

## AVIATION SECTOR IN NIGERIA: AN ANALYSIS OF ITS HISTORICAL DEVELOPMENT

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### Abstract

In Nigeria, air transport was a late comer to the scene. It started as a purely military operation with the landing of a British Royal Air Force aircraft on a polo field in Maiduguri; it gradually assumed the character of a civilian operation in the decades that followed. Aviation was not deliberately introduced, and by the time it came, it was one of the war-time operations of the British. At the time civil aviation was witnessing some development in 1936, the British had barely twenty four years to Nigeria's independence. Air transport was a transport system for the elite and wealthy businessmen; and was not suitable for the carriage of goods and minerals from the hinterland to the coast like the railways. From its very beginning therefore, air transport served as an exclusive preserve of the few and it can be safely said that it was not used to exploit Africa's mineral resources. It is against this background that this paper discusses the historical development of the aviation sector in Nigeria; showing that although this sector has been growing slowly but steadily since the colonial days and today, nearly all the cities with airports are commercial nerve centres, the sector could do much more if properly organised and its potential harnessed.

### 1.1. Introduction

Historical facts are considered to be an essential requirement for evaluating the present, determining the success levels of defined objectives and visualising the future and planning for it. The past, present and future are interwoven. A history precedes every present and future. To live only in the present is to have no place in the future. Historically, Aviation practice began in Nigeria in 1920, barely seventeen years after the Wright brothers' first flight in 1903.<sup>1</sup> Though it

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<sup>1</sup>Nigeria Airways Training School, *Nigeria Airways Manual* (Nigeria Airways Training School 2002) 2

started as a purely military operation with the landing of a British Royal Air Force aircraft on a polo field in Maiduguri, it gradually assumed the character of a civilian operation in the decades that followed. Several forms of transportation had existed in Nigeria before the advent of aviation.

Two of the earliest transport systems—human porter-age and water transport—provided avenues for economic exchange. Porters carried goods over long distances along well defined trade routes to market centres. Water transport was mostly used by communities crossed by rivers and creeks. This was particularly true of the people located around Rivers Niger and Benue, i.e. the Tiv, Jukun, Nupe, Igala, Birom, Idoma, etc., and the Ijaw and Itsekiri peoples of the Niger-Delta area of southern Nigeria. Here, water transport linked the coastal areas with the hinterland. Colonial authorities exercised little or no influence on the operations of these modes of transport; perhaps because they were indigenous to the local inhabitants or that they had less impact on the development of the colonial economy. Vehicular transport contributed more to the colonial economy than human porter-age or water transport, although this was not as great as the role played by the railways. Nevertheless, lorries had significant impact in the years before and after independence, particularly in ferrying timber and other produce from the hinterland not covered by the railway system. The motor car and the bicycle became instruments of elite differentiation and were much more common in the newly emerging urban centres where they are more for prestige than for economic purposes. The rail system on the other hand received prime attention from the colonial government for very obvious reasons, even though its development was capital intensive. While emphasising the distinction between railway development in Nigeria and the United States, Olasiji Oshin wrote:

It is a distinction between a colonial situation and that of an independent state. While the railways in the United States were geared towards meeting the socio-economic needs of the Americans, the structure and direction of the Nigeria railways were determined by the economic and political interest of the British rather than by the interest of Nigerians. The main lines of the Nigerian railways, without exception ran vertically from the coast to the interior to serve the colonial import-export trade. Essentially,

the railways evacuated raw materials from the hinterland to the coast for onward transport to Britain.<sup>2</sup>

Indeed, no other form of transportation collaborated so well and effectively in the exploitation of African resources by the British and French than the rail transport system. Little wonder then that the British found it less difficult to negotiate for loans from overseas to engage in the capital intensive project of building the railways as was also the case in East Africa.<sup>3</sup> Air transport was a late comer to the scene. It was not deliberately introduced, and by the time it came, it was one of the war-time operations of the British. At the time civil aviation was witnessing some development in 1936, the British had barely twenty four years to Nigeria's independence. Air transport was a transport system for the elite and wealthy businessmen; and was not suitable for the carriage of goods and minerals from the hinterland to the coast like the railways. From its very beginning therefore, air transport served as an exclusive preserve of the few and it can be safely said that it was not used to exploit Africa's mineral resources. It is against this background that this paper discusses the historical development of the aviation sector in Nigeria.

