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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/MER/02/10/2025**

**Decision<sup>1</sup> of the 118<sup>th</sup> Meeting of the Committee Responsible  
for Initial Determinations Regarding the Proposed  
Acquisition by Dubai Aerospace Enterprise (DAE) Ltd of  
Nordic Aviation Capital Designated Activity Company**

**ECONOMIC SECTOR: Aviation**



**22 June 2025**

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<sup>1</sup> 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 21 February 2025, the COMESA Competition Commission (the “**Commission**”) received a notification for approval of the merger involving Dubai Aerospace Enterprise (DAE) Ltd (“**DAE**”, together with its subsidiaries/affiliates the “**acquiring group**”) and Nordic Aviation Capital Designated Activity Company (“**NAC**”, together with its subsidiaries/affiliates the “**target group**”), 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**

### ***DAE (the “primary acquiring firm”)***

4. DAE, headquartered in Dubai, is a globally active aircraft lessor of civil aviation and freighter aircraft serving over 170 airline customers in over 65 countries. DAE is active in dry leasing regional, narrow body and wide body aircraft. DAE consists of two divisions: DAE Capital and DAE Engineering. In addition to aircraft leasing, DAE Capital carries out aircraft trading and provides aircraft investor services. DAE Engineering provides regional Maintenance, Repair, and Overhaul (MRO) services to customers in Europe, Middle East, Africa, and South Asia, accommodating up to 17 wide and narrow body aircraft.
5. DAE is ultimately owned by the Investment Corporation of Dubai (“ICD”), which is the principal investment arm of the Government of Dubai. ICD manages a broad portfolio of assets, both locally and internationally, across a wide spectrum of sectors. Major portfolio companies of ICD active in the air transportation sector are: (i) Emirates Airline, an airline primarily active in air passenger transport and air cargo transport; (ii) Dubai National Air Travel Agency (DNATA), a ground handling, cargo, catering, retail, and travel services provider; and (iii) Flydubai, an airline primarily active in air passenger transport.
6. In the Common Market, ICD including DAE, is active in all Member States except Eswatini.

### ***NAC (the “primary target firm”)***

7. NAC is a designated activity company incorporated in accordance with the laws of Ireland.
8. NAC, headquartered in Ireland, is a globally active aircraft lessor of civil aviation aircraft with over 60 airline customers in over 40 countries. NAC is primarily active in dry leasing of passenger aircraft of regional and narrow-body aircraft to passenger airlines. NAC has a fleet of approximately 209 aircraft.
9. In the Common Market, NAC is active in Egypt, Kenya, and Mauritius.

## **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 Commission 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 parties submitted that the proposed transaction entails the acquisition by DAE of 100% of the entire issued share capital of NAC from NAC Holdings Limited or the Seller. As a result of the proposed transaction, DAE will have sole control over NAC.

## **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”.***
14. The CID noted that the acquiring group is active in dry leasing of regional, narrow body and wide body passenger aircraft. Further, through its Aman-Jordan based subsidiary, namely Joramco, provides regional MRO services. Joramco provides aircraft MRO services including base and heavy maintenance service, line



maintenance services (to operators at Queen Alia International Airport), engine maintenance services, systems and components maintenance services.<sup>2</sup>

15. On the other hand, CID noted that NAC is active in dry leasing of regional and narrow body passenger aircraft to passenger airline operators globally.
16. The CID observed that the proposed transaction raises horizontal overlaps in the market for aircraft dry leasing services since both parties are involved in the dry leasing of regional and narrow body passenger aircraft. The CID further observed that given the acquirer provides aircraft MRO services whose customers are lessees of aircraft, potential vertical effects may arise post-merger. The CID's assessment therefore focused on the dry leasing of regional and narrow body passenger aircraft, being the markets where both parties are active and aircraft MRO services where potential vertical concerns are likely.

