

# THE IMPACT OF MARKET COMPETITION THREATS ON COMPANY PERFORMANCE THE INTERMEDIARY ROLE OF LEASING FINANCE ANALYTICAL STUDY OF A SAMPLE OF COMPANIES LISTED ON THE IRAQ STOCK EXCHANGE FOR THE PERIOD (2004 - 2024)

*O IMPACTO DAS AMEAÇAS DA CONCORRÊNCIA DE MERCADO NO DESEMPENHO DAS EMPRESAS O PAPEL INTERMEDIÁRIO DO FINANCIAMENTO POR LEASING ESTUDO ANALÍTICO DE UMA AMOSTRA DE EMPRESAS LISTADAS NA BOLSA DE VALORES DO IRAQUE PARA O PERÍODO (2004 - 2024)*

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## Abstract

This study aims to investigate the impact of competitive threats in the product market on leasing finance and company performance, as well as the impact of leasing finance on company performance. The research is based on a sample of eight industrial companies listed on the Iraq Stock Exchange during the period 2004-2024. The descriptive analysis reveals significant fluctuations in the financial indicators of the companies included in the study, reflecting the instability of the economic and political situation in Iraq. Multiple regression analysis was used to test the hypotheses. The results indicate that competitive threats have a significant positive impact on leasing finance overall, although the sub-indicators show mixed effects. The study concludes that competitive threats drive companies toward leasing finance as a flexible alternative, but excessive liquidity reduces the need for leasing. Increased competitive pressure erodes profitability, while market concentration enhances performance. Furthermore, although leasing improves overall performance, high leasing expenses can be detrimental. The study recommends that Iraqi companies carefully balance their funding sources and liquidity levels, and that policymakers work to foster a competitive environment that encourages the optimal use of leasing finance to enhance company performance.

## Resumo

*Este estudo tem como objetivo investigar o impacto das ameaças competitivas no mercado de produtos sobre o financiamento por leasing e o desempenho das empresas, bem como o impacto do financiamento por leasing no desempenho das empresas. A pesquisa baseia-se em uma amostra de oito empresas industriais listadas na Bolsa de Valores do Iraque durante o período de 2004 a 2024. A análise descritiva revela flutuações significativas nos indicadores financeiros das empresas incluídas no estudo, refletindo a instabilidade da situação econômica e política no Iraque. A análise de regressão múltipla foi utilizada para testar as hipóteses. Os resultados indicam que as ameaças competitivas têm um impacto positivo significativo no financiamento por leasing em geral, embora os subindicadores mostrem efeitos mistos. O estudo conclui que as ameaças competitivas levam as empresas a recorrer ao financiamento por leasing como uma alternativa flexível, mas a liquidez excessiva reduz a necessidade de leasing. O aumento da pressão competitiva corrói a rentabilidade, enquanto a concentração de mercado melhora o desempenho. Além disso, embora o leasing melhore o desempenho geral, despesas elevadas com leasing podem ser prejudiciais. O estudo recomenda que as empresas iraquianas equilibrem cuidadosamente suas fontes de financiamento e*



**Keywords:** Competition Threats. Product Market. Leasing Finance. Corporate Performance.

*níveis de liquidez, e que os formuladores de políticas trabalhem para promover um ambiente competitivo que incentive o uso ideal do financiamento por leasing para melhorar o desempenho das empresas.*

**Palavras-chave:** Ameaças Competitivas. Mercado de Produtos. Financiamento por Leasing. Desempenho Corporativo.

## 1 THE INTRODUCTION

The impact of competition in the product market on organizational performance in economies has been significant. With the interest of researchers, numerous studies have explored its effects on business profitability. Competition in product markets is a powerful force for overcoming the agency problem between shareholders and managers. It also works to improve performance and making the best decisions for the future. Failure to do so may lead to the company being exposed to risks of bankruptcy and job losses. It indicates theories around structure head the money to that it, in current equal all factors the other. It increases the incentive to use financing religion with more an average tax marginal for the company given for the possibility rival interest expenses from taxes. on the opposite from that. Expect models leasing generally that companies the rates marginal taxes low used contracts rent more relatively from companies the rates taxes high marginal. It lies logic behind anticipation leasing in that contracts rent allow transfer protection tax from companies that no you can benefit the complete from opponent tax related in it (tenants) to companies the capable (landlords).