## **2.1. Aviation Sector in Nigeria: Pre-Independence Period**

The trading relationship between British merchants and indigenous Nigerians along the Nigerian territories of Lagos, Benin, Bonny Brass and Calabar triggered the involvement of Britain in the affairs of Nigeria. In response to a request for protection by British traders, Mr. J. Beecroft was appointed consul in 1849, to facilitate and extend commerce between British subjects and Nigerians. In 1872, an Order-in-Council was promulgated by Britain to make rules and regulations for peace, order and good conduct of the British subjects in these areas.<sup>4</sup> Thus, what began as mere meddling with the regulation of trading activities on Nigerian territories was to culminate in Britain's occupation of Nigerian territories and the cession of their jurisdiction to Britain. By 1914, Nigeria was completely subjected to the control and governance of Britain. This subjection was considered indispensable for the purposes of suppressing the slave trade and

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<sup>2</sup>OlasijiOshin, 'Population Movements, Urbanisation and National Integration: The Historical Role of the Railways in the United States and Nigeria'[1992] (II) *Nigerian Journal of American Studies*; 73

<sup>3</sup>Vincent Harlow et al., *History of East Africa Vol. II* (McGraw Hill 1969) 209-211

<sup>4</sup> BONwabueze, *A Constitutional History of Nigeria* (Longman 1982) 5

supporting the development of commerce and external defence.<sup>5</sup> As a result of the relationship between Nigeria and Britain, revolutionary changes were witnessed in the political, economic and social sectors of Nigerian society.<sup>6</sup> Economically, Nigeria boomed in the exportation of goods, such as tin, groundnut, rubber, cocoa, palm oil and cotton. This in turn, facilitated the rapid advancement of trade.<sup>7</sup>

Due to the increase in the economic activities of the country, high priority was given to the development of transport and its integration with the rest of the British Empire, to facilitate the movement of export goods to Europe, and the import of manufactured goods from Europe and North America.<sup>8</sup> The first recorded flight in the annals of aviation in Nigeria took place in the dry season of 1925, when a Royal Air Force Officer stationed in Sudan decided to undertake a long cross-country flight from Khartoum to the northern parts of Nigeria and landed on the race course in Kano.<sup>9</sup> Except for the Royal Air Force flight which became an annual event and continued for 11 years until the Imperial Airways introduced weekly flights in 1936, no significant growth in aviation was known to have taken place. As in other parts of the world,<sup>10</sup> World War II had a great influence on the expansion of aviation in Nigeria.<sup>11</sup> Between 1935 and 1940, 24 aerodromes were constructed<sup>12</sup> and communication facilities were installed.<sup>13</sup>

These rapid changes were attributed to the collapse of France and the entry of Italy in the war, and this resulted in total closure of the Mediterranean and so an alternative reinforcement route

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<sup>5</sup> OIOdumosu, *The Nigerian Constitution: History and Development* (1963) 6

<sup>6</sup> Ibid 37

<sup>7</sup> The economic significance of Nigeria as an export country was evidenced in the volume of goods exported during this period. For instance, Nigeria's exports increased from 17.9 million to 169 million pounds sterling; see MO Kayode and YB Usman, *Nigeria Since Independence: The 1<sup>st</sup> 25 Years*, Vol. II, (1989) 134

<sup>8</sup> Ibid 135-138; primary focus was on the development of roads, railways, and water ways. A capital expenditure of 1.2 million pounds sterling went into road construction and road maintenance alone; see also Odumosu, *The Nigerian Constitution* supra 37-40.

<sup>9</sup> EN Coleman, *How Aviation Came to Nigeria* (1960) 10; that aviation started in the form of adventure, is not something peculiar to Nigeria alone. Worldwide, aviation is believed to have its roots in the foremost Greek legend about Icarus, and the trials and errors of adventurous minds like the Germany's Otto Lilienthal, America's Langley and the Wright Brothers; see Shawcross and Beaumont, *Air Law* (Butterworth 1977)

<sup>10</sup> For example, USA and United Kingdom; see LW Pogue, 'The International Civil Aviation Conference (1944) and its Sequel; the Anglo-America Bermuda Air Transport Agreement 1944'[1994] (XIX)(II) *Annals of Air and Space Law*; 4

<sup>11</sup> See Coleman, *How Aviation Came to Nigeria* supra 16

<sup>12</sup> The Khartoum/Kano service started without an aerodrome at Kano. The aircraft landed and took off from the polo ground which comprised a length of about 1,200ft; ibid 13

<sup>13</sup> Ibid; The Imperial Airways operations on the Kano and Lagos routes followed the railway line mile by mile because of the absence of radio and other communication aids

to the Middle East and India was opened, to facilitate the ferrying of aircraft and military personnel during the war.<sup>14</sup> The boost in aviation activities after the war enabled the British Overseas Airways Corporation (BOAC), successor of Imperial Airways, to introduce the Hanibal and the Handley Page 42 aircraft type for international flights on the Khartoum-Kano-Lagos route. On domestic routes, the De-Hallviland (DH 86) aircraft was used for Kano-Lagos and Maiduguri.

