

other than that designating the airline 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;
  - (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. (a) The frequency of agreed services on the specified routes, capacity, and type of aircraft used for the operation of these services 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.
- (b) In the absence of an agreement between the designated airlines the matter shall be referred to the aeronautical authorities which will endeavour to resolve the problem in accordance with the provisions of Article XIX.
- (c) Pending an arrangement either at the airline level or between the aeronautical authorities the status quo shall be maintained.

#### ARTICLE XI

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 Schedule 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 Schedule of the 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 XIX.

#### ARTICLE XII

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 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