#### *Aircraft leasing services*

17. The CID observed that in the aviation sector, aircraft leasing has become a dominant financing method, enabling airlines to acquire aircraft without significant upfront costs of purchasing.<sup>3</sup> The CID further observed that leasing allows airlines to respond swiftly to fluctuations in demand, enhance flight frequency, or launch new routes. Depending on the operational need, aircraft leasing arrangements can range from short-term (usually up to three months), medium-term (three months to one year), and long-term (exceeding one year).<sup>4</sup> The CID noted that the intended purpose of the lease typically determines its duration. For example, short-term leases are often used to address temporary capacity shortfalls due to unanticipated demand spikes or aircraft maintenance issues. Medium-term leases may be employed when aircraft deliveries are delayed, while long-term leases are commonly used to support the expansion of an airline's route network.
18. The CID observed that there were two main types of leasing arrangements namely operating leases and finance leases. An operating lease is typically a short- to medium-term arrangement in which the lessee obtains the right to use the aircraft for a defined period and returns the aircraft to the lessor at the end of the lease, with no ownership transfer.<sup>5</sup> In contrast, a finance lease is a long-term arrangement where the lessee assumes most of the risks and rewards of ownership and often has the option to purchase the aircraft at the end of the lease term. In its previous decisional practice,<sup>6</sup> the CID also identified the two aircraft

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<sup>2</sup> <https://www.joramco.com.jo/>, accessed on 5 May 2025.

<sup>3</sup> [The Accelerating Importance of Aircraft Leasing - UDS Aviation](#), accessed on 3 May 2025.

<sup>4</sup> See Case File No. CCC/MER/06/24/2024: the 110<sup>th</sup> Meeting of the CID regarding merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC.

<sup>5</sup> [The Accelerating Importance of Aircraft Leasing - UDS Aviation](#), accessed on 3 May 2025.

<sup>6</sup> See Case File No. CCC/MER/06/24/2024: the 110<sup>th</sup> Meeting of the CID regarding merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC; Case File No. CCC/MER/06/29/2022:



leasing arrangements as distinct depending on the extent to which risks and rewards attached to the ownership of the asset have been transferred to the lessee from the lessor. For the foregoing reasons and in line with the CID's case precedents, this assessment considered operating and finance leases to constitute separate product markets.

19. The CID observed that within the aircraft operating lease segment, there exists distinct market based on the scope of services bundled with the leased aircraft.<sup>7</sup> Specifically, aircraft operating leases can be categorised as either dry leasing, wet leasing, and or damp leasing.<sup>8</sup>
20. The CID observed that dry leasing involves the leasing of an aircraft without any accompanying crew, maintenance, or insurance services. The lessee assumes full operational responsibility for the operations of the aircraft, including providing own crew, maintenance, and insurance.<sup>9</sup> The CID observed that such arrangements are mostly utilised by established carriers with sufficient operational infrastructure and personnel but with shortfalls in aircraft availability. The aircraft is operated on the Air Operator Certificate of the Lessee.<sup>10</sup>
21. The CID noted that in contrast, a wet lease involves leasing an aircraft with its crew, maintenance, and insurance provided by the lessor. Under a wet-leasing agreement, the lessor operates the flights using its own air operator certificate (AOC) and resources, for which it receives an income from the lessee which is usually a fixed price per block hour.<sup>11</sup> This income would be unrelated to ticket prices and aircraft load factor. The flights are flown under the lessee's code, and it is the lessee who sells the tickets and provides passenger and ground handling services. Wet leases are generally used by airlines that require temporary capacity but do not have the necessary crew, maintenance and insurance capacity to operate additional aircraft.
22. The CID noted that a damp lease constitutes a hybrid between a dry and wet lease. It involves the provision of an aircraft with partial crew and support services. The CID noted that the lessor in a damp lease may supply the aircraft, pilots, and maintenance personnel, while the lessee provides cabin crew. This type of lease

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the 86th of Meeting of the CID regarding merger involving SMBC Aviation Capital Limited and Goshawk Management Limited; and Case File No. CCC/MER/12/36/2023: the 106<sup>th</sup> Meeting of the CID regarding the merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.

