

**AIR SERVICES AGREEMENT
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF ECUADOR
AND
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA**

The Government of the Republic of Ecuador and the Government of the People's Republic of China (hereinafter referred to individually as "Ecuador" and "China", respectively, and collectively as the "Contracting Parties");

As participants in the International Civil Aviation Convention opened for signature at Chicago on December 7, 1944;

Desiring to facilitate the expansion of international air services opportunities;

Recognizing that efficient and competitive international air services improve trade, consumer welfare and economic growth;

Wishing to encourage airlines individually to develop and implement innovative and competitive rates, provided that such rates do not involve anticompetitive practices against other airlines.

Desiring to ensure the highest degree of safety and airport security in international air services and reaffirming their serious concern about acts or threats against the safety of aircraft which jeopardize the safety of persons or property, adversely affect the operation of air services, and undermine public confidence in the security of civil aviation.

Hereby agree on the establishment and operation of air services between and beyond their respective territories as follows:

ARTICLE 1
Definitions

(a) (1) For the purposes of this Agreement, unless the context requires otherwise: The term "Aeronautical Authorities" means, in the case of Ecuador,



the National Civil Aviation Council and/or the Directorate General of Civil Aviation, as appropriate, and, in the case of China, the Civil Aviation Administration of China or, in both cases, their successors or any person or group that may be authorized to execute any of the functions that can now be performed by the above Authorities or similar functions;

(b) The term "Agreement" means this Agreement, its Annex and any amendments thereto;

(c) The term "capacity" is the number of services provided under this Agreement, usually measured by the number of flights (frequencies) or seats or tons of cargo offered at a market (between two cities, or country to country) or on a route, as agreed by the parties in the respective Annex;

(d) The term "Convention" means the Convention on International Civil Aviation, opened for signature at Chicago on December 7, 1944, and includes any Annex adopted under Article 90 of this Convention and any amendment of the Annexes or the Convention under Articles 90 and 94 thereof, inasmuch as those Annexes and amendments have become effective for both Contracting Parties;

(e) The term "ICAO" means the International Civil Aviation Organization created in accordance to the Convention.

(f) The term "designated airline" means an airline which has been designated and authorized in accordance with Article 3 (Designation and Authorization) of this Agreement;

(g) The term "tariff" means the prices that the designated airlines charge for public carriage of passengers, baggage and cargo and the conditions under which those prices apply, but excluding remuneration and conditions for carriage of mail;

(h) The term "territory" in relation to the State means the land areas and territorial waters adjacent thereto and the airspace above them under the sovereignty of that State.

(i) The term "user charges" means a charge made to airlines by the competent authority and which that authority allows it to be charged, for the provision of property or airport facilities or air navigation facilities or aviation safety facilities or services, including related services and facilities for aircraft, flight crews, passengers and cargo;



(j) The terms "air service", "international air service," "airline" and "stops for non-traffic purposes," have the meanings assigned to them in Article 96 of the Convention;

(k) All references to words in the singular shall be understood to include the plural, and all references to the plural shall be understood to include the singular, as required by the context.

ARTICLE 2 **Grant of Rights**

(1) Each Contracting Party grants to the other Contracting Party the following rights with respect to international air services conducted by the designated airlines of the other Contracting Party:

(a) The right to fly across its territory without landing along the air route(s) prescribed by its aeronautical authorities;

(b) The right to make stops in its territory for non-commercial purposes subject to the approval of its aeronautical authorities;

(c) The right to make stops at points of the routes specified in Annex 1 to this Agreement for the purpose of embarking and disembarking passengers and cargo, including mail, separately or in combination, in accordance with provisions in the Annex;

(d) Others specified in this Agreement.

(2) Nothing in this Article shall be deemed to confer on the designated airlines of each Contracting Party the right of cabotage.

ARTICLE 3 **Designation and Authorization**

(1) Each Contracting Party shall have the right to designate one or more airlines for the purpose of operating the agreed services on each specified route and to remove or alter such designations. These designations shall be transmitted in writing to the other Contracting Party.

(2) Upon receipt of such designation and applications of a designated airline, in the form and manner prescribed for operating authorizations and technical permits, the Aeronautical Authority of the other Contracting Party shall grant the



appropriate operating authorizations and technical permits, with minimum procedural delay, provided that:

(a) In the case of an airline designated by China, the substantial ownership and effective control of the airline are vested in China or its nationals and with its domicile address in China; in the case of an airline designated by Ecuador, the substantial ownership and effective control of the airline are vested in Ecuador, or its nationals; or in a state of Latin America or its nationals and with its domicile address in Ecuador, provided that such state of Latin America has a bilateral Air Services Agreement with China;

(b) The airline can convince the authorities that it is qualified to meet the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in accordance with the Convention; and

(c) The Contracting Party designating the airline complies with Article 8 (Flight Safety) and Article 9 (Aviation Security) of this Agreement.

