

ARTICLE 7

Principles Governing Operation of Agreed Services

(1) There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the specified routes.

(2) Each Contracting Party shall take all appropriate action within its jurisdiction to eliminate or prevent all forms of discrimination or unfair competitive practices adversely affecting the competitive position of the designated airline of the other Contracting Party.

(3) In operating the agreed services the airlines of each Contracting Party shall take into account the interests of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same route.

(4) The agreed services provided by the designated airlines of the Contracting Party shall bear a close relationship to the requirements 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 carry the current and reasonably anticipated requirements for the carriage of passengers and cargo including mail coming from or destined for the territory of the Contracting Party which has designated the airline.

(5) The capacity which may be provided by the designated airlines of one Contracting Party for the carriage of passengers and cargo including mail between the territory of the other Contracting Party and points on the specified routes in third countries shall be determined from time to time by agreement between the Contracting Parties.

ARTICLE 8

Entry and Clearance of Aircraft and Traffic

(1) Subject to the provisions of the Convention and this Agreement, the laws and regulations 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 while within its territory shall be complied with by the designated airline or airlines of the other Contracting Party upon entry into, departure from and while within the said territory.

(2) The laws and regulations of a Contracting Party respecting entry, clearance, immigration, passports, customs and quarantine shall be complied with, by or on behalf of crews, passengers, cargo, including mail, upon entry into, departure from and while within the territory of such Contracting Party.

(3) Baggage and cargo in direct transit across the territory of either Contracting Party shall be exempt from customs duties and other similar taxes.