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Assessment of Commercial Airlines Entry and Exit in Nigerian Aviation Industry

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Abstract
Nigeria has experienced a high rate of commercial airline entry and exit. However, entry does not guarantee long-term survival. Recent report indicates that about 150 domestic airlines have been registered since the establishment of Nigeria Civil Aviation Authority (NCAA) in 2000, but only a few are considered active. This trend has become worrisome to several aviation stakeholders. This study therefore assessed commercial airlines entry and exit in Nigerian aviation industry. The study adopted survey and longitudinal research design. Multi-stage sampling was used to administer questionnaire to 418 respondents. Secondary data were obtained from Nigerian Civil Aviation Authority. The study used frequency count, percentages, Relative Importance Index [RII], and Mann Kendall trend were used to analyse the data. Results showed that the period before year 2000 (39%) recorded the highest entry of airlines while 35.2% accounted same for exit between 2005-2009. Having professional and well experienced team and high operation expenses was the main entry and exit factor with RII of 0.732 and 0.776 respectively. Conclusively, the study established persistent commercial airline entry and exit as a characteristics of Nigerian aviation industry. The study recommended periodic re-capitalisation, and establishment of maintenance, repair and overhaul facilities in Nigeria.

Keywords: Aviation, Commercial Airlines, Entry, Exit

1.1 INTRODUCTION

Commercial air transport constitutes an important component of the global transportation system as it connects people, businesses, and market across geographical areas that be difficult or time-consuming with other modes of transportation. According to Sanjaya (2015), it is essential to the growth of the world economy. In 2023, aviation and aviation-supported tourism contributed

approximately US$4.1 trillion, equivalent to 3.9% of global GDP, and supported about 86.5 million jobs worldwide (Oxford Economic, 2025). Similarly, in 2023, the global aviation system comprised about 1,138 airlines, 4,072 commercial airports, and more than 67,000 routes, illustrating the extensive spatial reach of commercial air transport (International Civil Aviation Organisation [ICAO], 2026). The ICAO has identified Nigeria as a potentially important regional aviation hub, noting that the country's air transport market has substantial growth potential and that increased demand for air services can generate significant employment and economic benefits (ICAO, 2019). Recently, ICAO reported that the Nigerian aviation industry has experienced substantial growth in passenger, mail and cargo traffic, encouraging more airlines to establish operations in the country (ICAO, 2024).

The deregulation of the Nigerian domestic airline industry created opportunities for private-sector participation and resulted in the emergence of numerous privately owned carriers. In the view of Daramola and Fagbemi (2019), this development gradually shifted the industry away from exclusive dependence on the national carrier model. The literature describes Nigeria's deregulation as beginning in the mid-1980s, with subsequent liberalisation producing a large number of private carriers (Akpoghomeh, 1999). Among the carriers were ADC Airlines, Bellview Airlines, Sosoliso Airlines, Chanchangi Airlines, Afrijet Airlines, Albarka Air, EAS Airlines, Virgin Nigeria Airways, Nicon Airways, First Nation Airways, Air Midwest, and Slok Air. However, many of these carriers survived for relatively short period of time. Subsequently, the entry boom was followed by a remarkably high rate of airline exit. The Nigerian Civil Aviation Authority [NCAA] statistics indicated that at the commencement of its operation in January year 2000, there were 150 domestic airlines in its register which in 2006 reduced to 28 and at the moment only between eight airlines are operational (Okere, 2023).

In the airline industry, entry and exit are particularly important because they influence competition, fare, service frequency, route connectivity, employment, and consumer choice (Geroski et al., 1994). Airline entry and exit are important indicators of the competitiveness and sustainability of an aviation market. The broader record shows that Nigeria has experienced a large number of airline exits. Consequently, Nigeria provides an important context for examining the entry and exit problem.

The history of the Nigerian airline industry demonstrates that the problem is not simply one of attracting new airlines, but of enabling airlines to enter, survive and remain competitive over time. Nigeria has experienced repeated entry and exit of commercial carriers. Nigerian airlines have historically entered the industry with expectations of benefiting from the country's large population and potential demand for air transportation, but many have subsequently exited because of financial and operational difficulties (Daramola & Fagbemi, 2019; Sidiq et al., 2024). The experience of airlines such as Bellview Airlines, Sosoliso Airlines, Chanchangi Airlines, and IRS Airlines illustrates the instability associated with the Nigerian domestic airline market, while the financial difficulties experienced by Arik Air further demonstrate the vulnerability of major carriers to financial and operational pressure (Sidiq et al., 2024). This pattern suggests considerable instability in the structure of the Nigerian airline market and raises questions about the sustainability of airline business.

