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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/ MER/04/17/2025**

**Decision<sup>1</sup> of the 119<sup>th</sup> Meeting of the Committee Responsible  
for Initial Determinations Regarding the Proposed  
Acquisition of Sole Control by Promontoria Turbo DAC of  
Abelo Topco S.À R.L.**

**ECONOMIC SECTOR: Aviation**



**03 August 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 8 May 2025, the COMESA Competition Commission (“**the Commission**”) received a notification of the proposed acquisition of sole control by Promontoria Turbo DAC (“**Promontoria**”, together with its controlling affiliates and controlled affiliates, “**the Acquiring Group**”) of Abeló TopCo S.à r.l. (“**Abeló**”, together with its controlled affiliates, “**the Target Firm**”), 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

### *Promontoria (the “Acquiring Firm”)*

4. Promontoria is a company incorporated under the laws of Ireland. Promontoria is ultimately indirectly controlled by Cerberus Capital Management, L.P. and its affiliates (“Cerberus Group”), which is a limited partnership established in accordance with the laws of Delaware, United States of America.
5. The Cerberus Group is a private investment firm with approximately USD 65 billion under management in various investment funds and accounts (the “**Cerberus Funds**”). The Cerberus Funds have acquired and held controlling interests in numerous real estate businesses and assets, as well as regulated financial institutions throughout the world.
6. The Acquiring Group is active in alternative investment strategies across the credit, private equity and real estate industry.
7. In the Common Market, the Acquiring Group operates in the Democratic Republic of Congo (“**DRC**”), Djibouti, Egypt, Ethiopia, Kenya, Mauritius, Rwanda, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe.

### *Abelo (the “Target Firm”)*

8. The Target Firm is a company incorporated under the laws of the Grand Duchy of Luxembourg. It is a full-service aircraft leasing company with a platform covering all aspects of the aircraft ownership cycle. The Target Firm specializes in the leasing, selling, owning, managing, marketing, financing and disposing of regional aircraft with a diverse international group of lessees.
9. In the Common Market, the Target Firm operates in Ethiopia, Kenya and Madagascar.

## 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 proposed acquisition by Promontoria of 100% shareholding of Abeló.

### **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 there is no overlap in the activities of the merging parties in the Common Market. To this end, in line with paragraph 8.4 of the COMESA Merger Assessment Guidelines, the CID assessed the relevant market in conjunction with applicable theories of harm, including non-coordinated and coordinated effects.
15. The CID observed that the Target Firm is the holding company of a full-service aircraft leasing company with a platform covering all aspects of the aircraft ownership cycle.
16. The CID further noted that in the Common Market, the Target Firm was active in Ethiopia, Kenya and Madagascar, in which it primarily engaged in the dry leasing of aircrafts.
17. The CID considered that aircrafts are costly assets. To boost capacity without having to incur significant costs, airlines often resort to leases as this provides an



airline a quick and cheap solution to increase its capacity, without having to incur significant financial costs. Leasing of aircrafts allows airline companies to serve a destination more frequently or to serve new destination.

18. The CID observed that leasing is typically in the form of an agreement which is time bound, the duration of which varies between short-term (typically three months or less), medium term (between 3 months and one year) and long term (more than one year).<sup>2</sup> The reason why an aircraft is being leased determines the duration of that lease. For instance, if aircrafts are required to meet an unforeseen surge in demand or as a replacement for some flights, an airline will opt for a short-term lease. If the airline has delayed deliveries of its own aircrafts, then it is likely to opt for medium-term lease and if the airline wishes to offer new routes, then it is likely to opt for a long-term lease.<sup>3</sup>
19. The CID recalled its decisional practice<sup>4</sup>, which has considered two types of aircraft leasing arrangements, namely operating lease and finance lease where each are distinct based on how fully the risks and rewards attached to the ownership of the asset have been transferred to the lessee from the lessor. The aircraft operating lease arrangement is a short-term agreement for use and possession of an aircraft by the lessee for a specified period where the lessee has no expectation of acquiring legal ownership of the aircraft once the lease payments are made. On the other hand, a finance lease is a long-term agreement where there is an option for the lessee to acquire the aircraft at the end of the lease period. Thus, in line with its decisional practice, the CID considered that aircraft operating lease and aircraft lease finance are separate product markets.
20. The CID further noted the existence of different products which are offered to different customers under aircraft operating lease arrangements.<sup>5</sup> Accordingly, the CID has previously segmented aircraft operating lease into three types of arrangements: dry leasing, wet leasing and damp leasing.<sup>6</sup>
21. CID observed that in the aviation sector, dry lease refers to the provision of the aircraft only to the lessee, without any crew. The operational responsibility of the aircraft, its maintenance and insurance is the responsibility of the lessee. Dry lease is typically opted for by large airline which have the operational capacity but lack aircrafts. The CID noted that the parties provide only dry leases for passenger aircrafts.