(3) Upon receipt of operating authorizations and technical permits, a designated airline may at any time begin to operate the agreed services for which it was designated, provided that the designated airline complies with the provisions of this Agreement.

ARTICLE 4

Withholding, Revocation, Suspension and Limitation of Operational Authorizations or Technical Permits

(1) The Aviation Authorities of each Contracting Party may withhold, revoke, suspend, limit or impose conditions on the operating authorizations or technical permits of an airline designated by the other Contracting Party, in either of these cases:

(a) in the case of an airline designated by China, when such authorities are not satisfied that the substantial ownership and effective control of the airline are vested in China or its nationals or its domicile address is not in China; in the case of an airline designated by Ecuador, when such authorities are not satisfied that the substantial ownership and effective control of the airline are vested in Ecuador or its nationals, or in a state of Latin America or its nationals, or its domicile address is not in Ecuador, or such state does not have a bilateral Air Services Agreement with China; or

(b) The airline is not able to convince authorities that it is qualified to meet the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by such authorities in accordance with the Convention; or

(c) The Contracting Party designating the airline does not comply with Article 8 (Flight Safety) and Article 9 (Aviation Security) of this Agreement; or

(d) The airline does not operate in accordance with the conditions prescribed in this Convention.

(2) Unless immediate revocation, suspension or imposition of the conditions listed in paragraph (1) to this Article is essential to prevent infringement of the laws or regulations, such right shall be exercised only after consultation with the Aviation Authorities of the Contracting Party designating the airline, in accordance with Article 19 (Consultations) of this Agreement.

(3) This Article does not limit the rights of each Contracting Party to withhold, revoke, suspend, limit or impose conditions on the operating authorizations or technical permits of an airline designated by the other Contracting Party in accordance with Article 8 (Flight Safety) and Article 9 (Aviation Security) of this Agreement.

ARTICLE 5

Law Enforcement

(1) The laws and regulations of each Contracting Party governing the entry and departure from its territory of aircraft engaged in international air services or in the operation and navigation of such aircraft while within its territory shall be applied to aircraft of the designated airline of the other Contracting Party.

(2) The laws and regulations of each Contracting Party relating to entry, stay and departure from its territory of passengers, crew and cargo, including mail, such as those related to immigration, customs, currency, health and quarantine should be applied to passengers, crew, cargo and mail carried by the aircraft of the designated airline of the other Contracting Party while within that territory.

(3) Other relevant laws and regulations relating to aircraft and provisions in respect of civil aviation of one Contracting Party shall be applicable to the designated airline(s) of the other Contracting Party while operating the agreed services in the territory of the first Contracting Party.

(4) No Contracting Party shall give preference to its own airline or any other airline over a designated airline of the other Contracting Party engaged in

similar international air services in the application of its laws and regulations set forth in this Article.

ARTICLE 6
Direct Traffic

Passengers, baggage and cargo in direct traffic through the territory of each Contracting Party and not leaving the airport area reserved for such purpose, shall not be subject to any further examination except for reasons of aviation security, narcotics control, prevention of illegal entry, or for special circumstances. Baggage and cargo in direct traffic shall be exempt from customs duties and other similar taxes.

ARTICLE 7
Recognition of Certificates and Licenses

(1) Airworthiness certificates, competency certificates and licenses issued or validated in accordance with the laws and regulations of each Contracting Party shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services, provided that such certificates or licenses, are issued or validated in the same or better manner as the minimum standards established under the Convention.

(2) However, each Contracting Party reserves the right to refuse to recognize, for the purpose of flying over or landing within its own territory, any certificates of competency and licenses granted to its own nationals by the other Contracting Party.

ARTICLE 8
Flight Safety

(1) Each Contracting Party may request consultations at any time with respect to flight safety standards adopted by the other Contracting Party in any area related to aeronautical facilities, flight crew, aircraft, or operation of the aircraft. Such consultations shall begin within thirty (30) days of such request.