1.2 LITERATURE REVIEW

Commercial airline entry and exit constitute important indicators of the competitiveness, sustainability and structural health of an aviation market. Globally and in Nigeria, empirical studies have examined airline entry and exit from different perspectives, including profitability, market liberalisation, competition, management, operating costs, barriers to entry and barriers to exit. For instance, Geroski et al. (1994), in their empirical investigation of airline markets, found that entry generally increases industry output and reduces fares, whereas exit produces the opposite effect by increasing fares and reducing output. Evans and Evans and Kessides (1994) using data from airline markets examined how entry and exit affect market outcomes, particularly fares and output. The findings showed that airline entry was associated with lower fares and increased output, while exit was associated with higher fares and reduced output. Schnell (2004) study established that entry decisions are not determined solely by the existence of regulatory restrictions; rather, potential entrants assess the expected benefits of entering against the financial, operational and strategic costs of overcoming barriers. Similarly, the study Kappes and Merkert (2013) found that access to airport slots was perceived as the most effective barrier to entry within the European single market, followed by competition from high-speed rail. The researchers also found that perceptions of entry barriers varied according to airline business models and geographical regions. Nguyen and Nguyen (2018) used logit models and data from the U.S. Bureau of Transportation Statistics to examine airline route entry and exit decisions. Their entry model identified seven significant factors; total passengers, average market fare, number of carriers, route distance, presence of low-cost carriers, origin hub and destination hub whereas additionally route type and the business model of the largest-share airline were contained as significant factors in the exit model. Ojebode (2022), after examining 31 defunct African airlines and obtaining responses from aviation workers, found that mismanagement, fraud, unfavourable government policies, and indirect government interference were major contributors to airline failure. A comprehensive study of more than 200 airline cessation events across 95 countries between 2010 and 2023 found that airline failures were associated with financial problems as well as external shocks, including pandemics, economic recessions, and geopolitical instability (The Art of Airline Cessation, 2025). The study also observed that airline cessation affects carriers across different geographical regions and business models, demonstrating that airline survival depends on the ability of operators to withstand both internal weakness and external shocks.

As observed from global literature, commercial airline entry and exit are determined by an interaction of market demand, fares, competition, airport infrastructure, route characteristics, airline business models, strategic behaviour and regulatory conditions. More importantly, the evidence suggests that liberalisation can simultaneously encourage entry and expose incumbent airlines to stronger competitive pressure, potentially increasing the likelihood of exit. Thus, an increase in the number of entrants does not necessarily imply a stable or sustainable airline market.

In Nigeria, Uhuegho et al. (2019) provided a direct empirical evidence of this problem. The study investigated the causes of failure of domestic airlines in Nigeria using a quantitative explanatory-correlational design and data from 113 aviation stakeholders. The study identified ownership and management structure, economic conditions, lack of supportive economic policies, financial performance and operational efficiency, and airline leadership among the most important factors associated with airline failure. Amaechi et al. (2022) investigated the determinants of airline profitability in Nigeria's domestic network. Using data from the Nigerian Civil Aviation Authority for two airlines over the period 2005–2019. The study found that growth, liquidity, leverage, leasing, tangibility, fuel cost and personnel cost explained a substantial proportion of variations in profitability. Thus, demonstrated that financial and operating variables are important determinants of airline profitability and, consequently, the sustainability of airline operations. Using secondary data from the Nigerian Civil Aviation Authority and Corporate Affairs Commission, Sidiq et al. (2024) examined trends in airline registration and failure. Their study identified 179 registered airlines and 95 failed airlines over the period covered. It establishes the existence of an entry-exit imbalance: airlines continue to be registered and enter the market, yet a considerable proportion subsequently fail. However, it provided limited explanation of why particular airlines enter and subsequently exit.

The evidence reviewed suggests that Nigeria's airline industry has experienced repeated cycles of entry, operation, financial distress and exit. For example, Ismaila et al. (2014) focus on liberalisation and passenger demand; Uhuegho et al. (2019) investigate airline failure; Amaechi et al. (2022) examine profitability; and Sidiq et al. (2024) examine registration and failure trends. While these studies collectively establish that entry and exit are important problems, they do not provide an integrated explanation of the determinants of commercial airlines entry and exit. Therefore, this study seeks to assess commercial airlines' entry and exit in the Nigerian aviation industry, with particular attention to the patterns, determinants, government interventions and support measures. The findings are expected to provide useful information for policymakers, regulators, airline operators and investors in developing strategies that promote a stable, competitive and sustainable Nigerian aviation industry.

1.3 MATERIALS AND METHODS

Nigeria lies between Latitudes 04^0 01' and 13^0 09' and Longitudes 02^0 02'E to 14^0 30'E. Nigeria is bounded in the east by Republic of Cameroon (1,690km), in the west by the Republic of Benin (773km), in the north by Niger Republic (1,497km) and in the north east by the Republic of Chad (87km) and to the south of the country is a vast stretch of the Gulf of Guinea (853km). See Figure 1.

