

AGREEMENT BETWEEN  
 THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA  
 AND  
 THE GOVERNMENT OF THE REPUBLIC OF INDONESIA  
 RELATING TO SCHEDULED AIR TRANSPORT

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The Government of the People's Republic of China and the Government of the Republic of Indonesia (hereinafter referred to as "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 contact between their two peoples 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 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 Civil Aviation Administration of China, or any person or agency authorized to perform any functions presently exercised by the said person or agency, and in the case of the Republic of Indonesia, the Minister of Communications or any person or body authorized to perform any functions presently exercised by the said Minister;
- 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 this 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 purpose 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 services, 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 the 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.
- j) the term "China" comprises the territory of the People's Republic of China as defined in its laws and the adjacent areas over which the People's Republic of China has sovereignty, sovereign rights or jurisdiction in accordance with international law.

the term "Indonesia" comprises the territory of the Republic of Indonesia as defined in its laws and the adjacent areas over which the Republic of Indonesia has sovereignty, sovereign rights or jurisdiction in accordance with international law.

ARTICLE 2

Grant of Rights

- (1) Each Contracting Party shall grant to the other Contracting Party the rights specified in this Agreement to enable its designated airline(s) to establish and operate international air services on the route(s) specified in the Schedule (hereinafter referred to as "the agreed services" and "the specified route(s)" respectively).
- (2) Subject to the provisions of this Agreement, the designated airline(s) of each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following rights:
  - a) to fly without landing across the territory of the other Contracting Party along the air routes prescribed by the aeronautical authorities 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 at the point(s) in the territory of the other Contracting Party on the route(s) specified in the Schedule for the purpose of taking on board and discharging international traffic in passengers, baggage, cargo and mail originating in or destined for the territory of the first Contracting Party.
- (3) Nothing in paragraph (2) of this Article shall be deemed to confer on the designated airline(s) of either Contracting Party the privilege of taking on board at one point in the territory of the other Contracting Party, passengers, cargo and mail carried for hire or reward and destined for another point in the the said territory.
- (4) The right of the designated airline(s) of either Contracting Party to embark or to disembark at the point(s) in the territory of the other Contracting Party international traffic destined for or coming from third countries shall be agreed upon between the aeronautical authorities of the two Contracting Parties.

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ARTICLE 3

Designation and Authorization

- (1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party up to three airlines for the purpose of operating the agreed services on the route(s) specified in the Schedule.
- (2) The substantial ownership and effective control of an airline designated by each Contracting Party shall remain vested in such Contracting Party or its nationals.
- (3) The aeronautical authorities of the other Contracting Party may require an 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 by them to the operation of international air services.
- (4) On receipt of such designation, the other Contracting Party shall, subject to the provisions of paragraphs (2) and (3) of this Article, grant without unreasonable delay to the airline(s) so designated the appropriate operating authorization.
- (5) When an airline has been so designated and authorized in accordance with the provisions of paragraphs (1) and (4) of this Article, it may commence operations of the agreed service subject to an arrangement to be agreed upon between the aeronautical authorities of both Contracting Parties.

ARTICLE 4

Revocation, Suspension and Imposition of Condition

- (1) Each Contracting Party shall have the right to revoke or suspend the operating authorization already granted to a designated airline of the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise by the said designated airline(s) of the rights specified in Article 2 of this Agreement, in any of the following cases:
  - the Party engaged in the operation of the agreed services, as well as their regular equipment, aircraft, fuel, oil, lubricants, and aircraft stores, including food, beverages, liquor, tobacco

- 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 rights, or
  - c) where that airline otherwise fails to operate in accordance with the conditions prescribed under this agreement.
- (2) Unless immediate revocation, 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 consultations with the other Contracting Party.

ARTICLE 5

Provision of Technical Services and Rate of Charges

- (1) Each Contracting Party shall designate in its territory regular airport(s) and alternate airports to be used by the designated airline(s) of the other Contracting Party for the operation of the agreed services, and shall provide the airline(s) with such communications, navigational, meteorological and other auxiliary services in its territory as are required for the operation of the agreed services.
- (2) The designated airline(s) of each Contracting Party shall be charged for use of airports, facilities and technical services of the other Contracting Party at fair and reasonable rates. Such rates shall not be higher than those imposed on any airlines of other States engaged in international air services for use of similar facilities and services.

