COMESA Competition Commission
Kang'ombe House, 5th Floor
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 111 772 466
Email- compcom@comesacompetition.org

Common Market for Eastern and Southern Africa

Case File No. CCC/MER/08/37/2024

Decision[1] of the 110th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger Involving HPS Investment Partners, Chorus Aviation Leasing Inc., Chorus Aviation Investment Holdings LP and Chorus Aviation Holdings GP Inc.

ECONOMIC SECTOR: Aviation

20 October 2024

[1] 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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;

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,

Desirability of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration,

Having regard to the COMESA Merger Assessment Guidelines of 2014,

Determines as follows:

Introduction and Relevant Background

1. On 6 September 2024, the COMESA Competition Commission ("**Commission**") received notification of a merger involving HPS Investment Partners, LLC ("**HPS**", or the "**acquiring undertaking**"); and Chorus Aviation Leasing Inc. ("**CAL**"), Chorus Aviation Investment Holdings LP ("**CAIH**") and Chorus Aviation Holdings GP Inc. ("**CAHG**") or (collectively, the "**target group**"), pursuant to Article 24(1) of the COMESA Competition Regulations of 2004 (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

HPS (the acquiring undertaking)

4. HPS is a global investment management firm incorporated in accordance with the laws of the United States of America.

5. [redacted]

6. HPS manages various strategies across the capital structure, including privately negotiated senior debt[2]; privately negotiated junior capital[3] solutions in debt; preferred and equity formats; liquid credit including syndicated leveraged loans; collateralized loan obligations and high yield bonds; asset-based finance; and real estate.

7. The parties submitted that HPS through its certain firms which are incorporated in the Common Market and certain firms controlled by funds managed by HPS make sales into the Common Market as presented in Table 1 below.

Table 1: List of HPS controlled entities with sales in the Common Market

Member State	Name of Subsidiary	Business activities
DRC, Kenya, Mauritius, Libya, Zimbabwe	Avanti	sells wholesale satellite broadband and satellite connectivity services to mobile network operators, enterprises, governments and other satellite operators.
DRC, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Seychelles, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe	Ardonagh Specialty Holdings Ltd ("Ardonagh") (Price Forbes)	provides insurance brokerage globally. However, in respect of Member States, there are no local Ardonagh entities, rather, Ardonagh trades under the Price Forbes brand
Egypt, Kenya, Mauritius, Seychelles, and Uganda	Southern Graphics Inc.	provides design and pre-press services to the consumer-packaged goods industry.

[2] Senior debt entails corporate debt that has priority over other debts and equity in the event of a company's bankruptcy or liquidation
[3] Junior capital entails any non-senior type of debt capital

Tunisia	RealD Europe Limited	offers 3D cinema platform products and services

CAL, CAIH and CAHG (the target group)

8. The target group is incorporated or otherwise formed in Canada. It consists of Chorus's regional aircraft leasing business, encompassing Falko Regional Aircraft Limited and Falko (Ireland) Limited (collectively referred to as "**Falko**").

9. Chorus is a global aviation solutions provider and asset manager headquartered in Canada, with a focus on regional aviation. Its core activities include contract flying, aircraft leasing, managing aircraft for fund investors and other third-party owners, maintenance, repair, overhaul services, and pilot training. Falko, headquartered in Hatfield, United Kingdom, and Dublin, Ireland, specializes in aircraft leasing and management of aircraft assets.

10. The target group primarily engages in aircraft leasing and management. Its global fleet consists of more than ca. 180 aircraft[4], which it leases to customers worldwide.

11. The target group has no local subsidiaries within the Common Market. However, it owns certain assets, specifically aircraft, that are leased to and operated by third-party customers within the Common Market and are therefore registered therein. The target group operates in Ethiopia and Kenya.

Legal Provisions and Assessment Tests

12. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission within 30 days of arriving at a decision to merge. Only mergers that satisfy the prescribed thresholds pursuant to Articles 23(4) and 23(5) of the Regulations are regarded as notifiable mergers. The merger notification thresholds are prescribed under Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") which 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 COM$ 50 million; and

[4] Confidentiality of information claimed by the merging parties.

