

AGREEMENT BETWEEN THE GOVERNMENT OF THE
PEOPLE'S REPUBLIC OF CHINA AND THE
GOVERNMENT OF THE REPUBLIC OF THE PHILIPPINES
RELATING TO CIVIL AIR TRANSPORT

The Government of the People's Republic of China and the Government of the Republic of the Philippines,

With a view to facilitating the friendly contacts between the peoples of China and the Philippines and developing the mutual relations between the two countries in respect of air transportation, in accordance with the principles of mutual respect for independence and sovereignty, non interference in each other's internal affairs, equality and mutual benefit as well as friendly cooperation,

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

ARTICLE 1

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

(1) The term "civil aeronautical, authorities", means in the case of the People's Republic of China, the General Administration of Civil Aviation of China and/or any person or body duly authorized to perform any function exercised at present by the said General Administration of similar functions, and, in the case of the Republic of the Philippines, the Civil Aeronautics Board and/or any person or body duly authorized to perform any function exercised at present by the said Civil Aeronautics Board of similar functions;

(2) The term "designated airline" means an airline which one contracting Party shall have designated either by this Agreement or by written notification to the other Contracting for the operation of the air services on the route specified the Annex hereto;

(3) The term "air service" means any scheduled air service performed by aircraft for the public transport of passengers, baggage, cargo or mail;

(4) The term "agreed service" means any scheduled air service operated on the routes specified in the Annex to this Agreement;

(5) The term "international air service" means an air service which passes through the air space over the territory of more than one State;

(6) The term "airline" means any air transport enterprise offering or operating an international air service;

(7) The term "stop for non-traffic purposes" means a landing for any purpose other than taking on or discharging passengers, baggage, cargo or mail.

ARTICLE 2

1. Each Contracting Party grants to the other Contracting Party the right to establish and operate scheduled air services on the route specified in the Annex to this Agreement (herein- after referred to as "the specified route").

2. Subject to the provisions of the present Agreement, aircraft of the designated airline of each Contracting Party can fly across the territory of the other Contracting Party without landing or make stops in the said territory for non-traffic purposes along the air route prescribed by the civil aeronautical authorities of the other Contracting Party after approval has been obtained therefrom.

3. Subject to the provisions of the present Agreement, the aircraft of the airline designated by each Contracting Party, in operating the agreed services on the specified route, shall have the right to make stops at point of the specified route in the territory of the other Contracting Party for taking on or putting down passengers, baggage, cargo and mail coming from or destined for the territory of the first Contracting Party and those for the intermediate point between the territories of both Contracting Parties and those for specified points beyond the territories of both Contracting Parties.

4. The aircraft of the designated airline of each Contracting Party, while flying in the territory of the other Contracting Party, shall comply with the regulations governing the air route and air corridor at the boundary line

prescribed by the other Contracting Party.

5. Each Contracting Party shall notify the other Contracting Party at least sixty days in advance of the inauguration of the agreed services by its designated airline on the specified route.

6. In case where the designated airline of either Contracting Party desires to operate an additional or charter flight on the specified route, the civil aeronautical authorities of the first Contracting Party shall submit request to the civil aeronautical authorities of the other contracting Party, and the flight shall be operated only after approval is obtained. The request shall be submitted seventy-two hours prior to the departure of the aircraft for the flight.

ARTICLE 3

1. The Government of the People's Republic of China designates "Department of International Affairs of the General Administration of Civil Aviation of China" as its airline and the Government of the Republic of the Philippines designates "Philippine Airlines" as its airline to operate their respective agreed services on the specified routes.

2. The substantial ownership and effective control of the airline designated by each Contracting Party must be vested in such Contracting Party.

3. Each Contracting Party shall have the right to suspend the exercise of the rights specified in Article 2 of the present Agreement by the airline designated by the other Contracting Party, in case of failure by that airline to comply with the laws and regulations of the first Contracting Party, or of failure to operate in accordance with the conditions prescribed under the present Agreement and its Annex. However, under normal circumstances, such right shall be exercised only after consultation with the other Contracting Party.

ARTICLE 4

1. Matters relating to frequency, type of aircraft, schedule, conditions of carriage, sales representation and ground handling in each other's territory in the operation of the specified routes shall be agreed upon through consultation

between the designated airlines of both Contracting Parties. Frequency, type of aircraft and schedule so agreed shall be subject to the approval of their respective civil aeronautical authorities.

2. The services provided by the designated airlines of both Contracting Parties shall have as their primary objective the carriage of passengers, baggage, cargo, and mail originating from or destined for the territory of the Contracting Party which has designated the airline. Provision for the carriage of passengers, baggage, cargo and mail both taken up and put down at points on the specified routes in the territory of a third country shall be made in accordance with the primary objective.

3. In operating the agreed services, the designated airline of each Contracting Party shall take into account the interest of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides, on the whole or part of the same route.

ARTICLE 5

1. The tariffs (meaning the prices to be paid for the carriage of passengers, baggage, and cargo and the conditions under which those prices apply) to be charged for the agreed services shall be established at reasonable levels, due regard being paid to all relevant factors, including cost of operation, reasonable profit, characteristics of service and the tariffs of other airlines for operation of scheduled air services on same or similar route or sectors.

2. The tariffs applicable to the agreed services between the territories of both Contracting Parties shall be agreed upon between their designated airlines and shall be subject to the approval of their respective civil aeronautical authorities at least sixty (60) days in advance of its introduction. In special cases, this period can be reduced with the agreement of such authorities.

