

AIR SERVICES AGREEMENT

BETWEEN

THE GOVERNMENT OF

THE PEOPLE'S REPUBLIC OF CHINA

AND

THE GOVERNMENT OF

THE FEDERAL DEMOCRATIC REPUBLIC OF ETHIOPIA

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The Government of the People's Republic of China and the Government of the Federal Democratic Republic of Ethiopia,

Considering that the People's Republic of China and the Federal Democratic Republic of Ethiopia are Parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and

Desiring to conclude an agreement, supplementary to the said Convention, for the purpose of establishing air services between and beyond their respective territories.

Have agreed as follows:

ARTICLE 1 DEFINITIONS

1. For the purpose of the present Agreement, unless the context otherwise requires:
 - (a) The term "The Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and includes any annex adopted under Article 90 of that Convention and any amendment of the annexes or Convention under Articles 90 and 94 thereof so far as those annexes and amendments are applicable for both Contracting parties;
 - (b) The term "aeronautical authorities" means in the case of the People's Republic of China, General Administration of Civil Aviation of China and, in the case of the Federal Democratic Republic of Ethiopia, Ministry of Infrastructure Civil Aviation Authority or in both cases any person or body, authorized to exercise the functions presently assigned to the said authorities;
 - (c) The term "designated airline" means an airline which one Contracting Party has designated, in accordance with Article 6 of the present Agreement, for operation of the agreed air services;

- (d) The term "tariff" means the prices to be paid for the carriage of passengers, baggage and cargo and the conditions under which these prices apply, including commission charges and other additional remuneration for agency or sale of transportation documents but excluding remuneration and conditions for the carriage of mail;
- (e) The term "territory" in relation to a state means the land areas and territorial waters adjacent and airspace thereabove under the sovereignty of that state;
- (f) The term "air service", "international air service", "airline" and "stop for non-traffic purposes" have meanings respectively assigned to them in Article 96 of the Convention;
- (g) The term "ground equipment", "aircraft stores" and "spare parts" have the meanings respectively assigned to them in Annex 9 of the Convention.

- 2. The Annex forms an integral part of the present Agreement. All references to the Agreement shall include the Annex unless explicitly agreed otherwise.

ARTICLE 2 GRANT OF RIGHTS

- 1. Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of operating air services on the routes specified in the schedules of the Annex. Such services and routes are hereinafter called "agreed services" and "specified routes" respectively.
- 2. Subject to the provisions of the present Agreement the airline designated by each Contracting Party shall enjoy, while operating international air services:
 - (a) the right to fly without landing across the territory of the other Contracting Party along the route prescribed by the aeronautical authorities of the other Contracting Party;

- (b) the right to make stops in the said territory for non-traffic purposes subject to the approval of the aeronautical authorities of the other Contracting Party;
 - (c) the right to embark and disembark in the said territory at the points specified in the Annex of the present Agreement passengers, baggage, cargo and mail destined for or coming from points in the territory of the other Contracting Party;
 - (d) the right of the designated airline of one Contracting Party to embark and disembark in the territory of third countries at the points specified in the Annex of the present Agreement passengers, baggage, cargo and mail destined for or coming from points in the territory of the other Contracting Party, specified in the Annex of the present Agreement.
3. Nothing in paragraph 2 of this Article shall be deemed to confer the designated airline of one Contracting Party the privilege of embarking, in the territory of the other Contracting Party, passengers, baggage, cargo and mail carried for remuneration or hire and destined for another point in the territory of that Contracting Party.
4. If because of armed conflict, natural calamities, political disturbances or disruptive developments, the designated airline of one Contracting Party is unable to operate a service on its normal routing, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate rearrangements of such routes.

ARTICLE 3 EXERCISE OF RIGHTS

1. The designated airline of each Contracting Party shall have fair and equal opportunity to carry on the agreed services traffic embarked in the territory of one Contracting Party and disembarked in the territory of the other Contracting Party or vice versa and shall regard as being of supplementary character traffic embarked or disembarked in the territory of the other Contracting Party to and from points enroute. The designated airline of each Contracting Party in providing capacity for the carriage of traffic embarked in the territory of the other

Contracting Party and disembarked at points on the specified routes or vice versa shall take into consideration the primary interest of the designated airline of the other Contracting Party in such traffic so as not to affect unduly the interest of the latter airline.

2. The agreed services provided by the designated airline of each Contracting Party shall be closely related to the requirements of the public for transportation on the specified routes, and each shall have as its primary objective the provision of capacity adequate to meet the demands to carry passengers, cargo and mail embarked or disembarked in the territory of the Contracting Party which has designated the airline.
3. Provision for the carriage of passengers, cargo and mail embarked in the territory of the other Contracting Party and disembarked at points in third countries on the specified routes or vice versa shall be made in accordance with the general principle that capacity shall be related to:
 - (a) the requirements of traffic embarked or disembarked in the territory of the Contracting Party which has designated the airline;
 - (b) the requirements of traffic of the area through which the airline passes, after taking account of other air services established by airlines of the States situated in the area; and
 - (c) the requirements of through airline operation.