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 COM$ 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".*

13. The undertakings concerned have operations in two or more Member States. The parties' combined value of assets in the Common Market exceeds the threshold of USD 50 million and they each derive turnover of more than USD 10 million in the Common Market. In addition, the merging parties do not derive more than two-thirds of their respective COMESA-wide turnover value within one and the same Member State. The notified transaction is, therefore, notifiable to the Commission within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

14. The parties submitted that the notified transaction entails the acquisition by HPS, through certain funds that it manages, of control over the target group from Chorus.

15. The parties submitted that HPS will acquire sole control over the target group through Cruise Bidco ULC ("**Bidco Buyer**") and Falko Holdings Limited ("**Holdco Buyer**"), companies that are indirectly controlled by HPS Funds, vehicles and/or accounts advised and managed by various subsidiaries of HPS.

16. The parties have submitted that the proposed transaction will be implemented by way of a share purchase agreement dated 30 July 2024 (the "**SPA**"), pursuant to which:

    (i) Chorus will sell its limited partnership units in CAIH to the Holdco Buyer, a corporation incorporated in the Cayman Islands;

    (ii) Chorus will sell its shares in CAHG to the BidCo Buyer, an unlimited liability company incorporated in British Columbia, Canada; and

    (iii) Chorus Aviation Capital Corp, which is a wholly owned subsidiary of Chorus, will sell its shares in CAL to the Bidco Buyer.

Competition Assessment

Relevant Product Markets

17. The CID noted the activities of the funds managed by HPS include the sale of satellite broadband and satellite connectivity services, provision of insurance brokerage, design and pre-press services, and 3D cinema platform products and services. The target group is active in the leasing of aircraft under operating lease arrangement to two customers, namely Ethiopian Airlines in Ethiopia and Jambojet of Kenya Airways in Kenya

18. The CID observed that the activities supplied by the parties are not similar nor related. Therefore, for purposes of determining the relevant market, the CID focused on the activities of target group.

The provision of aircraft leasing services

19. Aircraft leasing plays a vital role in the aviation industry, offering benefits and convenience to airlines to ensure a high level of flexibility, including capacity, fleet composition, and aircraft financing.[5]

20. Aircraft leasing is a component of the commercial aviation industry which falls within aircraft financing, whereby an airline operator leases aircraft from a lessor for a specified period. Under the lease agreement the lessor provides an aircraft to the lessee for compensation or hire for a set period or a defined number of flights.[6] Aircraft leasing allows airlines to rent an aircraft or part of it without the need for purchase, with the lease outlining payment terms.

21. Two types of leasing arrangements may be identified namely, operating lease and finance lease.[7] These are distinguished according to the extent the risks and rewards of ownership are transferred from the lessor to the lessee. An operating lease is a short-term arrangement where the lessee uses the aircraft for a set period without the expectation of acquiring ownership. Conversely, a finance lease is a long-term arrangement with an option for the lessee to purchase the aircraft at the end of the lease. To this end, operating leases and finance leases have been construed as separate product markets.

22. The CID focused its assessment on the operating aircraft leasing market being the market segment where the target group is active.

23. The CID observed that there is a potential for further segmentation of the operating aircraft leasing services. For instance, in its previous[8] decision (where overlaps were identified in the activities of acquirer and target) the CID observed that the market could be segmented as dry leasing, wet leasing, and damp leasing since different arrangements apply under these options of operating aircraft lease as presented below.

24. Dry leasing is an arrangement where the lessor provides the aircraft without crew, maintenance, or insurance services. In contrast, wet leasing involves the lessor providing an aircraft along with the crew for a specific period or number of flights.

