



NIGERIA AIR AND THE LOOTED BILLIONS

Will it ever fly?

Four years after the immediate past Minister of Aviation, Hadi Sirika, unveiled the name and logo of the proposed national carrier at the Farnborough International Airshow, London, Nigeria Air, was eventually unveiled to much controversy, outrage and ridicule. In disobedience of a Federal High Court ruling which ordered the Federal Government to stay action on the setting up of Nigeria Air, a Boeing 737 800 Max with "Nigeria Air" inscribed on it, registration number, ET-APL, Mode S Q4005C and serial number 40965/4075, flew into the Nnamdi Azikiwe Airport, Abuja on May 26, and was received with much flourish by Sirika and his team. This launch was supposed to herald the much-touted national carrier which has gulped billions in over seven years and the entire country's media were present to witness the historic event. Hardly had the aircraft touched the runway when the registration number showed that it belonged to a foreign airline. It later emerged that the aircraft belongs to Ethiopian Airlines (ET) but was previously operated by Malawian Airlines, one of ET's

other subsidiaries. Apparently, Sirika had contacted ET and asked them to provide an aircraft which would be presented as Nigeria Air in order to beat the deadline he gave. The aircraft itself which became part of Malawi Airlines on 16th February 2014 was released to ET on August 12, 2015. It is about 11 years old and carried out its first flight with the ET logo on June 22, 2012. When the aircraft landed at the Abuja airport on Friday, May 26, 2023, it was greeted with a water salute, an action which is usually used to mark the first flight of an aircraft to an airport.

Few days later flight radar24 showed the aircraft had left Abuja airport and was enroute Addis Ababa from Central African Republic. On Sunday morning, the flight tracker showed the plane had landed at Ethiopia and on Wednesday, May 31, the aircraft was fully back with ET and had commenced its usual Addis Ababa –Mogadishu route. The outrage that greeted this discovery was swift. A former Managing Director of the Nigerian Airspace Management Agency, Roland Iyayi, described it as a

monumental fraud. "I think it is a monumental fraud to assume that by conniving with Ethiopian Airlines, having an aircraft that was on commercial flight for ET on May 21 or maybe a week ago, flying into Tel Aviv on an ET405 flight to fly into Abuja only for static display and then taken out, would mean to birth an airline. I can tell you that the deck house of Nigeria Air stuck on it has been removed and rebranded for ET to be put back in service. So, all that we saw a few days ago was a charade by the outgoing Minister of Aviation, possibly to sort of block out, considering the fact that in the last seven to eight years, we have had about N85.42bn in allocation to Nigeria Air, which is supposedly a private enterprise," he said.

When Sirika came on board as minister seven years ago, one of the projects he promised to deliver is a national carrier which would be the envy of the African continent. To achieve this, he said the government would be seeking foreign investors to enter into a private partnership with the Federal Government. Industry stakeholders were optimistic about his ambitious plans while domestic airlines were cautious.

At a media event held on September 24, 2022, in Abuja, Sirika informed the public that after searching for investors, the Federal Government had selected 76-year-old ET Consortium as the preferred bidder for Nigeria Air. He told the gathering that ET scored 89 percent as regards the technical bid and 15 out of 20 in respect of the financial bid. The minister said the Request for Proposal (RFP) under the Public Private Partnership (Act), governed by Infrastructure Concession Regulatory Commission (ICRC) regarding Nigeria Air was not yet completed. It was gathered that former President Muhammadu Buhari gave the approval for the deal to be finalised after he was said to have been convinced by Sirika that the Federal Government would not be making any monetary investments. But there was strong pushback from industry stakeholders when Sirika announced some of the modalities for the deal: Carrier would be driven by the private sector and the Nigerian government would retain only 5 per cent stake in it, while ET will have a 49 per cent stake and 46 per cent of the airline would be owned by Nigerian investors (MRS and SACHOL). The government also said it would raise \$250 million from the private sector and that 20 aircraft with petrol engines had been ordered for training purposes, nine of which had been delivered.

Reports show that at least N85.42 billion was budgeted for the national carrier project in seven years. The Federal Government had in 2019 budgeted N47 billion and between 2020 and 2022 an additional N14.6 billion was budgeted, while yet another N24 billion was captured in the 2023 budget for the carrier but with nothing to show for it.

After it was revealed that ET will have 49 per cent stake, making it the largest shareholder, industry experts pushed back strongly, expressing their discontent with the model, saying that having a competitor as a major shareholder in the country's national carrier would completely annihilate Nigerian airlines from the onset. They also argued that the partnership would only help ET achieve its target to dominate the African market as it had formed similar

agreements in eight other African countries. Experts say the deal will create cabotage and destroy the industry, citing the case of Virgin Nigeria which had a similar model that eventually fizzled out.

The Airline Operators of Nigeria (AON) were the first to take a definitive action against Sirika, as eight domestic airlines dragged the Federal Government to court late last year, listing Nigerian Air, Ethiopian Airlines, Sirika, and Attorney-General of the Federation, Abubakar Malami, as defendants. Among other prayers, the airlines asked the court to stop the national carrier deal and withdraw the Air Transport License already issued to Nigeria Air by the Nigerian Civil Aviation Authority (NCAA). AON also claimed that the firm which served as Transaction Adviser for the transaction, was incorporated in March last year and alleged that the company was linked to the aviation minister. On November 12, last year, the Federal High Court sitting in Lagos granted an order of interim injunction restraining the Federal Government from executing the proposed draft agreement establishing a national carrier between ET and Nigeria.