Our research in the literature relating to the effects of product market threats on corporate decision-making. Because interactions between product markets and financial markets are interconnected. Regarding the financing structure, cash flows, and lease financing enhance resilience for companies facing product market threats. It also provides practical evidence. However, companies use leasing finance strategically to mitigate the risks inherent in product market threats.

First axis

## 2 RESEARCH METHODOLOGY

**First: Research problem:** The research problem lies in the lack of use of non-traditional financing methods such as financial leasing, which companies could resort to. In the event of competitive threats to the product market, companies need to finance some of their projects due to a lack of liquidity, which helps them improve their financial performance. Despite the importance of leasing in business operations, most companies do not rely on leasing in its operations. The research problem is highlighted by the following question:

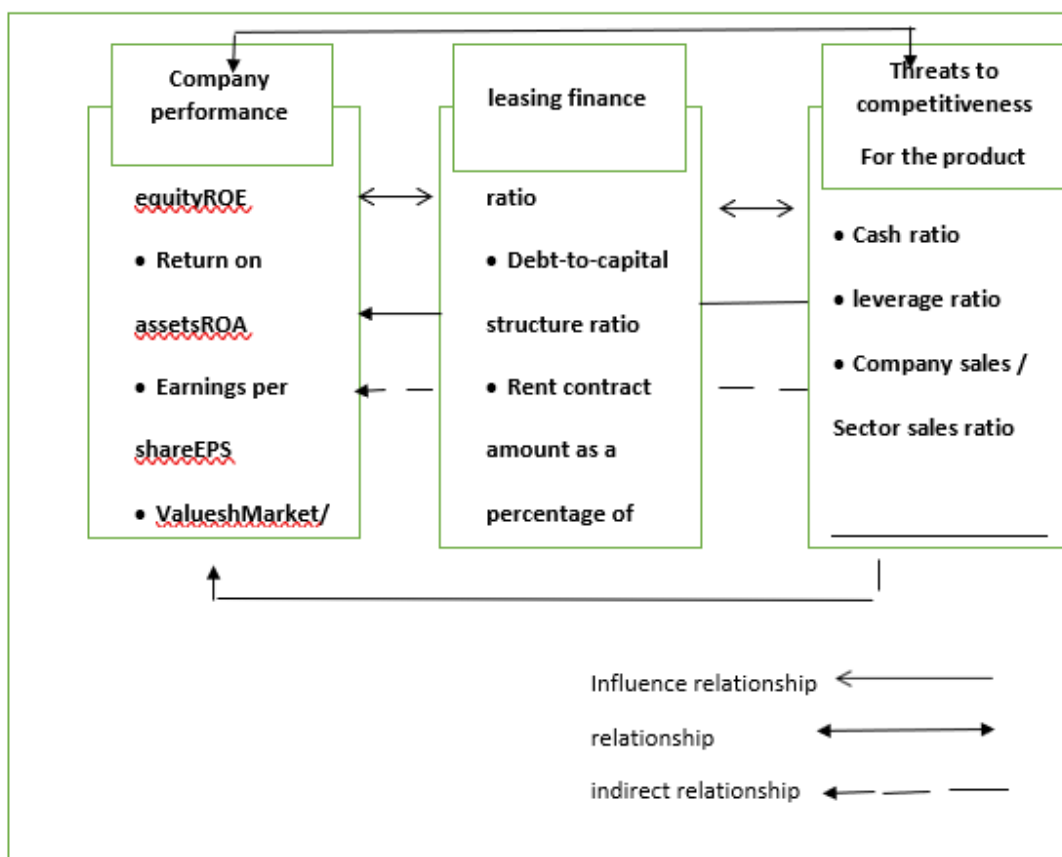
How do product market threats affect the company's performance through lease financing?

**Second: Research objective:** The research aims to assess the impact of threats to product market competition and financial leasing decisions on the financial performance of a sample of companies listed in the Iraq Market for securities.