---

[5] https://www.accaviation.com/acmi-lease-vs-dry-lease/, accessed on 23 September 2024.
[6] Paragraphs from 2.1-2.3, Indian Civil Aviation Manual, dated August 2017.
[7] See para 16, Case No CCC/MER/2/32023 – Drake Asset Management Jersey Limited and Palma Ibdar Aviation Limited, decision dated 28 August 2023; and para 20, case no. CCC/MER/6/29/2022 - MBC Aviation Capital Limited and Goshawk Management Limited, decision dated 27 September 2022.
[8] See para 17, Case No CCC/MER/2/32023 – Drake Asset Management Jersey Limited and Palma Ibdar Aviation Limited, decision dated 28 August 2023.

Wet leases are generally short-term, lasting less than two years, whereas dry leases typically last for more than two years.[9]

25. Wet and dry leases differ in terms of the responsibilities of the lessor and lessee, as well as the commercial risk involved. In a wet lease, the lessor operates the flight, supplies the crew, and provides maintenance and insurance services, while the lessee is responsible for ticket sales, slot ownership, and other commercial risks. In dry leasing, the lessor only supplies the aircraft, leaving the lessee responsible for all operational aspects, including maintenance, insurance, crew, and ticket sales, as well as commercial risks. Dry lease agreements offer a flexible and customizable solution for businesses seeking to meet their aviation needs.[10] A damp lease, considered a hybrid of wet and dry leasing, involves the lessor providing an aircraft with partial crew. For example, an airline might need to lease an aircraft with a pilot and maintenance crew, but the lessee may already have its cabin crew. A damp lease would suit such needs.[11]

26. From a demand perspective, dry leasing, wet leasing, and damp leasing services represent distinct and separate markets due to the varying needs of customers. For instance, an airline with surplus crew but in need of aircraft would avoid a wet lease, as it would incur unnecessary additional costs.

27. From a supply perspective, the CID noted that it is difficult to switch between wet and dry leasing due to the differences in associated risks, costs, and responsibilities, such as crew, maintenance, and insurance.

28. The CID further considered that segmentation based on the size of aircraft measured by the seating capacity or classified into large or regional categories (i.e., large aircraft with many seats are used to transport passengers between continents while regional aircrafts are primarily used for shorter, regional routes) is possible. For instance, aircraft can be supplied in different sizes depending on the seating capacity, larger aircrafts such as Boeing 777 or Airbus A380, with seating capacity over 300 passengers, and regional aircrafts such as Bombardier Q-400 with seating capacity 70 to 100 passengers. Similarly, the CID referred to the ***Drake/Palma***[12], where it considered that dry leasing services can be further sub-divided by aircraft size (seat capacity) into large and regional aircraft. The European Commission ("**EC**")[13], in its previous decisions, although leaving the precise market definition

[9] https://www.aerotime.aero/articles/30191-dry-lease-versus-wet-lease#:~:text=However%2C%20the%20airline%20has%20no,last%20upwards%20of%20two%20years, accessed on 25 September 2024.
[10] https://www.helsell.com/2024/02/29/navigating-the-skies-understanding-dry-lease-agreements-in-aviation/#:~:text, accessed on 23 September 2024.
[11] See para 20, Case No CCC/MER/2/32023 – Drake Asset Management Jersey Limited and Palma Ibdar Aviation Limited, decision dated 28 August 2023.
[12] See para 23, Case No CCC/MER/2/32023 – Drake Asset Management Jersey Limited and Palma Ibdar Aviation Limited, decision dated 28 August 2023.
[13] See paraphs 215-219 of Case M.9287 – Connect Airways/Flybe, decision dated 05/07/2019.

open, considered that the dry leasing market could be segmented based on aircraft size, with regional aircraft seating between 30 and 100 passengers and having a range of less than 2000 nautical miles, and large commercial aircraft with a seating capacity of more than 100 passengers and a range of over 2000 nautical miles.

29. The CID further observed that the EC[14] suggested that within the regional aircraft category a distinction could be made between smaller aircraft (30-50 seats) and larger ones (70-90+ seats), as airlines select aircraft based on route demand to maintain profitability. The CID recall that the target group is active in dry leasing aircraft, typically Bombardier Dash 8-Q400, which are regional aircrafts.