Justice A. Lewis-Allagoa who granted the order, ruled that an Order of Maintenance of Status Quo by all the parties in the suit from taking any further step(s) in relation to the subject matter of the suit pending when the determination of the Motion on Notice is granted. Sirika pushed back on the AON, insisting that nothing would stop the carrier from taking off before May 29. He lashed out at the domestic airlines, saying that he had approached them and asked them to invest in the project but that none of them obliged. Industry stakeholders have privately wondered why Sirika was hell bent on unveiling a carrier and what personal interest he had in the project that he was ready to disobey court orders, which could cost the industry much reputational damage internationally. How much is ET bringing in? Why has the intricate details of the agreement not been made public? Other contentious issues, which experts say are unethical, is the opacity and lack of transparency in the deal. Questions have been raised as to why MRS and SAHCOL, listed as private investors, are yet to inform their shareholders via the capital market of their decision to invest in Nigeria Air. By law, the unveiling of the aircraft and the inaugural flight which took place on May 26 can be rightly said to be illegal as the carrier has not been issued with an Air Operators Certificate (AOC) by the NCAA, which is the authorised regulator. Now Nigeria Air is at stage one of the AOC procedure.

Granting an AOC to Nigeria Air without going through the five-step legal procedure will be considered an infraction by the International Civil Aviation Organisation (ICAO). Not only would the NCAA be penalized, Nigeria could be blacklisted by aviation safety agencies like the US FAA and the EASA (European Aviation Safety Agency). The spokesperson of AON and Chief Executive Officer of United Nigeria Airlines, Dr. Obiora Okonkwo, said what happened on May 26 was a show of shame and a scam, insisting that Nigeria Air is dead on arrival. "It is a joke taken too far because there is nothing Nigerian in Nigeria Air. We are in court and we have documents about this charade called Nigeria Air which would make anyone ashamed. They have talked about millions of dollars that

would be raised. If it is an equity of ET, the money would have been deposited in the Central Bank of Nigeria. So, who paid the money? We have other partners in the business like MRS and these guys don't know what is happening in the business, they are not interested. So, something is happening somewhere. Besides, if after eight years of talking about Nigeria Air and all that we saw was an old Ethiopian airline aircraft, it is so absurd.

"The aircraft was decorated to confuse Nigerians. It is mandatory in ICAO law for any aircraft to be registered as a Nigerian aircraft, it must have 5N which is a Nigerian registration number and it can only be done if you bought it outright or you have a dry lease on it and not a wet lease. But none of this is the case because our investigations showed that none of the documents of this aircraft is in NCAA. It just took off in Ethiopia and landed in Abuja. For you to do this kind of show of shame, you must have gotten to stage five of your AOC. The first stage is that you have to express your interest to get an AOC and the second stage is that the NCAA will review your application, evaluate it and if it is okay, you go and submit your manuals. The fifth and the final stage is the flight demonstration and operation. The AOC process of the so-called Nigeria Air is still in stage one, the reason being that Sirika and his co-travelers didn't want to go through the process. According to him "Part of our concern is that if the NCAA had not resisted and Sirika had succeeded, the international bodies would have questioned the credibility of our AOC. Ethiopian airline said they have 49 per cent stake in Nigeria and if we have to sell our airspace to anyone, it should sell for about \$300 billion because of our population. Nigerian travelers constitute about 40 per cent of Ethiopian Airlines

passengers worldwide, so as at today, we have not been told how much they invested. "Another thing we found out from their business plan is that ET might be coming to kill the operators in Nigeria because Nigerians need only one airline. This document is in court. It is not our document; it is what they presented to the government and they were specific that they would use predatory price in the first six months of their operation. Predatory price means that for instance, if we are charging N50, 000 to Abuja, they would start with N15, 000. You know why they can do that? It is because Sirika had granted them 15 years tax break and they had indemnified all the loans they would take anywhere in the world. "Thank God that NCAA refused to be cajoled and for that reason, some of the actors who stood their ground were removed from NCAA. The NCAA DG survived removal because there is a provision in the new civil aviation act that before the DG is removed, you must get the consent of the Senate, otherwise many people have paid the price for standing their grounds. ICAO is coming to audit NCAA and if anything, untoward is found, it would affect the entire industry," Okonkwo said.

But Sirika defended the choice of ET, saying that he had held six meetings with Nigerian airlines on the need to buy shares in the new carrier but that his overtures were rebuffed. At the Aviation Breakfast Meeting with the theme, "Aviation in Nigeria: What Next?" he said: "I begged the airlines to own stakes in Nigeria Air, but they declined. They were not interested, only for them to say things that we do not understand. The AON are scared that the new airline would lower fares. Any decrease or increase in fares would have to go through the NCAA and stakeholders. These fears are unfounded. I told them this



the shareholders in the controversial national carrier, Nigeria Air, have yet to sign any agreement to formalise their stake in the project. A memo presented by the Ministry of Aviation to the ninth House of Representatives indicated that no public-private partnership had been signed by the stakeholders. In addition, the memo presented by the Infrastructure Concession Regulatory Commission to the ninth House during its investigation of the project also revealed that shareholders had yet to sign any agreement as regards their stakes because of unresolved issues, including their structure and respective functions in the Nigeria Air.

airline would not be given preferential treatment. None of them can complain that I turned down their request. We are ever ready to support Nigerian airlines to Dubai, etc." National president of Aircraft and Pilot Association of Nigeria, Alex Nwuba, said the launch is a fallout of a last-minute push of the minister to bring about the dream he has had that he went against all modes of common sense "Due to the darkness by which this process came about, it has led to a lot of conjecture. People don't even understand how a government that serves its people will float a carrier and when it comes, we are all confused. Is it Nigeria Air or is it Ethiopia Airlines? It has the painting of Nigeria Air on it but it has the registration number of Ethiopia. This is just a fallout of a last-minute push of the minister to bring about the dream he has had that he went against all modes of common sense. He would have said, "It is too late now as we have been doing this for seven years and what we couldn't do in seven years, we can't suddenly push it through the system in 24 hours and then still have something that we can be proud of. Nigeria wants a national carrier and an expanded air space. The question often asked is why we need many airlines, but we don't remember that the nature of domestic aviation in the future is not just about Nigeria. There is a Single Air Traffic Market and Nigeria must be prepared for that market space. "Sirika said that he invited carriers from around the world to partner with Nigeria on the launch of a national carrier and then he came back and said that only one airline signified interest. How can that be? Suddenly we heard that the only airline that was interested was ET. They chose to come in and become the biggest shareholder in a non-competitive process which forestalls Nigeria's possibility to be a leading aviation economy and it doesn't solve the challenge of capital flight. "We have been telling Sirika that his plan will not work. The entire domestic airlines took the Federal Government to court and the court stopped the process, yet, we saw an aircraft flying in defiance of the court order. What signal are we giving international aviation? We are decimating the industry because what Ethiopian is doing is to kill the domestic airlines. The