<sup>7</sup> See Case File No. CCC/MER/06/24/2024: the 110<sup>th</sup> Meeting of the CID regarding merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC; Case File No. CCC/MER/06/29/2022: the 86<sup>th</sup> of Meeting of the CID regarding merger involving SMBC Aviation Capital Limited and Goshawk Management Limited; and Case File No. CCC/MER/12/36/2023: the 106<sup>th</sup> Meeting of the CID regarding the merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.

<sup>8</sup> <https://www.aviationfile.com/wp-content/uploads/2020/08/Aircraft-leasing-1024x635.jpg>, accessed 3 May 2025.

<sup>9</sup> [The Accelerating Importance of Aircraft Leasing - UDS Aviation](#), accessed on 3 May 2025.

<sup>10</sup> <https://www.iata.org/contentassets/b94a0e7f14694efe8b72ca1b73052f05/ac-leases-4th-edition.pdf>, accessed on 3 May 2025.

<sup>11</sup> See para. 18 of Case M.9062 - FORTRESS INVESTMENT GROUP / AIR INVESTMENT VALENCIA / JV.



is suitable for airlines that possess some operational resources but lack the full complement of personnel or services to independently operate the aircraft.

23. From a demand-side perspective, the CID observed that these different leasing models are not easily substitutable due to significant differences in their operational characteristics, cost structures, and intended purposes. The CID noted that for instance, an airline opting for a dry lease, often because it already has the necessary crew and infrastructure in place, would be unlikely to switch to a wet lease. Wet leases typically include aircraft, crew, maintenance, and insurance resulting in higher costs and potentially redundant services for an airline that is already equipped to handle those functions internally. The CID has previously considered that airlines with surplus crew are unlikely to opt for wet leases, which include bundled services they do not require.<sup>12</sup> Similarly, the CID observed that from a supply-side perspective, transitioning between different lease types, particularly between dry and wet leases, is not straightforward, given the distinct regulatory, financial, and operational obligations associated with each leasing arrangement. The CID further noted from the parties' submissions that the aircraft leased to customers in the Common Market by the merging parties are passenger aircraft.
24. Based on the foregoing and consistent with its previous decisional practice, the CID considered that the provision of dry, wet and damp lease services for passenger aircraft constitute distinct product markets.
25. The CID considered that since the activities of the merging parties overlap solely in the provision of dry leasing services for passenger aircraft segment, the CID has considered the relevant product market, for the purposes of assessing the proposed transaction, as the market for ***the provision of aircraft dry leasing services for passenger aircraft.***
26. The CID noted the potential for further segmentation of the dry leasing services market based on aircraft size or seating capacity, as airline operators typically select aircraft according to route demand in order to maintain profitability. In previous cases, the CID has considered that the dry leasing market may be segmented into large and regional aircraft categories.<sup>13</sup> Large commercial aircraft are generally with more than 100 seats and a range exceeding 2,000 nautical miles, and are primarily used for long-haul, intercontinental routes. In contrast, regional aircraft typically have seating capacities between 30 and 100 and ranges

<sup>12</sup> See Case File No. CCC/MER/06/24/2024: the 110th Meeting of the CID regarding merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC; Case File No. CCC/MER/06/29/2022: the 86th Meeting of the CID regarding merger involving SMBC Aviation Capital Limited and Goshawk Management Limited; and Case File No. CCC/MER/12/36/2023: the 106th Meeting of the CID regarding the merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.

<sup>13</sup> See Case File No. CCC/MER/06/24/2024: the 110th Meeting of the CID regarding merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC, and See Case No CCC/MER/2/32023 – Drake Asset Management Jersey Limited and Palma Idar Aviation Limited, decision dated 28 August 2023.



of less than 2,000 nautical miles, making them more suitable for short-haul, regional routes.<sup>14</sup>

