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Viva + Volaris = Grupo Mas Vuelos.
Strategic, Operational and Legal Implications of Viva
and Volaris Merger: An Industry-Focused Analysis

By Carlos Campillo

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PRONUNCIATION:

'che-l&m, is Latin for airspace. In the Roman Empire, the Romans began questioning the rights they had in the space above the land they owned and how high above them those rights could extend. They decided on, Ad coelum et ad inferos, meaning that their property rights would extend as high up as the heavens and all the way down to hell.



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Introduction

Despite a record year in 2025 for the airline industry, characterized by soaring demand and substantial revenues, carriers are grappling with significant challenges. Inflationary pressures and rising fuel costs have contributed to operational strains, while airlines continue to face labor shortages and constraints on capacity expansion. The sector's attempt to stabilize after the disruptions of the pandemic underscores the complexities of the current aviation landscape. Mexico is no exception; airlines like Viva Aerobus and Volaris must navigate regulatory scrutiny and competitive dynamics as they consider strategic options for growth. A merger creating Grupo Mas Vuelos would represent one of the most consequential consolidations in Mexico's aviation sector in decades, following the time when Aeromexico and Mexicana were under the umbrella of CINTRA, a state-owned holding company. This merger would create a national powerhouse with significant implications for fares¹, route structure, airport negotiations, and international expansion². Such a merger requires integrating commercial synergies with a detailed legal strategy that addresses competition authorities³, consumer protections, labor law, and international regulatory approvals⁴.

As of today, Viva operates a fleet of 99 aircraft with annual revenues of approximately \$2.4 billion, while Volaris has a fleet of 152 aircraft and annual revenues of about \$3.0 billion. The merger model aims to maintain significant independence, preserving both brands as well as their operating certificates and concessions—similar to the structure utilized by the Lufthansa Group with its various airlines or IAG with British Airways, Iberia, Vueling, and Aer Lingus, Grupo Mas Vuelo would thus become a holding company controlling two distinct airlines, which together would operate a fleet of over 250 aircraft, nearly 1,000 daily flights on 324 routes, and combined annual revenues exceeding \$5.4 billion⁵.

Strategic Rationale

Scale and cost synergies: Grupo Mas Vuelos could capture unit-cost savings via network optimization, higher aircraft utilization, fleet cost, consolidated maintenance and training, and stronger procurement leverage for aircraft and fuel⁶.

Network rationalization and yield management: Overlapping routes could be optimized to reduce capacity duplication, improve load factors, and raise yields on marginal routes; combined hub strength at key Mexican airports would support improved connectivity. Utilizing new hubs such as Monterrey and Guadalajara could benefit the diversion of traffic within Mexico⁷.

1. Viva Aerobus / Grupo Viva – Corporate presentations and investor materials (2023–2024). <https://www.vivaaerobus.com/en/investors> and <https://www.grupoviva.com/>

2.- Volaris – Investor Relations, Annual Report and Presentations (2023–2024). <https://ir.volaris.com/>

3.- Federal Economic Competition Commission (COFECE) – Merger Review Guidelines and Decisions (Mexico). <https://www.cofece.mx/en/> (see Merger Control / Concentration Control)

4.- U.S. Department of Transportation – Office of International Affairs: Foreign Carrier Authorizations and Antitrust Guidance (2022–2023). <https://www.transportation.gov/office-policy/aviation-policy>

5.- <https://www.whitepaper.mx/p/viva-y-volaris-analisis-del-plan-26e?utm=>

6.- IATA – Airline Industry Outlook / Economics Briefings (2023–2024). <https://www.iata.org/en/publications/economics/>

7.- ICAO – Economic Development of Air Transport, Annual Report 2023. <https://www.icao.int/sustainability/Pages/economic-development.aspx>

Competitive positioning and international growth: Scale would strengthen bargaining with airports and distribution partners and support more aggressive international connectivity to the U.S., Central and South America⁸.

Operational and Labor Considerations

Fleet and operations: Integration must address fleet commonality, maintenance pooling, pilot type ratings and training, and contingency planning for AOG events to realize operational synergies⁹, including wet lease operations.

Labor and industrial relations: this formation raises complex employee-law issues – seniority integration, collective bargaining agreement harmonization, benefits and pension alignment, and redundancy exposures. Early negotiation and transitional frameworks reduce disruption and litigation risk¹⁰.

Consumer-facing integration: IT systems, ancillary platforms, customer service protocols and any loyalty programs require phased integration to avoid revenue leakage and reputational harm.

Competitive and Consumer Effects

Market concentration and fare impacts: The merger would materially increase concentration on many domestic routes; empirical studies show mixed outcomes from airline consolidation¹¹ – efficiency gains may be offset by reduced rivalry and higher fares absent credible constraints¹².