30. The CID therefore concluded that further segmentation of the operating aircraft leasing service market as dry leasing, wet leasing, and damp leasing or segmentation based on seat capacity as large and regional is possible. However, the CID considers that, for the purpose of this transaction, further segmentation of the operating aircraft leasing service is not necessary since the proposed transaction does not lead to a change in the market structure such that any alternative market definition is unlikely to change the competitive assessment.

31. Thus, given that there is no overlap in the activities of the parties, the CID considered the broader market for the provision of operating aircraft leasing services as a distinct product market.

32. For purposes of this transaction, the CID determined that the relevant product market is **the provision of operating aircraft leasing services.**

Relevant Geographic Market

33. The CID noted that the geographic scope of the operating aircraft leasing service market is likely to be global, as most aircraft leasing companies operate on an international scale and compete across various regions worldwide. For example, some of the leading players in the global aircraft leasing market which include AerCap (GECAS) (Ireland), SMBC Aviation Capital (Ireland), Air Lease Corporation (U.S.), Avolon (Ireland), BOC Aviation (Singapore), BBAM (U.S.), Nordic Aviation Capital (Ireland), ICBC Leasing (China), DAE Capital (UAE), and Aviation Capital Group (U.S.)[15] have clients worldwide.

34. These players have established themselves as global lessors, leasing aircraft to airlines across multiple continents. These companies routinely engage in cross-border transactions, offering standardized leasing solutions that meet the operational requirements of airlines regardless of their location. This demonstrates

[14] Ibid.
[15] https://kpmg.com/ie/en/home/insights/2024/01/fs-aviation-leaders-report-2024/lessors-dominate-fs-aviation.html, accessed on 23 September 2024.

that competition in this market is not limited to specific regions but extends worldwide.

35. Aircraft lessors, including the merging parties, can easily reach customers in any region due to the highly transportable nature of aircraft. Aircraft, by design, can be flown across geographic boundaries without significant logistical barriers, making it easy for lessors to serve a global customer base. For instance, regional aircraft operators such as WestJet Encore in Canada (leased from CDB Aviation and Avolon[16]), Horizon Air in the United States, and Ethiopian Airlines in Africa (leased from BOC Aviation[17]) all source their aircraft from global lessors under dry leasing arrangements. Further, the CID noted that Ethiopian Airlines which operates one of Africa's largest fleets, has consistently leased aircraft from lessors based in Europe and North America, showcasing the truly international nature of aircraft leasing.

36. The CID, in previous similar cases[18], concluded that the aircraft leasing market is global due to the ease with which aircraft can be sourced internationally without requiring major or costly modifications. Aircraft are generally homogenous products, standardized to facilitate universal operation and maintenance, allowing them to move seamlessly across borders. This global standardization reduces barriers for leasing companies to operate internationally.

37. Similarly, in the ***Connect Airways/Flybe***[19], the geographic market for the aircraft dry leasing sector was considered to be worldwide. In its market analysis, the EC noted that most airlines, when asked about their leasing activities, indicated that they acquire aircraft under dry leasing agreements from lessors on a global basis. For example, airlines based in Europe and Asia frequently lease aircraft from American and Irish leasing companies, demonstrating that this market is global in scope.

38. This cross-border leasing model is further supported by the standardization of international aviation regulations under bodies like the International Civil Aviation Organization (ICAO)[20], which facilitates the worldwide mobility of leased aircraft.

39. Given this established global market structure and in line with its previous decisions and considering that the outcome of the competitive assessment would not change under any plausible alternative market definition, the CID construed the operating aircraft leasing service market as global.

---

[16] https://www.ch-aviation.com/news/136423-canadas-westjet-to-lease-five-more-b737-8s#:~:text=The%20ch%2Daviation%20fleets%20module,based%20lessor%20Genesis%20Aircraft%20Services., accessed on 23September 2024.

[17] https://www.bocaviation.com/en/Press-Releases/2023/10/20231030-Ethiopian-airlines, accessed on 23 September 2024.

[18] See para 28, Case No CCC/MER/2/32023 – Drake Asset Management Jersey Limited and Palma Ibdar Aviation Limited.

