

- (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. The capacity to be provided on the specified routes shall be agreed between the designated airlines in accordance with the principles laid down in this Article and subject to the approval of the aeronautical authorities of the Contracting Parties. In the absence of an agreement between the designated airlines, the matter shall be referred to the aeronautical authorities of the Contracting Parties which will endeavour to resolve the problem, if necessary, pursuant to Article XIX of this Agreement. Pending an arrangement either at the airline level or between the aeronautical authorities the status quo shall be maintained.

#### ARTICLE XII

1. The aeronautical authorities of both Contracting Parties shall cause their designated airlines to provide the aeronautical authorities of the other Contracting Party with monthly statements of statistics on a monthly calendar basis, including all information required to determine the amount of traffic carried over the routes specified in the Annex to this Agreement, including flight uplift and discharge of traffic, and if possible, the initial origins and final destinations of such traffic.

2. The details of the statistical data to be provided and the methods by which such data shall be provided shall be agreed upon between the aeronautical authorities and implemented not later than three (3) months after designated airline of one or both of the Contracting Parties commence operations, in whole or in part, of agreed services.

#### ARTICLE XIII

1. Each Contracting Party shall on a basis of reciprocity exempt the designated airline of the other Contracting Party to the fullest extent possible under its national law from import restrictions, customs duties, sales and excise taxes, inspection fees and other national duties and charges on aircraft, fuel, lubricating oils, consumable technical supplies, spare parts including engines, regular aircraft equipment, aircraft stores (including liquor, tobacco and other products destined for sale to passengers in limited quantities during the flight) and other items intended for use or used solely in connection with the operation or servicing of aircraft of the designated airline of such other Contracting Party operating the agreed services, as well as printed ticket stock, air way bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed without charge by that designated airline.

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article: