

## **Agreement on Air Services**

August 03, 1967

### **AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE IMPERIAL ETHIOPIAN GOVERNMENT RELATING TO AIR SERVICES**

#### **Addis Abada**

The Government of India and the Imperial Ethiopian Government, hereinafter described as the "Contracting Parties"

BEING parties to the Convention on International Civil Aviation (hereinafter referred to as the Convention) opened for signature at Chicago on the 7th December, 1944.

AND DESIRING to conclude an Agreement for the purpose of establishing air services between and beyond their respective territories

HAVE agreed as follows :

#### **Article I**

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

1. the term "aeronautical authorities" shall mean, in the case of India, the Director General of Civil Aviation or any other person or body authorised to perform the functions presently exercised by the said Director General and in the case of the Imperial Ethiopian Government, the Administrator of Civil Aviation or any other person or body authorised to perform the functions presently exercised by the said Administrator of Civil Aviation;
2. the term "designated airline" shall mean an airline which the aeronautical authorities of one Contracting party have designated in writing to the aeronautical authorities of the other Contracting Party, in accordance with Article III of the present Agreement;
3. the terms "territory", "air service", "international air service" and "stop for non-traffic purposes" have the meanings respectively assigned to them in Article 2 and 96 of the Convention.

#### **Article II**

1. Each Contracting Party grants to the other Party the rights specified in the present Agreement for the purpose of establishing air services on the route specified in the Annex thereto (hereinafter called "the agreed services" and "the specified routes"). The agreed services may be inaugurated at any time after the provisions of article III have been complied with.

2. Subject to the provisions of the present Agreement, the airline designated by each Contracting Party shall enjoy the following rights :

I. to fly without landing across the territory of the other Contracting Party ;

II. to make stops in the territory of the other Contracting Party for non-traffic purposes; and

III. while operating an agreed service on a specified route, to make stops in the territory of the other Contracting Party at the point specified for that route in the Annex to the present Agreement, for the purpose of putting down or taking on international traffic in passengers, cargo and mail, originating in or destined for the territory of the first Contracting Party or of a third country.

3. Noting in paragraph (2) of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking on, in the territory of the other Contracting Party,

passengers, cargo or mail carried for remuneration or hire and destined for another point in the territory of that other Contracting Party.

4. The laws, regulations and instructions of one Contracting Party, relating to entry into or departure from its territory of aircraft or air services operated in the international air navigation or to the operation of such aircraft or air services while within its territory shall apply to aircraft and agreed services of the designated airline of the other Contracting Party.

### **Article III**

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services in accordance with the Route Schedule specified in the Annex to this Agreement.

2. On receipt of the designation, the Contracting Party shall, through its own aeronautical authorities and subject to the provisions of paragraphs (3) and (4) of this Article, without delay grant to the designated airline the appropriate operating authorisation.

3. The aeronautical authorities of one Contracting Party may require the airline designated by the other Contracting Party to satisfy them that it is qualified to fulfil the conditions prescribed under the laws and regulations normally applied by them to the operations of air carriers and of international commercial air services.

4. Each Contracting Party shall have the right to refuse to accept the designation of the airline or to withhold the grant to the airline of the rights specified in paragraph (2) of Article II of the present Agreement or to impose such conditions as it may deem necessary on the exercise of the airline of those rights in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the other Contracting Party or its nationals. For the purpose of this paragraph, the expression "substantial ownership and effective control" means that in any case where the designated airline operates its services under this Agreement by entering into any agreement with the airline of any other country or the Government or nationals of any other country, the Contracting Party designating the airline or its nationals, shall not be deemed to have substantial ownership and effective control of the designated airline, unless the Contracting Party or its nationals, in addition to the ownership of the major parts of the assets of the designated airline, have also :

I.effective control in the management of the designated airline, and

II.ownership and effective control of the major parts of the fleet of aircraft and equipment used in the operation of the services.

5. The airline so designated and authorised may begin to operate the agreed services at any time provided that the provisions of Article X and XII have been complied with.

### **Article IV**

Each Contracting Party reserves the right to itself to revoke the operating authorisation or impose such appropriate conditions as it may deem necessary in case of failure by a designated airline of the other Party to comply with the laws and regulations of the former Party, or in case, in the judgement of the former Party, there is a failure to fulfil the conditions under which the rights are granted in provisions of paragraph (4) of Article III are not complied with. Such action shall be taken only after consultation between the contracting Parties in accordance with Article XIV of the present

Agreement unless an immediate suspension of operations or imposition of conditions is necessary to avoid further infringements of laws, regulations or provisions of the present Agreement.

