

CIVIL AIR TRANSPORT AGREEMENT
BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF THE STATE OF KUWAIT

The Government of the People's Republic of China and the Government of the State of Kuwait, (hereinafter called the Contracting Parties),

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December 1944,

Desiring to facilitate friendly contacts between the peoples of China and Kuwait and develop mutual relations between the two countries in the field of civil aviation,

Have agreed on the establishment and operation of scheduled air services between and beyond their respective territories as follows:

ARTICLE 1
DEFINITIONS

For the purpose of this Agreement, unless the context otherwise requires:

- a) the term "Aeronautical Authorities" means in the case of the People's Republic of China, the General Administration of Civil Aviation of China and, in the case of the State of Kuwait, the Directorate General of Civil Aviation, or in both cases any other person or agency authorised to perform the functions presently exercised by the said authorities;
- b) the term "airline" means any air transport enterprise offering or operating international air services;
- c) the term "designated airline" means an airline which has been designated and authorized in accordance with Article 3 of the present Agreement;
- d) the term "air service" means any scheduled air service performed by aircraft for the public transport of passengers, baggage, cargo or mail;
- e) the term "international air service" means an air service which passes through the air space over the territory of more than one State;
- f) the term "stop for non-traffic purposes" means a landing for any purposes other than taking on or discharging passengers, baggage, cargo or mail;
- g) the term "capacity" means:
 - 1) in relation to an aircraft, the payload of that aircraft available on a route or section of a route.
 - 2) in relation to a specified air service, the capacity of the aircraft used on such service multiplied by the frequency operated by such aircraft over a given period on a route or section of a route.

- h) the term “tariff” means the prices to be paid for the carriage of passengers, baggage and freight and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary service, but excluding remuneration or conditions for the carriage of mail.
- i) The term “schedule” means the Route Schedule annexed to this Agreement or as amended in accordance with the provisions of Article (16) of this Agreement. The Schedule forms an integral part of this Agreement and all references to the Agreement shall include references to the Schedule except where otherwise provided.

ARTICLE 2

GRANTING OF RIGHTS AND PRIVILEGES

- 1) Each Contracting Party grants to the other Contracting Party the rights specified in this Agreement to enable its designated airline to establish and operate international air services on the route specified in the Schedule (hereinafter called “the agreed services” and “the specified route” respectively).
- 2) Subject to the provisions of this Agreement, the designated airline of each Contracting Party shall enjoy while operating an agreed service, on a specified route, the following privileges:
 - a) to fly without landing across the territory of the other Contracting Party,
 - b) to make stops for non-traffic purposes in the said territory, at points to be agreed upon between the aeronautical authorities of both Contracting Parties, and
 - c) to make stops in the said territory at the point specified for the route in the Schedule for the purpose of discharging and of taking on international traffic in passengers, baggage, mail and cargo.

ARTICLE 3

DESIGNATION AND AUTHORISATION

- 1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline to operate the agreed services on the route specified in the Schedule.
- 2) The substantial ownership and effective control of the airline designated by each Contracting Party shall remain vested in such Contracting Party or its nationals.
- 3) On receipt of such designation, the other Contracting Party shall, subject to the provisions of paragraph (2) of this Article, grant without delay to the airline so designated the appropriate operating authorisation.
- 4) The aeronautical authorities of the other Contracting Party may require the airline designated by the first Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally and reasonably applied to the operation of international air services by the said authorities.
- 5) When an airline has been so designated and authorised it may commence at any time

operation of the agreed services.

ARTICLE 4

SUSPENSION AND IMPOSITION OF CONDITIONS

- 1) Each Contracting Party shall have the right to withhold the operating authorization already granted to the designated airline of the other Contracting party, or to suspend the exercise by the said designated airline of the privileges specified in Article 2 of the present Agreement, or to impose such conditions as it may deem necessary on the exercise of these privileges, in any of the following cases:
 - a) where it is not satisfied that the substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or its nationals; or
 - b) where that airline fails to comply with the laws and regulations of the Contracting Party granting these privileges; or
 - c) where that airline otherwise fails to operate in accordance with the conditions prescribed under the present Agreement.
- 2) Unless immediate suspension or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws and regulations, such right shall be exercised only after consultation with the other Contracting Party.
- 3) In the event of action by one Contracting Party under this Article, the rights of both Contracting Parties shall not be prejudiced.