ARTICLE 6

Custom Duties and Taxes

- (1) Aircraft of the designated airline(s) of either Contracting Party engaged in the operation of the agreed services, as well as their regular equipment, spare parts, fuels, oils, lubricants, and aircraft stores (including food, beverages, liquor, tobacco

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and other products for sale to or use by passengers in limited quantities during the flight) and other items intended for or used solely in connection with the operation or servicing of the aircraft, which are retained on board such aircraft shall be exempt on the basis of reciprocity from all customs duties, inspection fees and other charges on arrival in and departure from the territory of the other Contracting Party.

(2) The following shall also be exempt on the basis of reciprocity from all customs duties, inspection fees and other charges, with the exception of charges based on the actual cost of the service provided:

(a) aircraft stores introduced into or supplied in the territory of a Contracting Party and taken on board, within reasonable limits, for use on aircraft of the designated airline(s) of the other Contracting Party engaged in the operation of agreed services, even when those stores are to be used on a part of the journey performed over the territory of the Contracting Party in which they are taken on board;

(b) spare parts including engines introduced into the territory of a Contracting Party for the servicing, maintenance or repair of aircraft of the designated airline(s) of the other Contracting Party used in the operation of the agreed services;

(c) fuel, lubricants and consumable technical supplies introduced into or supplied in the territory of a Party for use in an aircraft of designated airline(s) of the other Party engaged in the operation of the agreed services, even when these supplies are to be used on a part of the journey performed over the territory of the Party in which they are taken on board. And

(d) baggage and cargo in direct transit.

(3) Aircraft stores, equipment and supplies referred to in paragraph (1) of this Article retained on board the aircraft of the designated airline(s) of either Contracting Party engaged in the operation of the agreed services may be unloaded in the territory of the other Contracting Party with the approval of the customs authorities of that other Contracting Party. The aircraft stores, equipment and supplies unloaded, as well as aircraft stores, equipment and supplies introduced into the territory of the other Contracting Party referred to in paragraph (2) of

this Article, shall be subject to the supervision or control of the said authorities, and if required to fair and reasonable storage charges, up to such time as they are re-exported or otherwise disposed of in accordance with the regulations of such authorities.

- (4) The exemptions 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 another airline, which similarly enjoys such exemptions from the other Contracting Party, for the loan in the territory of the other Contracting Party of the items specified in paragraphs (1) and (2) of this Article.

ARTICLE 7

Representative Offices, Personnel  
and Sales Representation

- (1) For the operation of the agreed services on the specified route(s) the designated airline(s) of each Contracting Party shall have the right, on reciprocal basis, to set up representative offices at the point(s) of call on the specified route(s) within the territory of the other Contracting Party. The staff of the representative offices referred to in this paragraph shall be subject to the laws and regulations in force in the country where such representative offices are located.
- (2) The staff members of the representative offices of the designated airline(s) of each Contracting Party in the territory of the other Contracting Party shall be nationals of either Contracting Party, unless otherwise agreed. The number of such staff shall be determined on reciprocal basis between the aeronautical authorities of both Contracting Parties.
- (3) Each Contracting Party shall to the maximum extent practicable ensure the safety of the representative offices and their staff members of the designated airline(s) of the other Contracting Party, and safeguard the aircraft, stores and other properties of the airline(s) in its territory for use in the operation of the agreed services.
- (4) Each Contracting Party shall extend assistance and facilities to the representative offices and its staff members of the designated airline(s) of the other Contracting Party necessary for the efficient operation of the agreed services.

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- (5) The crew members of the designated airline(s) of either Contracting Party on flights into and out of the territory of the other Contracting Party shall be nationals of the Contracting Party designating such airline. If a designated airline of either Contracting Party desires to employ crew members of any other nationality on flights into and out of the territory of the other Contracting Party, prior approval shall be obtained from that other Contracting Party.
  - (6) matters relating to sales representation for the operation of the agreed services shall be agreed upon between the designated airlines of the Contracting Parties and subject to the approval of the aeronautical authorities of the Contracting parties.