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<sup>2</sup> <https://airlinesconnection.com/aircraft-leasing> accessed 1 August 2024

<sup>3</sup> Ibid

<sup>4</sup> See Decision of the 110<sup>th</sup> Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC and Decision of the 106<sup>th</sup> Committee for Initial Determinations regarding the Proposed Merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.

<sup>5</sup> Ibid

<sup>6</sup> Ibid



22. The CID observed that wet lease refers to a leasing contract through which one airline leases to another, an aircraft along with the crew, maintenance and insurance.<sup>7</sup> Under the wet lease agreement, therefore, the owner of the aircraft takes charge of its operational responsibility. The lessor operates the flights using its own air operator certificate and resources, for which it receives an income from the lessee which is usually a fixed price per “block hour”. Block hours are measured from the moment an aircraft first moves under its own power, including taxi time, for the purposes of flight until the aircraft is docked at the next point of landing and its power is shut down. Under a wet lease agreement, the lessee will operate the aircraft under its own code, determines its own ticket prices and provides passenger and ground handling services.
23. The CID observed that damp lease is a hybrid form of wet lease and dry lease, whereby a lessor provides an aircraft with partial crew to the lessee. For instance, an airline might have free cabin crew available but lack the engineering personnel to cover the maintenance operations. So, a damp lease will be preferable for an airline which wish to lease the aircraft, pilot, insurance and maintenance personnel, but does not need the additional cabin crew.<sup>8</sup>
24. The CID therefore considered that on the demand side, there is likely to be a distinction between the different types of leases for aircraft, such that dry lease is likely to constitute a distinct product market from the other types of available leases. A customer requiring the services of a dry lease is not likely to switch to a wet lease as the characteristics and intended use of a wet lease would make it unsuitable for a dry lease. The CID has previously considered that an airline with excess crew but with aircraft shortage will not opt for wet lease since it will incur additional cost of maintenance and crew. In its previous decision, the CID noted from a supply perspective that swiftly shifting from dry leasing to wet leasing or vice versa might not be timely given the differences in the risks and costs that are involved such as crew, maintenance services and insurance.<sup>9</sup>
25. Given that the Target Firm operates only in the dry leasing market segment, the CID considered the market for dry leasing as the relevant product market for the assessment of this transaction.
26. The CID recalled its previous decisional practice to the effect that aircraft leasing services can be further sub-divided according to the aircraft size (seat capacity) into large aircraft and regional aircrafts.<sup>10</sup> In ***Drake Asset Management Jersey Limited/Palma Ibdar Aviation Limited***, the CID determined that the market for the provision of dry leasing services should be segmented according to aircraft size (seat capacity) between regional aircraft (aircraft with around 30-100 seats

<sup>7</sup> Case M.9062 - Fortress Investment Group / Air Investment Valencia / JV

<sup>8</sup> Ibid

<sup>9</sup> Ibid

<sup>10</sup> Ibid



and a range of less than 2000 nautical miles) and large commercial aircraft (aircraft with more than 100 seats and a range greater than 2000 nautical miles), for reason of their technical characteristics, price, intended end-use and seat capacity differences. The CID further considered that a distinction could be made between small regional aircraft with 30-50 seats and large regional aircraft with 70-90+ seats. This is because an airline would choose the aircraft type to be deployed on a specific route portfolio according to the actual or expected demand on a route to be able to operate on a profitable basis. The CID noted that the parties were involved in the provision of dry leases for aircrafts. The CID considered that the market for aircraft dry leasing in this transaction may also be segmented according to the type of aircraft being leased.

27. However, given the absence of overlap in the activities of the merging parties, the CID considered that it was not necessary to segment the relevant market according to the number of seats of the aircrafts being dry-leased since this not likely to alter the competitive assessment of the proposed transaction.
28. In view of the above and considering that only the target is active in the provision of dry lease, the CID determined the relevant product market as the **market for the supply of dry leasing services for passenger aircraft**.