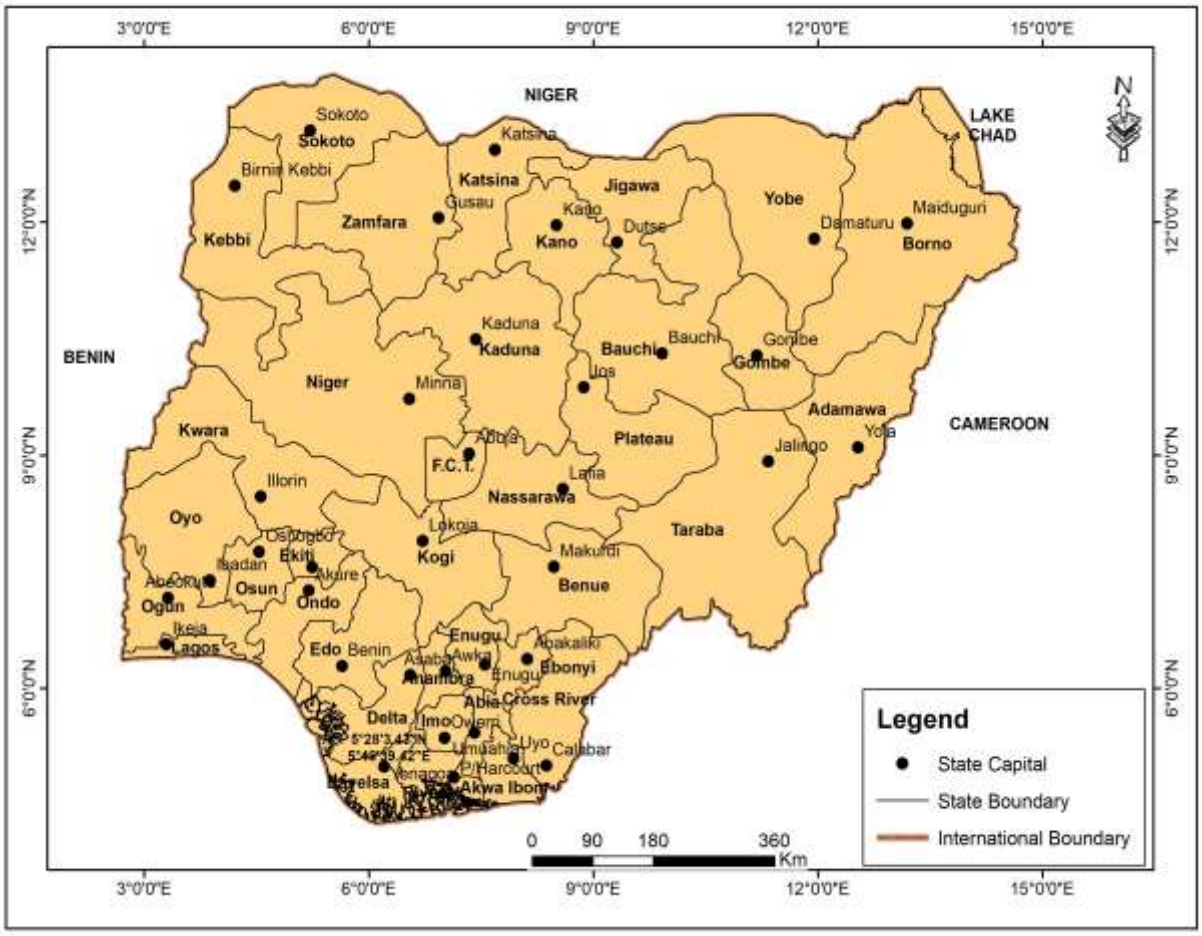


Figure 1: THE STUDY AREA
Source: Dept. of Survey and Geoinformatics ABU, (2020)

The equatorial easterlies, continental tropical air mass (cT), and maritime tropical air mass (mT) are the three atmospheric phenomena dominate the Nigerian climate (Ojo, 1977). The interaction of the dry north-easterly and the wet south-westerly winds is what primarily defines the Nigerian climate. The main ecological zones are the semi-arid zones in the northern edges, the savannah in the central belt, and the tropical rainforest near the coast (Akinsanola & Ogunjobi, 2014). The climate varies from place to place throughout the nation. The average yearly temperature on the plateau fluctuates between 21°C and 27°C. The average yearly temperature recorded in the interior lowlands is higher than 27°C. Compared to the inner lowlands, the coastal fringes have lower means (Iloeje, 1981). Like in other tropical nations, the seasonal temperature range is low, averaging 6°C. Indeed, it can drop as low as 3°C at certain southern locations (Iloeje, 1981). Also, observable is the harmattan haze especially during December and thunderstorm that usually characterise the beginning and end of the rains in Nigeria. Nigeria has a population of 140,431,790 million according to the population census conducted the Nigeria Population Commission [NPC] in 2006 with the growth rate of 3.02 percent per annum. This figure

comprises of 71,345,488 (50.8%) males and 69,086,302 (49.2%) females spread across the 36 states of the federation and Federal Capital Territory [FCT]. This population size is a potential huge market for air travel in Nigeria. According to Joseph (2014), Nigeria has more than 250 different ethnic groupings. A wide variety of customs, languages, religions, and cultural traditions are evident from the demographic data (Joseph, 2014; Okehie-Offoha & Sadiku, 1996).