ARTICLE 4 APPLICATION OF LAWS AND REGULATIONS

1. The laws and regulations of one Contracting Party governing entry into, stay in and departure from its territory of aircraft engaged in international air navigation or flights of such aircraft over that territory shall apply to the designated airline of the other Contracting Party.
2. The laws and regulations of one Contracting Party governing entry into, stay in, and departure from its territory of passengers, crew, baggage, cargo or mail, such as formalities regarding entry, exit,

emigration and immigration, as well as customs and sanitary measures shall apply to passengers, crew, baggage, cargo or mail carried by the aircraft of the designated airline of the other Contracting Party while they are within the said territory.

3. Neither Contracting Party may grant any preference to its own airline with regard to the designated airline of the other Contracting Party in the application of the laws and regulations provided for in this Article.

ARTICLE 5 AVIATION SECURITY

1. Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970 and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971, its Supplementary Protocol for the suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation, signed at Montreal on 24 February 1988.
2. The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization and designated as annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties; they shall require that operators of aircraft of their registry or operators of aircraft who have their principal place of business or permanent residence in their territories and the operators of airports in

their territories act in conformity with such aviation security provisions.

4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in paragraph 3 above required by the other Contracting Party for entry into, departure from, or while within, the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
5. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.

ARTICLE 6

DESIGNATION AND OPERATING AUTHORIZATION

1. Each Contracting Party shall have the right to designate one airline for the purpose of operating the agreed services. Such designation shall be effected by virtue of a written notification between the aeronautical authorities of both Contracting Parties.
2. The aeronautical authorities which have received the notification of designation shall, subject to the provisions of paragraphs 3 and 4 of this Article, grant without delay to the designated airlines of the other Contracting Party the necessary operating authorization.
3. The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to prove that it is qualified to fulfil the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the said authorities in conformity with the provisions of the Convention.

4. Each Contracting Party shall have the right to refuse to accept the designation of an airline and to refuse to grant the operating authorization referred to in paragraphs 1 and 2 of this Article, or to impose such conditions as it may deem necessary for the exercise of the rights specified in Article 2 of the present Agreement, whenever the said Contracting Party has no proof that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.
5. Having received the operating authorization, provided for under paragraph 2 of this Article, the designated airline may at any time start to operate the agreed services, provided that tariffs established in accordance with the provisions of Article 14 of the present Agreement are in force.

ARTICLE 7
REVOCATION AND SUSPENSION OF OPERATING
AUTHORIZATION

1. Each Contracting Party shall have the right to revoke an operating authorization or to suspend the exercise of the rights specified in Article 2 of the present Agreement by the designated airline of the other Contracting Party or to impose such conditions as it may deem necessary on the exercise of such right, if:
 - (a) the said airline cannot prove that substantial ownership and effective control are vested in the Contracting Party designating the airline or in its nationals, or
 - (b) the said airline fails to comply with or has infringed the laws or regulations of the Contracting Party granting these rights, or
 - (c) the said airline fails to operate the agreed services in accordance with the conditions prescribed under the present Agreement.
2. Such a right shall be exercised only after consultation with the other Contracting Party, unless immediate revocation, suspension or imposition of the conditions provided for under paragraph 1 of this Article is essential to prevent further infringements of laws and regulations.

ARTICLE 8
RECOGNITION OF CERTIFICATES AND LICENSES

1. Certificates of air worthiness, certificates of competency and licenses issued or rendered valid by one of the Contracting Parties shall, during the period of their validity, be recognized as valid by the other Contracting Party, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention.
2. Each Contracting Party reserves the right, however, to refuse to recognize as valid, for the purpose of flights over its own territory, certificates of competency and licenses granted to or rendered valid for its own nationals by the other Contracting Party or by any other State.

ARTICLE 9
EXEMPTION FROM DUTIES AND TAXES

1. Aircraft operated on the agreed services by the designated airline of one Contracting Party, as well as its regular equipment, spare parts (including engines) fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) carried on board such aircraft, shall, on entering into the territory of the other Contracting Party, be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, provided such equipment, and items remain on board the aircraft until they are re-exported.
2. The following equipment and items also be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, with exception of charges corresponding to the services rendered:
 - (a) regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) carried into the territory of the other Contracting Party, and intended for use on board the aircraft operating the agreed services by the designated airline of the first

Contracting Party, even when such equipment and items are to be used on part of the journey performed over the territory of the other Contracting party;

(b) spare parts (including engines) introduced into the territory of the other Contracting Party for the maintenance or repair of aircraft operating the agreed services by the designated airline of the first Contracting Party.