A private air service between Lagos and Warri was introduced by an individual known as Bud Carpenter. On May 15, 1946, Nigeria and the Gold Coast met for two reasons: to discuss the means to effectively combat the perennial problem of transport and communication between the British Isles and the colonies; and to form a joint company and an air transport authority to take over the services previously operated by the Royal Air Force. The outcome of this meeting was the establishment of the West Africa Airways Corporation (WAAC); with its headquarters in Lagos, as a regional airline to provide air services for the four English-speaking British West African territories: Gambia, Ghana, Nigeria, and Sierra-Leone. In partnership with Elder Dempster and BOAC, the Nigerian government formed the WAAC Nigeria Limited in 1958 when WAAC was dissolved after Ghana had attained independence. Nigeria had 51% shares, Elder Dempster 32<sup>2/3</sup>% and BOAC 16<sup>1/3</sup>%. International traffic also witnessed an up rise with new entrants such as KLM, Sabena and Air France.<sup>15</sup> By 1959, a year before Nigeria's independence, aviation activities had reached a level which recorded over one hundred daily aircraft movements within and over the airspace, and carriage of over 70,000 passengers and 1500 tons of cargo yearly. Landing charges yielded about 85,000 pounds sterling in yearly revenue.<sup>16</sup> Initially, only three Nigerians qualified for Commercial Pilots Licenses and Instruments Ratings. Five Nigerian engineering apprentices commenced overseas training, while a plan was produced to meet the immediate and future needs of air traffic control services.<sup>17</sup>

Aviation had various uses in colonial days. In one area, leisure and adventure featured prominently for over 10 years as the cross country flights begun by the Royal Air Force in Sudan

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<sup>14</sup>*Annual Report on Civil Aviation* (1953-1954) 8

<sup>15</sup>*Annual Report on Civil Aviation* (1952-1953), 3-5; see also 'Nigerian Aviation Industry – The Beginning'[1995] (4)(2) *Journal Aviation and Allied Business*; 9-10

<sup>16</sup>See Coleman, *How Aviation Came to Nigeria* supra 28-30

<sup>17</sup>*Annual Report on Civil Aviation* (1954-55) 5

remained the main aviation activity<sup>18</sup> and were followed by skeleton private flying.<sup>19</sup> Rudimentary surveying was conducted with WAAC Dove aircraft.<sup>20</sup> As a means of communication, aviation provided fast links for postal services within the country and the vast British colonial empire. Mail was carried between Kano and Khartoum, and Khartoum and Europe.<sup>21</sup> The British administration ensured that close aerial communication was maintained throughout the colony to facilitate imperial solidarity, goals and objectives.<sup>22</sup>

As a mode of transport, aviation predominantly provided military services during World War II by ferrying aircraft and personnel to the Middle East and India.<sup>23</sup> Skeletal passenger services were provided on domestic and international routes by Imperial Airways. The formation of WAAC and WAAC Nigeria Limited<sup>24</sup> enhanced the growth in the transportation of export and import goods between Nigeria and Europe.<sup>25</sup> It is believed that the exportation of cash crops and other raw materials produced in Nigeria to Europe and the import of manufactured goods from Europe, plus the deployment of the police and military forces in Nigeria to ensure effective control of the population were the primary reasons why civil aviation was set up in Nigeria by

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<sup>18</sup>Federal Ministry of Aviation, *Milestones in the Development of the Nigerian Aviation Industry*(Federal Ministry of Aviation 1991) 7

<sup>19</sup>A tin miner who was based in Jos owned a light Cessna aircraft which he used privately over a wide distance of the Northern parts of the country; see *Annual Report on Civil Aviation*(1954-55) 9; Apart from leisure, we believe that the flights could have been undertaken to prospect for minerals, as operational costs could have rendered leisure flights unattractive.

<sup>20</sup> Ibid 10

<sup>21</sup>In the USA, commercial aviation does not only have its roots in but also owes much of its initial development to the transportation of mail and influence of the post office department dating back to 1918; see FLowenfeld and 1 Burger, *Aviation Law, Cases and Materials* (1972) 1; recent developments have also shown that air mail cargo constitutes a significant share of international and domestic air traffic. Between 1981 and 1992, for instance, world total revenue mail traffic carried varied from 3.800 million tonnes in 1981 to 5.180 million tonnes in 1992; see ICAO, 'The World of Civil Aviation 1992-1995'[1995] *ICAO Circular 244 - AT/99*; 59; in Nigeria, air mail transported between 1987 and 1993 varied from 1.556,788 in 1987 to 1.324,439 in 1993. The highest recorded figure was 1,993,215 in 1990; see Nigerian Airports Authority, *Annual Report* (Nigerian Airports Authority 1994) 40

