

Airlines spend N50bn annually on aircraft maintenance overseas

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Nigeria - The low value of the naira has increased the cost of overseas aircraft maintenance to over N50bn annually, Nigerian airline operators have said. They noted that the cost would have been higher if many of the airlines did not shut down their operations in the last five years. There are relatively fewer operating aircraft as the number of aircraft on maintenance has decreased by about 35 percent.



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Senior official and engineer in Aero Contractors, James Ominyi recently told ThisDay that aircraft maintenance on C-check could cost between \$600,000 to \$1m and there are other associated costs, including cost of ferrying the aircraft, pilot's allowances and accommodation and loss of revenues when an aircraft taken overseas stays longer than necessary waiting for a slot at the maintenance facility.

"You need to seek the over flight permit of the country. And then, depending on the distance, you have to pay for fuel. But I know it will not be less than \$50,000. You also will have to pay for landing and fueling, which is called technical stop," Ominyi said.

He explained that generally, MROs (Maintenance, Repair and Overhaul) could charge \$600,000 for C-check, depending on the scope of work, but noted that at the end of the day, the airline may end up paying up to a \$1m or more because there could be findings that would be beyond what was captured in the agreement in the C-Check and then the airline would have to pay for it. "When they open the engine and they open the side wall panels they may see cracks that are beyond what is agreed on, which they have to rectify and this will be at extra cost. I have seen a C-Check that had cost up to a million pounds in UK. That is possible because the moment they open up the aircraft, they will see so many things that ought to be done that were not tracked before," Ominyi explained.

Crash of the naira has upped the cost of maintenance

The cost of aircraft maintenance would have reduced by at least 30 percent if Nigeria has maintenance facility in the country, but the crash of the naira has upped the cost of maintenance said the head of flight operations, Air Peace, Captain Victor Egonu.

He noted that while the cost of aircraft maintenance is the same in dollar terms, it costs Nigerian airlines more since the devaluation of the naira because the airlines now have to exchange more naira for the same amount of dollars to pay for maintenance.

Unfortunately, the cost of airfares has not increased due to the prevalent economic recession, which has drastically reduced the citizens' purchasing power.

The death of Nigerian airlines

Egonu admitted that there are three major factors that have led to the death of many Nigerian airlines and these are the cost of maintenance, bad management and the high cost of aviation fuel.

"Most of the reasons why airlines are dying is the cost of maintenance because we don't have a Maintenance, Repair and Overhaul facility in Nigeria. The decrease in the value of the naira has drastically affected the airlines because the cost of maintenance is still the same, but Nigerian airlines earn less because of the devaluation of the local currency. Airlines also spend more on aviation fuel. Although it is sold in naira the product is imported so Nigerian airlines pay more for it," Egonu said.

He noted that the crash of the naira affected all aspects of the economy, adding that investment in the country is very low presently and noted that even if an MRO facility is built there is no expertise to manage it because Nigeria does not have aeronautical engineers that would work there.

Egonu urged the government to facilitate the training of more Nigerian aeronautical engineers to manage MRO if it is built in the country.

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