

- (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (b) traffic requirements of the area through which the airline passes after taking account of other transport services established by airlines of the States comprising the area; and
- (c) the requirements of through airline operation.

5. In order to enable the designated airlines of the Contracting Parties to enjoy fair and equal opportunities, and to secure a balanced participation by the designated airlines in the traffic potential between their respective territories, the Contracting Parties have agreed that the capacity to be provided, as well as the frequency of services to be operated and the type of aircraft to be used by the designated airlines on the agreed routes shall be agreed between the designated airlines in accordance with the principles laid down in paragraphs 1 - 4 above. In the absence of an agreement between the airlines they shall be required to submit the issue to their aeronautical authorities which will endeavour to resolve the problem in accordance with Article 15 of this Agreement. Pending an arrangement either at the airline level or between the aeronautical authorities the status quo shall be maintained.

ARTICLE 10

The aeronautical authorities of both Contracting Parties shall exchange, at regular intervals and in a format to be agreed upon between these authorities, statements of statistics that include all information required to determine the amount of traffic carried over the routes specified in the Exchange of Notes and the origins and destinations of such traffic.

ARTICLE 11

1. Aircraft operated by a designated airline of either Contracting Party and entering, departing again from, or flying across the territory of the other Contracting Party, as well as fuel, lubricants, spare parts including engines, regular equipment and aircraft stores on board such aircraft, shall be, on a basis of reciprocity, exempt from customs duties and other charges levied on the occasion of importation, exportation or transit of goods. This shall also apply to goods on board the aircraft consumed during the flight across the territory of the latter Contracting Party.

2. Fuel, lubricants, aircraft stores, spare parts and regular equipment, temporarily imported into the territory of either Contracting Party, there to be immediately or after storage installed in or otherwise taken on board the aircraft of a designated airline of the other Contracting Party, or to be otherwise exported again from the territory of the former Contracting Party, shall be exempt from the customs duties and other charges mentioned in paragraph 1 of this Article.

3. Fuel and lubricants taken on board the aircraft of a designated airline of either Contracting Party in the territory of the other Contracting Party and used in international air services, shall be exempt from the customs duties and other charges mentioned in paragraph 1 of this Article, as well as from any other special consumption charges.

4. Each Contracting Party may keep the goods mentioned in paragraphs 1 - 3 of this Article under customs supervision.