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Common Market for Eastern
and Southern Africa

21 January 2025

CCC Merger Inquiry Notice No. 02 of 2025

Notice of Inquiry into the Proposed Transaction involving Daimler Truck AG, Aktiebolaget Volvo (publ) and Evo Truck SDV AB

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), has received a notification in terms of Article 24 of the Regulations involving the establishment of a greenfield joint venture (the “**JV**”) between Daimler Truck AG, Stuttgart Germany (“**Daimler Truck**”) and Aktiebolaget Volvo (publ), Gothenburg, Sweden (“**Volvo**”) (together the “**Parties**”) concerning the development and sale of a software defined vehicle (“**SDV**”) platform (“**SDV Platform**”) for commercial vehicles (the “**Proposed Transaction**”). Daimler Truck and Volvo will jointly control Evo Truck SDV AB (“**JVCo**”), in which Daimler Truck and Volvo will directly or indirectly hold equal shares. The Commission therefore intends to embark on an inquiry in terms of Article 26 of the Regulations.

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 (OEMs)).

The Parties submitted that Daimler Truck, with 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. In COMESA, the Daimler Truck Group is active (i.e. achieves turnover) in the following Member States: Burundi, Democratic Republic of Congo (“**DRC**”), Egypt, Ethiopia, Kenya, Kingdom of eSwatini, Madagascar, Mauritius, Rwanda, Sudan, Tunisia, Uganda, Zambia, Zimbabwe. For further detail regarding the Daimler Truck Group, please refer to www.daimler-truck.com.

The Parties submitted that 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. In COMESA, the Volvo Group is active (i.e. achieves turnover) in the following Member States: DRC, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda and Zambia. For further detail regarding the Volvo Group, please refer to <https://www.volvogroup.com>.

The Parties submitted that 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.

The Parties, Daimler Truck and Volvo, are established manufacturers of commercial vehicles, including trucks, buses and, with regard to Volvo, construction machinery, tractors and comparable off-road vehicles. The background and rationale of the intended JV is that the Parties want to join forces to address the anticipated transition to a software defined vehicle (SDV) architecture in the commercial vehicle industry and the changes it will bring. The cooperation between the Parties in the form of a full function JV will bring multiple efficiencies, including, among others, a decrease of development costs enabling the Parties to deliver features otherwise not feasible and achieve an earlier market introduction.

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: akamanga@comesacompetition.org. All written representations should be sent to the Commission not later than **11 February 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. Ali Kamanga, Manager, Competition Division** on Tel: +265 (0) 111 772 466 or akamanga@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.