3. The equipment and items referred to in paragraphs 1 and 2 of this Article may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that Contracting Party. In such a case, they may be placed under the supervision of the said authorities until they are re-exported or otherwise disposed of in accordance with the customs regulations of the other Contracting Party.
4. The exemption provided for in paragraphs 1 and 2 of this Article shall also be available where a designated airline of one Contracting Party has contracted with other airline (s) which similarly enjoy (s) such exceptions in the territory of the other Contracting Party, for the loan or transfer in the territory of the other Contracting Party of the equipment and items specified in paragraphs 1 and 2 of this Article.
5. Printed ticket stock, air waybills and publicity materials introduced by the designated airline of one Contracting Party into the territory of the other Contracting Party, shall be exempt on the basis of reciprocity from all customs, duties, taxes, inspection fees and other similar fees and charges.
6. Office supplies, vehicles for office use, vehicles for special use at airport, bus-type vehicles (excluding cars) for carriage of crew members and their baggage, as well as computer reservation system and communication equipment including their spare parts of the representation of the designated airline of either Contracting Party shall, when introduced into the said territory of the other Contracting Party, be exempt from customs duties and other duties on importation on the basis of reciprocity provided these supplies are intended for the airline's own use and do not exceed reasonable limit.

7. Baggage, cargo and mail in direct transit shall be exempt from all customs duties, taxes, inspection fees and other similar fees and charges on the basis of reciprocity with the exception of the charges corresponding to the services rendered.
8. The revenues and profit realized by the designated airline of each Contracting Party within the territory of the other Contracting Party in connection with operation of the agreed services shall be exempt from all taxes.
9. The property of the designated airline of each Contracting Party within the territory of the other Contracting party shall be exempt from all taxes on the basis of reciprocity.
10. Wages, salaries and other similar remuneration received by the employees of the representation of the designated airline of either Contracting Party, who are nationals of the first Contracting Party, shall be exempt from all taxes on the basis of reciprocity by the other Contracting Party.

ARTICLE 10 DIRECT TRANSIT

Passengers, baggage, cargo and mail in direct transit across the territory of one Contracting Party and not leaving the area of the airport reserved for such purpose shall at the utmost be subject to a very simplified control.

ARTICLE 11 USER CHARGES

1. Each Contracting Party shall use its best efforts to ensure that user charges imposed or permitted to be imposed by its competent authorities on the designated airline of the other Contracting Party are just and reasonable. They shall be based on sound economic principles.
2. Charges for the use of airport and air navigation facilities and services offered by one Contracting Party to the designated airline of the other Contracting Party shall not be higher than those which have to be paid by aircraft of any other states operating on scheduled international services.

ARTICLE 12
COMMERCIAL ACTIVITIES

1. The designated airline of one Contracting Party may, in accordance with the laws and regulations of the other Contracting Party relating to entry, residence and employment, bring in and maintain in the territory of the other Contracting Party managerial, sales, technical, operational and other specialist staff required for the operation of the agreed services.
2. For the commercial activities the principle of reciprocity shall apply. The competent authorities of each Contracting Party will take all necessary steps to ensure that the representations of the airline designated by the other Contracting Party may exercise its activities in an orderly manner.
3. Each Contracting Party grants to the designated airline of the other Contracting Party the right to establish and operate offices at the points on the specified routes and to engage in the sale of air transportation in its territory directly and, at the airline's discretion, through the licensed agents. Each airline shall have the right to sell such transportation and any person shall be free to purchase such transportation, in the currency of that territory or, subject to the national laws and regulations, in freely convertible currencies of other countries.
4. The designated airline of each Contracting Party shall have an equal opportunity to employ, subject to the laws and regulations of the other Contracting Party the local technical and commercial personnel for the performance of the agreed services on the specified routes.

ARTICLE 13
CONVERSION AND REMITTANCE OF REVENUES

Each Contracting Party shall grant to the designated airline of the other Contracting Party the right of remittance of the excess of receipts over expenditure earned by that airline in the territory of the first Contracting Party in connection with the operation of the agreed services. Such remittance shall be effected in convertible currencies at the official rate of exchange prevailing on the date of remittance or otherwise it is effected in accordance with the national laws and regulations of each Contracting Party.

If such remittance is regulated by a special agreement between the Contracting Parties, this special agreement shall apply.