There are 43 airports in Nigeria, some of which are airstrips used for aircraft take-off and landing. Of these airports, some controlled by the state, some by the federal government, and some privately. Five of these airports operated by FAAN are classified as functional international airports which include; Port Harcourt International Airport; Mallam Aminu Kano International Airport; Kano; Murtala Muhammed International Airport; Enugu; and Nnamdi Azikiwe International Airport. As at 2026, there are fourteen (14) scheduled commercial domestic airlines operational in both international and domestic airports in Nigeria. The airlines are Air Peace, Arik Air, Ibom Air, United Nigeria Airlines, Max Air, Overland Airways, ValueJet, NG Eagle, Gateway Air, Binani Air, Enugu Air, Xejet, Allied Air, and Aero Contractors.

This study employed longitudinal and cross-sectional descriptive research design with mixed methods approach. The secondary data on domestic commercial airlines with Airline Operation Certificate [AOC] for both schedule and non-schedule flight operations in Nigeria before year 2000 and between 2000 till 2022 was obtained from NCAA document. The commercial airline dates of commencement and cessation of operations were extracted from the NCAA document. The primary data was sourced from questionnaire administered to various aviation stakeholders directly involved in commercial airline operations in Nigeria. The number of each category of respondent was obtained from the records of NCAA. This gave a population of 7,095 and 39 commercial airlines with Airline Operator Certificate [AOC], all totalling 7,134. This was considered as the study population. Yamane (1967) formula was used to calculate the sample size with 95% confidence level and 5% sampling error assumption:

$$n = \frac{N}{1 + N(e)^2} \quad \text{..... (i)}$$

n = Sample size
N= Population size
e = Margin of error (0.05)

The study used the above formula with the study population to obtain a total of 379 respondents which adding the 39 commercial airlines with AOC for both scheduled and non-scheduled flight operations gave a sample size of 418 (Table 1). To determine the proportion of the respondents, simple arithmetic was used.

Where:

$$\text{Sample size per category} = \frac{\text{Category of Respondent} \times \text{Sample Size}}{\text{Total Number of all Respondents Category}} \quad \text{..... (ii)}$$

Convenience sampling technique was used to administer the questionnaire to each of category of the respondents. This was done till the required sample size in each of the category was met.

Table 1: Distribution of sample size

Category of Respondent	Population	Sample Size
Pilots	2,133	114
Aircraft Maintenance Engineers	1,659	89
Aircraft Dispatchers	588	31
Air Traffic Controllers	372	20
Cabin Crew	2,343	125
Sub-Total	7,095	379
Representative of Commercial Airlines with AOC	39	39
Grand Total	7,134	418

Authors' Computation, From NCAA, (2024) Statistics

Data obtained were coded for analysis using Statistical Package for Social Science (SPSS) version 23. Both descriptive and inferential statistics were used to analyse the quantitative data collected for the study. The descriptive statistics included; frequency count, percentages, and Relative Importance Index [RII]. This was calculated using the following formula:

RII = Sum of weights (W1 + W2 + W3 + ……+ Wn) / A x N … i
where W = weights given to each factor and will ranges from 1 - 5
A = highest weight (i.e. 5 in this case), and N = total number of respondents.

The inferential statistics involved the use of Mann Kendall and Sen's slope estimator trend test as well as Wilcoxon signed-rank non-parametric test. The results were presented using tables.

1.4 RESULTS AND DISCUSSIONS

1.4.1 Background Information of the Respondents

The result revealed that majority of the respondents were males with 79.7% while the remaining 20.3% were females (Table 2). This sex distribution ultimately indicates the dominance of male in the Nigerian airline industry. This validates the 2011 NBS General Household Survey data, which indicates that a higher percentage of men (6.1%) worked in the transportation industry. According to the respondents' age distribution, 23.5% of them were in the 36–40 age range, closely followed by 23.2% of them who were under 30. This shows the involvement of active population in airline business in Nigeria. Table 2 showed that 47% possess HND/B.Sc. with 36.7% having Masters postgraduate academic qualification. This result shows that most airline personnel do have one form of tertiary education or the other. As observed from the result, 36.7% have between 1-5 years working experience in airline industry, follow by 23.2% with 11-15 years working experience. With over 60% of the respondents having above 5 year working

experience is an indication of relatively high experience level among workers in airline business. This result is inconsistent with the findings of Adeniran and Egwuonwu (2015) that most Nigerian airlines staff have been working with their respective airlines for between 1-5 years. Possible explanation for the inconsistency in results might be attributed to Adeniran and Egwuonwu (2015) study consideration of working experience in a particular airline whereas this study looked at working experience in the entire aviation industry.

