

(b) imported for such aircraft into, and stored in, the territory of the other Contracting State under customs supervision.

shall be exempt from the duties and other charges mentioned in item 1 above, if they either are installed in or otherwise taken aboard the said aircraft under customs supervision, or are otherwise exported again from the territory of the other Contracting State. The same exemption from such duties and other charges shall be granted for spare parts and articles of equipment taken from appropriate stores of other airlines and installed in or otherwise taken aboard the said aircraft under customs supervision.

3. Fuel and lubricants on board the aircraft referred to in item 1 above and introduced into the territory of the other Contracting State shall be free of customs duties and other charges levied on the occasion of importation, exportation and transit of goods, if they are used on board the aircraft, and this applies also on that part of any flight which takes place between points in the territory of that Contracting State. Fuel and lubricants taken on by aircraft belonging to a designated airline under customs supervision in the territory of the other Contracting State and used in international air service shall be exempt from, or shall be subject to remission or refund of, the aforementioned duties and other charges.

4. Aircraft stores introduced aboard the aircraft mentioned in item 1 above and intended for consumption by passengers and crew members may be issued in the territory of the other Contracting State for immediate consumption aboard free of customs duties and other charges levied on the occasion of the importation, exportation and transit of goods, provided such aircraft can be continuously supervised by customs authorities at intermediate landings.

ARTICLE VII

1. There shall be fair and equal opportunity for the designated airlines of both Contracting States to operate international air services on the specified routes between their respective territories, in accordance with paragraph (2) of Article II.

2. In operating these services, the designated airlines of each Contracting State shall take into account the interests of the airlines of the other Contracting State so as not to affect unduly the air services which the latter provide on the whole or part of the same routes.

3. On any specified route the capacity provided by the designated airlines of one Contracting State together with the capacity provided by the designated airlines of the other Contracting State shall be maintained in reasonable relationship to the requirements for air transport on that route.

4. In the application of the principles stated in the preceding paragraphs of this Article:

(a) the air services provided by a designated airline shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to the current and reasonably expected requirements of that airline for the carriage of traffic originating in or destined for points within the territory of the Contracting State which has designated that airline;

(b) the capacity provided under sub-paragraph (a) above may be augmented by supplementary capacity adequate for the carriage of international air traffic both originating at and destined for points