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**Common Market for Eastern  
and Southern Africa**

**CASE FILE No. CCC/MER/101/2014**

**Decision<sup>1</sup> of the Seventh Meeting of the Committee of Initial  
Determination Regarding the Acquisition of International Lease Finance  
Corporation by AerCap Ireland Limited**

**ECONOMIC SECTOR: Aviation**

**20<sup>th</sup> March 2014 – Lilongwe, Malawi**

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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 Where possible the information omitted has been replaced by ranges of figures or a general description.

## Information and Relevant Background

1. On 10<sup>th</sup> February 2014, AerCap Ireland Limited (“AerCap Ireland”) and International Lease Finance Corporation (“ILFC”) through their lawyers, Werksmans Attorneys filed a merger notification regarding the Acquisition by AerCap Ireland of ILFC.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations (“the Regulations”). Under this provision the Commission is required to assess whether the proposed 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 pursuant to Article 26 of the Regulations.
3. The Committee of Initial Determination (the CID) observed that the parties operate in two or more COMESA Member States. This, therefore, means that the regional dimension requirements under Articles 23(3) and 23(5) are satisfied and ultimately asserts jurisdiction of the Commission to assess the transaction.

## The Parties

### AerCap Ireland Limited

4. AerCap Ireland is a company incorporated in Ireland. AerCap Ireland is headquartered in the Netherlands and the ultimate parent company, AerCap Holdings N.V., is listed on the New York Stock Exchange. It has offices in Ireland, the United States of America, China, Singapore and the United Arab Emirates. It is active mainly in aircraft financing. More specifically, it supplies airlines with aircraft by way of operating leases. AerCap Ireland also participates in aircraft engine leasing, aircraft trading and aircraft portfolio management. In the Common Market, AerCap Ireland leases two aircraft to a single customer in Egypt, Nile Air, and has one engine on lease to Ethiopian Airlines.

### International Lease Finance Corporation

5. ILFC is a company incorporated in the State of California, USA. It is directly controlled by AIG Capital Corporation, which is a company incorporated in the State of Delaware, USA and a wholly owned subsidiary of American International Group, Inc (together “AIG”), a company incorporated in the State of Delaware, USA and listed on the New York Stock Exchange and Stock Exchanges in Tokyo, Japan and Ireland. ILFC is active in worldwide aircraft financing. Its main business is to finance aircrafts through operating leases. ILFC also provides limited aircraft maintenance, repair and overhaul services and leases and sells used/overhauled aircraft parts and engines, sourced from the open market and from tear-downs (i.e. the disassembly of an aircraft for its component parts).

## Competition Analysis

6. The CID noted that the relevant product market is aircraft financing. **Further** that the merger does not lead to a substantial lessening of competition in the Common Market. **Finally, that the transaction is** likely to enhance competition in the Common Market.

**Determination**

7. The CID found that the transaction is compatible with the objectives of the Treaty Establishing the Common Market. This is because investigations and assessment show that the transaction is not likely to frustrate the single market objective. The CID authorised the transaction.
8. This decision is adopted in application of Article 26 of the COMESA Competition Regulations.

Dated this 20<sup>th</sup> day of March, 2014.

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**Commissioner Mathews Chikankheni (Chairman)**

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**Commissioner Chilufya Sampa**

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**Commisioner Thabisile Langa**