Table 2: Background Information of the Respondents

Sex	Frequency	Percentage (%)
Male	302	79.7
Female	77	20.3
Total	379	100
Age (years)		
Less than 30	88	23.2
30 – 35	63	16.6
36 – 40	89	23.5
41 – 45	49	12.9
46 – 50	38	10.0
51 – 55	39	10.3
Above 55	13	3.4
Total	379	100
Highest Level of Education		
Diploma	49	12.9
HND/B.Sc./B.A	178	47.0
Masters	139	36.7
PhD	13	3.4
Total	379	100
Working Experience (years)		
1 – 5	139	36.7
6 – 10	51	13.5
11 – 15	88	23.2
16 – 20	37	9.8
Above 20	64	16.9
Total	379	100

Source: Authors' Analysis, 2025

1.4.2 Commercial Airline Entry

Figure 2 indicated the number of domestic commercial airlines that entered the Nigerian airline industry at different periods as obtained from the NCAA document and updated in the course of this study. The period before year 2000 recorded the highest entry of thirty-two (39%) commercial airlines in Nigeria, followed by seventeen (20.7%) representing the period between 2000 and 2004. However, in the view of Paelo and Vilakazi (2016) entry of airlines into the industry has resulted to improved consumer welfare through the reduction of prices and increased number of flights which invariably has to contribute to economic growth. This depicts that the number of commercial airlines entry has decreased over time in Nigeria. On the other hand, the period between 2020 and 2022 had the least number of commercial airlines that entered the Nigerian airline industry.

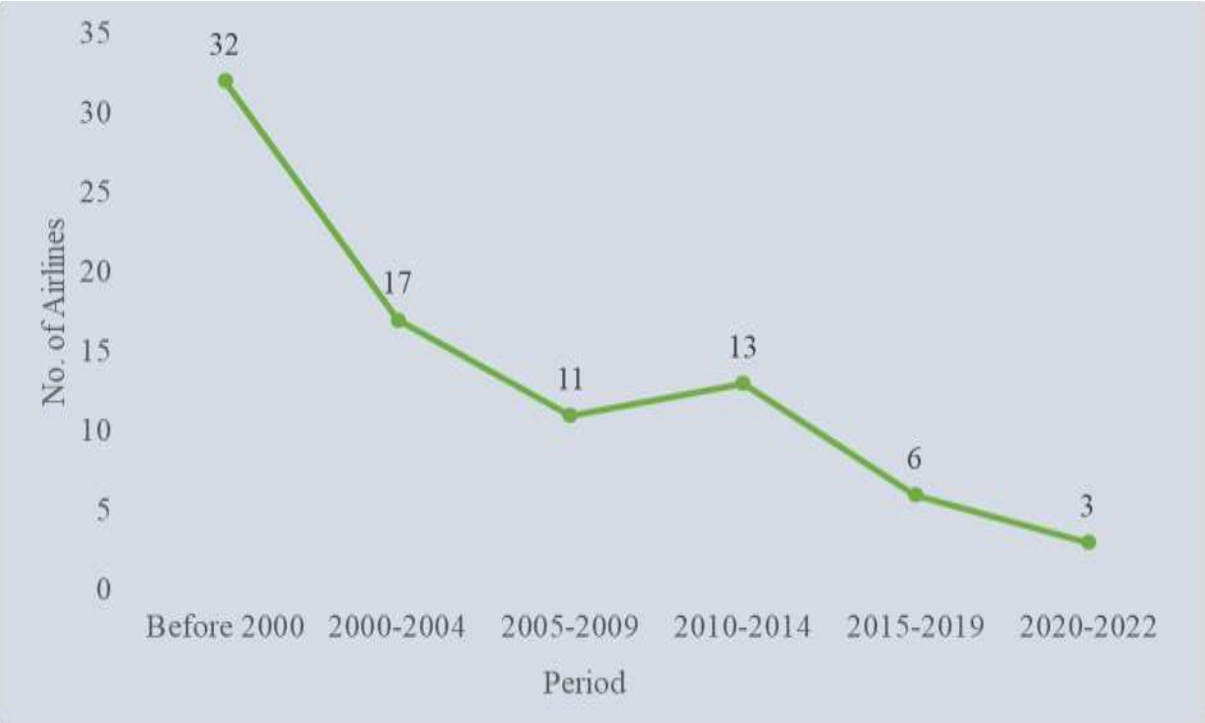


Figure 2: Number of Commercial Airlines Entry
Source: Authors' Analysis, 2025

1.4.3 Trend Test for Commercial Airlines Entry

Table 3 showed the results of the Mann Kendall trend test conducted to establish whether there is statistically significant trend in commercial airlines entry in Nigeria over time. It was revealed that on the average approximately fourteen (14) commercial airlines entered the Nigerian airline industry in each period. This implies that there are no substantial barriers preventing commercial airline entry in Nigeria. The computed coefficient of variation indicated approximately 75%. This relatively high value of the coefficient of variability depicts high level of inconsistency in the number of commercial entries across the periods. The Mann Kendall test and Sen's slope

