Mobility Solutions, (ii) Industrial Technology, (iii) Consumer Goods, and (iv) Energy and Building Technology. Within the business division of Energy and Building Technology sits Bosch Home Comfort, which offers a wide range of solutions for heating, cooling, and home comfort. Within the Common Market, the Acquiring Group had activities in Burundi, Democratic Republic of Congo (“**DRC**”), Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

The parties submitted that JCI, headquartered in Cork, Ireland, is a public multi-industrial company active in engineering, manufacturing and commissioning building products and systems, including residential and commercial HVAC equipment, industrial refrigeration systems, controls, security systems, fire-detection systems and fire-suppression solutions. Further, the Target manufactures “direct expansion” HVAC systems that include ducted systems, room air conditioner systems, packaged air conditioner systems, and variable refrigerant flow systems, and “hydronic systems” (including ductless chillers and hydronic heat pumps). Ducted systems are manufactured and marketed by JCI, and ductless systems are manufactured and

marketed by JCH. Within the Common Market, the Target had activities in Egypt, Ethiopia, Kenya, Libya, Mauritius, Tunisia, Uganda and Zambia.

The parties submitted that within the Common Market, there is a limited horizontal overlap between the merging parties' activities in Tunisia in relation to HVAC systems. Further, the merging parties also both have negligible sales in relation to HVAC systems in Kenya and Uganda. There are no vertical relationships relevant to the Common Market.

The parties submitted that the proposed transaction aims to strengthen Bosch's air-conditioning product portfolio with complementary products and expand Bosch's offering geographically to the U.S. and Asia. In addition, the proposed transaction aims to build up Bosch's energy-efficient solutions and advance Bosch's objective to contribute to the move to alternative energy and mitigating global warming.

The parties further submitted that for JCI that the proposed transaction will allow it to focus on becoming a provider of comprehensive solutions for commercial buildings by disposing of non-core product lines.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed transaction is or would be contrary to the public interest as provided for under Article 26 of the Regulations.

In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: [mdebessay@comesacompetition.org](mailto:mdebessay@comesacompetition.org). All written representations should be sent to the Commission not later than **12 January 2025**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. Mengistu Debessay, Senior Analyst, Competition Division** on Tel: +265 (0) 111 772 466 or [mdebessay@comesacompetition.org](mailto:mdebessay@comesacompetition.org).

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.