<sup>22</sup>To facilitate the colonial administration, Imperial Airways was formed by the British Government on November 8<sup>th</sup>, 1935. The Airways started operations in 1936, providing links between Kano and Lagos and to Khartoum and Europe; see WOODubayo, *Air Transport Bilaterals of Nigeria: A Study in Treaty Law* (Master's Thesis, McGill University, Montreal 1968) 1; See further LGKamau, *Recent Activities of the African Civil Aviation Commission (AFCAC) and the Association of African Airlines (AFRAA) in the field of Traffic Rights and Tariffs* (Master's Thesis, McGill University, Montreal 1985) 116

<sup>23</sup>See Coleman, *How Aviation Come to Nigeria* supra 28-30

<sup>24</sup>Not only was traffic on international and local routes increased, but aircraft types like the Argonauts were replaced with the larger American Strato-cruisers on international routes. For improved comfort and efficiency and in ensuring competition, more international routes like London/Kano/Lagos and local routes like Port-Harcourt/Enugu, Jos/Kaduna/Kano were further opened and charter services were also offered; see ibid 16-17

<sup>25</sup>Kayode and Usman, *Nigeria Since Independence* supra

Britain.<sup>26</sup> To further this objective, the construction of aerodromes and the provision of communication facilities were embarked upon to facilitate movement of aircraft and military personnel to the Far East during World War II. Consequently, Nigeria was fortunately provided with large numbers of aerodromes with main runways of about 5000/6000ft; which became of great value for post-war commercial aviation.

It has been argued that Britain's main motive for developing the air transport system in Nigeria was: the high prospects for increasing the volume of air traffic, and for the expansion of the air traffic market, by reason of Nigeria's strategic location on the fringes of the Sahara, thereby making the airports the most convenient intermediate stopping point on the air route between Europe and Africa south of the Sahara.<sup>27</sup> Present day realities leave no one in doubt of the need to set up air transport in any part of the world today. In developing countries particularly, where surface transport is severely underdeveloped, and there exist long distances and extreme climatic conditions, air transport has remained the only real alternative means of movement.<sup>28</sup> No country can ignore the immense benefits from meeting social needs brought to world commerce through air transport: The facilitation of commerce through the rapid movement of people, freight and mail within and outside the territory of each country; development of international and local highways and opening up of isolated areas; tourism, trade, and agriculture.<sup>29</sup> These factors are a very strong reason for the existence of air transport anywhere in the world and are also clear indications that even without Britain Nigeria could not have remained out of the air transport world.

### **3.1. Aviation Sector in Nigeria: Post-Independence Period**

On May 1, 1961, the Nigerian government bought over the shares of WAAC (Nigeria) Limited and renamed it Nigeria Airways, and up till the early 1980s, the history of civil aviation in

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<sup>26</sup> Ibid 133

<sup>27</sup> Coleman, *How Aviation Came to Nigeria* supra 9; Odubayo, *Air Transport Bilaterals of Nigeria* supra 6-8; The need to schedule many intermediate stops on long haul flights has been linked to the limited ability of the post war airplanes which were used for operations. The improvement in aircraft technology and the significance now placed on the economics of air transport means that long haul flights have been replaced by hub and spoke; see HA Wassenbergh, 'World Air Transport Regulatory Reforms' [1994] (XIX)(1) *Annals of Air and Space Law*; 491-492

<sup>28</sup> Ethiopian Airlines, *Bringing Africa Together: The Story of an Airline* (1988) 18-26; Kamau, *Recent Activities* supra 111

<sup>29</sup> ICAO, 'The Economic Situation of Air Transport - Review and Outlook, 1978 to the Year 2000' *ICAO Circular 222/AT/90* (2000) 4

Nigeria was essentially the history of the airline. From 1961, the Nigerian flag carrier started operations under the name Nigeria Airways Limited using the national colours of green-white-green, on all its aircraft, vehicles and equipment. The company's headquarters was based within the local wing of the airport, and the first Nigerian chairman of the company was Reverend T. T. Solarin, who was succeeded by Chief J.O. Fadahunsi.<sup>30</sup> The trade mark and emblem was the flying elephant described as sky power; a logo that created the impression that the airline was powerful enough to carry any amount of cargo or passenger load. At this point, it is necessary to examine the policy directions which determined civil aviation practice in Nigeria from 1960 onwards before considering their effects on Nigeria Airways.

The first major policy decision by the Nigerian government in 1960 was to establish an indigenous airline to serve the needs of the few air passengers in Nigeria. Throughout the 1960s and late 1970s, government efforts were directed towards the need to regulate a new and fast growing industry. The second policy pronouncement by Chief S. L. Akintola was that government would not interfere in the day-to-day running of the airline in spite of the fact that there would be a government nominated board of directors. This position notwithstanding, Chief S. L. Akintola said that government would retain the power to direct the airline's policy and to insist, if necessary, on government point of view.<sup>31</sup> This ushered in an era of close monitoring, control and regulation of the aviation industry by government.

