COMMISSION DE LA CONCURRENCE ET DE LA CONSOMMATION DU COMESA
CCCC
COMESA COMPETITION AND CONSUMER COMMISSION

Advancing Regional Integration through Competitive Markets and Empowered Consumers

Case File No. CCC/MER/01/06/2025

Decision[1] of the 129th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Creation of a Full Function Joint Venture involving Airbus SE and Société Air France

ECONOMIC SECTOR: Aviation

COMESA COMPETITION AND CONSUMER COMMISSION
28 JUL 2026

28 July 2026

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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

The Committee Responsible for Initial Determinations ("**CID**") established pursuant to Article 13(4) of the COMESA Competition Regulations, 2004 (the "**Regulations**"):

Desirous of the overriding objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration as enshrined in the Treaty Establishing the Common Market for Eastern and Southern Africa (the "**Treaty**");

Cognisant of Article 55 of the Treaty;

Having regard to the Regulations, and in particular Part 4 thereof;

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.

Determines as follows:

Introduction and Relevant Background

1. On 22 April 2026, the COMESA Competition and Consumer Commission (the "**Commission**") received a notification regarding the proposed creation of a full function Joint Venture ("**JV**") involving Airbus SAS ("**Airbus**") and Société Air France S.A. ("**Air France**"), pursuant to Article 24(1) of the Regulations.[2]

2. Pursuant to Article 26 of the Regulations, the Commission is required to determine whether or not the merger is likely to substantially prevent or lessen competition; or would be contrary to public interest in the Common Market.

[2] The Commission was seized of this matter before 4 December 2025. By virtue of paragraph 4 of the Commission's Practice Note Number 1 of 2026 Regarding the New Merger Control Regime pursuant to Chapter Four of the Comesa Competition and Consumer Protection Regulations, the assessment of the transaction is governed by the COMESA Competition Regulations 2004.

The Parties

Airbus

3. Airbus is active globally in aeronautics sector and is involved in the manufacture of civilian and military aircrafts. In addition to being an aircraft manufacturer, Airbus is also active, among other things, aircraft maintenance and repair services on Airbus platforms.

4. In the Common Market, Airbus operates in the Democratic Republic of Congo, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda and Zimbabwe.

Air France

5. Air France is incorporated under the laws of France and is a subsidiary of Air France-KLM S.A. ("Air France-KLM"). Air France is active in the business of passenger and cargo transportation together with aeronautical maintenance for airlines of the Air France-KLM Group or third parties' fleets, including Airbus aircraft types.

6. Air France operates in all Member States in the Common Market, except Comoros.

The JV

7. The JV once incorporated, will only be active in the provision of component maintenance services for A350 aircraft on a worldwide basis including in the Common Market. The JV will collect the faulty components from the aircraft and send it to the most appropriate repair shop (if repairable). Once repaired, the component will be reintegrated into the JV's pool and made available again to customers. The JV will not perform the actual repair work on the component but will provide airlines with a full-service package and as a one-stop-shop, bundling the interactions with many Original Equipment Manufacturer ("**OEMs**") and repair stations, for the benefit of the airlines.

Jurisdiction of the Commission

8. 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".

9. The undertakings concerned have operations in two or more Member States. The undertakings concerned held asset values of more than the threshold of USD50 million in the Common Market and they each held assets valued at more than USD10 million in the Common Market. In addition, the parties did not derive or 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

10. The notified transaction involves Airbus and Air France acquiring joint control of a newly created joint-venture.

Competition Analysis

Consideration of the Relevant Markets

11. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the CID is guided by the COMESA Guidelines on Market Definition and other authorities on the subject.

Relevant Product Market

12. The CID noted that, "**a relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the products' characteristics, their prices and their intended use**".[3]

13. The CID noted that the transaction raises a horizontal overlap between the JV and the activities of its JV Parent companies with respect to the provision of component maintenance services.

14. The CID further noted that the transaction also raises a vertical overlap between:

[3] Paragraph 7 of the COMESA Guidelines on Market Definition

a) the activities of Airbus as a global manufacturer of passenger and freighter aircraft and related services, including the A350 aircrafts, and the activities of the JV for the provision of component maintenance services for A350 aircraft; and

b) the activities of Air France, as a client, and the JV as a provider of component maintenance services.

15. The CID's assessment of the relevant market was made in line with Paragraph 8.4 of the COMESA Merger Assessment Guidelines, the CID's assessment of the relevant market with respect to the horizontal and vertical overlap.

Manufacture and supply of Aircrafts

16. Aircrafts are designed and manufactured for different end usages. For instance, commercial aircrafts are used for the air transportation of passengers and cargo whereas military aircrafts are built for defence. Given that the JV will be active in the provision of component maintenance services for A350, which is a commercial aircraft, the CID focussed its assessment on the manufacture and supply of commercial aircrafts.

17. The manufacture of commercial aircrafts involves the design, development, assembly, certification, and sale of complete aircraft to airlines, leasing companies, cargo operators, and other commercial customers.

18. The CID noted that it had previously considered that in the market for the manufacturing of aircrafts, it takes 2 – 3 years for an aircraft to be built and delivered.[4]

19. The CID has also previously segmented the leasing of commercial aircrafts according to the aircraft size (seat capacity) into large aircraft and regional aircrafts.[5] The CID considered that regional aircraft (aircraft with around 30-100 seats 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 constitute different products.

20. The CID was of the view that the market for the manufacture and supply of commercial aircrafts should also be segmented according to the type of aircraft being leased.

---

[4] Decision of the Eighty-Sixth Committee Responsible for Initial Determinations Regarding the Proposed Transaction between SMBC Aviation Capital Limited and Goshawk Management Limited

[5] Decision of the 106th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Avia Solutions Group (ASG) PLC and AirExplore, s.r.o.

21. The CID hence considered the manufacture and supply of A350 aircrafts as one distinct market.

Provision of maintenance, repair and overhaul services for aircrafts

22. The CID noted that the JV will provide maintenance, repair and overhaul (MRO) services to A350 aircrafts. The CID's assessment therefore considered the provision of MRO services to commercial aircrafts. MRO services for commercial aircrafts include the inspection, servicing, repair, modification and overhaul of aircraft and their components to ensure among others their viability and safety.

23. The CID noted also noted that the MRO sector can be categorised into (i) line maintenance; (ii) heavy maintenance; (iii) engine maintenance and (iv) component maintenance, which can all be further differentiated according to the type of aircraft and equipment[6].

24. Line maintenance consists of routine inspections and minor repairs conducted between flights or during overnight stops. Heavy maintenances are scheduled checks usually conducted at specialised maintenance facilities where the aircraft is inspected thoroughly and repaired if necessary.

25. The CID noted that engine maintenance, repair and overhaul, refers mainly to the inspection, repair, and refurbishment of aircraft engines. Component maintenance, repair and overhaul, covers aircraft parts such as landing gear, avionics, auxiliary power units, and other replaceable components.

26. Based on the characteristics of each of the type of the MRO service above, the CID observed that it was evident that each one constituted a different product market. The CID noted that each type of service serves one specific purpose in view of its technical functions and are therefore not substitutable.

27. The CID further noted that in the Air France/KLM[7] transaction, the MRO market for commercial aircraft was segmented according to the level of maintenance required into line maintenance, light maintenance and heavy maintenance, with a further differentiation on the basis of the aircraft manufacturer (Airbus or Boeing) and of the aircraft platform type (i.e., Airbus or Boeing 737) for which the MRO services are provided. MRO services for aircraft parts (engine, landing gear, wheels and brakes, and other components) could be considered as constituting separate markets. The CID was of the view that the segmentation based on the type of aircraft is relevant to this transaction in as much as the service required by and parts of each type of aircraft differ and may not be substitutable on the demand side.

[6] Case No COMP/M.3374 - SR Technics / FLS Aerospace

[7] Case No COMP/M.3280 – Air France/KLM

28. The CID noted the submission by the parties that component maintenance services for commercial aircraft comprise the inspection, test and alteration of specific equipment and components installed on an aircraft, which can be repaired and are of a significant value.

29. Component parts are mainly repaired "on-condition", whereby the maintenance actions required depend solely on the actual condition of the component, i.e., as long as the component works, no maintenance is required. For some components such as safety parts, recommended or mandatory scheduled maintenance actions are set at specific flight hour or cycle or calendar thresholds. Scheduled maintenance for components is generically called "overhaul" and thresholds for an overhaul may vary according to the type of component and/or usage, irrespective of the aircraft type. The maintenance frequency depends on the component manufacturer recommendation, which is intrinsically linked to the product. Overhaul tasks usually include component disassembly, cleaning, replacement of parts and testing.

30. Considering that the JV will be active in the provision of component maintenance services for only A350 aircrafts, the CID considered the provision of component maintenance service to A350 aircrafts as one relevant market in the transaction.

Provision of air transport services

31. Air transport services are provided to passengers and cargo from the point of origin to the destination. Air transport services allow for the movement of passengers and freight through scheduled and non-scheduled flights operated by commercial airlines. Such services are usually demanded based on point of origin to destination such that the service provided on different routes may not be substitutable on the demand side. Air transport services are usually segmented for cargo and passengers because the facilities required for the provision of each service differ. An aircraft needs modifications according to its intended usage.

32. The CID therefore considered the air transport of passengers and cargo as distinct markets.

33. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the relevant product markets were construed as the:

    a. **manufacture and supply of A350 aircrafts;**

    b. **provision of component maintenance services for A350 aircrafts;**

    c. **air transport of passengers; and**

    d. **air transport of cargo**.

Relevant Geographic Market

34. The CID noted that paragraph 8 of the Market Definition Guidelines defines the relevant geographic market as, ***"...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".***

35. The CID considered that the geographic scope for the provision of component maintenance services for A350 aircrafts to be global in scope. The CID noted that the merging parties and their competitors provide their component maintenance services on a worldwide basis. The CID further noted the parties' submissions that parts can be sent everywhere on the globe for repairs, and a large geographic network is useful to increase availability of the parts and reduce transportation time. The movement of parts across geographic regions supports the conclusion that competitive conditions for this service cannot be confined to one geographic area.

36. Similarly, the CID considered the market for the manufacture and supply of A350 aircrafts as global. The CID noted that aircraft manufacturers compete internationally to supply airlines, leasing companies and cargo operators, whereby the geographic location of the customer is immaterial. Procurement processes are typically conducted through international tenders or negotiated sales and aircraft are marketed and delivered across national borders. While the CID acknowledged that aircraft must satisfy the certification requirements of national aviation authorities, it took the view that an aircraft can be modified to meet national or regional regulatory requirements.

37. The CID also took the view that air transport services for passenger and cargo are usually done on a city pair. However, given that any narrower market segment does not change the competitive assessment of this transaction, the CID elected to leave the geographic market for air transport services for passenger and cargo open.

Conclusion on Relevant Markets

38. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the relevant markets were identified as the:

   a. **global manufacture and supply of A350 aircrafts;**

   b. **global provision of component maintenance services for A350 aircrafts;**

   c. **air transport of passengers whose geographic market is left open; and**

   d. **air transport of cargo whose geographic market is left open.**

COMESA COMPETITION AND CONSUMER COMMISSION
2 8 JUL 2025

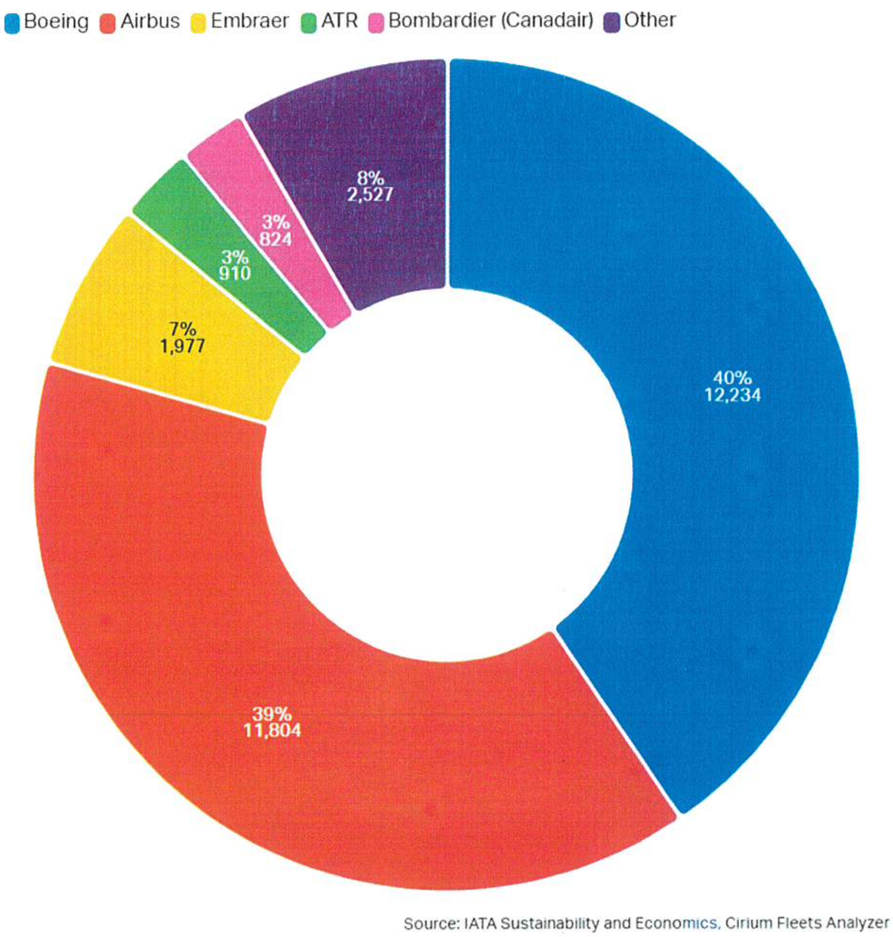
Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

39. The CID noted that the global commercial fleet comprises 35,550 aircraft, including 30,300 active units and 5,250 held in storage as of June 2025[8]. The CID further noted that there is a total number of 26 aircraft manufacturers globally[9]. However, Airbus and Boeing account for over 75% market shares for the manufacture of aircrafts, followed by Embraer. The CID further noted that Airbus accounts for approximately 39% market share for the manufacture and supply of aircrafts in 2025.

40. The CID noted the following market shares for manufacturers of aircrafts in the year 2024.

Figure 1: Market Shares of aircrafts manufacturers for the year 2025[10]



[8] www.iata.org/en/publications/economics/reports/the-global-commercial-aircraft-fleet/ accessed 28 July 2026
[9] Ibid
[10] IATA - The Global Commercial Aircraft Fleet accessed 28 July 2026

41. The CID noted the significant market shares of Airbus in this market. However, given the absence of horizontal overlap arising from the transaction, the CID took the view that the transaction will not lead to any market share accretion and any change in the market structure.

Global provision of component maintenance services

42. The CID noted the submission by the parties that the estimated market shares for the supply of component maintenance services on global basis for the year 2025, per Table 1 below.

Table 1: Non-confidential estimated market shares for the global supply of component maintenance services

Supplier	Estimated Market Shares (%)
Lufthansa Technik	10 - 15
Airbus (component maintenance services outside the JV)	5 - 10
Air France-KLM Group (component maintenance services outside the JV)	2 - 5
AJ Walter Technik	2 - 5
Delta Tech Ops	2 - 5
Boeing	2 - 5
Collins	2 - 5
Honeywell	2 - 5
OEMS	2 - 5
Safran	2 - 5
SR Technics	2 - 5
Turkish Technic	2 - 5
Thales	2 - 5
Parker Meggit	2 - 5
Moog	2 - 5
Liebherr	2 - 5

43. The CID observed that the transaction gives rise to limited horizontal overlaps in the global supply of component maintenance services. In addition, the transaction presents vertical links between the activities of the JV and the upstream market for the manufacture and supply of aircrafts and the downstream market for the air transport of passengers and cargo.

44. The CID noted that no market shares were available for the global provision of component maintenance services for A350 aircrafts. This notwithstanding, the CID noted that such service is provided by global suppliers at an international level. The CID noted that it is likely that any global supplier will feasibly switch supply for component maintenance services for A350 aircrafts. The CID observed that it is in fact very likely that all the suppliers listed above are actually providing component maintenance services for A350 aircrafts.