3. If the designated airlines can not agree on a tariff or the civil aeronautical authorities of either Contracting Party refuses to give approval to any tariff agreed upon between the designated airlines, the civil aeronautical authorities of the Contracting Parties shall try to agree upon an appropriate tariff between themselves.

4. The tariffs established in accordance with the provisions of this Article shall remain in force until new tariffs have been established.

ARTICLE 6

1. Each Contracting Party shall designate in its territory the airport and alternate airport(s) to be used by the designated airline of the other Contracting Party for the operation of the specified route, and provide the latter with communications, navigational, meteorological and other auxiliary services in its territory as are required for the operation of the agreed services. The detailed arrangements shall be agreed upon between the civil aeronautical authorities of both Contracting Parties.

2. The designated airline of one Contracting Party shall be charged for the use of airports and technical facilities of the other Contracting Party at the reasonable rates specified by the other Contracting Party. Such rate shall not be higher than those normally paid by airlines of other countries.

ARTICLE 7

1. Aircraft operated on the specified route by the designated airline of either Contracting Party, as well as the regular equipment, spare parts, fuel, oil, lubricants and aircraft stores (including food, beverage, tobaccos, etc.) retained on board the aircraft shall be exempted from any customs duties, inspection fees and other charges by the other Contracting Party on arriving in and departure from the territory of the other Contracting Party. However, such articles shall not be unloaded without approval of the customs authorities of the other Contracting Party and, if unloaded, the unloaded part shall be kept in bond by such authorities.

2. The fuel, oil, lubricants and aircraft stores for consumption replenished to or taken on board the aircraft in the territory of the other Contracting Party by the designated airline of the first Contracting Party for operation of the specified route shall be exempted from customs duties, inspection fees and other charges.

3. Spare parts and regular airborne equipment, fuel, oil, lubricants and aircraft stores (including food, beverage, tobaccos, etc.) introduced into the territory of the other Contracting Party for the maintenance and repair of aircraft operated on the specified route by the designated airline of the first Contracting

Party shall also be exempted from customs duties, inspection fees and other charges. However, such articles shall be unloaded only with approval of the customs authorities of the other Contracting Party and shall be kept in bond. They shall not be sold or used for other purposes in the territory of the other Contracting Party, and shall be subject to storage charges as per the regulations of the other Contracting Party.

ARTICLE 8

The laws and regulations of either Contracting Party relating to the admission to, stay in, departure from and navigation in 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 and passengers, baggage, cargo and mail carried by such aircraft, while in the territory of the first Contracting Party. Each Contracting Party shall supply the other Contracting Party information relevant to the above mentioned laws and regulations in time.

ARTICLE 9

1. For the operation of the specified route, the designated airline of each Contracting Party has the right to set up its office of representative at the point of call on the specified route in the territory of the other Contracting Party. The staff of such office of representative shall be citizens of the People's Republic of China or the Republic of the Philippines, and the number of staff shall be agreed upon through consultation between the designated airlines of both Contracting Parties, and subject to the approval of the proper authorities of both Contracting Parties. The staff of such office must observe the applicable laws and regulations of the country where such office is located.

2. Each Contracting Party shall extend assistance and facilities to the office of representative of the designated airline of the other Contracting Party and ensure the safety of the office and its staff as well as the safety of the aircraft, stores and other properties used on agreed services in the territory of the first Contracting Party.

ARTICLE 10

Either Contracting Party undertakes to grant to the other Party free transfer in United States dollars at the rate of exchange in the official market at the time of remittance of the excess of receipts over expenditures achieved in its territory, in connection with the carriage of passengers, baggage, mail shipments and freight by the designated airline of the other Party. Wherever the payments system between the Contracting Parties governed by a special agreement, the said agreement shall apply.

ARTICLE 11

1. The aircraft of the designated airline of each 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 (a - - e) of the other Contracting Party.

2. The crew members of the designated airline of either Contracting Party flying on the specified route shall be citizens of its respective country.

ARTICLE 12

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 alert 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 the results of the investigation.

ARTICLE 13

Both Contracting Parties shall ensure the 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 designated airlines of both Contracting Parties or their competent authorities shall endeavour to settle it directly through consultation in a spirit of friendly cooperation and mutual understanding. If agreement cannot

be reached, the Contracting Parties shall settle it through diplomatic channels.

ARTICLE 14

If either of the Contracting Parties considers it desirable to modify or amend any provision of this Agreement or its Annex, it may at any time request consultation with the other Contracting Party and such consultation shall begin within a period of sixty days from the date of receipt of the suggestion by the other Contracting Party.

Any modification or amendments to this Agreement or its Annex shall come into force when they have been confirmed through exchange of notes between the two Contracting Parties.

ARTICLE 15

The present Agreement shall come into force on the day it is signed.

Either Contracting Party may at any time give notice to the other Contracting Party, if it desires to terminate the present Agreement. The present Agreement shall terminate twelve months after the date of receipt of notice, unless it is withdrawn by the first Contracting Party with agreement by the latter, in which case the present Agreement shall remain in force.

Signed at Beijing on this 8th day of July, 1979, in duplicate, in the Chinese, Pilipino and English languages, all texts being equally authentic.

For the Government of the People's
Republic of China

For the Government of the
Republic of the Philippines

ANNEX

Route

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

A point in China — Manila

B. The route of the agreed services operated by the designated airline of the Government of the Republic of the Philippines shall be as follows in both directions:

A point in the Philippines — Beijing

A point in the Philippines — Beijing