27. Based on the above and given that both the acquiring group and the target firm are active in the provision of dry leasing services for regional and large (narrow body) passenger aircraft, the CID considered **the markets for dry lease services for regional passenger aircraft and large passenger aircraft to be distinct**.
28. Furthermore, the CID noted that the market for dry lease services for large aircraft may be further segmented into narrow-body and wide-body aircraft, depending on the size and seating capacity. The CID noted that target firm was active in the dry leasing of narrow-body aircraft with seating capacities of 100 – 200, whereas the acquiring group operates in both the narrow-body and wide-body segments.<sup>15</sup>
29. In view of the above, the CID considered that the markets for the dry lease services for narrow-body or wide-body passenger aircraft to comprise separate markets given an airline would choose the aircraft type according to the actual or expected demand on a route to be able to operate the aircraft on a profitable basis.
30. Therefore, in line with its similar cases and for the purpose of conducting the competitive assessment of the present case, the CID considered **the markets for dry leasing of regional passenger aircraft and narrow body large passenger aircraft** to be separate product markets.

#### *Provision of Aircraft MRO services*

31. The CID noted that MRO services comprise a broad spectrum of activities aimed at ensuring aircraft are maintained in optimal operating condition.<sup>16</sup>
32. The CID noted that maintenance involves routine inspections and tasks performed on the aircraft, as well as addressing any discrepancies to ensure continued airworthiness. Repair, on the other hand, refers to the process of restoring a component, accessory, or the aircraft itself to a serviceable condition after damage or malfunction.<sup>17</sup> Overhaul extends beyond basic repairs involving the disassembly, inspection, and restoration or replacement of parts to meet the standards set by the original equipment manufacturer, thereby ensuring long-term reliability and performance.

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<sup>14</sup> Similarly, the European Commission, while leaving the market open, has recognized that regional aircraft (30–100 seats, <2,000 nautical miles range) and large aircraft (>100 seats, >2,000 nautical miles range) are not substitutable due to differences in technical features, pricing, and intended use. See paragraphs 217 and 219 of Case M.9287 – Connect Airways/Flybe, decision dated 05/07/2019.

<sup>15</sup> The EC, in earlier cases, while leaving open the precise market definition, acknowledged a potential distinction between narrow-body aircraft (100–200 seats) and wide-body aircraft (200–400+ seats). See paragraphs 217 and 219 of Case M.9287 – Connect Airways/Flybe, decision dated 05/07/2019.

<sup>16</sup> <https://www.jetpartsengineering.com/blog/what-are-mro-services>, accessed on 9 June 2025.

<sup>17</sup> <https://flyairshare.com/what-is-an-mro-in-aviation/>, accessed on 9 June 2025.



33. The CID observed that the aircraft MRO services provided by Joramco includes<sup>18</sup> airframe capabilities, heavy maintenance services, line maintenance services, component maintenance services, and engineering services. This indicates a potential for further segmentation of the aircraft MRO services.<sup>19</sup>
34. Notwithstanding the potential narrower market segmentations, the CID observed that there is no existing overlap between the activities of the merging parties. As such, this segmentation would not alter the competitive analysis of this proposed transaction.
35. Therefore, for the purposes of conducting a competitive assessment in the current transaction, the CID determined the relevant product markets as the:
- (a) market for dry leasing of regional passenger aircraft,
  - (b) market for dry leasing of narrow-body large passenger aircraft, and
  - (c) market for aircraft MRO services.

#### Relevant Geographic Market

36. The COMESA Guidelines on Market Definition define the relevant geographic market as follows:

*“The relevant geographic market comprises 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”.*

37. The CID noted that the geographic scope for the supply of dry lease services both for regional and for narrow-body large passenger aircraft is likely to be global as most aircraft leasing companies operate on a global scale. The CID further noted that most aircraft leasing companies typically conduct business internationally, with a high degree of cross-border activity that supports the view that competition in this sector is global rather than regional or national. For instance, the leading aircraft leasing companies<sup>20</sup> such as AerCap Holdings N.V. (headquartered in Ireland), Avolon (based on Ireland), SMBC Aviation Capital (based on Ireland), Air Lease Corporation (based on the United States), BOC Aviation (based on

<sup>18</sup> <https://www.joramco.com.jo/>, accessed on 9 June 2025.