Slot and airport dominance: Control of scarce slots at constrained airports such as Mexico City International Airport can entrench market power¹³; regulators often require slot or route divestitures to preserve competition¹⁴.

Consumer welfare trade-offs: Short-term integration may yield reliability and network benefits; long-term welfare depends on effective remedies, market entry dynamics, and enforceable commitments on capacity and fares.

Regulatory and Antitrust Framework

Mexican new competition body, Comision Nacional Antimonopolio (CNA): CNA will assess the transaction's impact on competition; a deal creating Viva and Volaris entity would attract close scrutiny and likely require structural remedies or enforceable commitments.

International and bilateral approvals: Approvals or notifications may be required in jurisdictions where the carriers operate, and authorities (e.g., U.S. DOT) may review foreign carrier authorizations and competition implications¹⁵.

8.- OECD – Competition and Regulation in Air Transport / Merger Assessment Guidance (2022). <https://www.oecd.org/competition/>

9.- European Commission – Aviation merger case studies and slot allocation guidance (2010–2023). https://ec.europa.eu/competition/sectors/transport/air_en.html

10.- S&P Global Ratings – Aviation Sector and Airline Credit Trends (2022–2024). <https://www.spglobal.com/ratings/en/research/articles/> (search “airlines”)

11.- Brueckner & Zhang – Recent evidence on airline competition and mergers (Journal literature, 2022) – see transport economics journals or repositories for access. Example overview: <https://www.tandfonline.com/> (search relevant article)

12.- Borenstein, S. and other academic analyses on airline mergers and consumer welfare (classic and recent studies). For overview resources: <https://econpapers.repec.org/>

13.- European Commission and competition authority decisions on remedies in airline mergers (2010–2020). <https://ec.europa.eu/competition/antitrust/cases/decisions.html>

14.- CAPA – Centre for Aviation: Analysis and reporting on Latin American airline consolidation and slot remedies (2023–2024). <https://centreforaviation.com/analysis>

15.- U.S. DOT and Foreign Authority Guidance – Recent policy updates on antitrust immunity and international cooperation (2022–2023). <https://www.transportation.gov/>

Analytical approach: Authorities will define relevant markets, calculate concentration metrics, assess unilateral and coordinated effects, entry barriers, and buyer power (corporate travel purchasers, airports).

Precedent and remedies: Previous aviation mergers in the EU and elsewhere commonly resulted in slot/route divestitures, undertaking on key routes, or behavioral commitments tailored to preserve effective competition.

Financing, Tax and Corporate Governance

Financing structure: Choice of cash, equity or debt financing affects VivaVolaris' leverage and post-merger investment capacity; high leverage increases credit and operational risks¹⁶.

Corporate governance: Define board composition, minority protections and compliance functions to ensure regulatory oversight and smooth integration. According to the information released to investors, both companies stated that the board will consist of 12 members, with each company appointing 6 members. The president will be the current chairman of the board of Viva Aerobus, Mr. Roberto Alcantara Rojas.

Tax and cross-border considerations: Structure the transaction to optimize tax efficiency within Mexican law and relevant international tax treaties.

Conclusion

A merger forming Grupo Mas Vuelos could deliver meaningful commercial and operational synergies and reshape Mexican air transport industry. Success hinges on regulator-approved, feasible remedies, disciplined integration execution, and robust financing and governance.

16.- Reuters / Bloomberg reporting on Mexican aviation market dynamics, Viva Aerobus and Volaris developments (2023-2024). Example: Reuters aviation coverage <https://www.reuters.com/business/aerospace-defense/>

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Graduated from the School of Law at the Universidad Autonoma de Mexico, founding Partner of Alegre, Calderon y Marquez Abogados, Partner of Abogados Sierra since 2025, participated in international conferences as coordinator and speaker; rendered services related to the aviation industry including mayor carriers, lessors, owners and related companies. Ranked by Chambers Latin America and Who's is Who Mexico and Aviation as leading lawyer in Aviation practice.

Memberships

- Collaborator of the Mexican Chapter for Getting the Deal Through – Air Transport for and Aviation Finance & Leasing.
- Member of the board of the Mexican Air Transport Chamber as representative of the Cargo Airlines and U.S. Airlines and Chairman of the Legal and Public Affairs Committee.
- Member of the consulting board of the Canales de Ayuda Foundation.
- Member of the board of the Non-Governmental Organization Documenta , Análisis y Acción para la Justicia Social A.C.

Publications

- Published articles on Mexican aviation law.

Languages

- English
- Spanish



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