Uganda Airlines is once again in crisis. Let's not waste it this time

All of East Africa's airlines are bleeding money and limping. Instead of bandages, we should go for open-heart surgery.

Daniel K. Kalinaki
In My View

The national carrier, Uganda Airlines, is once again looking for fresh leadership after CEO Jenifer Bamuturaki was finally taken out of her misery. Those sympathetic to Ms Bamuturaki point to structural challenges such as a thin fleet that is always one delay away from a crisis, and supply chain problems in the industry that made repairs and service harder.

Critics point to long-standing allegations of corruption and mismanagement in the airline and draw similarities between her being so out of depth with a fish in a tree. Both arguments are correct, and some.

The coronavirus pandemic that struck just as the airline was unfurling its wings did stymie the start-up's early days, but some of the faults appear self-inflicted. These include locking up cash in expensive outright purchases of aircraft; an esoteric choice of aircraft that only a few airlines fly; and then mashing that up with different wider-body aircraft that require completely different sets of training, certification and maintenance.

To that one must add routes that expanded faster than the fleet, customer care that ranges from indifferent to negligent, and internal malfeasance in all manner of contracts, from air tickets to inflight catering to fuel.

If he is allowed his afternoon naps, medications and is listened to, Girma Wake, the veteran octogenarian who once ran Ethiopian Airlines and advised Rwandair, might help solve some of the more glaring of these problems.

These, however, are merely the tip of the iceberg. The two biggest underlying problems at Uganda Airlines, in my view, are governance and scale.

Start with governance. The conventional wisdom is that Ms Bamuturaki was appointed to the top job not as recognition of her competence, but as a reward for the support her family rendered to the NRA during the war that brought it to power. It's hard to prove this claim, but even harder to explain how the fish ended up in the tree, and why attempts by MPs to investigate the affairs of the airline were blocked.

Regardless of who owns it, an airline's primary obligations should be to its paying customers. The sense that the people running the airline were untouchable made them unaccountable and, in time, undermined the support and goodwill that it enjoyed from paying customers who voted with their feet.

Any resuscitation effort must begin by redefining and streamlining the airline's governance away from the Presidency to the Board and line ministries. This is easier said than done and, in current times, even counterintuitive. But Uganda Airlines can only survive if it is run by professionals who can say no to the President and his ministers and explain why, not cadres who are hard-wired to say yes, then find a way around it.

The second challenge is scale and perhaps even strategy. Uganda, Kenya, Rwanda and Tanzania now all have national airlines, which are all losing money. In 2023/2024, they collectively lost more than $200 million and will print a similar red number this year, and next, and next.

National airlines are not merely profit-seeking ventures. They serve a strategic purpose of supporting auxiliary sectors of the economy, including tourism and agro exports. These goals are not mutually exclusive. The economies of the East African Community are big enough to support a regional airline that can wash its face in the main, but they are not big enough to support four or five small airlines that are each flying on a wing and a prayer.

Only pride and expensive nationalism stand in the way of earnest conversations to meld these fledgling carriers into one mid-sized entity that can support domestic, regional and international tourism, and drive exports. The African Continental Free Trade Area is opening markets on the continent for our milk, coffee, and other products that many countries still import from farther afield.

A strong regional airline can be an integral part of this value chain, with cost-saving synergies on ground handling, crew training, aircraft maintenance, marketing, and back-office operations. Putting a fish in a tree is a waste of protein and timber. The bigger waste, however, is focusing on the tree and missing the forest altogether. All of East Africa's airlines are bleeding money and limping. Instead of bandages, we should go for open-heart surgery. We should not waste this crisis.

Mr Kalinaki is a journalist and poor man's freedom fighter.
write2kalinaki@gmail.com; @Kalinaki