minister said he scored 100 percent in all of his projects and the industry scored him zero except in the aspect of appointing good heads of agencies, but he didn't let them do their jobs. He didn't let give them the independent structure to do their jobs very well even though they tried their best. Nigerian Air has a great CEO that can put together a great airline in the form Nigeria would want to have. But have you ever heard a word from him? Do you know who he is? Sirika wanted to bulldoze his way to get what he wanted simply because it satisfies his ego. The court says he should not proceed with it but Sirika went ahead with impunity and we saw the result. "I am in many aviation organisations and forums and I can barely find anyone in support of the Nigeria Air though there are those around him who say yes to everything he does simply because they are benefiting from it. One cannot really say what encouraged the minister to go ahead in conflict with the entire industry. He can argue that the domestic airlines are doing this because they want to protect themselves but that is the right thing to do. Sirika failed to step up and support domestic airlines especially after COVID-19. The fact is that he went against common sense. We wanted someone who is an aviator at the ministerial level, but the entire industry was shocked that the man we thought would be our saviour became the one that would lead us into a ditch. We want to have a national carrier to expand our reach to be competitive under the single air traffic market. "The court ordered the government to stop action on Nigeria Air until we can determine whether what is being done is in the interest of Nigeria, and Sirika defied the order by throwing in our face, a new national carrier, a flagrant abuse of court process. No one knows the agreement reached with Ethiopian airlines and we don't know if this is a situation where if stopped, Nigeria would have to pay penalties for default because no one knows the content of the contract signed," Nwuba said.

Indications have emerged that the shareholders in the controversial national carrier, Nigeria Air, have yet to sign any agreement to formalise their stake in the project. A memo presented by the Ministry of Aviation to the ninth

House of Representatives indicated that no public-private partnership had been signed by the stakeholders. In addition, the memo presented by the Infrastructure Concession Regulatory Commission to the ninth House during its investigation of the project also revealed that shareholders had yet to sign any agreement as regards their stakes because of unresolved issues, including their structure and respective functions in the Nigeria Air.

The national carrier was launched at the twilight of the Buhari administration, an exercise the Green Chamber has described as a fraud. The then Minister of Aviation, Hadi Sirika, had in his response denied any wrongdoing, saying there was nothing fraudulent or secretive about the project. Sirika also accused the former chairman of the House Committee on Aviation, Nnolim Nnaji, of demanding from him five per cent stake in the airline, a claim Nnaji has also denied. There were reports that an aircraft belonging to Ethiopian Airlines, which holds the largest stake of 49 per cent in the project, was chartered, repainted to bear Nigeria

Air's colours and was flown to Nigeria for a display, after which the aircraft returned to Ethiopia and was repainted to its original colour. The Senate and the House had summoned stakeholders in the aviation industry to separate meetings over the controversy.

Meanwhile, the Ministry of Aviation in a memo to the House, dated June 2, 2023, with Reference Number MCA0008/S.33/T4/22, and signed by the Director of Planning, Research and Statistics, M. R Shehu, said 100 per cent of the stakes had been taken. The memo partly read, "I am directed to refer to your letter Nos : NASS/9HR/CT.017/121 dated 31st May, 2023, and NASS/9HR/CT.017/122 dated

1st June, 2023 on the above subject and to respond to your request as follows: "Full disclosure of ownership structure of Nigeria Air: The proposed ownership structure of Nigeria Air Limited is as follows: Ethiopian Airlines Group, 49 per cent, \$122,500,000; The FGN, five per cent, \$12,500,000; MRS Oil and Gas Company Limited, 31 per cent, \$77,500,000; Skyway Aviation Handling Company Plc, 15 per cent, \$37,500,000; Total, 100 per cent, \$250,000,000. "All PPP agreements reached and signed with Ethiopia Airline with regard to the Project: There was no PPP agreement signed. "PPP agreement reached and signed with all other parties: None."

The memo however contradicted the position of the former Personal Assistant to President Muhammadu Buhari on Digital Communications and New Media, Bashir Ahmad, who tweeted on June 6, 2023 that partnerships and

agreements on the national carrier had been signed. He wrote on his verified Twitter handle, @BashirAhmaad (sic), "Nigeria Air is NOT a fraud, the Aviation Ministry has made a significant progress towards its realization. Branding unveiled, partnerships and agreements signed, most of the operational certificates issued and operational offices opened. Nigeria Air will fly to make Nigeria proud."

On the Full Business Case for the Nigeria Air, the memo indicated that FBC is usually prepared by the Transaction Adviser and reviewed by the ICRC for issuance of Compliance Certificate. Meanwhile, the ICRC, in its memo to the House dated June 6, 2023, with Reference Number ICRC/DG/2/S.15/XII/45, and signed by the Director-General, Michael Ohiani, gave a contrary account of the ownership structure. The commission, which is leading the negotiations for the deal, stated that Ethiopian Airline has 49 per cent; MRS Oil and Gas Limited, 15 per cent; SAHCO, 15 per cent; Federal Government, five per cent while 16 per cent had yet to be allotted.