ARTICLE 5

PROVISION OF TECHNICAL SERVICES AND RATE OF CHARGES

- 1) Each Contracting Party shall designate in its territory regular airport and alternate airports to be used by the designated airline of the other Contracting Party for the operation of the specified route, and shall provide the latter with such communications, navigational, meteorological and other auxiliary services in its territory as are required for the operation of the agreed services. Detailed arrangements relating to the above shall be agreed between the aeronautical authorities of both Contracting Parties.
- 2) The designated airline of each Contracting Party shall be charged for the use of airports of the other Contracting Party at fair and reasonable rates prescribed by the appropriate authorities of the other Contracting Party. Such rates shall not be higher than those paid by national airlines of the other Contracting Party engaged in international air services for the use of similar installations and services.

ARTICLE 6

EXEMPTIONS FROM CUSTOMS AND OTHER DUTIES AND CHARGES

- 1) Aircraft operated on international air services by the designated airline of one Contracting party, as well as their regular equipment, spare parts, supplies of fuels and lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.
- 2) Supplies of fuels, lubricants, spare parts, regular equipment and aircraft stores introduced into the territory of each Contracting Party by or on behalf of the designated airline of the other Contracting Party or taken on board the aircraft operated by such designated airline and intended solely for use in the operation of international air services shall be exempt from all duties and charges, including customs duties and inspection fees imposed in the territory of the first Contracting Party even when those supplies are to be used on the parts of the journey performed over the territory of the Contracting Party in which they are taken on board. The materials referred to above may be required to be kept under customs supervision or control.
- 3) The regular airborne equipment, spare parts, aircraft stores and supplies of fuels and lubricants retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that Contracting Parties, who may require that those materials be placed under their supervision up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.
- 4) Airline tickets, airway bills as well as airline publicity materials and give-away items of the designated airline of either Contracting Party introduced into the territory of the other Contracting Party shall be exempt from all customs duties, inspection fees and other duties or taxes.

ARTICLE 7

FINANCIAL PROVISIONS

Either Contracting Party undertakes to grant the other Contracting Party free transfer, at the official rate of exchange, of the excess of receipt over expenditure achieved on its territory in connection with the carriage of passengers, baggage, cargo and mail by the designated airline of the other Contracting Party. Whenever the payment system between the Contracting Parties is governed by a special agreement, that agreement shall apply.

ARTICLE 8

EXEMPTION FROM INCOME TAX AND OTHER TAXES

- 1) The designated airline of each Contracting Party shall be exempt from income tax or other similar taxes in the territory of the other Contracting Party in respect of the gains or profits accruing to it from the operation of the agreed services.
- 2) The employees of the designated airline who are nationals of either Contracting Party, shall be exempt from income tax or other similar taxes in the territory of the other

Contracting Party, in respect of their emoluments, allowances or other gains, accruing to them from their employment in the said territory by the said designated airline for the purposes of the operation of the agreed services.

- 3) Each Contracting Party shall take such action as may be necessary in terms of its laws to enable the provisions of this article to take effect.

ARTICLE 9

ENTRY AND CLEARANCE REGULATIONS

- 1) The laws and regulations of either Contracting Party relating to the admission into, stay in, departure from and flight over its territory of aircraft engaged in the operation of international air services, as well as the laws and regulations relating to the admission to, stay in and departure from its territory of passengers, crew, baggage, cargo and mail shall be applicable to the aircraft of the airline designated by the other Contracting Party, its crew as well as the passengers, baggage, cargo and mail carried by such aircraft, while in the territory of the first Contracting Party. Each Contracting Party shall promptly supply to the other Contracting Party at the latter's request the texts of the above-mentioned laws and regulations.
- 2) Passengers in direct transit across the territory of either Contracting Party shall be subject to no more than very simplified control. Baggage and freight, if in direct transit, shall be exempt from customs duties, inspection fees and other duties and charges.