**Third: The importance of the research:** I became Methods Finance that Offered by banks, which include loans, placing a large burden on Projects and commercial institutions. So Help practical Leasing to companies and institutions on using resources that You need it Don The need to buy it. And enjoy Operations Leasing is of global importance Extremely as It is clear from plenty Laws The organization For decades Leasing Financing as it stems Importance The research variables include threats of competition and leasing, financing from importance practical Finance that It is basis any practical Economic development, and that from during The role inspiration The prominent that Contributes With him practical Finance whether in collection Investment financing and finance Assets capitalism For the institution. Which leads to acceleration Development Economic Increased growth rates The economist Especially since Leasing financing He increases from Origins companies and institutions Economic Don Increased cost, where It does Company in condition Leasing financing Using origin Don to push Price advance As a payment First, therefore it is It does By paying Payments Cash from Price original For the duration Time It is Agreement On it between Both parties (Landlord and the tenant

**Figure 1**

*Fourth: The hypothetical research model*



**Fifth: Research hypotheses**

Main hypothesis. First (HO 1) There is no statistically significant impact of market competition threats on the leasing finance of the companies in the research sample..

Main hypothesis Second (HO2) No statistically significant effect. The threats of product market competition. as reflected in the performance indicators of the companies in the research sample..

Main hypothesis (HO3): No statistically significant effect For leasing finance and its indicators in the performance of the companies in the research sample.

**Second axis**

### 3 THEORETICAL ASPECT

**Section One: Market Competition Threats to Products:** The competitive nature of products, the presence of a larger number of competing companies, or lower rents have helped various companies achieve profitability and improve performance. Studies have shown that competition boosts productivity and positively impacts company performance. (Mnasri&Ellouze, 2015) Competition plays a very important role in managers' decisions, as companies try to discourage competitors from entering the industry in the face of economic and competitive pressures. One way to deal with these pressures is to manipulate and manage profits to provide stable and reliable information to the market (Zhang, 2020). A highly competitive environment in the product market can increase performance pressure on companies, limiting available resources. The more intense the market competition, the lower the profit margins and the greater the financing constraints (Hasan et al., 2021), leading to relatively limited resources for managers. The pressure of competition in the market leads to a lack of sufficient financial support. Companies tend to adopt a more conservative approach in making financial decisions (Fromenteau, Schymik, et al., 2019). Product market competition can play a role in external governance, mitigating agency problems faced by digital transformation decisions, thus promoting the digital transformation of companies. Executive managers are a key element in the operation of companies and play a crucial role in strategic decisions for digital transformation (Zhang, et al.), (2024) However, according to agency theory, the interests of shareholders and managers are not perfectly aligned (i.e., there is a Type I principal-agent problem). When a conflict of interest arises during business decision-making, executives often exploit information asymmetry to make decisions that benefit them (Chen et al., 2024). Intense market competition increases the risk of operational difficulties and bankruptcy. To avoid reputational damage and the risk of dismissal, managers tend to align their interests with those of the company and actively engage in transformative activities to improve performance. ((de Bettignies, Et. Al. 2022) found that a company's awareness of a performance expectations gap affects its strategic decisions, particularly strategic changes for organizations, and that companies facing poor performance are more motivated. For leasing finance (Yan(Gao, 2024) The company's products overlapped more with the dynamic changes

brought about by competitors' products (i.e.. an increase in liquidity) The company faces a greater competitive threat (2013. Li. Lundholm & Minnis) that Competition increases cash flow risks and therefore the risk of default. which is reflected in higher borrowing costs for banks. (Valta. 2012).

**Section Two: The Concept of Leasing Finance:** Financial leasing is essential to meet the financial needs of various economic sectors and thus contributes to the development of the national financial system and the growth of its economy. Over the years. companies have increasingly resorted to financial leasing as a source of financing. For financing (Raini et al.. 2023) And from Advantages of leasing compared to traditional lending: The lessee can finance up to 100% of the asset's purchase price without the need for additional collateral. as the asset itself provides security for the transaction. (Abayomi et al.. 2022)) Financial leasing is distinguished by its alignment with the Capital Market Authority's strategic plan to promote and develop financial leasing. and to develop a suitable legal framework for the operation of the financial leasing sector. in order to serve the achievement of strategy Companies and their objectives (Razia & Awwad. 2021) Developed markets currently treat leasing as a complete source of financing and believe that leasing replaces debt. In fact. financial leasing reduces a company's need for leverage (Ariful et al.. 2014). Equipment leasing also directly impacts an organization's cash management. which in turn affects its performance. Consequently. every organization should strive to lease equipment and machinery rather than purchase them with cash (Olatunj & Sarat. 2017). A lease without a purchase option or renewal option allows the lessee to use the asset only during the lease term. A lease with a purchase option allows the lessee to buy the asset at market price after the lease expires (Mehran & Wahba. 2021. p. 174). The benefits of leasing include increased availability of financing for the company. Leasing also ensures the rapid recovery of assets in case of the lessee's bankruptcy. Furthermore. leasing allows for risk sharing between the lessor and lessee. flexibility. and several tax advantages through cost and interest accounting. (2006: Alexe) Financial leasing is one of the most important topics that has occupied the minds of legislators in countries around the world due to the successful and effective role this method plays in financing projects and investments. achieving the goals of all parties and leading to the development of productive and service investments (Tarawneh. 2016). Financial leasing is one of the effective credit methods used to finance investment projects