Hadi Sirika, former Minister of Aviation

The ICRC memo also indicated that the proposal was turned down five times by the Federal Executive Council under the Buhari administration before it was eventually approved the sixth time. The ICRC gave details of the deal, "The national carrier project was initiated by the Ministry of Transportation in 2016 as part of the Aviation Sector Roadmap, which was approved by Mr President (Muhammadu Buhari). The project was structured to be implemented as a public-private partnership initiative, for which the Infrastructure Concession Regulatory Commission's regulatory guidance was sought.

"The ICRC provided the required guidance for the implementation of the project in line with the requirements of the ICRC Establishment Act 2005 and the National Policy on PPPs. Following the guidance provided, the following milestones were achieved: "Constitution of project steering committee and a project delivery team to guide the implementation of the project. Appointment of a Transaction Adviser – this was done in compliance with the Bureau of Public Procurement Act. Lufthansa Technik was first procured but later changed to Airline Management Group/Traniero after obtaining FEC approval. Development and submission of an Outline Business Case by the Airline Management Group in 2018. "The structure involved the Federal Government of Nigeria holding five per cent equity, while the remaining 95 per cent is held by private partners (the foreign partner who is required to have undertaken at least 10 years scheduled international

operations) will hold a maximum of 49 per cent, while the Nigerian partners hold a minimum of 46 per cent." The ICRC said its Certificate of Compliance to the OBC confirmed the viability and creditworthiness of the project. Speaking on the reason why FEC rejected the proposal five times, the ICRC noted, "It is important to note that the OBC was presented to FEC six times before it was approved. This was due to the insistence by FEC that the Federal Government will not contribute any funds to the take-off of the airline as was initially structured. FEC requested that the project should be fully privately financed since it's viable and bankable," Ohiani noted.

The ICRC said after 10 weeks of advertisement, only the Ethiopian Airlines consortium submitted a bid and that the project proceeded to the negotiation stage, based on Section 5 (a) of the ICRC establishment Act 2005. The section states that if after advertisement in accordance with Section 4 of this Act only one contractor or project proponent applied or submits a bid or proposal, or only one contractor or project proponent meets the prequalification requirements, the ministry, agency, corporation, body may undertake direct negotiation without competitive bidding for any contract to be entered into, pursuant to Section 1 of the Act. On the reason why the documents were yet to be signed, the memo noted, "Several preparatory meetings were held as a prelude to negotiations between the Ministry of Aviation and other government stakeholders before engaging with the Ethiopian Airlines Consortium. "The commission thereafter requested the implementation of the following before negotiations: the consortium to be a Special Purpose Vehicle; consortium to sign a shareholders' agreement/updated consortium agreement; the 16 per cent unallotted shares to be fully allotted in compliance with CAMA 2022 and transparency principles; and project to adhere fully to the requirements of the request for proposal document." The memo indicated that negotiation was thereafter convened to discuss the issues highlighted for the consortium to implement but had to be suspended when it was observed that members of the consortium were working at cross-purposes. This, it said, was based on the following observations/complaints by members; that the consortium had not agreed on their structure and function; some members were not privy to the documents under consideration; the consortium had not met on their own and had informed the meeting that the TA to the ministry had been the one calling for all their meetings and guiding their interactions. It continued, "The consortium was thereafter requested to meet and resolve all their issues and present a common

position for the purpose of negotiations and executing the PPP agreement with the government. They were unable to resolve their issues and sign the shareholder's agreement as requested.

"This led to a letter of complaint from SAHCO expressing its concerns and not accepting the shareholders' agreement as presented. Ethiopian Airlines responded with justification for the issues raised. Efforts to mediate through physical meetings and correspondences towards ensuring the signing of the shareholders' agreement are ongoing. "A meeting of the government representatives was thereafter convened at the ICRC to harmonise the position of the government before engaging in any discussion with the private proponent." It said the meeting agreed that every member of the consortium would be required to sign the PPP agreement individually as well as the shareholders' agreement.

It added that the meeting further agreed that the 16 per cent unallotted shares must be fully allotted; that the project must have duration to comply with the requirements of the ICRC Establishment Act and that all clauses that allocate financing and regulatory risk to the government must be reviewed and adjusted appropriately.

The ICRC said it wrote a regulatory position to all members of the consortium on April 17, 2023, with a review and highlighted issues that needed to be addressed and corrected before the shareholders' agreement could be signed.

According to the commission, some of the issues included that the Ministry of Finance Incorporated to hold the five per cent Federal Government's equity and sign the shareholders' agreement on behalf of the government; full allotment of the 16 per cent unallotted shares in the consortium recognition and valuation of the Bilateral Air Services Agreements as part of Federal Government's contribution to the project; provide clarity on the status of local airlines currently operating regional and international routes, in view of request for total rights over all the existing BASAs; and "the deletion of the clause that waives sovereign immunity by Nigeria."

The ICRC added that the ministry convened a negotiation meeting on April 18 and 19, 2023, at the ministry "but

could not proceed as representative of the Federal Ministry of Justice cited a court order restraining any action on the project." The memo indicated that the next step was for all shareholders to sign the shareholders' agreement and that negotiation should resume and be concluded once the court order was lifted. On the next step, the ICRC memo added,



Obiora Okonkwo



Malami former CJN and Attorney General

"Full Business Case to be prepared and submitted to the ICRC for review and issuance of certificate; presentation to the Federal Executive Council for approval; vetting of draft PPP agreement by Ministry of Justice; and contract execution."