As it happened, government could not draw the line between interference and regulation. The belief in government circles was that the civil aviation industry in Nigeria was too fragile to allow industry technocrats unhindered freedom. Moreover, government had a negative attitude towards private participation in the airline industry because of what it described as the financial incapability of private investors.<sup>32</sup> Government was also of the view that the profit margin of airline business was too slim for any private investor to venture into it.<sup>33</sup> Government control of the aviation industry was thus strict and total from the 1960s to the 1980s. Reacting to this situation as it affected Nigeria Airways a pilot once said that:

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<sup>30</sup> Blessing C Ejuka, 'The History of the Nigeria Airways and its Impact on the Travel Mobility of Nigerians: 1961-1986' (Unpublished, M.A. Dissertation, Department of History, University of Lagos 1987) 80

<sup>31</sup> *Daily Times* (Lagos) August 11 1958 1 cited in *ibid*

<sup>32</sup> *Ibid*

<sup>33</sup> *Ibid*



The national airline was established mainly for political and social considerations rather than for business... This formed the policy thrust of the federal government towards the airline industry in Nigeria after independence. The participation of private airlines as a virile component of the Nigerian aviation industry was not clearly envisaged in the Nigeria national aviation policies at this stage.<sup>34</sup>

What is more, the legal framework for the regulation of the aviation industry in Nigeria, the Civil Aviation Act of 1964, which was almost a carbon copy of the U.K. Civil Aviation Act, hardly gave any serious recognition to the participation of the private sector in the domestic and international airline business. Throughout the period, the airline was directly controlled through the administrative and technical policies that emanated from the Federal Ministry of Communications and Aviation. Aircrafts were bought at the decision of the Ministry which was sometimes against the recommendations of the technical experts. The airline was also made to service all the nineteen airports in the country whether there were passengers or not; it could not choose the routes it wished to fly in spite of economic losses incurred by flying unviable routes.<sup>35</sup> Issues of salaries, wages and pensions were tailored to that of the civil service. Board members and chief executives were appointed based on political sentiments.

In 1979, the military government of General Olusegun Obasanjo contracted the airline to KLM, the official Dutch Airline which managed the affairs of the national carrier for two years. Before then, the Dutch had played some prominent roles in the development of the aviation industry in Nigeria. The airline began operations with Dutch made aircraft and the Dutch were also involved in the construction of most of the airports in the country. Most of the senior technical personnel at the Ministry of Aviation then were of Dutch origin. Within the two year period, the Dutch were expected to set up an appropriate system for operational procedures, find solution to flight irregularities and ensure that the company was put on a proper economic footing. The Dutch

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<sup>34</sup> Idris Wada, 'How Government Policies have affected Airline Operations in Nigeria' *being a paper presented by the Managing Director of EAS Airlines at a seminar in Lagos*, March 23 1999, 1

<sup>35</sup> Ejuka, 'The History of the Nigeria Airways' *op cit*.

were also expected to train Nigerian employees on the necessary technical and administrative skills required to run the airline.<sup>36</sup>

The arrival and departure of the Dutch generated heated controversy, and their tenure aggravated the financial problems of the airline. Before their arrival, the airline owed a debt of £5 million, but at their departure in 1981, the airline's debt profile stood at £22 million.<sup>37</sup> Although heavily indebted, the airline was at its peak and it was only a question of time before it started experiencing further downturns. The history of Nigeria Airways Limited from 1983 to 1995 was very interesting for several reasons. First, the period witnessed twelve years of uninterrupted military rule. Second, three out of the seven chief executives were high-handed military officers whose tenure in the airline overshadowed the civilian character of the airline management. Four out of the seven chief executives served a year each due to instability in the polity, thus, they had little or no time to salvage the economic woes of the airline. The period witnessed the deregulation of the industry and the emergence of the national carrier as one of the most corrupt government establishments. The effects of corruption, government interference and high-handedness of the various chief executives began to manifest on the operations of the company. Soon, its fleet of twenty-five aircraft was reduced to three. The company also suffered its highest level of financial indebtedness.<sup>38</sup> The government was thus left with no choice but to open the doors to private sector participation in the airline business.