of all sizes and forms, and it can be used when investors need to cover the capital of their projects required to finance various investments (Abbad & Khasawneh, 2016). This enables companies to pursue some projects with a positive net present value (NPV) that they would otherwise have to abandon by using riskier or unsecured debt financing. The main justification for leasing is the tax advantages that come with asset ownership for individuals, financial institutions, and companies (Abdukarim, 2020). As long as the lessee is committed to paying the lease and fulfills all other (Hassan, 2026)

lease conditions, they have the full right to use the asset for the entire lease term (Abu Orabi, 2014).

**Third topic: The concept of company performance:** Company performance is one of the key factors that determine valueThe market, whetherOn an individual level or on the level of economic prosperityFor countries asIt highlights various factors that may affect the performance of these companies. Rusdiana, 2021)&Ibrahim)Factors such as governance mechanisms and their impact on corporate performance have been the subject of extensive study in countries.Advanced SupportThe argument that resource allocation is more efficient when information is of higher quality has led to improved company performance.Tran et al., 2021) see(valleys)&Al-Shabeel,2022) thatThe company's performance represents the set of goals and objectives for which the company was established. These goals and objectives serve as a roadmap to be pursued and achieved to the fullest extent.He also directedIt is a tool for measuring the financial position of an organization by analyzing financial ratios for specific periods in the face of environmental conditions.The variable (AnandaEvaluating corporate performance has always been of interest to management teams and researchers (Taouab & Issor, 2019). Furthermore, measuring business performance in the current economic environment is of paramount importance to both academic researchers and practicing managers. Researchers have made extensive efforts to define performance metrics, but studies related to corporate performance remain incomplete and are the subject of ongoing debate (Taouab & Issor, 2019). The Balanced Scorecard is also the most widely used corporate performance monitoring model.

(Fadhilah& Subriad, 2019) Profit and growth These are two important justifications for the existence of a business and should be included in any attempt to measure corporate performance. A company may grow internally or externally, and most

corporate growth occurs through internal expansion. Selvam. M. et al.. 2010) Management efficiency indirectly affects company performance through improved financial reporting and information disclosure. enhanced internal controls. improved cash management. and access to low-cost financing options. Studies on the role of managers in company performance are few and far between. particularly during the global financial crisis. (Wang (et al.. 2021) Local managers have a clear advantage over international managers. Skilled managers in analyzing and forecasting product demand can achieve long-term profits even during economic downturns. Companies with efficient management make smart choices that enhance productivity and profitability; therefore. efficient management is a key factor in a company's success. (Cheng. et al. 2021) Three dimensions can be used to evaluate the success of a company's performance. The first factor is labor productivity. or how effectively inputs are converted into outputs. The second factor is profitability. or how much the company's profits exceed its expenses. The third dimension is market premium. often known as the ratio of the company's market value to its book value. (Walker. 2001)

Third axis

#### **4 PRACTICAL ASPECT**

##### **Analyzing the effect of independent variables on dependent variables and testing hypotheses**

practical aspect Hypothesis testing Search And related to the relationship of influence between variables Search

Where the statistical software was used SPSS For data analysis. in addition to the Excel program.

