

(c) to the traffic requirements of the area through which the airline passes, after taking account of local and regional services.

4. The airlines of both Contracting Parties shall, in keeping with the provisions of the preceding paragraphs of this Article, have the freedom to determine the capacity, frequency, scheduling and type of aircraft to be employed in connection with services over any of the routes specified in the Annex. In the event that one of the Contracting Parties believes that the operations conducted by an airline of the other Contracting Party have been inconsistent with the standards and principles set forth in this Article, it may request consultations pursuant to Article XVI of this Agreement for the purpose of reviewing the operations in question to determine whether they are in conformity with said standards and principles.

ARTICLE X

1. The aeronautical authorities of both Contracting Parties shall provide each other with monthly statements of statistics on a quarterly calendar basis, including all information required to determine the amount of traffic carried over the routes specified in the Annex and 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 by one Party to the other shall be agreed upon between the aeronautical authorities and implemented not later than three (3) months after the designated airline of one or both of the Contracting Parties commence operations, in whole or in part, of agreed services accorded by the Annex of this Agreement.

3. Failure to reach a satisfactory agreement regarding the supply of statistics may, at the discretion of either Contracting Party, constitute grounds for the application of Article XVI or Article XVIII of this Agreement.

ARTICLE XI

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, 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 beverages, 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 usual publicity material distributed without charge by that designated airline.