[19] Para 221 of Case M.9287 – Connect Airways/Flybe, decision dated 05/07/2019.

[20] https://www.icao.int/Newsroom/Pages/Enhancing-the-crossborder-transferability-of-aircraft-and-compliance-with-the-Cape-Town-Convention.aspx, accessed on 23 September 2024.

40. For the purposes of this transaction, and without prejudice to its approach in future similar cases, the CID identified the relevant market **the global provision of operating aircraft leasing services.**

Market Shares and Concentration

41. The CID noted from the parties submission that the sector in which the target group is active is highly competitive and fragmented and will remain the same at the completion of the proposed transaction. In particular, there are a large number of global providers of aircraft leasing and related services active in the Common Market and globally that will continue to exercise a strong competitive restraint on the merged entity post-merger.

42. The CID considered the market shares of the parties and their competitors, in respect of aircraft leasing by value of aircraft leased, as per Table 2 below.

Table 2: Global aircraft leasing market shares by value (value of fleet/leased aircraft) (as at 30 June 2024)[21]

Competitors	Value (USD million)	Market share (%)
Aercap	[redacted]	[10 – 20%]
SMBC Aviation Capital	[redacted]	[0 – 10%]
ALC - Air Lease Corporation	[redacted]	[0 – 10%]
Avolon	[redacted]	[0 – 10%]
BOC Aviation	[redacted]	[0 – 10%]
Target group	[redacted]	[0 – 10%]
Others	[redacted]	[60 – 70%]
Total	[redacted]	**100**

43. The CID noted that the above table indicates that Aercap leads the global aircraft leasing market with a [10 – 20%] share, leveraging its vast fleet and global reach to secure its leadership position. SMBC Aviation Capital follows with [0 – 10%], and Air Lease Corporation holds [0 – 10%]. Avolon and BOC Aviation account for [0 – 10% and [0 – 10%] respectively. The remaining [60 – 70%] of the market is highly fragmented, with smaller players, such as the target group holding [0 – 10%].

44. Further, the fragmented nature of the global aircraft leasing market, where numerous smaller players hold the majority of the market share fosters a competitive environment, preventing any single entity from monopolizing the market. As a result,

[21] Confidentiality of information claimed by the parties.

major players continuously seek to expand their fleets and secure their contracts with airlines to maintain their competitive edge.

45. The CID further considered the parties' estimated global market shares and those of their competitors, in respect of aircraft leasing by volume of aircraft leased, as per Table 3 below.

Table 3: Global aircraft leasing market shares by volume (number of planes leased) (as at 30 June 2024)[22]

Competitors	Volume	Market share (%)
Aercap	[redacted]	[10 – 20%]
SMBC Aviation Capital	[redacted]	[0 – 10%]
ALC - Air Lease Corporation	[redacted]	[0 – 10%]
Avolon	[redacted]	[0 – 10%]
ICBC Leasing	[redacted]	[0 – 10%]
Target group	[redacted]	[0 – 10%]
Others	[redacted]	[70 – 80%]
Total	[redacted]	**100**

46. As shown in Table 3, Aercap leased a total of [redacted] aircraft, securing a [10 – 20%] share of the global aircraft leasing market. SMBC Aviation Capital and Air Lease Corporation followed, leasing [redacted] and [redacted] aircraft, representing [0 – 10%] and [0 – 10%] of the market, respectively. Avolon and ICBC Leasing leased [redacted] and [redacted] aircraft, accounting for [0 – 10%] and [0 – 10%] of the global aircraft leasing market. The target group leased [redacted] aircraft, or [0 – 10%] of the global market, while the majority of the global aircraft leasing market ([70 – 80%], or [redacted] aircraft) is controlled by a large number of smaller players, further underscoring the fragmented nature of the industry.

47. The CID further observed from Table 3 that the number of aircraft leased by the target group is relatively small in comparison to the total aircraft leasing market.