**Firstly: Main hypothesis First (H0) There is no statistically significant impact of market competition threats on the leasing finance of the companies in the research sample..**

**Table 1***The impact between the lease finance variable and competition threats*

sig	R <sup>2</sup>	t	Std. Error	B	sig	f	Independent variables	Dependent variable
0.001	0.150	0.560	1.207	0.676	0.046	0.314	threatsProduct market competition	leasing finance

Table No. (2) The impact of leasing finance indicators and competition threats

From the table above, it is shown that the results show that the value of the coefficient of determination  $R^2$  reached 0.150. This indicates that the independent variable explains a certain percentage.15% of the changes in the dependent variable is an acceptable explanatory percentage in applied studies of an economic and financial nature. And also, It reached The value of the statistical significance level of the model as a whole (0.001) It is below the level of morale (0.05). This indicates that the regression model is statistically significant and that the independent variable has a significant effect on the dependent variable. And returning to Regression coefficients, the regression coefficient reached B towards (0.676). and it reached The mistake Standard (1.207, while the statistical value reached (560 t (0. at a statistical significance level. Its value is (0.046) This indicates a statistically significant positive effect. Between the threats of competition and leasing finance. That is to say Increased threats to competition leads To increase lease financing Because companies resort Towards leasing finance as a flexible financing alternative to meet competition.

**Table 2***The impact of leasing finance indicators and competition threats*

sig	R <sup>2</sup>	t	Std. Error	B	sig	f	Independent variables	Dependent variable
0.019	0.715	-2.107	0.318	-0.672	0.012	3.384	Liquidity ratio	leasing finance
0.02		-3.193	0.242	-0.773			Cash ratio	
0.003		3.143	0.094	0.297			leverage ratio	
0.008		-3.750	7.571	-28.394			Concentration ratioHHI	

Table above shows the statistical value (about 3.384). At a statistically significant level (0.012) This indicates that the regression model as a whole is statistically significant at a significant level of 0.05. This means that there is a significant effect of the independent variables on lease financing.

The analysis also revealed a statistically significant negative effect of the liquidity ratio on the dependent variable. Regression coefficient (-0.672) and the statistical value (-2.107) at a statistical significance level of 0.019. This indicates that an increase in the liquidity ratio leads to a decrease in lease financing; in other words, that increased liquidity and cash flow lead to decreased financing. Rental Because the company relies on its own funds instead of leasing.

The results also show a statistically significant negative relationship between the cash ratio and the lease financing variable, with a regression coefficient of [value missing] (-0.773) and it reached (-3.193) at a statistical significance level of (0.02). This indicates that a high cash ratio negatively impacts lease financing. (Hussein & Hassan, 2025)

The analysis of the results also showed a statistically significant positive effect of the leverage ratio on lease financing, where the regression coefficient reached (0.297) and it reached (3.143) at a statistical significance level (0.003) This indicates that increased leverage leads to increased lease financing because financial leverage is heavily dependent on debt, and leasing is one form of this debt, or companies with high leverage tend to be more inclined towards leasing. The results also showed a concentration ratio (HHI) The presence of a strong, statistically significant negative effect on the dependent variable, as indicated by the regression coefficient (B -28.394) and it reached (-3.750) at the significance level (0.008). This indicates that a high degree of concentration negatively affects lease financing because increased concentration (i.e., less competition) reduces the need for lease financing. In general, the results show that all the independent variables under investigation have significant effects on lease financing, with a difference in the direction of these effects between positive and negative.

**"Accordingly, the null hypothesis (H01) is rejected and the alternative hypothesis (H11) is accepted, which states that there is a statistically significant effect."**

**Secondly: Main hypothesis First (HO2) No statistically significant effect The threats of product market competition, as reflected in the performance indicators of the companies in the research sample..**

**Table 3**

*The impact between the variable of competitive threats and company performance*

sig	R <sup>2</sup>	t	St. Error	B	sig	f	Independent variables	Dependent variable
0.039	0.327	-1.706	0.655	-1.118	0.039	2.910	threatsProduct market competition	Corporate performance

We note from the table above The value of the coefficient of determination R<sup>2</sup> reached (0.327) This indicates that the independent variable explains a certain percentage. 32.7% of the changes in the dependent variable represent an explanatory percentage. Average.

And also. It reached The value of the statistical significance level of the model as a whole (0.039) It is below the level of morale (0.05). This indicates that the regression model is statistically significant and that the independent variable has a significant effect on the dependent variable.

And returning to Regression coefficients: The regression coefficient reached B towards (-1.118) And it reached standard error

(0.655) While the statistical value reached (706 t (-1. at a statistical significance level capacity (0.039) This indicates to However. there is effect negative moral statistically significant Between competition and company performance. and This is consistent with economic logic (increased competition may put pressure on profits. thus reducing performance)..