<sup>19</sup> Similarly, the European Commission in its previous decisional practice has differentiated four main categories of aviation MRO services based on the part of the aircraft to be serviced and the level of service required as line maintenance, heavy maintenance, engine maintenance and component maintenance. See Cases M.8858 - BOEING / SAFRAN (AUXILIARY UNITS), Case No COMP/M.6554 - EADS/ STA/ ELBE FLUGZEUGWERKE JV, and Case No COMP/M.3374 SR TECHNICS / FLS AEROSPACE.

<sup>20</sup> <https://udsaviation.com/2024/10/18/aircraft-leasing-industry-overview/>, accessed on 6 May 2025.



Singapore), and CDB Aviation (China) serve their airline clients across different continents globally.

38. The CID equally observed that, aircraft models, including narrow-body and regional aircraft, are highly standardized and widely used by airlines across the globe. This standardization enables aircraft lessors to offer uniform products regardless of the lessee's geographic location. For example, DAE, headquartered in Dubai, operates globally and leases aircraft to airline customers including in Egypt, Ethiopia, Kenya, Libya, Sudan, and Tunisia. Similarly, NAC, based in Ireland, is also an internationally active lessor with customers in Egypt, Kenya, and Mauritius. The CID noted that this uniformity of aircraft types allows lessors to respond flexibly to market demand across different regions.
39. Similarly, the parties suggested that the geographic market for the broader aircraft leasing market be considered global in scope, as aircraft can be readily sourced worldwide without the need for significant or costly modifications. They further added that aircraft are generally standardized to enable consistent operation and maintenance across different jurisdictions.
40. In view of the above and in line with its prior decisions<sup>21</sup>, the CID considered that the geographic scope for **the dry leasing of regional and narrow-body large passenger aircraft markets was global** in scope.
41. Given that the proposed transaction was unlikely to raise competition concerns, due to the absence of any existing overlap in the aircraft MRO services market, the CID has concluded that it is not necessary to precisely define the geographic boundary of the relevant market and thus has left the relevant geographic markets open.

#### ***Conclusion on Relevant Markets***

42. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the relevant markets were identified as:
  - (a) **the global market for dry leasing of regional passenger aircraft.**
  - (b) **the global market for dry leasing of narrow body large passenger aircraft, and**
  - (c) **provision of aircraft MRO services whose definition of the relevant geographic market was left open.**

<sup>21</sup> See Case File No. CCC/MER/06/24/2024: the 110th Meeting of the CID regarding merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC; Case File No. CCC/MER/06/29/2022: the 86th Meeting of the CID regarding merger involving SMBC Aviation Capital Limited and Goshawk Management Limited; and Case File No. CCC/MER/12/36/2023: the 106th Meeting of the CID regarding the merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.



## Consideration of Substantial Lessening of Competition or “Effect” Test

### Market Shares and Concentration

43. The parties submitted the total market size and market shares of DAE and NAC for the global market for aircraft dry leasing for regional aircraft, narrow-body and wide-body aircraft, based on the number of aircraft, as presented in Table 1 below.

**Table 1: Estimated market shares of the parties and the total global market size of dry leasing based on number of aircraft for regional, narrow-body and wide-body aircraft<sup>22</sup>**

| Aircraft type                              | Total number of global aircraft under dry leasing |              | DAE    |              | NAC    |              | Post-merger combined |              |
|--|---|--------------|--------|--------------|--------|--------------|----------------------|--------------|
|  | volume  | Volume share | volume | Volume share | volume | Volume share | volume               | Volume share |
| Market for dry leasing (all aircraft)      | ██████  | 100%         | ██     | [0-10]%      | ██     | [0-10]%      | ██                   | [0-10]%      |
| Regional aircraft (generally 30-100 seats) | ██████  | [0-10]%      | ██     | [0-10]%      | ██     | [10-20]%     | ██                   | [10-20]%     |
| Narrow body (generally 100-200 seats)      | ██████  | [70-80]%     | ██     | [0-10]%      | ██     | [0-10]%      | ██                   | [0-10]%      |
| Wide body (200-400+ seats)                 | ██████  | [10-20]%     | ██     | [0-10]%      | █      | [0-10]%      | ██                   | [0-10]%      |

44. As presented in Table 1 above, the CID observed that the proposed transaction would have a limited effect on overall market dynamics, particularly when considering the broader market across all aircraft dry leasing types. The merged entity would remain a relatively insignificant player globally, with a significant majority of the market share still commanded by other established competitors. From this perspective, the CID considered that proposed transaction was not likely to materially alter the competitive landscape or raise competition concerns.