ARTICLE 14 TARIFFS

1. The tariffs to be applied by each designated airline in connection with any transportation to and from the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, the characteristics of each service and the tariffs charged by other airlines.
2. The tariffs referred to in paragraph 1 of this Article shall, if possible, be established by mutual agreement by the designated airlines of both Contracting Parties, and if necessary taking into account the tariffs applied by the other airlines operating over the whole or part of the same route. Such agreement shall, where possible, be guided by the rate fixing machinery of the International Air Transportation Association.
3. The tariffs so agreed shall be submitted for approval to the aeronautical authorities of the Contracting Parties at least sixty days before the proposed date of their introduction. In special cases, this time limit may be reduced, subject to the agreement of the said authorities. Upon receipt of the submission of the tariffs, the aeronautical authorities shall consider such tariffs without undue delay. The aeronautical authorities may notify the other aeronautical authorities of an extension of the proposed date of tariffs introduction. No tariff shall come into force if the aeronautical authorities of either Contracting Party is dissatisfied with it.
4. If the designated airlines cannot agree, or if the tariffs are not approved by the aeronautical authorities of one Contracting Party, the aeronautical authorities of both Contracting Parties shall endeavour to determine the tariffs by mutual agreement.

Unless otherwise agreed such negotiations shall begin within thirty days from the date when it is ascertained that the designated airlines cannot agree upon the tariffs or the aeronautical authorities of one Contracting Party have notified the aeronautical authorities of the other Contracting Party of their disapproval of the tariffs.

5. In default of agreement the dispute shall be submitted to the procedure provided for in Article 18 hereafter.
6. The tariffs established in accordance with the provisions of this Article shall remain in force until new tariffs have been established in accordance with the provisions of this Article.
7. The aeronautical authorities of each Contracting Party shall exercise their best efforts to ensure that the designated airline conform to the agreed tariffs filed with the aeronautical authorities of the Contracting Parties as well as to the laws or regulations in this regard.

ARTICLE 15 TIME-TABLE SUBMISSION

As long in advance as practicable, but not less than sixty days, before the introduction of an agreed service or any modification thereof, the designated airline of one Contracting Party shall provide to the aeronautical authorities of the other Contracting Party information regarding the nature of service, time-tables, types of aircraft including the capacity provided on each of the specified routes and any further information as may be required to satisfy the aeronautical authorities of the other Contracting Party that the requirements of this Agreement are being duly observed.

ARTICLE 16 PROVISION OF STATISTICS

The aeronautical authorities of both Contracting Party shall supply each other, on request, with periodic statistics and other similar information relating to the traffic carried on the agreed services.

ARTICLE 17 CONSULTATION

Either Contracting Party may at any time request consultations on any problem related to this Agreement. Such consultations shall begin within a period of sixty days from the date the other Contracting Party receives the request, unless otherwise agreed by the Contracting Parties.

ARTICLE 18 DISPUTE SETTLEMENTS

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation between their aeronautical authorities.
2. If the aeronautical authorities of the Contracting Parties fail to reach a settlement of the said dispute, the Contracting Parties shall settle such dispute through diplomatic channels.

ARTICLE 19 AMENDMENTS

1. If either of the Contracting Parties considers it desirable to modify any provision of the present Agreement, including the Annex thereto, such party shall request consultation with the other Contracting party. Consultation will then take place between aeronautical authorities in accordance with the provisions of Article 17 of the present Agreement. All amendments agreed upon will be effective when confirmed by an exchange of diplomatic notes.
2. In the event of the conclusion of any general multilateral convention concerning air transport by which both Contracting Parties become bound, the present Agreement shall be so modified as to conform with the provision of such convention.

ARTICLE 20 TERMINATIONS

1. Each Contracting Party may at any time give notice in writing to the other Contracting Party of its decision to terminate the present Agreement. Such notice shall simultaneously be communicated to the International Civil Aviation Organization.
2. The Agreement shall terminate at the end of a time-table period during which twelve months after the date of receipt of the notice will have elapsed, unless the notice is withdrawn by mutual agreement before the expiry of this period.
3. In default of acknowledgment of receipt by the other Contracting Party, the notice shall be deemed to have been received fourteen days after the date on which the International Civil Aviation Organization will have received communication thereof.

Annex

Route Schedule

For the designated airline of the People's Republic of China:

Points of Departure	Intermediate Points	Points in Ethiopia	Points Beyond
Points in China	Any	Addis Ababa and/or two other points to be specified	Any

For the designated airline of the Federal Democratic Republic of Ethiopia

Points of Departure	Intermediate Points	Points in China	Points Beyond
Points in Ethiopia	Any	Beijing and/ or Shanghai and/or Guangzhou	Any

Note: The designated airline of either Contracting Party may omit at its own discretion, any point on the specified routes on any or all flights provided that the agreed services begin and terminate in the territory of the Contracting Party designating the airline.