**Table 4**

*The impact between company performance indicators and competitive threats*

sig	R <sup>2</sup>	t	St. Error	B	sig	f	Independent variables	Dependent variable
0.041	0.896	-2.156	0.200	-0.432	0.049	6.438	Liquidity ratio	Company performance
0.015		-3.269	0.823	-2.691			Cash ratio	
0.025		-3.040	0.045	-0.132			leverage ratio	
0.021		2.225	1.041	24.567			Concentration ratioHHI	

The table above shows the statistical value about 6.438. At a statistically significant level 0.049. This indicates that the regression model as a whole is statistically significant at a level less than 0.05. This means that the independent variables have a significant effect on the dependent variable.

The analysis also revealed a statistically insignificant negative effect of the liquidity ratio on the dependent variable. Regression coefficient (-0.432) and the statistical value (-2.156) at a statistical significance level of 0.041. This indicates that the effect of the cash ratio is statistically significant, meaning that higher cash reduces profits, thus impacting performance. The results also show a statistically significant negative relationship between the cash ratio and the dependent variable, with a regression coefficient of [insert value here], B(2.691-) and it reached -3.269. The result was found at a statistical significance level of (0.015, indicating that the cash ratio has a statistically significant effect, meaning that higher cash reduces profitable investments, thus impacting performance. Furthermore, the analysis revealed a statistically significant negative effect of the leverage ratio on the dependent variable, with the regression coefficient reaching [value missing], B(0.132-) and it reached t(3.040) at a statistical significance level 0.025. The logic behind this is that increased leverage means increased risk, which reduces performance.

The results also showed a concentration ratio (HHI). There was a statistically significant positive effect on the dependent variable, as indicated by the regression coefficient, B(24.567). And it reached (2.225) at a significance level of 0.021. This indicates that increased focus is one of the strategies that companies follow to improve performance.

In general, the statistical model showed high explanatory power, and the independent variables individually conveyed the meaning. A statistically significant effect on the dependent variable, and a significant effect is achieved when considering the variables as a whole.

**Therefore, the nihilistic hypothesis is rejected.(HO2) and accepting the alternative hypothesis (H12), which states that there is a statistically significant effect.**

**Third:Main hypothesisThird(HO3) No statistically significant effectFor leasing finance and its indicators in the performance of the companies in the research sample.**

**Table 5**

*The impact between the lease financing variable and company performance*

sig	R <sup>2</sup>	t	Std. Error	B	sig	f	Independent variables	Dependent variable
0.017	0.114	3.378	0.093	0.317	0.047	2.90	leasing finance	Corporate performance

From the table above it is shown The results show that the value of the coefficient of determination R<sup>2</sup> reached (0.114) This indicates that the independent variable explains a certain percentage. 11.4% of the changes in the dependent variable represent the percentage of explanation. Limited but acceptable in Applied studies of an economic and financial nature.

And also, It reached The value of the statistical significance level of the model as a whole (0.017) It is below the level of morale (0.05). This indicates that the regression model is statistically significant and that the independent variable has a significant effect on the dependent variable.

And returning to Regression coefficients, the regression coefficient reached B towards (0.317) and it reached The mistake Standard (0.093, while the value reached Statistics (378 t (3, at a statistical significance level of (0.047). This indicates a statistically significant positive effect. Between company performance and lease

financing and this can be linked to the fact that leasing finance provides assets with no significant upfront capital cost.

**Table 6**

*The impact of leasing finance indicators and company performance*

sig	R <sup>2</sup>	t	Std.Error	B	sig	f	Independent variables	Dependent variable
0.018	0.471	-2.966	0.115	-0.343	0.03	3.229	Rental expense ratio	Corporate performance
0.035		2.672	0.066	0.177			Debt-to-capital structure ratio	

The table above shows the statistical value of approximately (3.229) at a statistically significant level (0.03). This indicates that the regression model as a whole is statistically significant at a significant level. 0.05. This means that the independent variables have a significant effect on the dependent variable.

The analysis also revealed a statistically significant negative effect of the rental expenses ratio on the dependent variable. B Regression coefficient (-0.343 and the statistical value (-2.966). and the standard error (0.115) at a statistical significance level of 0.018. This indicates that an increase in the percentage of rental expenses leads to a decrease in the company's performance.