<sup>22</sup> Information claimed as confidential by merging parties.



45. The CID noted the following estimated market shares of key players in the global dry aircraft leasing market assessed in previous mergers.

**Table 2: Estimated Market Shares for the global market for the provision of dry aircraft leasing services as at 30 June 2024.**<sup>23</sup>

| Competitor            | Volume | Market Shares (%) |
|-----------------------|--------|-------------------|
| AerCap                |        | [10 – 20%]        |
| SMBC Aviation Capital |        | [0 – 10%]         |
| Air Lease Corporation |        | [0 – 10%]         |
| Avolon                |        | [0 – 10%]         |
| ICBC Leasing          |        | [0 – 10%]         |
| Chorus Aviation       |        | [0 – 10%]         |
| Others                |        | [70 – 80%]        |
| <b>Total</b>          |        | <b>100</b>        |

46. The CID noted from Table 2 above that neither the acquiring group nor the target firm ranked among the top six global players in the aircraft dry leasing market, where AerCap, SMBC Aviation Capital, Air Lease and Avolon were among the leading players. Additionally, the top six lessors collectively held a 30% share of the global market, while the remaining 70% is distributed among various other participants, highlighting the fragmented nature of the market.
47. From the global market for the dry leasing for regional aircraft perspective, the CID noted that the proposed transaction would result a market share accretion of [0-10]%. The CID further observed that the majority of markets shares for the regional aircraft leasing market is commanded by many other players, including AerCap, ICBC Leasing, AVIC International Leasing, CDB Aviation, AIRCASTLE, and Aircraft Leasing & Management are among the players in aircraft leasing services for regional jets market.<sup>24</sup> Furthermore, in the market segment for narrow-body large passenger aircraft leasing, the merging parties were relatively small players where the proposed transaction will result insignificant market share accretion of approximately [0-10]%.
48. Accordingly, the CID observed that the merged entity would remain a marginal player in these relevant markets, and the merger would not meaningfully alter existing market dynamics. Given the limited overlap and minimal accretion of market shares, this proposed transaction is unlikely to raise competition concerns.
49. From the perspective the MRO services market, the CID observed from the parties' submission that the acquiring group has insignificant market of approximately [0-

<sup>23</sup> See Case File No. CCC/MER/08/37/2024: the 110th Meeting of the CID regarding merger involving HPS Investment Partners, Chorus Aviation Leasing Inc., Chorus Aviation Investment Holdings LP and Chorus Aviation Holdings GP Inc. Confidential information claimed by merging parties.

<sup>24</sup> <sup>24</sup> <https://kpmg.com/ie/en/home/insights/2024/01/fs-aviation-leaders-report-2024/lessors-dominate-fs-aviation.html>, accessed on 16 June 2025.



10] globally. The CID further noted the existing market structure for MRO services would not change following the proposed transaction since there was no overlap. Vertical concerns in the MRO services market were unlikely to arise, as there is no existing supplier-customer relationship between the acquiring group and the target firm.