#### **Article V**

1. Each Contracting Party grants to the designated airline of the other Contracting Party the right to remit to its head office the excess over expenditure of receipts earned in the territory of the first Contracting Party. Such remittances, however, shall be made in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued.
2. In case special arrangements ruling the settlement of payments are in force between the two Contracting Parties, the provisions of such arrangements shall be applied to the transfer of funds under paragraph (1) of this Article.

#### **Article VI**

1. The two Contracting Parties hereby, on the basis of complete reciprocity, grant relief from taxes, duties and other charges for aircraft of a designated airline of the other Contracting Party exclusively engaged in international air service as follows :
  - I. The aircraft operated by the designated airline of one Contracting Party and entering into, departing from or flying across the territory of the other Contracting Party as well as the regular equipment and spare parts on board such aircraft shall be exempt from customs duties and other charges levied on the occasion of importation, exportation or transit of goods.
  - II. Spare parts and articles of equipment which are :
    1. removed from the aircraft referred to in sub-paragraph (I) above or otherwise taken from board and stored within the territory of the other Contracting Party under customs supervision, or
    2. imported for such aircraft into, stored in, the territory of the other Contracting Party under customs supervision, shall be exempt from the duties and other charges mentioned in sub-paragraph (I) above, if they either are installed in or otherwise taken aboard the said aircraft under customs supervision, or are otherwise exported again from the territory of the other Contracting Party. The same exemption from such duties and other charges shall be granted for spare parts and articles of equipment taken from appropriate stores of other airlines and installed in or otherwise taken aboard the said aircraft under supervision.
  3. Fuel and lubricants on board the aircraft referred to in sub-paragraph (I) above and introduced into the territory of the other Contracting Party shall be free of customs duties and other charges levied on the occasion of importation, exportation and transit of goods provided that they are used on board the aircraft, and this applies also on that part of any flight which takes place between points in the territory of that Contracting Party. This shall likewise apply to fuel and lubricants which for the account of an airline designated by a Contracting Party are imported into and stored in the territory of the Contracting Party are under customs supervision for the purpose of supplying such aircraft's. Fuel and lubricants taken on by aircraft belonging to a designated airline under customs supervision in the territory of the other Contracting Party and used in the international air service shall not be subject to the aforementioned duties and other similar charges.
  4. Food and stimulants introduced aboard and aircraft mentioned in the sub-paragraph (I) above and intended for consumption by passengers and crew members may be issued in the territory of the other Contracting Party for immediate consumption aboard free of customs duties and other charges levied on the occasion of the importation, exportation and transit of goods, provided such aircraft can be continuously supervised by customs authorities at intermediate landings.

2. In so far as no duties or other charges are imposed on goods enumerated in the foregoing paragraph such goods shall not be subject to any economic prohibition and restriction on importation, exportation and transit that may otherwise be applicable.

#### **Article VII**

The designated airline of each Contracting Party shall, in all respects, enjoy fair and equal opportunity for the carriage of international traffic between and beyond the territories of the two Parties.

#### **Article VIII**

In the operation, by the designated airline of either Contracting Party, of the agreed air services, the interests of the designated airline of the other Party shall be taken into consideration so as not to effect unduly the services which the latter provides on all or part of the same route.

#### **Article IX**

1. The capacity to be provided, the frequency of services to be operated and the nature of air service, that is transiting through or terminating in the territory of the other Contracting Party shall be agreed between designated airlines in accordance with the principles laid down in Article VII and VIII and the provisions of this Article. Such agreement shall be subject to the approval of the aeronautical authorities of the two Contracting Parties.

2. Any increase in the capacity to be provided or frequency of services to be operated by the designated airline of either Contracting Party shall be agreed, in the first instance, between the designated airlines and shall be subject to the approval of the aeronautical authorities on the basis of the estimated requirements of traffic between the territories of the two Parties and any other traffic to be jointly agreed and determined. Pending such agreement or settlement, the capacity and frequency entitlements already in force shall prevail.

3. If the designated airlines of the Contracting Parties fail to agree on any matter on which their agreement is required under the provisions of this Article, the aeronautical authorities of the Contracting Parties shall endeavour to reach agreement thereon.

4. The capacity to be provided, the frequency of services to be operated and the nature of air service, that is, transiting through or terminating in the territory of the other Contracting Party as agreed to in accordance with the provisions of this Article shall be specified in the exchange of letters between the Contracting Parties.

#### **Article X**

Each Contracting Party shall cause its designated airline to communicate to the aeronautical authorities of the other Contracting Party, as long in advance as practicable, prior to the inauguration of the agreed services, the type of service, the type of aircraft to be used, the flight schedules, tariff schedules, and all other relevant information concerning the operation of the agreed services including such information as may be required to satisfy the aeronautical authorities that the requirements of the present Agreement are being duly observed. The requirements of this Article shall likewise apply to any changes concerning the agreed services.