The results also show a statistically significant effect between the debt-to-capital structure ratio and the dependent variable. with the regression coefficient being significant. B (0.177) And it reached 2.672. At a statistical significance level of (0.035. This indicates that a higher debt-to-capital ratio leads to improved company performance. Increased debt in the capital structure can increase financial risk. A positive impact here is that companies use this debt (and leasing is part of it) efficiently to finance investments that improve performance.

In general. the results show that the ratio of rental expenses negatively and significantly affects company performance. while the debt-to-capital structure positively and significantly affects company performance.

**Therefore. the nihilistic hypothesis is rejected.(HO3) and accepting the alternative hypothesis (H13) which states that there is a statistically significant effect."**

**Fourth axis**

## **5 CONCLUSIONS AND RECOMMENDATIONS**

**First: Conclusions:** The results show that competitive threats in the product market significantly and positively influence companies' decisions to resort to leasing. The greater the competition, the more companies are inclined to use leasing as a flexible financing tool to meet market demands without requiring large upfront cash flows..

1. A negative relationship was found between both the liquidity ratio and the cash ratio, on the one hand, and lease financing, on the other. This indicates that companies with high cash liquidity tend to rely on their own resources to finance their investments, thus reducing their need for lease financing.
2. The results showed a positive effect of leverage on lease financing. Companies with high leverage (which are more reliant on debt) tend to use lease financing as a component of their debt, thus reinforcing their debt-based financing structure.
3. The results revealed a negative relationship between market concentration (HHI) and lease financing. That is, in less competitive (highly concentrated) markets, companies have less need for lease financing, while in competitive (less concentrated) markets, they increasingly resort to it as a financing strategy.
4. The analysis concluded that competitive threats have a significant negative impact on company performance. Increased competition puts pressure on profits and profit margins, negatively affecting the company's overall performance indicators.
5. The results showed that high liquidity and cash levels can negatively impact performance in a competitive environment, possibly due to the inefficient allocation of these resources to profitable investments. Similarly, high leverage in a competitive environment increases risk and negatively affects performance. Conversely, increased market concentration (i.e., reduced competition) is associated with improved performance.

6. In general, there is a positive and significant impact of lease financing on company performance, supporting the idea that lease financing can contribute to improved performance by providing the assets needed for expansion and operation without a high initial capital cost.
7. The results showed a duality in the impact of the components of lease financing; the ratio of lease expenses negatively affects performance (because it represents a cost), while the ratio of debt to capital structure (which includes leasing) positively affects performance, reflecting the efficient use of these debts in financing productive investments that enhance performance.

### **Second: Recommendations**

- 1 The need to pay attention. Companies operating in highly competitive markets view leasing as a flexible strategic tool to finance their asset needs, especially in circumstances that require a rapid response to market changes without depleting cash reserves..
- 2 onCompanies with surplus cash and high liquidity should reassess their financing policies, balancing reliance on equity with the advantages of leasing that may yield better operating returns..
- 3 Given the positive impact of leverage on lease financing, but its negative impact on performance under competition, the study recommends managing the capital structure so that the level of indebtedness (leverage) does not exceed safe limits, with a focus on the efficient use of borrowed funds.
- 4 Since rental expenses negatively impact performance, the study recommends ensuring that assets acquired through leasing generate returns exceeding their cost; that is, they should contribute directly to improved productivity or sales to offset their financial burden..
- 5 In general, the study recommends strengthening the role of leasing finance in the corporate finance structure, especially in the stages where companies need to upgrade their assets or expand, while monitoring the ratio of leasing expenses to ensure that it does not negatively affect the bottom line.
- 6 In light of the positive role of leasing finance in supporting corporate performance, the study recommends that relevant authorities (the Securities Authority, and others) By developing legislation regulating the leasing finance sector and

removing obstacles that may limit its use. especially for small and medium-sized enterprises..

- 7 Since market concentration (lack of competition) negatively affects leasing finance and positively affects performance (temporarily). the study recommends that antitrust regulators monitor levels of concentration in the markets to ensure a balance between the stability of companies and maintaining a healthy competitive environment that serves the national economy in the long term.
- 8 YguardianresearcherRegulatory bodies are calling for companies to disclose more detailed information about lease financing contracts in their financial statements. in order to provide accurate data that helps researchers and investors analyze the impact of these contracts on performance and risk..

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### **Authors' Contribution**

All authors contributed equally to the development of this article.

### **Data availability**

All datasets relevant to this study's findings are fully available within the article.

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