

UGANDA AIRLINES: How billions vanished in 4 years

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KAMPALA – In August 2019, Uganda Airlines returned to the skies with promise tacked into its wings. The national carrier's first flight to Nairobi carried just eight passengers, but it carried something heavier too: a country's hope that a long-lost national symbol could finally be rebuilt, wiser this time, disciplined, and run like a business rather than a political project.

Four years later, that optimism has thinned into scrutiny, and, increasingly, disbelief.

Since its revival, Uganda Airlines has burned through billions of shillings, posted losses every year, cycled through leadership crises, and is now under active investigation by police and the State House Anti-Corruption Unit. The story of the airline's struggles is no longer just about aviation. It has become a case study in how politics, weak governance, and blurred accountability can unravel even the most ambitious national projects.

A COSTLY TAKE-OFF

The relaunch began with confidence, and cash. In August 2019, the government procured four CRJ900 regional jets at a cost of \$273 million each. More aircraft followed. Routes multiplied. Today, Uganda Airlines operates 17 direct destinations, including long-haul flights to the United Kingdom.

But expansion raced ahead of systems. Barely two years into operations, the airline was engulfed by its first major leadership crisis. Then CEO Cornwell Muleya was sent on forced leave by the Minister of Works and Transport, following directives from President

Yoweri Museveni to investigate allegations of financial mismanagement, nepotism, and corruption. Muleya was later suspended, his contract terminated, and he eventually sued, winning Shs 455 million in compensation.

The damage, however, went far beyond one office.

FROM RECRUITMENT TO CONTROVERSY

An international recruitment exercise, run by PwC, was launched to find a new CEO. Applications closed in July 2022. But the process was abruptly halted after President Museveni appointed Jennifer Bamuturaki as substantive CEO.

Her tenure, now nearing its end, has been among the most turbulent.

Bamuturaki, who had previously served as commercial manager, took over an airline already under scrutiny for ticket fraud, unprofessional conduct, and passenger disruptions. Those problems did not abate. Instead, they deepened.

Last month, the Criminal Investigations Directorate and the State House Anti-Corruption Unit formally opened probes into allegations of abuse of office, embezzlement, and false accounting involving airline officials. Investigators demanded board minutes approving the purchase of Boeing aircraft, procurement records, fuel supplier transactions, ticketing documents, banking records, and internal audit reports, an unusually broad sweep that signals the seriousness of the inquiry.

At the same time, the airline has struggled operationally. Two aircraft, an Airbus and a CRJ, remain grounded due to technical challenges, with one stuck in Lagos awaiting parts.



Jenifer Bamuturaki

"We have seven aircraft, including one under a wet lease," Bamuturaki said recently. "One Airbus and one CRJ are grounded due to technical challenges, which caused major disruptions during the Christmas season."

THE NUMBERS THAT TELL THE STORY

The Auditor General's reports paint a stark picture.

Since relaunch, Uganda Airlines has recorded losses every single year. In the 2023/24 financial year alone, losses hit Shs 237 billion. Ticket fraud accounted for Shs 140 billion. Ticket price manipulation by staff and travel agents added another Shs 170 billion.

Earlier years were no better: losses of Shs 102.4 billion in 2019/20 and Shs 164.6 billion in 2020/21.

Behind those figures lay systemic failures. The airline operated without a board-approved staff structure or salary scale, leading to distorted pay, weak planning, and excess salary expenditure of Shs 4.9 billion. The wage bill nearly doubled in a single year, jumping from Shs

7.2 billion to Shs 14.3 billion. A Parliamentary investigation uncovered 908 passenger tickets from revenue records. More tickets "easily voided or altered." A committee concluded the syndicate involving staff had been the airline.

To aviation veterans, none of this came as a surprise.

Captain Edward Francis Babu, a respected aviation expert, argues that Uganda Airlines' troubles were baked in from the start.

"When starting any business, including an airline, it must be founded on a solid business case, not politics," he said. "Unfortunately, Uganda Airlines was a blessing that was never allowed to mature." Babu points to rushed expansion, the decision to buy rather than lease aircraft, unsuitable aircraft models, overstaffing, and political interference, including appointing people without aviation expertise.

"We had the perfect geography," he is noting Entebbe's strategic location. "But instead of starting small and growing gradually, we rushed into regional and intercontinental operations without a strong foundation."

Still, he insists the airline can be saved. "We don't need another restart," Babu said. "We need leadership that understands aviation, less politics, and more professionalism. That is how you turn this airline around."

As the board advertises for a new CEO and investigators sift through records, Uganda Airlines stands at a crossroads once again. The question is no longer whether the airline can fly, but whether the state can learn.

The revival was meant to close the chapter on past failure. Instead, it has reopened an old debate: how national ambition collapses when governance is treated as optional.

For now, the planes still take off. But the trust that carried them into the air is running dangerously low.

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