During its prime years, Nigeria Airways serviced local and international routes with destinations in New York, London, Amsterdam, Rome, Libreville, Monrovia and many other African cities. It maintained offices in the world's most important destinations and serviced one of the most lucrative international routes in the world—the Lagos-London route. It acquired terminals in Europe and in the United States. As a matter of fact, it was the first African airline to acquire a terminal in the United States particularly at the John F. Kennedy International Airport.<sup>39</sup> The airline was solely responsible for the development of domestic routes in Nigeria. At one time, it administered Nigeria's airspace and civil aviation regulations under the supervision of the Ministry. When new airlines began to operate within Nigeria's domestic airspace, Nigeria

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<sup>36</sup>Ibid

<sup>37</sup> Ibid 35

<sup>38</sup> Ibid 2

<sup>39</sup> Ibid 67

Airways served as the human resource pool from where the new airlines drew their staff. Before its collapse, the airline had one of the best international records among African airlines.

Available records have also shown that Nigeria Airways had a close working relationship with the Nigerian Airports Authority and its management teams often contributed towards monitoring and inspection of airport facilities across the country. Air-Vice Marshall Anthony Okpere was noted for his routine inspection of airports.<sup>40</sup> The airline also had one of the best safety records in African aviation and its pilots were some of the best in the field. It is on record that some of the airlines' pilots were used by the Nigerian Air Force to fly through routes that were regarded as very dangerous during the Nigerian Civil War. Captain Dele Ore, one of the early pilots of the airline also managed the presidential fleet in the early 1980s.<sup>41</sup> The airlines' pilots were known to be strong advocates of safety. Though concerned about passengers' inconvenience, they did not compromise safety standards. They delayed or outrightly cancelled flights in order to ensure safety. For Nigerian travellers, the airline's aircraft was a home in the air, as Sheri Kyazi, a former employee of the airline described it:

At the time Nigeria Airways was flying the DC 10 at the height of 36,000 feet, you would see Nigerians truly expressing themselves even to the point of fighting in the aircraft. Though this was not good by aviation standards it goes a long way to show that Nigerians feel more at home in a Nigeria aircraft than in a foreign one. A Nigerian in a British Airways craft feels lonely and like a stranger. When a Nigerian in Amsterdam sees the logo of Nigeria Airways, he feels good that he would soon be home.<sup>42</sup>

By the late 1970s and early 1980s, it was evident that government policy of strict and total regulation of the airline industry could no longer hold. Several factors were responsible for this development. First, the airline was managed like any other government parastatal without the drive for profit. Second, the airline had difficulties meeting with passengers' demand. Passenger

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<sup>40</sup>*Quality Magazine* (December 1987) 39

<sup>41</sup>JB Decker, 'Kudos to the Undaunting Eagle (1)' [March 18 2002] *Aviation Week and Tours Magazine*; 7; Sheri Kyazi was a maintenance engineer with the defunct Nigeria Airways

<sup>42</sup>JB Decker, 'Kudos to the Undaunting Eagle (2)' [April 2002] *Aviation Week and Tours Magazine*; 7

spill-overs from flights coupled with gross mismanagement of the airline's resources compounded the prevailing situation. Third, flight delays became routine and appeared to have been adopted as the standard operating procedure rather than the exception. Delays of five to six hours or more were a common occurrence. Flight cancellations became a frequent occurrence and whenever flights were available, passengers virtually had to struggle to obtain a boarding pass. The use of numbers to guarantee a seat for the passenger failed, and the difficulties encountered to get a seat on scheduled flights became a national issue. The increasing well-being of Nigerians coupled with the desire to travel by air and its associated advantages created great demand beyond the managerial and operational capability of the national carrier. Again, and perhaps more important, was the need for government policy to fall in line with global trends in deregulation. These factors coupled with the pressures from influential Nigerians who were ready to venture into the air transport business paved the way for the deregulation of the industry.<sup>43</sup>

It can be argued that, the need for an accelerated development of the country's air transport services led to the eventual adoption of the deregulation policy by government. It was a landmark policy change that laid to rest the conservative policy of government to exclude private sector participation in the aviation industry. The new deregulation policy led to unrestricted competition among intending operators leading to the proliferation of small airlines. Pursuant to the deregulation policy, twenty-five private airline operators were licensed in the industry. They were authorised to operate non-scheduled passenger and cargo air services within and outside Nigeria. Soon, three domestic operators, Okada Airlines, Kabo Air Travels and Gas Air were upgraded from the status of non-scheduled operators to scheduled operators. Kabo and Okada were later granted permission to operate international routes. By 1994, the number of licensed private airlines rose to twenty-eight out of which fourteen catered for passengers while seven operated cargo services and the remaining seven operated chartered flights.<sup>44</sup> In 1995, the Aviation Development Company (ADC) and Bellview Airlines were granted permission to operate international routes. Also, by 1995, the number of licensed air operators had increased to

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<sup>43</sup> D Charles Diepriye and Onyinke Ndi-Okereke, 'Air Transport in Nigeria: Strategies for the Twenty First Century' in *The Nigerian Stock Exchange Bulletin* (1<sup>st</sup>ed, The Stock Exchange 1997) 3-4

<sup>44</sup> KMObitayo, 'Aviation Development in Nigeria: What Role for the Financial Sector?' *being a paper presented at a seminar organised by the League of Airport and Aviation Correspondents (LAAC), Murtala Mohammed Airport Conference Centre, Lagos, June 4 1998* 5

one hundred and forty-four.<sup>45</sup> The period before deregulation witnessed the regulation of a single carrier, but the entrance of new airline operators brought in new challenges and new responsibilities. Thus, deregulation brought with it, the need to ensure high safety standards.