(2) If, after such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer flight safety standards in any of the areas, which are at least equal to the minimum standards established at that time under the Convention, the first Contracting Party shall notify the other Contracting Party on those observations and the steps considered necessary to comply with those minimum standards, and the other Contracting Party shall take appropriate corrective action. If the other Contracting Party does not take appropriate action within fifteen (15) days or a

longer agreed period, it shall be the basis to implement paragraph (1) of Article 4 (Withholding, Revocation, Suspension and Limitation of Operational Authorizations or Technical Permits) of this Agreement.

(3) Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated by or under a lease agreement on behalf of the airlines of one Contracting Party in services to or from the territory of the other Contracting Party may, while within the territory of the other Contracting Party, be subject to examination by authorized representatives of the other Contracting Party, on board and around the aircraft, to check the validity of Documents of aircraft and flight crew and the apparent condition of the aircraft and related equipment (called in this Article "ramp or platform inspection"), provided it does not cause undue delay.

(4) If such ramp inspection or series of ramp inspections cause:

(a) Serious concerns that an aircraft or the operation of an aircraft does not meet the minimum standards established at that time in accordance with the Convention; or

(b) Serious concerns that there is lack of effective management and maintenance of flight safety standards established at that time according to the Convention, the Contracting Party carrying out the inspection shall, for purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificates or licenses were issued or deemed valid with respect to that aircraft or with respect to the flight crew of that aircraft, or that the requirements under which such aircraft is operated are not equal to or exceed the minimum standards established under the Convention.

(5) In the event that, with the purpose of carrying out a ramp inspection of an aircraft operated by an airline of one Contracting Party in accordance with paragraph (3) of this Article, access is denied by a representative of that airline, the other Contracting Party shall be free to infer that serious concerns have emerged of the type referenced in paragraph (4) of this Article and to draw the conclusions referred to in that paragraph.

(6) Each Contracting Party reserves the right to immediately suspend or amend the technical permits and operating authorization of an airline of the other Contracting Party in the event that the first Contracting Party concludes, whether as a result of a ramp inspection, a series of ramp inspections, a refusal to have access to a ramp inspection, consultations or other, that immediate action is essential to flight safety of the operation of an airline.

(7) Any action taken by a Contracting Party in accordance with paragraph (2) or paragraph (6) of this Article shall be discontinued once the basis for taking such action has ceased to exist.

ARTICLE 9 **Aviation Security**

(1) Aware of their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to the other Contracting Party to protect the security of civil aviation against acts of unlawful interference is 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 accordance with the provisions of the Convention on Offenses and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on September 14, 1963, the Convention for the Suppression of Unlawful Seizure of Aircraft, signed at The Hague on December 16, 1970, the Convention for the Suppression of Unlawful Acts against Civil Aviation Security, signed at Montreal on September 23, 1971, the Montreal Supplementary Protocol for the Suppression of Unlawful Acts of Violence at Airports Serving International Civil Aviation signed at Montreal on February 24, 1988, and any other Convention and protocol related to civil aviation security, to which the Contracting Parties adhere.

(2) The Contracting Parties shall provide to each other, upon request, any and all practical aid to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the security of such aircraft, their passengers and flight crew, airports and air navigation facilities, and any other threat to civil aviation security.

(3) The Contracting Parties, in their mutual relations, shall act in accordance with the aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention, in the measure in which such security provisions are applicable to the Contracting Parties. Each Contracting Party shall require that the airlines designated to operate the agreed services on specified routes, and airport operators in their territory act in conformity with such aviation security provisions.

(4) Each Contracting Party agrees that its designated airlines shall be required to observe the aviation security provisions referred to in paragraph (3) of this Article and in accordance with the laws and regulations in force in the other Contracting Party, as required to enter, depart or while in the territory of the other Contracting Party. Each Contracting Party shall ensure the effective implementation of appropriate measures within its territory to protect aircraft and to inspect passengers, flight crew, items in hand luggage, baggage, cargo



and storage of the aircraft before and during Passenger and cargo embarkation. Each Contracting Party shall also act favorably with respect to any reasonable request of the other Contracting Party for special security measures to confront a specific threat.


(5) When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts occur against the security of such aircraft, passengers and flight crew, airports or air navigation facilities, the Contracting Parties shall assist each other by providing communications and other appropriate measures intended to terminate such incident or threat quickly and safely as far as practicable under the circumstances.

(6) Where a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the Aviation Authorities of the first Contracting Party may request immediate consultations with the Aviation Authorities of the other Contracting Party. Failure to reach a satisfactory agreement within fifteen (15) days from the date of such request shall constitute grounds for the application of paragraph (1) of Article 4 (Withholding, Revocation, Suspension and Limitation of Operational Authorizations or Technical Permits) of this Agreement. When required by an emergency or to prevent further breach of the provisions of this Article, a Contracting Party may take interim action under paragraph (1) of Section 4 of this Agreement before the expiration of fifteen (15) days. Any action taken in accordance with that paragraph shall be discontinued when the other Contracting Party complies with the safety provisions of this Article.

ARTICLE 10

User Charges

(1) No Contracting Party shall impose or permit the imposition on the designated airlines of the other Contracting Party, of user charges that are higher than those imposed on any airline of other States operating similar international air services.

(2) Each Contracting Party shall encourage consultation on user charges between its competent charging authorities and airlines using the services and facilities provided by those charging authorities, where practical, through the organizations representing those airlines. Reasonable notice of any proposed change to user charges should be given to such users to enable them to express their views before changes are made. Each Contracting Party shall also promote its competent charging authorities and such users to exchange appropriate information concerning user charges. 



ARTICLE 11
Customs Duties

(1) When an aircraft operated on the agreed services by the designated airline(s) of one Contracting Party arrives in the territory of the other Contracting Party, the said aircraft and its regular equipment, spare parts (including engines), fuels, oil (including hydraulic fluids, lubricants) and aircraft stores (including food, beverages and tobacco) on board such aircraft shall 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 up to such time as they are re-exported.

(2) The following equipment and items shall also be exempt on the basis of reciprocity from all customs duties, taxes, inspection fees and other similar fees and charges, with the exception of charges corresponding to the services provided:

(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 aircraft operated on the agreed services by the designated airline(s), 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 operated on the agreed services by the designated airline(s).

(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 with the approval of the Customs authorities of the other Contracting Party. Such equipment and items shall be kept under the supervision or control of the Customs authorities of the other Contracting Party up to such time as 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 exemptions 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(s) 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(s) 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 provided.

ARTICLE 12

Capacity

(1) Each Contracting Party shall provide a fair and equal opportunity for designated airlines of both Contracting Parties to compete in operating the agreed services on specified routes.

(2) Each Contracting Party shall allow each designated airline to operate in accordance with the number of frequencies as agreed upon between both Aeronautical Authorities.

The type or types of aircraft operated by the designated airlines of the other Contracting Party, except as required for reasons of customs, technical, operational or environmental conditions, should be under uniform conditions consistent with Article 15 of the Convention.

(3) The designated airline of each Contracting Party shall submit its envisaged flight schedules for approval to the aeronautical authorities of the other Contracting Party at least sixty (60) days prior to the operation of the agreed services. The same procedure shall apply to any modification thereof.

ARTICLE 13

Tariffs



(1) The Contracting Parties shall allow each of the designated airlines to set the rates for air carriage services on the basis of commercial considerations in the relevant market. The intervention of the Contracting Parties shall be limited to:

- (a) Preventing predatory pricing or unreasonably discriminatory practices;
- (b) Protecting consumers from unreasonably high or restrictive rates due to abuse of a dominant position;
- (c) Not letting their designated airlines, either with one or more other airlines or separately, to abuse their market power so that the result is, would be, or is intended to be, the exclusion of a competitor on a route.

(3) No Contracting Party shall take any unilateral action to prevent the entry into force or to continue in effect a rate that has been proposed to apply (a) to an airline of either Contracting Party in connection with international air carriage between the territories of the Contracting Parties, or (b) an airline of one Contracting Party in relation to air carriage between the territory of the other Contracting Party and any other country.

If any Contracting Party believes that the rate is inconsistent with the considerations in paragraph 1 of this Article, it shall request consultations and shall promptly notify the other Contracting Party the reason for their discontent. These consultations must be held within thirty (30) days after receipt of the request, and the Contracting Parties shall cooperate to obtain the information necessary to arrive at a reasoned solution to the problem. If the Contracting Parties reach an agreement regarding a price on which it has filed a notice of dissatisfaction, each Contracting Party shall do their best to implement the agreement. If no mutual agreement is reached, the price will come into force or continue in effect.

(4) In any case, regarding rates, it shall be according to the known principle from the country of origin.

ARTICLE 14 **Transfers of Funds**

(1) The airlines of each Contracting Party shall be entitled to transfer funds to the territory of their country from the territory of sale, in accordance with applicable laws in each country and in general, taking into account the bilateral agreements, laws and regulations of each Contracting Party.



ARTICLE 15
Commercial Activities

(1) Subject to current laws and regulations of the other Contracting Party, the designated airline or airlines of each Contracting Party shall be permitted to:

(a) Establish offices in the territory of the other Contracting Party for the promotion and sale of air carriage;

(b) Everyone shall be free to acquire such transportation in the currencies of the other Contracting Party, or in freely convertible currencies in accordance with the provisions of the foreign exchange control regulations of that other Contracting Party.

