

4. The right of each of the designated airlines to carry international traffic between the territory of the other Contracting Party and the territories of third countries, shall be exercised in conformity with the general principles of normal development to which both Contracting Parties subscribe and subject to the condition that the capacity shall be adapted:

- (a) to traffic demands from and to the territory of the Contracting Party which has designated the airline;
- (b) to traffic demands of the areas through which the services passes, local and regional services being taken into account;
- (c) to the requirements of through airline operations.

5. Except as otherwise specified, neither Contracting Party may unilaterally impose any restrictions on the designated airline of the other Contracting Party with respect to capacity, frequency or type of aircraft employed in connection with services over any of the routes specified in the Annex attached to this Agreement. In the event that one of the Contracting Party believes that the operation proposed or conducted by the designated airline of the other Contracting Party unduly affects the agreed services provided by its designated airline, it may request consultations pursuant to Article XIV of this Agreement.

5. Article VI of the Agreement is superseded in its entirety and the following is substituted therefor:

ARTICLE VI

(Application of Laws)

1. The laws, regulations and procedures of one Contracting Party relating to the admission to or departure from its territory of aircraft engaged in international air navigation or to the operation and navigation of such aircraft shall be complied with by the designated airline or airlines of the other Contracting Party upon entrance into, departure from and while within the said territory.