

ARTICLE XI**(Capacity)**

1. There shall be fair and equal opportunity for the designated airlines of each Contracting Party to operate the agreed services on the routes specified in this Agreement.
2. In the operation by the designated airline of either Contracting Party of the specified air services, the interests of the airline of the other Contracting Party shall be taken into the consideration so as not to affect unduly the services which the latter provide on all or part of the same route.
3. The agreed services provided by the designated airlines of the Contracting Parties shall bear reasonable relationship to the requirement of the public for transportation on the specified routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to meet the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail originating from the territory of either Contracting Party and destined for the territory of the other Contracting Party.
4. Provision for the carriage of passengers, cargo and mail both taken up and discharged at points on the specified routes in the territories of States other than that designating the airline(s) shall be made in accordance with the general principle that capacity shall be related to:
 - (a) traffic requirements to and from the territory of the Contracting Party which has designated the airline(s);
 - (b) traffic requirements of the area through which the agreed services pass 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. Capacity to be operated in excess of the entitlements set out in this Agreement may from time to time be agreed by the designated airlines of the Contracting Parties, subject to the approval of the aeronautical authorities of both Contracting Parties. In the absence of agreement between the designated airlines, the matter shall be referred to the aeronautical authorities of the Contracting Parties, which will endeavor to resolve the problem, if necessary, pursuant to article XX (Consultations) of this Agreement.
6. Increases to capacity pursuant to paragraph 5 of this Article shall not constitute a change in capacity entitlements. Any changes to capacity entitlement must be agreed between the Contracting Parties.