(2) In accordance with the laws and regulations of the other Contracting Party relating to entry, residence and employment, the designated airlines may enter and maintain in the territory of the other Contracting Party management, commercial, operational and technical personnel need to carry out the air carriage.

(3) These staff requirements may, at the option of the designated airline, be covered by its own personnel or using the services of any other organization, company or airline operating in the territory of the other Contracting Party, who is authorized to provide these services in the territory of that Contracting Party.

(4) The designated airline of each Contracting Party should be allowed to pay in local currency for local expenses, including the purchase of fuel in the territory of the other Contracting Party. At their choice, the designated airlines of each Contracting Party shall pay such expenses in the territory of the other Contracting Party in a freely convertible currency in accordance with the regulation of local currency.

ARTICLE 16
Intermodal Services

Each designated airline of the Contracting Parties should be allowed to use modes of transport on the surface without restrictions, in conjunction with international air services for passengers and cargo.

ARTICLE 17
Consultations

Any Contracting Party may at any time request consultations on the implementation, interpretation, application, amendment or enforcement of this

Agreement, which may be through discussion or in writing between the Aeronautical Authorities, it shall begin within a period of sixty (60) days from the date the other Contracting Party receives a written request, unless the Contracting Parties agree otherwise.

ARTICLE 18
Settlement of Disputes

(1) If any dispute arises between the Contracting Parties relating to the interpretation or implementation of this Agreement, the aeronautical authorities of the two Contracting Parties shall in the first place settle the dispute by negotiation.

(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) Any amendment to this Agreement agreed by the Contracting Parties shall enter into force when confirmed by an exchange of diplomatic notes.

(2) If the Amendment relates only to the provisions of the annexed Schedules, it may be agreed upon between the aeronautical authorities of both Contracting Parties and shall become effective from the date of the agreement between both aeronautical authorities.

(3) If a multilateral agreement concerning air services comes into effect in relation to both Contracting Parties, any inconsistency in obligations of the Contracting Parties under this Agreement and under the other agreement, the same as between the two Contracting Parties, shall be resolved in favor of provisions that give designated airlines the greatest (a) exercise of rights, (b) aviation safety or (c) aviation security, unless the Contracting Parties agree otherwise or the context requires otherwise.

ARTICLE 20
Termination

Any Contracting Party may submit at any time a written notification through diplomatic channels to the other Contracting Party of its decision to terminate this Agreement. Such notice shall be communicated simultaneously to the International Civil Aviation Organization. This Agreement shall terminate twelve (12) months after the date of receipt of the notification by the other Contracting Party.

Party, unless the notice is withdrawn by mutual agreement before the end of this period. In the absence of acknowledgment by the other Contracting Party, notice shall be deemed to have been received fourteen (14) days after receipt of the notification by the International Civil Aviation Organization.

ARTICLE 21
Registration of the Agreement

The Contracting Parties shall register this Agreement and any amendment thereto at the International Civil Aviation Organization, when it comes into force.

ARTICLE 22
Entry into Force

The Contracting Parties shall notify each other in writing through diplomatic channels about the completion of their respective internal procedures necessary for the entry into force of this Agreement. The Agreement shall enter into force on the date of the later notification.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

Held in the city of _____ on the _____ day of _____ of _____, in two originals in the Spanish, Chinese and English languages, all texts being equally authentic. In case of any dispute or difference, the English text shall prevail.

**For the Government of
the Republic of Ecuador**

**For the Government of
the People's Republic of China**



ANNEX

Route Schedule

1. The route of the agreed services operated by the airlines designated by the Government of the People's Republic of China shall be as follows in both directions:

Points of origin: points in China

Intermediate points: any points

Points of destination: any points in Ecuador open to international traffic

Points beyond: any points

2. The route of the agreed services operated by the airlines designated by the Government of the Republic of Ecuador shall be as follows in both directions:

Points of origin: points in Ecuador

Intermediate points: any points

Points of destination: any points in China open to international traffic

Points beyond: any points

Notes:

1. The designated airline(s) of either Contracting Party may omit on any or all flights, any point on the specified routes and may serve them in any order, provided the agreed service begin and terminate in the territory of the Contracting Party designating the airline.

2. The exercise of fifth freedom traffic rights by the designated airline(s) of both Contracting Parties on the above routes shall be agreed upon between the aeronautical authorities of the two Contracting Parties.