50. The CID noted that the remaining the market shares in the respective markets were predominantly held by major industry players, including AerCap Holdings N.V., Air Lease Corporation, Avolon, and BOC Aviation<sup>25</sup>, suggesting that the market shares of the top three firms is less than 70% and the transaction is unlikely to raise significant competition concerns in the global dry leasing market. Similarly, the CID considered that the market share accretion from the proposed transaction was insignificant and would have no appreciable effect on the competitive dynamics in any of the abovementioned segments.
51. The CID’s analysis also revealed that the commercial aircraft leasing market, being global in scope, is characterized by intense competition, with the presence of numerous players vying for market leadership and differentiation.<sup>26</sup> To stay competitive, these companies are focusing on customer-centric strategies, digital optimization, and tailored services. Likewise, the parties submitted that they are currently subject to significant competitive pressure from a wide range of global competitors, all of which will continue to exert significant competitive pressure on the merged entity.
52. The CID further noted from its previous<sup>27</sup> decisions in the dry leasing market that AerCap, Aviation Capital, Avolon, SMBC Aviation, ABL Aviation, Jackson Square Aviation are among the major companies that leased their aircraft to airlines that operate including within the Common Market. For instance, there are different aircraft lessors competing with the merging parties in the Kenyan markets. The CID noted that the estimated aircraft lessors’ market shares in the Kenyan aircraft dry leasing market (being one of the Member State where the target firm operates) by volume (value of fleet/leased aircraft) in 2024 as presented in Table 3 below.

**Table 3: Estimated market shares of Kenyan aircraft leasing market by volume (value of fleet/leased aircraft) in 2024<sup>28</sup>**

| Competitor (lessor)    | Volume | Market share/<br>Volume share |
|------------------------|--------|-------------------------------|
| Avmax Aircraft Leasing |        | [13-23]%                      |
| Aergo Capital          |        | [8-18]%                       |
| Regional One           |        | [5-15]%                       |

<sup>25</sup> <https://www.mototok.com/blog/top-10-aircraft-leasing-companies>, accessed on 10 May 2025.

<sup>26</sup> <https://dataintelo.com/report/global-commercial-aircraft-leasing-market>, accessed on 10 May 2025.

<sup>27</sup> See Case File No. CCC/MER/08/37/2024: the 110th Meeting of the CID regarding merger involving HPS Investment Partners, Chorus Aviation Leasing Inc., Chorus Aviation Investment Holdings LP and Chorus Aviation Holdings GP Inc.

<sup>28</sup> Ibid. Information claimed as confidential by merging parties in the referred transaction.



|               |  |          |
|---------------|--|----------|
| NAC           |  | [5-15]%  |
| Azorra        |  | [5-15]%  |
| Falko         |  | [3-13]%  |
| Other lessors |  | [26-36]% |
| Total         |  | 100      |

53. The CID observed<sup>29</sup> that AerCap Holdings N.V., a leading player in the commercial aircraft leasing market, is recognized for its large, modern fleet and global operations, while SMBC Aviation Capital is also a major competitor, known for its customer-centric approach, innovative leasing solutions, and commitment to sustainability through investment in next-generation aircraft. Furthermore, another leading competitor, Avolon Holdings Ltd., has strengthened its position in the market by leveraging strategic partnerships and a global network to provide comprehensive leasing services to airlines worldwide.
54. The CID noted that the proposed transaction would result in an increase in market share accretion. However, considering the insignificant market share accretion from the transaction, and the substantial size and fragmentation of the global aircraft leasing market, there would thus be no material change to the market structure. The CID considered that given the parties' combined market share would be small and considering that the relevant market was characterised by the presence of numerous well-established rivals, the proposed transaction would not result in the creation or strengthening of a dominant position which could lead to unilateral effects.
55. The CID observed that while the proposed transaction hypothetically involved vertical overlap, several factors such as the acquiring group's low market share in MRO services, the highly fragmented nature of the global leasing markets, and the absence of existing transactional relationships between the parties, mitigate any potential vertical concerns. As a result, the risk of vertical foreclosure is unlikely. The CID also noted that the merged entity would continue to face significant competition from established global players and potential new entrants. Therefore, the transaction was unlikely to raise any vertical concerns, including input or customer foreclosure.

### Consideration of Third-Party Views

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

<sup>29</sup> <https://dataintelo.com/report/global-commercial-aircraft-leasing-market>, accessed 11 May 2025.



## **Determination**

57. 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.
58. The CID, therefore, approved the transaction.
59. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 22<sup>nd</sup> day of June 2025

**Commissioner Dr Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma**

**Commissioner Vipin Naugah**