#### ARTICLE 8

##### Transfer of Airline Earnings

- (1) Each Contracting Party shall grant to the designated airline(s) of the other Contracting Party the right to convert and remit to its country the excess of receipt over expenditure earned in its territory in connection with the carriage of passengers, baggage and cargo by the said designated airline(s) in any freely convertible currencies. Conversion and remittance shall be effected without restrictions at the prevailing rate of exchange. Whenever the payment system between the Contracting Parties is governed by a special agreement, that agreement shall apply.
- (2) Each Contracting Party shall facilitate the transfer of such airline earnings into the other Contracting Party. Each Contracting Party shall endeavour to assist that these transfers shall be executed without delay.

#### ARTICLE 9

##### Entry and Clearance Regulations

- (1) The laws and regulations of each Contracting Party governing entry into and departure from its territory of aircraft engaged in international air services shall be complied with by the designated airline(s) of the other Contracting Party while entering, within and departing the territory of the first Contracting Party.



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- (2) The laws and regulations of each Contracting Party governing entry into, stay in, transit through and departure from its territory of passengers, crew, cargo and mail, shall apply to passengers, crew, cargo carried by the aircraft of the designated airline(s) of the other Contracting Party while entering, within, and departing from the said territory.
  - (3) Passengers, baggage and cargo in direct transit across the territory of either Contracting Party not leaving the area of the airport reserved for such purpose shall, in principle, be subject to, no more than very simplified form of control.

#### ARTICLE 10

##### Capacity

- (1) There shall be fair and equal opportunity for the designated airline(s) of the Contracting Parties in operating the agreed services on the specified routes.
- (2) In the operation of the agreed services, the designated airline(s) of each Contracting Party shall take into account the interests of the designated airline(s) of the other Contracting Party so as not to affect unduly the air services which the latter airline(s) provides over the whole route or parts thereof.
- (3) Capacity, frequency and flight schedules in the operation of the agreed services shall be agreed upon between the aeronautical authorities of both Contracting Parties.
- (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 the requirements for the carriage of passengers, cargo and mail, between the territories of the two Contracting Parties. The right of the designated airline(s) of either Contracting Party to embark or to disembark at the point(s) in the territory of the other Contracting Party international traffic destined for or coming from third countries shall be of a supplementary nature.
- (5) Provision for the carriage of passengers, cargo and mail either taken up or put down at points on the specified routes in the territories of States other

that designating the airline(s) shall be made in accordance with the general principle that capacity shall be related to:

- a) traffic requirements to and from the territory of the Contracting Party which has designated the airline(s);
- b) traffic requirements of the area through which the airline(s) passes after taking account of other air services established by airlines of the States comprising the area; and
- c) the requirements of through airline operation.

ARTICLE 11

Provision of Statistics

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

ARTICLE 12

Establishment of Tariffs

- (1) The tariffs to be charged by the designated airline(s) of either Contracting Party for 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, characteristics of service (such as standards of speed and accommodation) and the tariffs of other airlines for any part of the specified route.
- (2) The tariffs referred to in paragraph (1) of this Article shall be agreed upon between the designated airline(s) 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

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to the approval of the aeronautical authorities of both Contracting Parties and shall be submitted to their respective aeronautical authorities at least 60 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 determination of any tariff under paragraph (3) of this Article the matter shall be referred to the Contracting Parties for settlement in accordance with the provisions of Article 17 of this Agreement.
- (5) Pending determination of a new tariff in accordance with the provision 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 13

#### Recognition of Certificates and Licences

Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one Contracting Party, and still in force, shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services. Each Contracting Party reserves the right, however, to refuse to recognize, for the purpose of flight above its own territory, certificates or competency and licences granted to its own nationals rendered valid by another State.