#### **Article XI**

The aeronautical authorities of either Contracting Party shall furnish to the aeronautical authorities of the other Contracting Party statistics relating to the traffic carried during each month on their air services to or from or through the territory of the other Contracting Party showing the points of embarkation the disembarkation of such traffic. Such statistics shall be furnished as early as possible.

## **Article XII**

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, together with the rates of agency commission used in conjunction with them shall, if possible, be agreed in respect of each of the specified routes between the designated airlines concerned, and such agreement shall, wherever possible, be reached through the rate fixing machinery of the International Air Transport Association. The tariffs so agreed shall be subject to the approval of the aeronautical authorities of both Contracting Parties.
3. If the designated airlines cannot agree on any of these tariffs, or if for some reason a tariff cannot be agreed in accordance with the provision of paragraph (2) of this Article, the aeronautical authorities of the Contracting Parties shall try to determine the tariff 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 provision of Article XV of the present Agreement.
5. Pending determination of the tariffs in accordance with the provisions of this Article, the tariffs already in force shall prevail.

## **Article XIII**

In a spirit of close collaboration, the aeronautical authorities of the two Contracting Parties shall exchange views regularly on the application and interpretation of the present Agreement.

## **Article XIV**

Consultations may be requested at any time by either Contracting Party for the purpose of initiating any amendments of the present Agreement. Consultations may also be required on matters concerning the interpretation and application of the present Agreement if either Contracting Party considers that an exchange of views within the meaning of Article XIII has been without success. Such consultation shall begin within a period of sixty days from the date of the request. Any modification of the present Agreement as a result of such consultations shall come into effect after the respective constitutional requirements have been fulfilled and when it has been confirmed by an exchange of diplomatic notes.

## **Article XV**

1. If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement, the Contracting Parties shall upon the request of either Contracting Party in the first place endeavour to settle it by negotiation between themselves.
2. If the Contracting Parties fail to reach a settlement by negotiation within a period of 60 days from the date of receipt of aforementioned request, the dispute shall, at the request of the either Contracting Party, be submitted to a tribunal of three arbitrators, for decision, one to be nominated by each Contracting Party and the third to be appointed by the two so nominated. Each of the Contracting Parties shall nominate an arbitrator within a period of sixty (60) days from the date of

receipt of either Contracting Party from the other notice through the diplomatic channel requesting arbitration, and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fail to nominate an arbitrator within the period specified or if the third arbitrator is not appointed within the period specified, either Contracting Party may submit the dispute for decision to any tribunal competent to decide it, which may hereafter be established within the International Civil Aviation Organization or, if there is no such tribunal, to the Council of the said Organization.

3. The Contracting Parties undertake to comply with any decision given under paragraph (2) of this article.

4. No rights, privileges or operations carried on which have been granted to the designated airline of either Contracting Party, on the basis of the present Agreement, shall be prejudiced or in any way affected pending the settlement of any dispute in accordance with paragraphs (1) and/or (2) of this Article.

5. If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with a decision given under paragraph (2) of this article, the other Contracting Party may limit, withhold or revoke any rights or privileges which it has granted by virtue of the present Agreement to the Contracting Party in default or to the designated airline of that Contracting Party or to the designated airline in default.

#### **Article XVI**

To the extent to which they are applicable to the air services established under the present Agreement, the provisions of the Convention shall remain in force in their present form between the Contracting Parties for the duration of the Agreement, as if they were an integral part of the Agreement, unless both Contracting Parties ratify any amendment to the Convention which shall have duly come into force in which case the Convention as amended shall remain in force for the duration of the present Agreement.

#### **Article XVII**

1. The Annex attached to the present Agreement shall be deemed to be part of the Agreement and all reference to the Agreement shall include reference to the Annex, except where otherwise expressly provided.

2. The present Agreement shall be subject to ratification and instruments of ratification shall be exchanged as soon as possible.

3. The present Agreement shall come into force on the date of the exchange of instruments of ratification.

#### **Article XVIII**

Either Contracting Party may, at any time, give written notice to the other, of its desire to terminate the present Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. If such notice is given, the present Agreement shall terminate twelve months after the date of receipt of the notice by the Contracting Party, unless the notice to terminate is withdrawn by Agreement before the expire of this period. In the absence of acknowledgement of receipt by the other Contracting Party, notice shall be deemed to have been received fourteen days after the receipt of the notice by the International Civil Aviation Organization.

DONE at Addis Ababa this Third day of August 1967 in four originals, two each in the Hindi and English languages, both the texts being equally authentic. In case of any divergence of interpretation the English text shall prevail

Sd/-  
K L MEHTA  
For the Government  
of India

Sd/-  
HAILU ALEMAYEHOU  
For the Imperial  
Ethiopian Government

### **SECTION III**

Points need not necessarily be served in the order named and any point or points may, at the option of the designated airline, be omitted on any or all flights.