As is well known, aviation business is highly capital intensive. When the private airline operators flooded the industry in the early years of deregulation, many of them were in partnership with foreigners for the leasing of aircraft, which were flown into the country to operate scheduled and non-scheduled passenger service. The dare devil risk of the eager operators did not enjoy the total confidence of the local investment market. Nigeria Airways became a good reference point for the operators of the financial market to exercise caution because they argued that if government could not run a national carrier, a private investor would have more problems operating such a business. The daring operators therefore entered the industry at their own risks and virtually all those that began operations at the time have been liquidated. Many of them had problems of maintaining the very expensive engineering checks on their aircraft. For example, Okada Air which had as many as seventeen aircraft at a time could not afford the millions of dollars needed to maintain its fleet. Kabo Air suffered setbacks while many others collapsed completely as the financial sector had anticipated. During the prime years of deregulation, eleven domestic carriers had a combined fleet strength of seventy-seven aircrafts, but by 1997, their combined fleet size had been reduced to nine aircrafts. About fifty per cent of the carriers had no equipment while the remaining did not have more than one aircraft at any given time. This situation was echoed by the Airline Operators Association of Nigeria, an umbrella organisation of Nigerian carriers when it stated that by the early 1990s, the national serviceable air carrier fleet decreased by seventy-five per cent.<sup>46</sup>

In response to this situation, many professionals within and outside the industry have advocated mergers among the many airlines in operation. However, mergers and acquisitions pre-suppose that the funding would come from the operators themselves; that the partners would pool their resources. Although this is desirable, it may not permanently solve the problem of funding as the partner operators would need to source for funds to protect their partnership arrangements. In the Nigerian environment where the tendency is for partners to see themselves as rivals, the long

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<sup>45</sup>Diepriye and Ndi-Okereke, 'Air Transport in Nigeria' *supra*

<sup>46</sup>*Ibid* 6-12.

term relationship would be determined by the cash each partner is able to inject into the business.<sup>47</sup>

#### 4.1. Aviation Sector in Nigeria: The Contemporary Time

Currently, Nigeria does not have a national carrier. There is a renewed effort in establishing a national carrier even though previous efforts have failed.<sup>48</sup> It is therefore a very likely possibility that in the near future a national carrier might emerge. The clamour for a national carrier is based on the fact that so many Bilateral Air Services Agreements (BASA) signed by the government have no airline to utilise them hence the BASA becomes lopsided. Not only is the emergence of a national carrier likely in the near future, there is also a likelihood of the proliferation of airlines in Nigeria. This is due to the growing customer expectation and enlightenment, as such, ensuring competition among airlines which will eventually provide better service and informed passengers. The drive for efficiency may also reduce cost and improve performance in the Nigerian airline industry.<sup>49</sup> However, over the years the issue of a national carrier has been a hugely controversial area in Nigeria. Some believed that the establishment of a national carrier does nothing but siphon the money off the confines of the government. As history shows, this point might not be totally wrong.<sup>50</sup> The first national carrier was the Nigerian Airways which was established in 1958 after the dissolution of the West African Airways Cooperation (WAAC). It ceased operation in 2003. Over this period, the structure of the airways changed. It started out as a tripartite entity, in which the Nigerian government was the major shareholder (51%), and Elder Dempster Lines (32<sup>2/3</sup>%) and BOAC (16<sup>1/3</sup>%). Nigeria inherited some aircraft previously owned by WAAC. In 1961, the federal government of Nigeria became the sole owner of the

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<sup>47</sup>See Michael MOgbeidi, 'The Aviation Industry in Nigeria: A Historical Overview' [2006] (6) *Lagos Historical Review*, 133-147.

<sup>48</sup>See LMikaru, 'Why Nigeria Does Not Have National Carrier'[June 1 2015] *Vanguard*; it should be noted that the most recent effort was the Federal Government unveiling of the name ('Nigeria Air') and logo of a proposed national carrier in July, 2018 at the Farnborough International Public Air show in London, United Kingdom (UK) ahead of the planned initial take-off on December 24 of that year. However, the lack of budgetary provision, and criticism by the public forced the Minister of Aviation, HadiSirika, to 'temporarily' ditch the December roll-out plan. The inability of the Federal Government to roll-out and implement plans on the national carrier, over 18 months after it was unveiled in London, is a clear indication that this effort has equally failed. It has been opined that the lack of credible technical partners and investors to support the proposed new national carrier is the reason for such failed effort; see WoleOyebade, 'Why National Carrier Plan Failed'[January 21 2020] *Guardian* <<https://www.guardian.ng/news/why-national-carrier-plan-failed/>> accessed on 9 February 2020.