ARTICLE 10

CAPACITY PROVISIONS

- 1) There shall be fair and equal opportunity for the designated airlines of the Contracting Parties in operating the agreed services on the specified routes.
- 2) Matters relating to frequency, type of aircraft, schedule, ground handling and other matters pertaining to the operation of the agreed services shall be agreed upon through consultation between the designated airlines of both Contracting Parties. Frequency and type of aircraft so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties.
- 3) In the operation of the agreed services on the specified route, the designated airline of each Contracting Party shall take into account the interests of the designated airline of the other Contracting Party so as not to affect unduly the air services which the latter airline operates over the whole route or parts thereof.
- 4) The agreed services provided by a designated airline shall retain as their primary objective the provision, at a reasonable load factor, of capacity adequate to current and reasonably anticipated requirements for the carriage of passengers, mail and cargo, originating from or destined for the territory of the Contracting Party designating the airline. The right of the designated airline of either Contracting Party to embark or to disembark at the point in the territory of the other Contracting Party international traffic

destined for or coming from third countries shall be in accordance with the principle that such traffic will be of a supplementary character, and capacity shall be related to:

- a) traffic demands between the territory of the Contracting Party designating the airline and the points on the specified routes;
- b) traffic requirements of the areas through which the agreed services of 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.

ARTILCE 11

INFORMATION AND STATISTICS

The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party, at their request, such periodic or other statistical data as may be reasonably required for the purpose of reviewing the capacity provided by the designated airline of the first Contracting Party on the specified route. Such data shall include all information required to determine the amount of traffic carried.

ARTICLE 12

APPROVAL OF FLIGHT SCHEDULES

- 1) The designated airline of either Contracting Party shall communicate to the aeronautical authorities of the other Contracting Party, not later than thirty days prior to the initiation of the agreed services on the specified routes, the type of service, the types of aircraft to be used and the flight schedules. This shall likewise apply to changes as well as before the commencement of each summer and winter schedule.
- 2) The aeronautical authorities receiving such flight schedules shall normally approve the schedules or suggest modifications thereto. In any case the said designated airline shall not commence its services before the schedules are approved by the said aeronautical authorities. This provision shall likewise apply to later changes.

ARTILE 13

ESTABLISHMENT OF TARIFFS

- 1) The tariffs on any agreed service shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit, characteristics of service (such as standards of speed and accommodation) and the tariffs of other airlines for any part of the specified route. These tariffs shall be fixed in accordance with the following provisions of this Article.
- 2) The tariffs referred to in paragraph (1) of this Article shall be agreed upon between

the designated airlines of both Contracting Parties, in consultation, when necessary and possible, with other airlines operating over the whole or part of that route. The tariffs so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties and shall be submitted to their respective aeronautical authorities at least 90 days prior to the proposed date of introduction of these tariffs. This period can be reduced in certain cases upon agreement between the said authorities.

- 3) If the designated airlines cannot agree on any of these tariffs, the aeronautical authorities of the Contracting Parties shall try to determine the tariffs by agreement between themselves.
- 4) If the aeronautical authorities cannot agree on the approval of any tariff submitted to them under paragraph (2) of this Article or on the determination of any tariff under paragraph (3), the matter shall be referred to the Contracting Parties for settlement in accordance with the provisions of Article (7) of this Agreement.
- 5) Pending determination of a new tariff in accordance with the provisions of this Article, the tariffs already in force shall prevail. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than 12 months after the date on which it otherwise would have expired.

ARTICLE 14

DOCUMENTS

The aircraft of the designated airline of either Contracting Party operating on the specified route shall bear its nationality and registration marks and carry on board the following certificates and documents:

- a) certificate of registration;
- b) certificate of airworthiness;
- c) journey log sheet;
- d) aircraft radio station licence;
- e) licences or certificates for each member of the crew;
- f) list of crew members;
- g) list of passengers giving the places of departure and destination;
- h) manifest of cargo and mail;
- i) general declaration.

Each Contracting Party shall recognize the valid certificates mentioned above of the other Contracting Party.