#### **Relevant Geographic Market**

29. 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**”.<sup>11</sup>
30. The CID considered that the geographic scope for the supply of dry lease services is likely to be global as most aircraft leasing companies operate on a global scale. 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>12</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 Singapore), and CDB Aviation (China) serve their airline clients across different continents globally.
31. Furthermore, aircraft models are highly standardized and widely used by airlines across the globe. This standardization enables aircraft lessors to offer uniform

<sup>11</sup> Paragraph 8 of the COMESA Guidelines on Market Definition

<sup>12</sup> <https://udsaviation.com/2024/10/18/aircraft-leasing-industry-overview/>, accessed on 30 June 2025.



products regardless of the lessee’s geographic location. For example, the Target Firm itself operates globally and leases aircraft to airline customers in Ethiopia, Kenya and Madagascar. The CID noted that aircraft dry lessors can easily reach their customers anywhere across the globe since aircraft can easily be transported across geographic boundaries.

32. In view of the above and in line with its previous decisions on similar cases<sup>13</sup>, the CID considered that the geographic scope for the dry leasing for passenger aircraft market was global in scope.

**Conclusion on Relevant Markets**

33. Based on the foregoing assessment, and without prejudice to the CID’s approach in similar future cases, the relevant market has been identified as the **global market for the supply of dry leasing services for passenger aircraft**

**Consideration of Substantial Lessening of Competition or “Effect” Test  
Market Shares and Concentration**

34. The CID noted the parties’ submissions that the estimated market shares of the Target Firm’s top 5 competitors globally for the supply of the dry leasing of aircraft as follows.

**Table 1: Estimated Market Shares for the global market for the provision of dry aircraft leasing services for the year 2024**

<b>Provider</b>	<b>Market Shares (%)</b>
DAE Capital	[0-5]
Falko	[0-5]
Nordic Aviation Capital	[0-5]
Avation plc	[0-5]
<b>Abelo</b>	<b>[0-5]</b>
TrueNoord	[0-5]
Others	[90-100]
<b>Total</b>	<b>100</b>

<sup>13</sup> See Decision of the 110<sup>th</sup> Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Brookfield CL Holdings LLC, Castlake Group Topco, L.P. and Castlake Group GP, LLC and Decision of the 106<sup>th</sup> Committee for Initial Determinations regarding the Proposed Merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.; See Case File No. CCC/MER/02/102025: the 118<sup>th</sup> Meeting of the CID regarding merger involving Dubai Aerospace Enterprise Ltd and Nordic Aviation Capital Designated Activity Company; Case File No. CCC/MER/06/24/2024; 86<sup>th</sup> 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.



35. In *Dubai Aerospace Enterprise Ltd/Nordic Aviation Capital Designated Activity Company*,<sup>14</sup> the CID observed that the global dry leasing market comprises of approximately 15,526 aircrafts. The Commission notes the parties' submissions that as of 31 December 2024, the Target Firm has a fleet of ■ aircraft, of which ■ aircraft are owned by the Target Firm and ■ aircraft are owned by an independent third party but managed by the Target Firm. Based on the information submitted by the parties, the Commission observes that the market shares of the parties in the broad market for the supply of dry leasing services for passenger aircraft is approximately [0-5]%.
36. The CID also observed from its previous decisions<sup>15</sup> the following estimated market shares of the major global players in the global dry aircraft leasing market for passenger aircrafts, based on volume.

**Table 2: Estimated Market Shares for the global market for the provision of dry aircraft leasing services as at 30 June 2024<sup>16</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	■	[60 – 70%]
<b>Total</b>	■	<b>100</b>

37. The Commission observed from Table 2 that the Target Firm does not rank among the top global players in the aircraft dry leasing market, where AerCap, SMBC Aviation Capital, Air Lease and Avolon are among the leading players. Furthermore, the above top six lessors collectively hold approximately 30% share of the global market, while the remaining market share is distributed among various other participants, including the Target Firm highlighting the fragmented nature of the industry. Accordingly, the merging entity will remain a marginal player in these relevant markets, and the proposed transaction would not meaningfully alter

<sup>14</sup> Decision of the 118<sup>th</sup> Meeting of the CID regarding merger involving Dubai Aerospace Enterprise Ltd of Nordic Aviation Capital Designated Activity Company.

<sup>15</sup> Decision of the 110<sup>th</sup> 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>16</sup> Ibid



existing global market dynamics. Given the absence of overlap in the activities of the merging parties, the CID noted that proposed transaction would not change the market structure of the relevant market and is therefore unlikely to raise competition concerns.

### **Consideration of Third-Party Views**

38. In arriving at its determination, the CID also considered submissions from the national competition authorities of DRC, Egypt, Kenya, Mauritius, Seychelles, Tunisia and Zambia which confirmed the absence of competition and public interest concerns.

### **Determination**

39. 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.
40. The CID, therefore, approved the transaction.
41. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 3<sup>rd</sup> day of August 2025

**Commissioner Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma**

**Commissioner Vipin Naugah**