<sup>49</sup>OladapoOgunbodede and Christopher Odetunde, 'Current Status of Civil Aviation in Nigeria' [2016] 3 (1) *International Journal of Aviation Management*; 46.

<sup>50</sup>Ibid 31.

airline and thus it became the national carrier of the nation. In 1997 the UK Civil Aviation Authority banned the airline from operating into its territory citing safety concerns and the Nigerian government replied banning British Airways operations. This ban occurred again in 2001 when UK refused to allow Nigeria Airways to operate the Lagos–London route. The carrier (Nigerian airways) ceased operations in 2003. The Nigerian government later came to an agreement with Virgin Atlantic Airways to establish Virgin Nigeria Airways, intended as a replacement. Nigerian institutional investors owned 51% of the company and Virgin Atlantic Airways the remaining 49%. The airline’s inaugural flight was on 28 June 2005 from Lagos to London Heathrow, using an Airbus A340-300 aircraft. In 2008, Virgin Atlantic announced that it was in talks to sell its 49% stake in Virgin Nigeria as a result of disputes which arose after Virgin Nigeria’s domestic operations were moved against its will by the Ministry of Transportation to Terminal 2. On 17 September 2009, Virgin Nigeria announced that it had rebranded as Nigerian Eagle Airlines. Nigerian Eagle Airlines also stated that they planned to focus on domestic and regional flights with further expansion into Europe and eventually the USA. Virgin retained its 49% stake in the new Nigerian Eagle Airlines with the remaining 51% held by Nigerian investors.

On 2 June 2010, following the acquisition of a majority share in the airline by Air Nigeria Development Limited it had a further name change to Air Nigeria. On 13 June 2012, the carrier was grounded by regulators for safety checks. On 6 September 2012 Air Nigeria announced that the management had fired its staff ‘for being disloyal’ and the airline will cease all its local, regional and international operations. Operations ceased on 10 September 2012. Even in the absence of a national carrier some of the airlines in Nigeria such as Arik Air and Allied Air still fly international routes.<sup>51</sup>

A major percentage of the defunct airlines in Nigeria stopped services after accidents or incidences (e.g., Sosoliso Airlines, Bellview Airlines). These accidents or incidents led to passengers avoiding the airline leading to economic loss. Another reason for market exit is the economic mismanagement of the airline (flying uneconomical routes, wrong economic policies, etc.).<sup>52</sup> A larger percentage of the crashes in Nigeria have occurred in or near airports. Those that

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<sup>51</sup>Ibid.

<sup>52</sup>Ibid.

have occurred outside the range of airports, especially in the 1990s, were difficult to locate due to the poor radar coverage of the nation's airspace. Air crashes in Nigeria follow a yearly repetitive pattern. For instance, year 2002 had four crashes with 154 fatalities; this led to a tightening of the regulations and a much stricter monitoring of the sector. A resultant of this is reflected in 2003 and 2004 which had zero fatalities. Year 2005 and 2006 were years with high fatality (227 and 109). This can be attributed to a relaxation in the monitoring of the sector. After this, the pattern repeated as that of the years 2003 and 2004. This is the repetitive pattern of crashes in Nigeria. This trend has continued over the years. In 2015-date for instance, the rate of incidences alone due to human error and negligence has been on the rise. It should be noted that as much as this is a repetitive pattern, the regulatory agencies are on top of the issue as NCAA has revoked the licenses of defaulting air operators albeit more work still needs to be done on monitoring compliance and engaging in vigorous training and retraining of all categories of workers in the aviation sector.<sup>53</sup>

### **5.1. Conclusion**

The significance of the aviation sector in any country cannot be underrated. In Nigeria, this sector has been growing slowly but steadily since the colonial days and today, nearly all the cities with airports are commercial nerve centres. Those with international airports like Lagos, Kano, Port Harcourt, Abuja, and Jos have greater economic edge over those with only domestic airports. Airports and aviation infrastructure affect the lives of inhabitants in many ways. For instance, aviation business provides jobs for both skilled and unskilled labour. In these diverse ways, the aviation sector has contributed and it is still contributing to the socio-economic development of Nigeria. However, from the foregoing analysis, the sector could do much more if properly organised and its potential harnessed.

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<sup>53</sup>I Uwaleke, 'Tackling Stowaway Threat to Airport Security, Flight Operations'[June 5 2015] *The Guardian*; ibid 46.