estimator showed a statistically significant decreasing (downward) trend of commercial airlines entry at 95% confidence level. This is due the negative values of the test statistic (-13) and Sen's slope (-5.000). Consequently, the alternative hypothesis (H_1 1) that there is statistically significant trend in commercial airline entry was accepted. This depicts that commercial airline entry has significantly decreased over time in Nigerian airline industry.

Table 3: Trend of Commercial Airlines Entry

Statistic	
Mean	14
Standard Deviation	10.3
Co-efficient of Variation	75.1
S	-13
Var(S)	28.333
p-value	0.024
Sen's slope (β)	-5.000

Source: Authors' Analysis, 2025

1.4.4 Commercial Airline Exit

Figure 9 showed the number of commercial airlines that exited the Nigerian airline industry at different periods. The result showed that the period between 2005-2009 recorded the highest number of commercial airlines exit with nineteen (35.2%). About eleven (20%) commercial airlines each exited between the 2000-2004 and 2010-2014 respectively. From this result, it thus appears that while the airline industry may seem to be attractive enough to continuously attract several entrants, there are certain factors that could have contributed to the exit of airlines. This result is partly in consonance with Budd et al. (2014) findings on the study of forty-three (43) new European low-cost carriers [LCCs] that began operations between 1992 and 2012, of which the majority (77%) eventually ceased operations. Also, it was found from the result of this study that no commercial airline exited between 2020 and 2022 period. However, there were some of the commercial airlines that suspended their operations during this period due to one reason or the other.