The Economic and Financial Crimes Commission (EFCC) has summoned Hadi Sirika, the former Minister of Aviation to appear before it for questioning over Nigeria Air debacle. The anti-graft agency had also questioned officials of the Nigerian Air over the recent launch of the airline in Abuja. Nigerian Air, garbed in Ethiopian colours, the commission had already grilled some supposed officials of the national carrier. When contacted, spokesman of EFCC, Wilson Uwujaren, confirmed that there was an ongoing investigation but could not give further details. "I can confirm that there is an ongoing investigation in that regard," he said. ThisDay quoted sources to have said that the commission would look at the N3 billion sunk into the project though some stakeholders insisted that over N80 billion was expended on the project. The minister had, at the twilight of the Buhari's administration, caused the supposed launch of the Nigerian Air in Abuja using an Ethiopian aircraft. Stakeholders were enraged that an Ethiopian airline that landed in Nigeria with Ethiopian colours was packaged as a national carrier. The minister had said at a recent Arise News Channel interview that the landing of the Ethiopian aircraft in Abuja, was "a marketing strategy."

The Nigerian Civil Aviation Authority (NCAA) disclosed last week that the airline was still on the first stage in a five-phase process of obtaining Air Operator Certificate (AOC) to operate as a commercial airline. The Airline Operators of Nigeria (AON) had also consistently opposed the idea on several grounds.

However, the immediate-past Minister of Aviation and Aerospace, Senator Hadi Sirika, has denied that he received N85 billion for Nigeria Air project. Speaking on the Ethiopian Airline plane that was unveiled as a Nigeria Airplane in the twilight of former President Muhammadu Buhari's administration, he declared that he only received N3 billion in the last 7 years, part of which was spent on consultancy and office maintenance.

Sirika, who made the disclosure when he appeared on Arise Television on Sunday, also said it cost Nigeria nothing to bring the plane to the country as the aircraft was brought by Ethiopian Airlines to demonstrate commitment to the 'Nigeria Air' project. He claimed that when he left office on May 29, the N3 billion had not been fully expended. The Air Nigeria project has been trailed by controversy arising from allegations of bogus spending without.

The Chief Operating Officer, COO of Air Peace, Toyin Olajide, has stated that the former Minister of Aviation, Hadi Sirika, lied about some of the claims he made on Air Peace during his Sunday interview on Arise Television. The ex-minister, while praising Ethiopian Airline, stated that Air Peace leased 'two' Boeing 777 aircraft on a monthly lease fee of \$250,000, parked the aircraft for several months and incurred losses of \$19 million while all the aircraft engines and landing gears became due for replacement when the airline were ready to fly. Sirika went on to ask, "who does that?" He stated that Ethiopian Airlines would never do that. Responding to this, Olajide in a statement said, "this is a blatant lie as we have three and not two Boeing 777 aircraft which were never leased or rented but were purchased outrightly by the airline. "Air peace never incurred such a loss, we never paid rentals contrary to his lies. The Nigerian Civil Aviation Authority can attest to the purchase and ownership of the Aircraft by Air peace."

The former minister also said that the airline stopped flying to Dubai because it lacks capacity. The COO of Air Peace also described this as "another stark lie." According to her, Air Peace never stopped the Dubai operations because of lack of capacity. She said, Air peace commenced operations into the UAE in July 2019, but in October 2022, the UAE Government announced a total visa ban on Nigerians. "Neither Emirates nor Air Peace is operating the Nigerian/UAE route since the ban. The persisting non-issuance of visas and the accompanying inconveniences necessitated the suspension of our Dubai operations from November 22, 2022 till date. "For the former minister to ascribe the suspension to 'lack of capacity' is not only shocking but also shows how keen he is to disparage an airline that has defied all the commercial odds and hostile environment placed on its path to continue to serve our nation proudly.

"How could an airline that placed a firm order for 13 brand new E2-195 aircraft, a firm order of 15 Boeing 737 Max 8 & Max 10, with over 30 aircraft already in its existing fleet be accused of lacking in capacity?" "How can an Airline that stood up for the entire nation during the Covid-19 outbreak, and embarked on rescue operations worldwide, evacuating Nigerians from far away China,

Malaysia, Indonesia, Thailand, India, UK and South Africa during the Covid-19 lockdowns be accused of lacking capacity?" Olajide added. She, however, urged the general public to disregard the comments made by the former Minister of Aviation against Air Peace during the interview on Arise Television.

By Chinelo Obogo



Toyin Olajide, COO, Air Peace



**Alex Nwuba,
President, AOPA**

Hadi Sirika:

When Buhari's Poster Boy flies Nigeria Air

By Ikeddy ISIGUZO

The past Minister of Aviation Hadi Sirika is a poster boy of the Muhammadu Buhari administration. The reason could not have been that he was from Katsina State like the former president. Sirika shares the same disturbingly uncaring attitude with Buhari. They have a crave for reducing things to bare standards which turn out to be no standards. He came to the Ministry of Transportation in 2015 as Minister of State, Aviation which he considered belittling. By August 2018 Buhari made him Minister of Aviation. His colleagues at the National Assembly where he was at the House of Representatives, then Senate, complained endlessly that he never "carried us along". Nigeria Air was the climax. Sirika was not exactly anyone's favourite Minister. He draped himself with qualifications as a pilot trained in the United States. He easily claimed expertise in the industry and seemed to have presidential imprimatur to do whatever he thought was best, not necessarily for Nigeria. People are suddenly wondering how he got away with so much. Nigerians should be grateful, according to Mr. Nnolim Nnaji, Chairman of the House of Representatives Committee on Aviation, to the Nigerian Civil Aviation Authority, NCAA, for refusing to grant Nigeria Air an operating license.

If NCAA did, Nigeria Air would have been a completely done deal.