ARTICLE 15

SERACH AND RESUE

In case the aircraft of the designated airline of one Contracting Party is in distress or

meets with an accident in the territory of the other Contracting Party, the other Contracting Party shall:

- a) inform without delay the first Contracting Party of the accident;
- b) immediately start search and rescue operations;
- c) render assistance to the passengers and crew;
- d) provide all security measures for the aircraft and its contents;
- e) carry out investigation into the accident;
- f) permit the representatives of the first Contracting Party access to the aircraft and participate in the investigation as observers;
- g) give clearance to the aircraft and its contents as soon as they are no longer necessary for the investigation;
- h) communicate in writing to the first Contracting Party its conclusions and the final report concerning the investigation.

ARTICLE 16 CONSULTATIONS

- 1) Exchange of views shall take place as needed between the aeronautical authorities of the Contracting Parties in order to achieve close cooperation and agreement in all matters pertaining to the application of this Agreement.
- 2) Each Contracting Party may, at any time, request consultations with the other Contracting Party for the purpose of amending this Agreement or the Schedule. Such consultations shall begin within a period of 60 days from the date of receipt of such request. Any amendments to this Agreement agreed to, as a result of such consultations, shall enter into force on the date of exchange of Diplomatic Notes stating that the legal procedures required have been fulfilled in accordance with their respective national laws.
- 3) If the amendment relates only to the Schedule, the consultations shall be between the aeronautical authorities of both Contracting Parties. When these authorities agree on a new or revised Schedule, the agreed amendments shall come into force as soon as they have been confirmed by an exchange of Diplomatic Notes.

ARTICLE 17 SETTLEMENT OF DISPUTES

Both Contracting Parties shall ensure correct implementation of the present Agreement in a spirit of close cooperation and mutual support. If any difference of opinion arises in respect of the interpretation or implementation of this Agreement, the competent authorities of both Contracting Parties shall endeavour to settle it directly through consultations in a spirit of friendly cooperation and mutual understanding. On request, consultations shall begin within a period of 60 days from the date of receipt of such

request. If agreement cannot be reached within 60 days, the Contracting Parties shall settle it through diplomatic channels.

ARTICLE 18

TERMINATION

Either Contracting Parties may at any time notify the other Contracting Party of its decision to terminate this Agreement. If such notice is given, this Agreement shall terminate twelve months after the date of receipt by the other Contracting Party of the notice to terminate, unless by agreement between the Contracting Parties the notice under reference is withdrawn before the expiry of that period. Notice shall be deemed to have been received fourteen days after the date of the notice, or at the date of handling the notice to the diplomatic mission of the other Contracting Party in the territory of the first Contracting Party.

ARTICLE 19

TITLES

Titles are inserted in this Agreement at the head of each article for the purpose of reference and convenience and in no way to define, limit or describe the scope or intent of this Agreement.

ARTICLE 20

ENTRY INTO FORCE

The present Agreement shall come into force on the date of exchange of Diplomatic Notes confirming that the Contracting Parties have completed their respective legal procedures.

In witness whereof, the undersigned, being duly authorised by their respective Governments, have signed the present Agreement.

Done at Kuwait on the twentieth day of January 1980, in two originals each in the Chinese, Arabic and English languages, the three texts being equally authentic.

For
the Government of the
People's Republic of China
(CHEN RUIGUANG)
Adviser, General Administration
of Civil Aviation of China

For
the Government of the
State of Kuwait
(JABER AL-ATHBY AL-SABAH)
Director General of
Civil Aviation

SCHEDULE

- I. Route to be operated by the airline designated by the Government of the People's Republic of China in both directions:

A point in China-any two intermediate points-Kuwait-any two points beyond.

Note: The intermediate points and the points beyond in the route specified can be served provided that traffic rights are not exercised between these points and Kuwait, and vice-versa.

- II. Route to be operated by the airline designated by the Government of the State of Kuwait in both directions:

Kuwait-any two intermediate points-Beijing-any two points beyond.

Note: The intermediate points and the points beyond in the route specified can be served provided that traffic rights are not exercised between these points and Beijing, and vice-versa.

- III. Notes:

- a) Any point or points on the specified routes may be omitted on any or all flights provided that the operation starts and ends in the territory of the Contracting Party designating the airline.
- b) Each designated airline shall specify and submit to the aeronautical authorities of the other Contracting Party for their approval the intermediate points and the points beyond before the initiation of the agreed services and before any later changes in the schedule.
The points need not be the same in different flights.