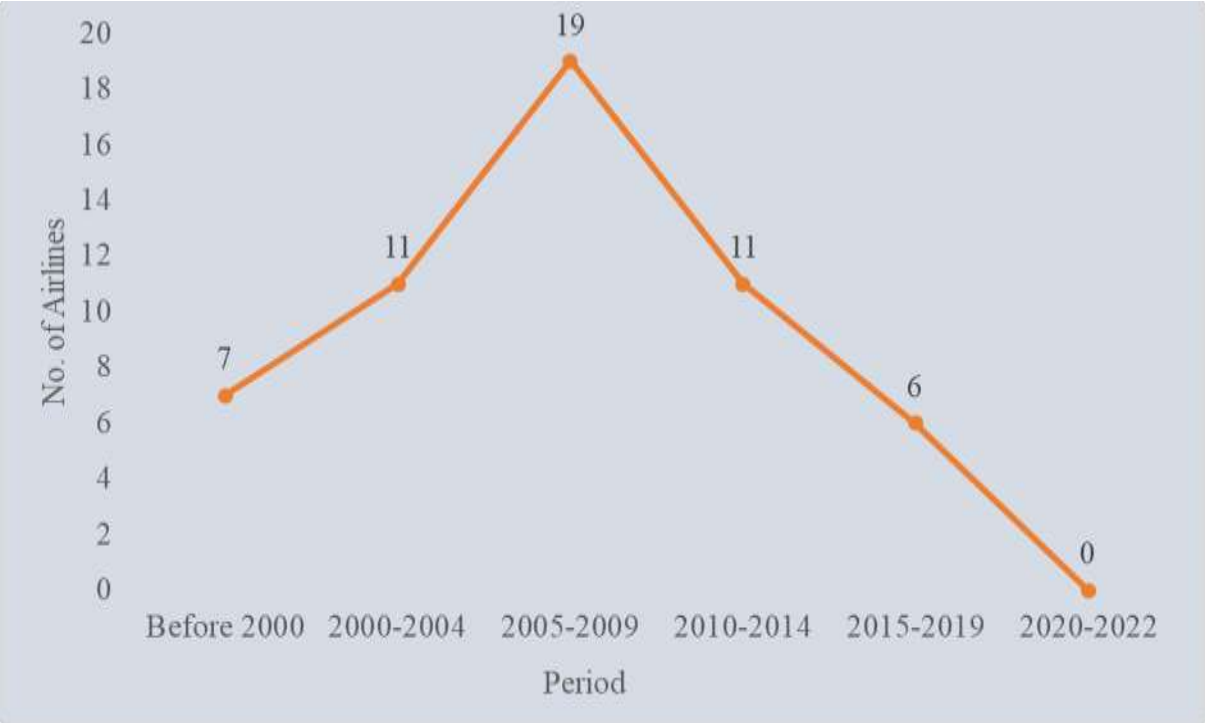


Figure 9: Number of Commercial Airlines Exit
Source: Authors' Analysis, 2025

1.4.5 Trend Test for Commercial Airlines Exit

The results of the Mann Kendall trend test conducted to establish whether there is statistically significant trend in commercial airlines exit in Nigeria over time is as shown in Table 3. It was found that nine (9) commercial airlines on the average exited in each of the period (Table 3). This suggests a harsh business environment for commercial airlines in Nigeria airline industry. The coefficient of variation was found to be relatively high with about 71% showing homogeneous distribution of the values. This goes to show that there was high level of variability in the number of commercial airlines that exited across the periods. Observable from Table 3 was that the commercial airlines exit showed a statistically insignificant decreasing trend given that the computed p-value is greater than the significance level alpha ($\alpha = 0.05$). Thus, the alternative hypothesis (H_0 1) that "there is statistically significant trend in commercial airline entry was rejected. Also, the magnitude of the trend as showed in Sen's slope (-1.667) was very low and negative.

Table 3: Trend Test for Commercial Airlines Exit

Statistic	
Mean	9
Standard Deviation	6.4
Co-efficient of Variation	70.6
S	-6
Var(S)	27.333
p-value	0.329
Sen's slope (β)	-1.667

Source: Authors' Analysis, 2025

1.4.6 Variation of Commercial Airlines Entry and Exit

The Wilcoxon signed-rank non-parametric inferential statistics as indicated in Table 4 was used to test the hypothesis "There is statistically significant periodical difference in commercial airlines entry and exit in Nigeria". The test result revealed that the p-value (0.345) is greater than the significance level at 95% confidence level. Thus, the alternative hypothesis (H_1 2) that there is statistically significant periodic difference between commercial airlines entry and exit in Nigeria was rejected. This result clearly showed that although there has been instance of commercial airline entry and exit at different times but the periodical variation between the entry and exit has not varied significantly in Nigeria airline industry.

Table 4: Periodical Difference in Commercial Airlines Entry and Exit

			Entry - Exit
Z			-.944[b]
Asymp. Sig. (2-tailed)			.345
	Sig.		.433
Monte Carlo Sig. (2-tailed)	95% Confidence Interval	Lower Bound	.423
		Upper Bound	.442
	Sig.		.217
Monte Carlo Sig. (1-tailed)	95% Confidence Interval	Lower Bound	.209
		Upper Bound	.225

Source: Authors' Analysis, 2025

1.4.7 Duration of Operation of Exited Commercial Airlines

For the commercial airline that have cessed from operations, each had the number of years that it operating before exit. Table 5 shows the duration of operation of commercial airlines that have exited. It was found that 37% of the commercial airlines that exited only had less than 5 years of operation, followed by about 30% that operated between 5-10 years. It was observed that a few of the commercial airlines (Nigerian Airways, ADC, Hak Air Limited) operated for above 20 years before ceasing from operation. Nevertheless, 5.6% accounted for those that operated between 16-20 years which represent the least.

Table 5: Duration of Operation of Exited Commercial Airlines

Duration (years)	No. of Airlines	Percentage (%)
Less than 5	20	37.0
5 – 10	16	29.6
11 – 15	8	14.8
16 – 20	3	5.6
Above 20	7	13.0
Total	54	100

Source: Authors' Analysis, 2025

1.4.8 Factors Influencing Commercial Airline Entry

The results in Table 7 showed that having professional and well experience technical team with RII of 0.732 was the main factor influencing the entry of commercial airlines in Nigeria. This was closely followed by significant passion for airline business with 0.723. Expertise in airline related job (0.712) was another factor that significantly influenced the entry of commercial airlines. The least factor considered by the respondents to have influenced entry of commercial airlines in Nigeria was relative high market size based on population size with RII of 0.606.

Table 7: Factors Influencing Commercial Airlines Entry

Factor	**RII**
Have professional and well experienced technical team	0.732
Significant passion for airline business	0.723
Expertise in airline related job	0.712
Prior experience in airline business	0.666
Identification of unexploited market niches based on cost structures/routes	0.646
Glamour of operating and owing an airline	0.641
Potential to give better profit when compared with other business ventures	0.634
Relative high market size based on population size	0.606

Source: Authors' Analysis, 2025

1.4.9 Factors Influencing Commercial Airline Exit

The results in Table 8 show that high airline operation expenses which includes fuel, charges, maintenance, and personnel among others ranked the highest factor influencing the exiting of commercial airlines in Nigeria with RII of 0.776. This result partly corroborates the claim of Joppien (2006) that air transportation is an extremely capital-intensive industry with very specific investments in long-term assets that create high exit barriers. This was followed by low airline profit margin factor. The airline industry's high fixed cost structure, relatively low variable costs, and unhealthy rivalry among carriers can all be considered contributing factors to the poor margins. Moreover, airlines frequently assert that an unfavourable environment in which they are trapped between monopolistic or oligopolistic suppliers who may make far larger profit margins at the expense of the airlines is the cause of their low profitability. This finding supports the claim that airlines, in particular, are known for having relatively low profit margins that frequently fall short of those made by airports, caterers, builders of aircraft, and ground service providers (Doganis 2005). Consequently, many airlines do not earn their cost of capital (Wittmer et al., 2011).

