

capacity to meet the current and reasonably expected traffic requirements for the carriage of passengers, cargo and mail between the respective territories of the Contracting Parties.

4. The agreed services shall be operated in accordance with the general principles of orderly development and in such a manner that capacity shall be related to:

- (a) the traffic requirements to and from the territory of the Contracting Party designating the airline;
- (b) the traffic requirements existing in the areas through which the airline passes, taking into account local and regional services;
- (c) the requirements of an economical operation of through services.

ARTICLE 7

The Aeronautical Authorities of both Contracting Parties agree to exchange, at the request of either Contracting Party, such statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services. Such statements shall include all information required to determine the amount of traffic carried on the agreed services and the origins and destinations of such traffic.

ARTICLE 8

1. Aircraft operated on international services by the designated airline or airlines of either Contracting Party, as well as their regular equipment, supplies of fuels and lubricants and the aircraft stores including food, beverages and tobacco on board such aircraft shall be exempt from all national custom duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment and supplies shall remain on board the aircraft up to such time as they are re-exported.

2. They shall also be exempt from the same duties and taxes with the exception of charges corresponding to the service performed:

- (a) aircraft stores taken on board in the territory of either Contracting Party, within limits fixed by the Authorities of said Contracting Party, and for use on board aircraft engaged on a specified route of the other Contracting Party;
- (b) spare parts entered into the territory of either Contracting Party for the maintenance or repair of aircraft used on a specified route by the designated airline or airlines of the other Contracting Party;
- (c) fuel and lubricants destined to supply aircraft operated on a specified route by the designated airline or airlines of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board.