Nnaji said that Sirika refused to provide the House with documents about Nigeria Air. He has called for a presidential probe of Sirika. Technically, some claim that there was no deal other than an arrangement that landed an aircraft in Nigeria Air livery at the Nnamdi Azikiwe International Airport, Abuja on 26 May, three days ahead of the latest deadline that Sirika's deft hands set. Sirika delivered on time. Along the way he littered trails of how he did everything to ensure he messed up a project that he used to be so proud of that he personalised it. When he discovered that his fantasies were not tickling anyone, anymore, he started leaning on the Federal Government in his statements. It was the Federal Government that unveiled Nigeria Air on 26 May, not Sirika. We were later told it was not an unveiling, it was not a test flight, it was not an inaugural flight, it was not an introduction; it was a presentation. The flight was chartered not leased, the ownership of the aircraft was doubtlessly Ethiopian, and the crew was on standby to take it back to Addis Ababa where it has resumed flight duties immediately. Would it not be unfair to scam to use it to describe what Sirika did? It was not a scam – it was worse. The low-level trickeries on which Sirika's schemes survived would not qualify for scams. What was wasted on Nigeria Air may never be known if we bear in mind that what Sirika did was typical



Buhari transparency in action. He was not meant to account. He would not account. Those who ask if he would get away with it are playing innocence of how Nigeria works. From 18 July 2018 when the logo of Nigeria Air was unveiled at the Farnborough International Air Show in the United Kingdom, it was clear that Sirika was at play. Armed with only a hastily produced logo that was claimed to have been done in Dubai, Sirika said Nigeria Air would be flying by the December 2018. Three years of silence rolled by. Sirika upped his game at an aircraft factory in Hungary when during an August 2021 visit, he said that Nigeria would start manufacturing its own airplanes by 2023 in partnership with the company. It was likely that the inability of Nigeria to manufacture the planes could have affected his plans to put Nigeria Air in the skies. Let it be noted that the Hungarian company Sirika visited manufactures light military aircrafts. Sirika was not in a position to negotiate manufacturing of military aircraft in Nigeria. He was not the Minister of Defence. He was not the National Security Adviser. Sirika did not realise that the kite he flew in Farnborough was acceptable as Nigeria Air. Had he known, he would have set up a motorcycle assembling plant in his native Dutsi and tell us he was manufacturing airplanes.

Nigeria Air, Hadi Sirika and Buhari's failure

By Jibrin Ibrahim

One of the clearest symbols of the failure of the Buhari Administration was former Minister of Aviation Hadi Sirika trying to pool the wool over the eyes of Nigerians presenting a hastily repainted Ethiopian Airline plane chartered for the trick at high cost to claim that he had delivered on his mandate of delivering Nigeria Air before the end of his mandate. The tragicomedy was not funny because Nigerians knew about the billions spent on the project with nothing to show for it. Maybe the big question was why was he reappointed to deliver on this mandate when he had been given the opportunity in the first term of the Administration but had failed miserably? For his failure, he was promoted from junior to senior minister in 2019 and his "empire" carved out of the Ministry of Transport so that he would have sole authority on the matter. The signal was clear, the reward for failure under Buhari was promotion. It would be recalled that in September 2018, Hadi Sirika's Nigeria Air project was suspended by the Federal Executive Council (FEC), dashing the hopes of many Nigerians that would have loved to see a Nigerian Carrier that we could proudly call ours to ferry us around the world and make a lot of money as British Airways, Emirates, Air France etc. are making out of our resources. We know the difficulties of government ownership of airlines and what led to the liquidation of Nigeria Airways in 2004 so when Minister Hadi Sirika announced in December 2015 that his strategic objective as Aviation Minister was the establishment of a private sector successful national airline for Nigeria, I put him on my "I like" list. With the suspension of the project and the knowledge that it was all Hadi Sirika's fault, I feel bitter because he could have succeeded if he had consulted widely and planned well. Instead, he conducted one of the most -opaque attempts to establish a project in Nigeria with no information, almost no consultations and absolutely no transparency. His second failure is even more painful even if it was expected.

I have followed the airline issue closely and noticed that between December 2015 and July 2018, Minister Hadi Sirika on numerous occasions assured Nigerian that the project was on course, but he never gave any details on what was being planned. I noticed that a lot of aviation stakeholders were asking question on what the plans of the minister was but there was no response. It became clear that for him, the airline was his personal project and he did not see the need to discuss with stakeholders and create a consensus on the best strategy to adopt. Given the total information blackout from the Minister, a lot of speculations arose that he was planning to use the assets of Arik and Aero Airlines taken over by AMCON to start the new line. Others speculated that he was begging Qatar Air and/or Ethiopian Airways to come and set up an airline for us. Speculation became the sole mode of engagement because the minister refused to engage with anybody.

It was only in July 2018 at the Farnborough International Air Show in the United Kingdom that Hadi Sirika announced that the name of the proposed new National Carrier is 'Nigeria Air' and that the proposed national airline would be unveiled before the end of 2018. Then came the bombshell – government would invest \$300 million in the new venture and own only 5% of it. With great fanfare, he then launched the logo of the airline for which he had paid some foreign company

\$600,000 and multiple criticisms arose. The most effective I recall was the tweet by Mustafa Chike Obi, former Managing Director of AMCON who tweeted out on 21st July 2018 – why was Nigeria was paying \$300 million for only 5% of the new carrier while Air France/KLM had paid \$286 million for 31% share of Virgin Atlantic. The tweet went viral and there was massive reportage in the media that the minister was planning a scam. It was in this context that the next day, the Minister announced that the entire bill for the start-up would be borne by Government, which would have 100% and not 5% ownership and would subsequently sell 95% to the private sector. It was incredible that even at that stage Hadi Sirika was not willing to share basic information on the strategy for the establishment of the airline. After assuring Nigerians for three years that the project would be 100% private, he turned it to 100% government project and did not even want to tell Nigerians. Part of the problem was that the same Minister Hadi Sirika had refused to inaugurate all the governing boards of the parastatals in the aviation sector despite repeated admonishing from the President, the APC party chairman and the Central Working Committee of the ruling party. He therefore single-handedly run the entire aviation sector. This meant that he was all powerful and it pleased him that he was master. For his second term from 2019 boards were not even appointed for the parastatals in the aviation sector to please him. President Buhari made it a one-man show. In his last two weeks in office, Sirika reorganized the entire ministry, added aerospace to it, appointed new managing directors and directors and even boards for the parastatals. Clearly, having served and failed for the eight years he was there, he decided to stamp his mark of failure on the future of the aviation industry.

In 2018, it was the Economic Management Team (EMT) led by the Vice President Yemi Osinbajo that examined the Nigeria Air project and discovered with consternation that the Minister had committed the Government to major and immediate investment to set up the carrier despite knowing fully well that the project had not been budgeted for. Meanwhile, somehow, \$8.8 million preliminary cost had apparently been provided by Government. What the money was spent on had not been explained up till now. It was symptomatic of the Buhari regime that for all these failures, he was promoted and asked to deliver the same mandate he had failed to perform earlier. Currently, Nigerians are correctly calling for a probe on Sirika's second failure. President Buhari may be the only human being that could believe giving him four extra years would produce a different outcome. Today, we are still in stage one of the five-stage process of establishing an airline after eight years work by Hadi Sirika.

The real issue about Sirika was that he was close to the President and therefore could act with impunity, fail in his assignment and remain in power while running the ministry as a personal fiefdom. How could the President even consider major structural re-organisation of the ministry in his last week in office knowing fully well that the Tinubu Administration was coming in? The bigger picture of course is that the lack of scrutiny extended basically to all other ministries and in the coming weeks and months we will start learning details of how other ministers ruled and ruined the country. May accountability return to governance.

The N85bn fraud: How Hadi Sirika conned Nigerians

By Ifeoma Okeke-Korieocha

The hopes of many Nigerians were dashed few hours after Hadi Sirika, the former minister of aviation had made a static display of what was supposed to be the resurrected Nigerian carrier, Nigeria Air. A few hours after Nigerians had celebrated the arrival of the aircraft, then videos, evidences and pictures started to trickle in showing that the said aircraft used for the static display was 'borrowed' from Ethiopian airlines. Nigerians who were taken aback at this display of what they described as 'fraud' wondered why a government would go as far as deceiving its own citizens of floating a non-existing airline. In 2015, when Sirika was appointed minister of Aviation, he had put forward an aviation roadmap with National Carrier as the queen project, which he promised must be delivered to the Nigerian people before the end of Muhammadu Buhari administration. After failed attempts by other ministers to set up and successful run a sustainable national carrier in the last 50 years from Nigerian Airways to New Co, Nigerian Global, Nigerian Eagle, Virgin Nigeria, Air Nigeria and Nigeria one, Sirika had promised that the former President Muhammadu Buhari administration was going to restore the pride of Nigeria in the skies by floating a national carrier which would bear Nigerian flag. The first display of what was supposed to be an unveiling of the airline was done in another country. The former minister had in 2018 unveiled Nigeria Air as its new national carrier at the Farnborough Air Show in the U.K. This ceremony had raised dust as many wondered why the unveiling of Nigeria's own airline was done in another country. Before and after the launch of the carrier, the prospective airline continued to gulp huge sums of money, despite not acquiring a single aircraft. In eight years, Buhari's administration spent over N85 billion on Nigeria Air. Data by the National Bureau of Statistics (NBS) and Compilation of Budgetary Allocations show that the Federal Government spent N85.42 billion on transaction advisers, working capital and consultancy bills for Nigeria Air between 2016 and 2023. Despite the huge amount spent on the national carrier, the airline has not only failed to secure Air Operating Certificate, an approval granted by a Nigeria Civil Aviation Authority (NCAA) to an aircraft operator to allow it use aircraft for commercial flight operations, but has also not secured a single aircraft for its operations. As Buhari's administration was close to winding up, stakeholders reminded Sirika of the monies spent on the national carrier and his promise to deliver the project before the administration was over. Sirika, who had already ticked a scorecard for himself as achieving 98

percent of all he promised on his aviation roadmap including the Maintenance, Repair, and Overhaul (MRO) facility; the Aviation on Leasing Company (ALC); Aerotropolis, Airport concession and the development of agro-allied cargo terminals, just needed a last tick on national carrier to bid the aviation sector goodbye. Sirika had boasted that the national carrier project was going to be the icing on the cake as he would be achieving 100 percent of his road map with the floating of the national carrier. For Sirika, a static display of an aircraft branded and labeled 'Nigeria Air' would probably help achieve the 'dream' of resurrecting the national carrier and 100 percent achievement of the aviation roadmap. Findings show that the former minister of Aviation had contacted Ethiopian Airlines few days before the handover, to provide an aircraft that would be presented to Nigerians as an aircraft belonging to Nigeria Air. Ethiopian Airline had obliged by repainting and rebranding one of its Boeing 737-860 Max aircraft. Investigations show that the Boeing 737-800 aircraft has registration Number ET-APL, Mode S Q4005C and serial number: 40965/4075. Further investigations show that the national carrier is about 11 years and first flight with the aircraft was done on 22nd June 2012 as Ethiopian Airlines aircraft. The aircraft became Malawi Airlines on 16th February 2014 and released to Ethiopian Airlines on 12th August 2015. Checks show that the aircraft changed colours but ownership remains that of Ethiopian Airlines. Alex Nwuba, CEO of Ghana-based Smile Aviation and former CEO of Nigerian-based Associated Airlines, described the national carrier as unbudgeted billions spent on frivolities, showcasing, and unveilings. "From ribbons to Ethiopian Aircraft all in the name of Nigeria Air; from the demolition of offices of staff of Federal Airports Authority of Nigeria to actual demolition of a few houses. From airport concessions to two funny concessions. "The establishment of an unseen leasing company to Aerotropolis even the drawings are yet to be seen. In the end we're here pockets emptied and hopes dashed," Nwuba said.