Amongst other factors that significantly influenced the exiting of commercial airlines in Nigeria were incapacity to innovate (0.681), use of only one business model and low patronage of airline services and low load factor with RII of 0.646 each. Factors such as saturation of existing airline markets and large number of competing airlines with RII of 0.551 and 0.541 respectively ranked the least factors influencing the exit of commercial airlines in Nigeria.

Table 8: Factors Influencing Commercial Airlines Exit

Factor	RII
High airline operation expenses (fuel, charges, maintenance, personnel)	0.776
Low airline profit margin	0.696
Incapacity to innovate	0.681
Low patronage of airline services and low load factor	0.646
Use of only one business model (full-service carrier, low-cost carrier, etc.)	0.646
Low propensity to fly among the populace	0.627
Stiffer airline regulations	0.623
Exogenous events (terrorism, political instabilities and natural disaster, etc.)	0.620
Poor service quality	0.615
Death of the airline business owner	0.614
Occurrence of accidents	0.609
Limited viable airline route	0.606
Exposure to cybersecurity events	0.564
Saturation of existing airline markets	0.551
Large number of competing airlines	0.541

Source: Authors' Analysis, 2025

1.4.10 Government Intervention and Support Measures to Commercial Airlines

Table 13 showed that giving of grants (83.6%) was the most intervention and support measure received by the commercial airlines from the government. This was closely followed by government-backed commercial loans and guarantees as well as waivers on customs tariffs for aircraft and spare parts for commercial airlines which accounted for 79.7% and 76.8% respectively. Also, a significant proportion identified reduction in the number and range of tariffs and taxes to airlines (66.5%), deferral and/or waiver of taxes and charges (63.6%), and removal of VAT on airlines (60.2%) as among the government invention and support measures to commercial airlines in Nigeria. The government supporting the commercial airlines with their payroll (53.0%) and suspension of 25 percent remittances by aviation agencies to the federal government (46.7%) accounted for the least intervention and support measures.

Table 13: Government Intervention and Support Measures

Measure	Freq. (Yes)	Percent (%)
Grants	317	83.6
Government-backed commercial loans and guarantees	302	79.7
Waivers on Customs tariffs for aircraft and spare parts	291	76.8
Provision of single digit soft loans with long term repayment plan	278	73.4
Reduction in the number and range of tariffs and taxes to airlines	252	66.5
Deferral and/or waiver of taxes and charges	241	63.6
Removal of VAT on airlines	228	60.2
Deferred payment of taxes and filing dates	227	59.9
Flight subsidies	215	56.7
Recapitalisation through state equity	203	53.6
Payroll support	201	53.0
Suspension of 25% remittances by aviation agencies to the federal government	177	46.7

Source: Authors' Analysis, 2025 Multiple Response

1.5 CONCLUSION

The study shows that the entry and exit of commercial airlines in Nigeria varied at different times with most airlines that exited having less than 5 years before they ceased from operation. The study established the several factors that influenced commercial airlines entry and exit. Having professional and well experience technical team, and passion for airline business were the main factors influencing the entry of commercial airlines while high operation expenses was responsible for exit of commercial airlines in Nigeria. However, the government have given grants, and government-backed commercial loans as intervention and support measures to the

commercial airlines. Notwithstanding, government interventions the problem of commercial airline exit still persist. This therefore require concerted efforts from various aviation stakeholders. Conclusively, despite the persistent of commercial airline exit, there are a lot of opportunities and future prospects in commercial airline industry in Nigeria.

1.6 RECOMMENDATIONS

i. The Nigerian Civil Aviation Authority, as the regulator of the airline industry should embark on periodic re-capitalisation and consolidation of commercial airlines in Nigeria. This will help stem the high rate of commercial airline exit in Nigerian airline industry.

ii. Commercial airlines in Nigeria should engage in fuel hedging contract which is widely practiced among other airlines in the world today. This will assist in reducing the financial burden attributed to high operating cost of commercial airlines.

iii. The Federal government in collaboration with the commercial airlines should facilitate the establishment of state-of-the-art maintenance, repair and overhaul facilities in the country and ensure that existing ones are upgraded to improve the services provided.

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