48. The CID took note of the parties' submissions that the target group's global market share, both by value and volume, is approximately less than [redacted] and less than [redacted], respectively.[23] The CID considered that these figures are minimal, particularly given the highly fragmented nature of the global aircraft leasing market. Additionally, the CID noted that the proposed transaction will not result in a market share increase.

[22] Confidentiality of information claimed by the parties.
[23] Confidentiality of information claimed by the merging parties.

49. From the Kenyan aircraft leasing market perspective, the CID observed the estimated of the target group and its competitors by value (value of fleet/leased aircraft) as presented in Table 8 below.

Table 4: Kenyan aircraft leasing market shares by value (value of fleet/leased aircraft) (as at 30 June 2024)[24]

Competitors	Value (USD million)	Market share (%)
Aviation Capital Group	[redacted]	[10 – 20%]
AerCap	[redacted]	[10 – 20%]
SMBC Aviation Capital	[redacted]	[10 – 20%]
BOC Aviation	[redacted]	[10 – 20%]
DAE Capital	[redacted]	[10 – 20%]
Target Group (Falko)	[redacted]	[0 – 10%]
Others	[redacted]	[20 – 30%]
Total	[redacted]	**100**

50. Table 4 shows that Aviation Capital Group and AerCap lead the Kenyan aircraft leasing market by value, with market shares of [10 – 20%] and [10 – 20%], respectively. SMBC Aviation Capital, BOC Aviation, and DAE Capital each hold [10 – 20%] of the market, while the target group accounts for [0 – 10%]. The remaining [20 – 30%] is divided among other players. This highlights the relatively small market share of the target group, with major lessors like Aviation Capital Group and AerCap leading the market in Kenya.

51. From the Ethiopian aircraft leasing market perspective, the CID observed the estimated market share of the target group and its competitors by value (value of fleet/leased aircraft) as presented in Table 5 below.

Table 5: Ethiopian aircraft leasing market shares by value (value of fleet/leased aircraft) (as at 30 June 2024)[25]

Competitors	Value (USD million)	Market share (%)
AerCap	[redacted]	[40 – 50%]
Avolon	[redacted]	[0 – 10%]
ABL Aviation	[redacted]	[0 – 10%]

[24] Confidentiality of information claimed by the parties.
[25] Confidentiality of information claimed by the parties

Jackson Square Aviation	[redacted]	[0 – 10%]
ICBC Leasing	[redacted]	[0 – 10%]
Target Group (Falko)	[redacted]	[0 – 10%]
Others	[redacted]	[20 – 30%]
Total	[redacted]	**100**

52. Table 5 illustrates that AerCap holds a commanding [40 – 50%] share of the Ethiopian aircraft leasing market by value. Avolon, ABL Aviation, and Jackson Square Aviation each hold approximately [0 – 10%], while ICBC Leasing controls [0 – 10%]. The target group, with just [0 – 10%] of the market, along with other smaller players accounting for [20 – 30%], have an insignificant presence while AerCap and other players lead the Ethiopian market.

53. Given that the target group does not rank among the leading lessors in either Kenya or Ethiopia, its customers have ample alternatives for sourcing aircraft through dry leasing arrangements from other providers. Further, from the global aircraft leasing market perspective, as the target group does not rank among the leading global lessors, its customers have ample alternatives for sourcing aircraft through dry leasing arrangements from other providers.

54. As a result, the competitive landscape both at global level, the Kenyan and Ethiopian national markets is expected to remain unchanged post-merger, since there is no overlap in the activities of the merging parties. This suggests that competition will continue unaffected following the transaction.

55. The CID observed that there would be no significant change in the existing market structure post-merger, due to the absence of overlaps pre-merger. The merged entity will continue to face competition from existing players, including major global and regional competitors mentioned above.

Third-Party Views

56. Submissions were received from the national competition authorities of Egypt, Ethiopia, Kenya, Mauritius, Libya, and Seychelles which did not raise any concerns in relation to the transaction. This is consistent with the CID's assessment, as presented above.

Determination

57. Based on the foregoing reasons, 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 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 this transaction. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 20th day of October 2024

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah