

The Boeing Company / Spirit Aerosystems Holdings Inc

Decision on relevant merger situation and substantial lessening of competition

ME/7114/24

The Competition and Markets Authority's decision on relevant merger situation and substantial lessening of competition under section 33(1) of the Enterprise Act 2002 given on 8 August 2025. Full text of the decision published on 27 August 2025.

Please note that [✂] indicates figures or text which have been deleted for reasons of commercial confidentiality. In addition, some figures may have been replaced by ranges at the request of third parties for reasons of commercial confidentiality.

1. TRANSACTION

1. On 30 June 2024, The Boeing Company (**Boeing**) agreed to acquire 100% of the issued share capital of Spirit Aerosystems Holdings Inc (**Spirit**) (the **Merger Agreement**). Boeing and Spirit are together referred to as the **Parties** and, for statements relating to the future, the **Merged Entity**.
2. Boeing is an original equipment manufacturer (**OEM**) of aircraft, manufacturing both commercial and military aircraft.¹ Spirit is a supplier of aerostructures used by OEMs for commercial, business, and military aircraft and a provider of aftermarket services (maintenance, repair, and overall (**MRO**) services and spare parts). The Parties do not meaningfully overlap in any product or service category.²
3. The Merger Agreement provides that, before completion, Spirit must sell to Airbus SE (**Airbus**), or a third party, its operations and assets used to produce components for Airbus's aircraft (the **Spirit-Airbus Assets**).
4. On 28 April 2025 Airbus and Spirit entered into a definitive Stock and Asset Purchase Agreement (**SAPA**) which provides for Airbus to acquire various Spirit-

¹ Boeing also manufactures components for missile systems.

² See footnote 7 for further information.

Airbus Assets (the **Airbus Transaction**).³ In relation to certain Spirit-Airbus Assets located in Belfast, Northern Ireland, the Merged Entity will continue to produce certain inputs into aerostructures for Airbus on a transitional basis, this transitional supply is discussed further at paragraph 14. Under the terms of the SAPA, the Airbus Transaction will close once Boeing and Spirit confirm in writing that they are ready and able and intend to close the Merger Agreement.

5. Taking account of the Airbus Transaction, the Competition and Markets Authority's (CMA's) assessment was conducted on the basis that Boeing will not acquire the Spirit-Airbus Assets.⁴

2. JURISDICTION

6. The CMA believes that it is or may be the case that arrangements are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation. Each of Boeing and Spirit is an enterprise; these enterprises will cease to be distinct as a result of the Merger. The hybrid test⁵ is met given i) Boeing supplies greater than 33% share of supply for heavy lift helicopters in the UK or a substantial part of it, ii) Boeing has UK turnover exceeding £350 million (approximately £[REDACTED] in the year ended April 2025), and iii) Spirit has a UK nexus as it carries on part of its activities in the UK.

3. COMPETITIVE ASSESSMENT

7. The Parties are vertically linked as Spirit supplies aerostructures to Boeing for the production of large commercial aircraft and military aircraft.⁶ Aerostructures are therefore important inputs into the production of aircraft. Taking into account the Parties' submissions and submissions from third parties, the CMA's investigation focussed on:⁷

³ Certain Spirit-Airbus Assets in Subang, Malaysia are intended to be sold to a third party approved by Airbus. The SAPA provides that if Spirit is not successful in selling the Spirit-Airbus Assets located in Subang, Airbus will acquire those assets.

⁴ Under the contractual arrangements in place between the Parties and between Airbus and Spirit, the Merger Agreement will close only after Airbus has acquired the Spirit-Airbus Assets from Spirit. The CMA considers that there is no realistic prospect of this arrangement changing materially following this decision (eg via a contractual amendment of the SAPA) given Airbus's strong incentives to acquire the Spirit-Airbus Assets; Note of a call with a third party, December 2024, paragraphs 3, 4, 5, 7, and 32.

⁵ See the Enterprise Act 2002, s23.

⁶ Final Merger Notice submitted to the CMA on 26 June 2025 (FMN), Table 11.12. Spirit also supplies aerostructures for the production of business jets. However, at an early stage the CMA found that third-party evidence was consistent with the Parties' views that Boeing did not compete in the supply of business jets and therefore would have no incentive foreclose business jet OEMs.

⁷ The CMA also identified limited horizontal overlaps between the Parties in relation to the supply of aerostructures, the supply of aftermarket services (component maintenance services and spare parts), and the supply of missile components, but found no realistic prospect of competition concerns in relation to any of these areas. In relation to aerostructures, Boeing, through its subsidiaries (primarily Aurora), had limited aerostructure sales and different capabilities to Spirit, suggesting they were not close competitors. In relation to aftermarket services, third-party evidence showed that the Parties were not competing closely. Finally, in relation to missile components the sole relevant customer had no competition concerns. These overlaps are not discussed further in this decision.

- (a) Input foreclosure of large commercial aircraft OEMs by restricting access to aerostructure inputs; and
- (b) Input foreclosure of military aircraft OEMs supplying aircraft to the UK by restricting access to aerostructure inputs.

3.1 Market definition and counterfactual

8. The CMA has assessed the effects of the Merger by reference to:
 - (a) The supply of aerostructures worldwide;
 - (b) The supply of large commercial aircraft (aircraft with over 100 seats) worldwide; and
 - (c) The supply of military aircraft worldwide.⁸
9. However, it was not necessary for the CMA to reach a conclusion on precise product or geographic market definitions as no competition concerns arise on any plausible basis.
10. In this case, the CMA has assessed the impact of the Merger against a counterfactual of the prevailing conditions of competition.⁹

3.2 Theories of harm

3.2.1 Input foreclosure of large commercial aircraft OEMs by restricting access to aerostructure inputs

11. The potential concern with an input foreclosure theory of harm is that the merged entity may use its control of an important input to harm its downstream rivals' competitiveness, for example by refusing to supply the input (total foreclosure) or by increasing the price or worsening the quality of the input supplied to them (partial foreclosure). This might then harm overall competition in the downstream market, to the detriment of customers.¹⁰

⁸ The CMA previously considered that the markets for the supply of aircraft were global in nature as it found that UK based customers, such as the UK Armed Forces, purchased from North American and European-headquartered airframers; [A report to the Secretary of State for Business, Energy and Industrial Strategy on the anticipated acquisition by Parker-Hannifin Corporation of Meggitt plc, paragraph 7.22](#).

⁹ See [CMA's Merger Assessment Guidelines \(CMA129\)](#), March 2021, section 3. The Parties submitted that the correct counterfactual is one with weaker competition from Spirit in future, due to its operational and financial challenges; FMN, paragraph 84. However, where there are multiple potential counterfactual scenarios, the CMA must choose the scenario where the merger firms exert the strongest competitive constraint on each other, and the third parties exert the weakest; [CMA129](#), paragraph 3.12.

¹⁰ [CMA129](#), paragraph 7.9.

12. In relation to input foreclosure of large commercial aircraft OEMs, the CMA found a lack of competition concerns in the UK as the Parties would not have the ability to foreclose rivals.
13. Besides Boeing, Spirit's only other large commercial aircraft OEM customer of aerostructures is Airbus.¹¹ On that basis, potential foreclosure impacts would be limited to Airbus. As explained in paragraph 5 above, the CMA's competitive assessment was conducted on the basis that Boeing will not acquire the Spirit-Airbus Assets. Accordingly, the CMA concludes that the Merged Entity would not have the ability to foreclose Airbus using the Spirit-Airbus Assets.¹²
14. The CMA notes that, following the Merger, the Merged Entity will control certain inputs into Airbus aerostructures.¹³ The Parties submitted that any work undertaken would be short-term, and/or low volume and relate to inputs of low value.¹⁴ Additionally, Airbus submitted that the Merged Entity's control of these inputs did not give rise to any foreclosure concerns.¹⁵ Accordingly, the CMA is satisfied that Airbus would not experience material foreclosure effects resulting from the Merger.
15. Based on this evidence, the CMA found that the Merged Entity would not have the ability to foreclose large commercial aircraft OEMs.

3.2.2 Input foreclosure of military aircraft OEMs supplying aircraft to the UK by restricting access to aerostructure inputs

16. The CMA conducted a current and forward-looking assessment considering current military aircraft and military aircraft development programmes separately.¹⁶
17. The CMA considered the possibility of the Merged Entity foreclosing rivals of current military aircraft in the UK. The CMA found that the Merged Entity would not have the ability to foreclose on the basis that:

¹¹ Parties' response to the CMA's Request for Information, 3 December 2024 (**RFI 1**), paragraph 20.9.

¹² The CMA also considered whether Airbus could be foreclosed by the Merged Entity via the inlet nacelle components Spirit produces for the Rolls Royce Trent 700 engine which are then supplied by Rolls Royce to Airbus for the A330 programme; FMN, paragraph 162. Airbus submitted that [REDACTED], and it did not anticipate any concerns in relation to the supply of the Trent 700 engines; Note of a call with a third party, December 2024, paragraph 41. On the basis of the lack of concern from Airbus, the CMA is satisfied that Airbus would not experience material foreclosure effects resulting from the Merger in relation to the Trent 700 air inlet nacelle component assets. The CMA also considered the supply of aftermarket services as potential mechanisms of foreclosure but similarly Airbus had no concerns, and the CMA found no ability to foreclose.

¹³ These include limited inputs into Airbus' aerostructures for its own aircraft in relation to the Belfast Wing Production Unit and A220 mid-fuse: Parties' submission to the CMA, 22 May 2025, paragraphs 38, 62, and 70 (Form RM – Scenario 1) and Parties' submission to the CMA, 3 July 2025 (Annex 6 to the Form RM).

¹⁴ Parties' submission to the CMA, 22 May 2025, paragraphs 38 and 70 (Form RM – Scenario 1)

¹⁵ Response to the CMA questionnaire from a third party, July 2025.

¹⁶ The CMA defines military aircraft development programmes as programmes to design, develop, and potentially manufacture new military aircraft in the future instead of the procurement of current military aircraft which are already designed and / or in production.

- (a) Spirit has not supplied aerostructures for non-Boeing UK military aircraft programmes in production which have been supplied to the UK in the last five years.¹⁷
 - (b) The Ministry of Defence (MoD) did not raise concerns regarding the Merger as it submitted that it was not aware of any upcoming tenders where Boeing [REDACTED];¹⁸ and the Merger would not have any relevance on competition for military aircraft.¹⁹
 - (c) Concerns in the longer term are also unlikely because switching aerostructure supplier or self-supplying would be achievable in that longer timeframe, as the CMA considers that the main barrier to switching is time.²⁰
18. The CMA considered the possibility of the Merged Entity foreclosing rivals supplying military aircraft development programmes in the UK.²¹ The CMA found that the Merged Entity would not have the ability to foreclose on the basis that the prime contractors of the programmes Spirit is involved in had no concerns or considered that there were alternative aerostructure suppliers to Spirit including the option to self-supply.²²
19. Based on this evidence, the CMA found that the Merged Entity would not have the ability to foreclose military aircraft OEMs for both current military aircraft and military aircraft development programmes in the UK.

3.3 Other concerns

20. A few third parties raised concerns that the Merged Entity would focus on Boeing workstreams and de-prioritise aerostructure and aftermarket workstreams in areas where Boeing is not active downstream, for example business jets.²³ These third

¹⁷ In addition, Spirit submitted that, it does not supply aerostructures to non-Boeing military aircraft in production for which the OEM is in active negotiations to sell into the UK; FMN, paragraph 352. The CMA also considered the supply of component maintenance services and spare parts as potential mechanisms of foreclosure but similarly found no ability to foreclose. Spirit submitted that it did not currently supply component maintenance services to any UK military aircraft and it did not supply spare parts for non-Boeing military aircraft currently in use in the UK and no changes were expected over the next [REDACTED] years; Parties response to the CMA's Request for Information follow-ons, 3 June 2025 (RFI 5 follow-ons), paragraph 5.1; and Parties response to the CMA's Request for Information, 24 April 2025 (RFI 5), paragraphs 13.1 and 13.3.

¹⁸ This excludes the [REDACTED] which the MOD submitted would be [REDACTED]; Note of a call with a third party, February 2025, paragraph 13.

¹⁹ Submission to the CMA from a third party, June 2025.

²⁰ One third party military aircraft OEM submitted that it would be possible to switch aerostructure supplier or begin self-supplying aerostructures although it would be costly and timely; Note of a call with a third party, May 2025, paragraphs 11 and 12.

²¹ Spirit is involved in three military aircraft development programmes in the UK; FMN, paragraph 353. Spirit added that it was not currently participating in any ongoing tender processes for the supply of aerostructures for UK military aircraft (either as prime contractor or sub-contractor); FMN, paragraph 354.

²² Notes of calls with various third parties. Submission to the CMA from a third party, July 2025. With regards to future military aircraft development programmes, the CMA considers that potential prime contractors for these programmes would be able to choose an alternative supplier to the Merged Entity if the prime contractor considered there was a risk of foreclosure.

²³ Note of a call with a third party, January 2025, paragraph 31; Submission to the CMA from a third party, July 2025; Response to the CMA questionnaire from a third party, July 2025, question 3.

parties considered that the de-prioritisation of these areas could harm and be detrimental to existing programmes,²⁴ weaken the negotiating position for customers in such areas (including aftermarket services)²⁵ and/or the Merged Entity could compete less strongly for future opportunities in these areas.²⁶ However, the CMA considers that the Merged Entity would not have the incentive to de-prioritise workstreams in areas where Boeing is not active as this would reduce the revenue generated from the assets used by Spirit to supply customers in these areas.²⁷

21. One aerostructure supplier raised customer foreclosure as a concern.²⁸ The CMA found that aircraft OEMs determine their aerostructure provision through ‘make-or-buy’ processes as OEMs generally have the capabilities to self-supply aerostructures as well as rely on third-party suppliers. The CMA did not consider the Merger would materially change Boeing’s ‘make-or-buy’ process, and most aerostructure suppliers and other third parties were not concerned. The CMA therefore found no realistic prospect of competition concerns in relation to customer foreclosure.

4. DECISION

22. The CMA found no concerns on any theory of harm. Consequently, the CMA does not believe that it is or may be the case that the Merger has resulted, or may be expected to result, in an SLC within a market or markets in the United Kingdom.
23. The Merger will **not be referred** under section 33 of the Enterprise Act 2002 (the Act).

Oliver Norden
Director, Mergers
Competition and Markets Authority
8 August 2025

²⁴ Notes of calls with various third parties.

²⁵ Submission to the CMA from a third party, July 2025.

²⁶ Note of a call with a third party, March 2025, paragraph 35; Response to the CMA questionnaire from a third party, July 2025, question 3.

²⁷ The CMA notes, as discussed in footnote 7, Boeing currently supplies third parties with aerostructures via subsidiaries including in areas where Boeing is not active such as business jets.

²⁸ Response to the CMA questionnaire from a third party, July 2025, question 3. The potential concern with a customer foreclosure theory of harm is that the merged entity may use its control of a downstream firm to switch purchases from rivals to itself and thereby restrict its competitors’ access to customers. While a loss of sales by competitors is not problematic in and of itself, and a firm using its own inputs can result in efficiencies, this may be a concern if it would result in these rival suppliers becoming less effective competitors for other customers. [CMA129](#), paragraph 7.23.