45. The CID noted that the JV Parent Companies and the JV do not have significant market shares in the market for the supply component maintenance services for aircrafts. The CID also noted that the transaction will not lead to any significant market share accretion. The CID further observed that the market was highly fragmented and no one supplier has significant market share. The CID was therefore of the view that supply in this market is very fluid and customers have adequate choice.

46. In view of the fragmented nature of the market for the supply component maintenance services for aircrafts, the presence of numerous alternative suppliers (including Lufthansa Technik, Boeing, Honeywell and OEMS), and the low combined market share of the Parent Companies of the JV, the CID considered that the transaction would not materially alter the market structure for this and will therefore not raise horizontal or vertical competition concerns in this market.

Air transport of passengers and cargo

47. Given that the geographic market was left open, the CID did not conduct any analysis of market shares for Air France and its competitors in this market. The CID noted that the main carriers of passengers and cargo in the Common Market are Air Mauritius, EgyptAir, Ethiopian Airlines and Kenyan Airways. The CID further noted that Air Mauritius, EgyptAir and Ethiopian Airlines are currently the customers for A350 airbus aircrafts in the Common Market.

Consideration of Dominance/ Unilateral Effects

48. The CID noted that unilateral effects were unlikely to arise since the proposed transaction would not result in the creation of a dominant position for the merged entity that would allow it to engage in unilateral conduct in the relevant markets. The CID noted that the transaction would not result in the alteration of the market structure.

COMESA COMPETITION AND CONSUMER COMMISSION
2 8 JUL 2023

Consideration of Coordinated Effects

49. The CID noted that the relevant markets would remain fragmented and characterised by numerous international and regional competitors. In particular, the multiple players with fragmented market shares limit the ability of market participants to coordinate conduct.

50. In view of the foregoing, the CID considered that it would be unlikely that the proposed transaction could contribute to increasing incentives to collude or facilitate collusive behaviour with the remaining market players.

Consideration of Vertical Effects and Links

51. The CID considered whether the proposed transaction was likely to give rise to vertical effects arising from the relationship between the upstream supply of manufacture and supply of aircrafts, provision of component maintenance service and downstream market for air transport of passengers and cargo.

52. The CID noted that there exists a limited vertical relationship between the JV as a provider of component maintenance services and Air France as a buyer of component maintenance services. The CID noted the submissions by the parties that the estimated demand for component services by the Air France on a global basis was <5% and <10% for component maintenance services for its A350 aircrafts. The CID concluded in view of the limited demand by Air France, that the JV will have no ability and incentive to engage in the foreclosure of the competitors of Air France for the supply of component maintenance services. The CID noted that there were numerous competitors that could supply component maintenance services to the Air France-KLM Group's competitors and constitute an alternative source of supply to the JV, whose market shares and market power remain limited. Similarly, Air France is not a strong customer for component maintenance services and by sourcing its demand for component maintenance services for its A350 aircrafts, no customer foreclosure will result.

53. The CID noted that Airbus is a supplier of spare parts for A350 aircrafts and the JV is a customer of spare parts for A350 aircrafts. The CID further noted that Airbus only manufactures <10% of the spare parts for A350 aircrafts and has between 10 – 20% market shares as a distributor for spare parts for A350 aircrafts. The CID further observed that the JV itself will represent <25% of total demand for A350 spare parts worldwide. In view of the limited market shares, the CID concluded that neither the JV nor Airbus will have the ability and incentive to engage in foreclosure.

54. Hence, in light of the Parent Companies' and the JV low combined market shares and the availability of alternative suppliers and customers at both levels of the supply chain, the CID considered that the merged entity would lack the ability and incentive to foreclose competitors through input or customer foreclosure strategies.

55. In view of the foregoing, the CID considered that the proposed transaction was unlikely to result in foreclosure in any of the relevant markets.

Determination

56. The CID was satisfied that, pursuant to Article 26 of the Regulations, the merger was 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 was further satisfied that the merger was unlikely to negatively affect trade between Member States.

57. The CID, therefore, approved the transaction pursuant to Article 26 of the Regulations.

Dated this 28th day of July 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma **Commissioner Luyamba Kizito Mpamba**