

- (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. Except as otherwise specified, neither Contracting Party may unilaterally impose any restrictions on the designated airline of the other Contracting Party with respect to capacity, frequency or type of aircraft employed in connection with services over any of the routes specified in the Annex attached to this Agreement. In the event that one of the Contracting Parties believes that the operation proposed or conducted by the designated airline of the other Contracting Party unduly affects the agreed services provided by its designated airline, it may without prejudice to the provisions of Article XXII request consultations pursuant to Article XX of this Agreement.

ARTICLE XII

The aeronautical authorities of each Contracting Party shall provide or shall cause its designated airline to provide the aeronautical authorities of the other Contracting Party, upon request, periodic or other statements of statistics related to the quantity of traffic carried and the capacity offered by its designated airline between points on the routes specified in the Annex to this Agreement showing the initial origins and final destinations of the traffic.

ARTICLE XIII

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, sales and excise taxes, inspection fees and other national duties, taxes 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 operation or servicing of aircraft of the designated airline of such other Contracting Party operating the agreed services, as well as printed ticket stock, air way bills, any printed material which bears the insignia of the company printed thereon and usual publicity material distributed without charge by that designated airline.

2. The exemptions granted by this Article shall apply to the items referred to in paragraph 1 of this Article:

- (a) introduced into the territory of one Contracting Party by or on behalf of the designated airline of the other Contracting Party;
- (b) retained on board aircraft of the designated airline of one Contracting Party upon arriving in and leaving the territory of the other Contracting Party;