### ARTICLE 14

#### Use of Leased Aircraft

The designated airline(s) of either Contracting Party may, subject to the approval of the aeronautical authorities of the other Contracting Party, operate the agreed services on the specified route(s) with aircraft leased from a third country having the nationality and

registration marks of that country, provided that prior notice and relevant information regarding the leased aircraft shall be furnished to the aeronautical authorities of the other Contracting Party 30 days before the commencement of the proposed operation.

ARTICLE 15

Aviation Security

- (1) The Contracting Parties reaffirm that their obligations to each other to protect the security of civil aviation against acts of unlawful interference form an integral part of this Agreement.
- (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) Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect civil aircraft, and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to 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.
- (4) 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 as rapidly and safely as possible such incident or threat thereof.

ARTICLE 16

Consultations

- (1) The Contracting Parties shall ensure the correct implementation of, and satisfactory compliance with, the provisions of this Agreement in a spirit of

close cooperation and mutual support. To this end, the aeronautical authorities of the Contracting Parties shall consult each other from time to time.

- (2) Either Contracting Party may request consultation with the other Contracting Party, which may be either verbal or in writing, and which shall begin within a period of 60 days from the date of receipt of the request, unless both Contracting Parties jointly determine an extension of this period.
- (3) If either of the Contracting Party considers it desirable to amend any provision of this Agreement including the Route Schedule, it may request consultation with the other Contracting Party. The consultation, which may be through discussions or by correspondence between the aeronautical authorities of both Contracting Parties, shall begin within a period of 60 days from the date of receipt of the request. Any amendments so negotiated shall not come into force until they have been confirmed by way of an exchange of notes through diplomatic channels.

#### ARTICLE 17

##### Settlement of Disputes

- (1) Any dispute arising between the Contracting Parties relating to the interpretation or application of this Agreement shall be settled by direct negotiations in a spirit of friendly cooperation and mutual understanding between the aeronautical authorities of the Contracting Parties.
- (2) If the aeronautical authorities of the Contracting Parties fail to reach a settlement by negotiation under the provision of paragraph (1) of this Article, the dispute shall be settled through diplomatic channels.

#### ARTICLE 18

##### Termination

Either Contracting Party 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 the notice under reference is withdrawn before the expiry of that period. Notice shall be deemed to have

been received 14 days after the date of the notice, or at the date of handing 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 shall in no way define, limit or describe the scope or intent of this Agreement.

#### ARTICLE 20

##### Entry into Force

This Agreement shall apply provisionally on the date of signature and definitely enter into force as soon as both Contracting Parties give written notification to each other by exchange of diplomatic notes that their respective legal requirements for definite entry into force have been fulfilled.

In Witness Whereof, the undersigned Plenipotentiaries, being duly authorized by their respective Governments, have signed this Agreement.

Done this 31 day of JANUARY, 1991 at JAKARTA in duplicate in the English language.

FOR THE GOVERNMENT OF THE  
PEOPLE'S REPUBLIC OF CHINA

FOR THE GOVERNMENT OF  
THE REPUBLIC OF INDONESIA

*Handwritten signature of a Chinese representative*

*Handwritten signature of an Indonesian representative*

ROUTE SCHEDULE

Section I

- 1. Routes to be served by the designated airline(s) of the Government of the People's Republic of China in both directions:

| Points of Departure | Intermediate Points                              | Points of Destination                                  |
|---------------------|--|--|
| Points in China     | Singapore and/or another point to be agreed upon | Jakarta<br>Surabaya<br>another point to be agreed upon |

- 2. The designated airline(s) of either Contracting Party may on any or all flights omit calling at any of the above points provided that the agreed services on this route start and terminate in the territory of China.

Section II

- 1. Routes to be served by the designated airline(s) of the Government of the Republic of Indonesia in both directions:

| Points of Departure | Intermediate Points                              | Points of Destination            |
|---------------------|--|----------------------------------|
| Points in Indonesia | Singapore and/or another point to be agreed upon | Beijing<br>Shanghai<br>Guangshou |

- 2. The designated airline(s) of either Contracting Party may, on any or all flights omit calling at any of the above points provided that the agreed services on this route start and terminate in the territory of Indonesia.

*[Handwritten signatures and stamps at the bottom of the page]*