Two days after the static display, flight live tracker 'flightrader24.com' showed the Nigeria Airplane was back to Ethiopia where it was brought in from. David Hundeyin, independent journalist, had drawn people's attention to the flight tracker. "Behold your freshly commissioned "Nigeria Air" Boeing 737 heading back to Addis Ababa right now as we speak, where the hurried paint job will be removed and it will go back into @flyethiopian regular service," Hundeyin had said. Three days after, the live

tracker showed the aircraft was back to regular flight service for Ethiopian Airlines on its Addis Ababa-Mogadishu route, which appears to be the same route it flew before being brought into Nigeria and presented as Nigeria Airplane. Hundeyin, again tweeted: "The 'Nigeria Air' Boeing 737-800 has had its hurried wrap job removed and is now back in regular service for @flyethiopian on its usual Addis Ababa-Mogadishu route – the same route it flew as recently as last week before being "commissioned" in Abuja by @hadisirika," Hundeyin stated. It was, therefore, not surprising, that the House of Representatives has faulted the Nigeria Air purported launch of May 26, 2023, stating that Sirika, and other proponents sought to hoodwink the country. Nnolim Nnaji, Chairman of the House Committee on Aviation, declared the launch of Nigeria Air a fraud. The Ministry of Aviation claimed Nigeria Air was only unveiled and not launched, which the committee dismissed as an attempt to divert the lawmakers' attention. Members of the committee were shocked when Nigerian Airspace Management Agency (NAMA) disclosed that the aircraft bearing Nigerian colours was on a chartered flight to Nigeria. Dapo Olumide, Interim managing director of Nigeria Air, had also confirmed the aircraft used to unveil the country's national carrier was a legitimate chartered flight from Ethiopian Airlines. Olumide said the aircraft returned to Ethiopian Airlines after the unveiling. He said this before the Senate Committee on Aviation. The Committee members expressed misgivings towards the unveiling of the national carrier during a meeting with Olumide; the Permanent Secretary of the Ministry of Aviation, Emmanuel Meribole; as well as heads of aviation agencies. At the meeting, Biodun Olujimi, chairman of the Senate Aviation Committee, wondered why Hadi Sirika, the immediate past Minister of Aviation, hurriedly unveiled a national carrier on the last day of the Muhammadu Buhari administration. Few days to the arrival of the aircraft, Airlines Operators of Nigeria (AON) had described the commencement of Nigeria Air as a flagrant disobedience of the orders of the Federal High Court of Nigeria which halted the said moves by the minister to float the airline until the determination of the substantive suit brought by AON against it. The AON also alleged that the process of acquiring AOC for Nigeria Air is only at the stage one, contrary to Hadi Sirika, minister of aviation's televised statement that the Nigerian Air AOC process was at the concluding stage five.

In a statement by Obiora Okonkwo, spokesperson, AON said they had noted with dismay the comments by the former Minister of Aviation to the effect that he would commence operations of Nigeria Air before Monday, May 29, 2023. The AON said: "All of these statements and actions are in flagrant disobedience of the orders of the Federal High Court of Nigeria which halted the said moves by the minister to float the said airline until the determination of the substantive suit brought by AON against it. "We make bold to respond because of the myriad of inquiries from concerned and patriotic Nigerians and industry stakeholders who have either called or sent

messages over the Minister's comments. Okonkwo stated that while AON welcomes the establishment of more airlines in Nigeria because the skies are big enough to accommodate all but AON is against any contraption that is shadowy and not in the best overall interest of the country. He called on the former Minister to come forward, defend and counter the submissions of AON suit. He also stated that it was very disturbing that a Minister is desperately hoodwinking the entire nation into accepting a massively flawed process just 72 hours to the end of his 7-year tenure in office as Minister of Aviation, even as the courts have halted him. "Stakeholders are worried that his actions may create problems for the incoming government. "The government of President Bola Ahmed Tinubu should not be blackmailed into accepting a contraption that would definitely and ultimately hurt the Nigerian economy and destroy millions of existing jobs in favour of one or two individuals and a foreign country by this hurried last-minute desperation. "The aviation minister is aware of the different court orders against him and Nigeria Air. He should be aware that he is courting a charge of contempt of court as he is not above the law and cannot freely disregard the courts. "AON is also aware, like the Minister and promoters of Nigeria Air, that the process of acquiring Airline Operators Certificate (AOC) for Nigeria Air is only at the stage one, contrary to his televised statement that the Nigerian Air AOC process was at the concluding stage five. "The world is watching the regulator, the Nigeria Civil Aviation Authority (NCAA), on this Nigeria Air and its AOC process," Okonkwo stated. Many have since asked if Nigeria Air would ever fly again despite the issues surrounding it. Many stakeholders are calling for a forensic audit of the process of Nigeria Air and many regards it as a scam, which the former Minister used to delude Nigerians, after over N85 billion was spent on the Nigerian carrier programme. John Ojikutu, Executive Secretary of Aviation Round Table (ART), a think-tank body in the industry, advised that the project should be discarded. "There should be flag carriers at least two: one regional and continental and the other intercontinental from the existing carriers. National Carrier as being envisaged will end up as government carrier and die like the Nigeria Airways," he said. Ojikutu added that no government of any developing country has the financial resources to solely finance an airline, not even the USA the largest economy in the world has a national carrier but flag carriers. "Please discard what Sirika is doing with the industry at quarter to go," he said. Other stakeholders are of the view that if the national carrier must be floated, it must be done in a transparent manner and all stakeholders must be carried along in the process, as this was what Nigeria Air lacked in the first place. Despite the disgrace and the embarrassment, he brought to Nigeria, Sirika was "handsomely rewarded" by Buhari with Commander of the Order of the Federal Republic (CFR), during the hurriedly packaged 2023 National Honours that have remained controversial.

Culled from BusinessDay