

April 26, 1973

**AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF
THE KINGDOM OF SAUDI ARABIA RELATING TO AIR SERVICES**

Jeddah

The Government of INDIA and The Government of the Kingdom of SAUDI ARABIA,

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, and

DESIRING to conclude an Agreement for the operation of 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 "the Convention" means the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944, and includes any Annex adopted under Article 90 of that Convention and any amendment of the Annexes or Convention under Articles 90 and 94 thereof ;

2. the term "aeronautical authorities" means, in the case of India, the Director General of Civil Aviation and in the case of the Government of the Kingdom of Saudi Arabia, Director General of Civil Aviation or any person or body authorised to perform any functions presently exercised by the said Director General;
3. the term "designated airline" means an airline which the aeronautical authorities of one Contracting Party shall have designated, in writing to the aeronautical authorities of the other Contracting Party, in accordance with Article 2 and 96 of the present Agreement;

the terms "territory", "air service", "international air service", and "stop for non-traffic purposes" have the meanings respectively assigned to them in Articles 2 and 96 of the Convention.

Article II

Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of establishing air services on the route, specified in the Annexure thereof (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.

1. 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 said 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 said 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.
2. Nothing in paragraph (2) of this Article shall be deemed to confer on the airline of one Contracting Party the privilege of taking up, in the territory of the other Contracting Party, passengers, cargo or mail destined for another point in the territory of that other Contracting Party.

The laws and regulations of one Contracting Party relating to entry into or departure from its territory, of aircraft or air services operated in 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

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 the specified route.

1. On receipt of the designation, the other 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.

2. 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.
3. Each Contracting Party shall have the right to refuse to accept the designation of the airline and 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 by 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 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 part 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 part of the fleet of aircraft and equipment used in the operation of the services.

The airline so designated and authorised may begin to operate the agreed services at any time provided that the provisions of Articles X and XIII 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 the designated airline of the other Party to comply with the laws or 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 accordance with the present Agreement. This shall also apply if the 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

The charges imposed in the territory of one Contracting Party for use of airports and other aviation facilities by the aircraft of the designated airline of the Other Contracting Party shall not be higher than those paid by the aircraft of a national airline engaged in similar international air services.

Article VI

Fuel, Lubricating oil, spare parts, regular equipment and aircraft stores introduced into the territory of a Contracting Party by the designated airline of the other Contracting Party and intended solely for use by or in aircraft of the designated airline of such Contracting Party shall be exempt on a basis of reciprocity from customs duty, inspection fees and other similar national duties and charges.

1. Fuel, lubricating oil, spare parts, regular equipment and aircraft stores retained on board an aircraft of the designated airline of a Contracting Party authorised to operate the routes and services provided for in the Agreement shall, upon arrival in or departure from the territory of the other Contracting Party be exempt on a basis of reciprocity from customs duty, inspection fees and other similar national duties or charges.
2. Fuel, lubricating oil, spare parts, regular equipment and aircraft stores taken on board an aircraft of the designated airline of a Contracting Party in the territory of the other Contracting Party and used in international services shall be exempt on a basis of reciprocity from customs duty, inspection fees and other similar national duties or charges.

Article VII

The designated airline of each Contracting Party shall, enjoy fair and equal opportunity for the carriage of international traffic between and beyond the territories of the two Parties in accordance with the annex to this agreement.

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 affect unduly the services which the latter provides on all or part of the same route.

Article IX

The frequency of services to be operated and the nature of air services, that is, transiting through or terminating in the territory of the other Contracting Party shall be agreed between the 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.

1. Any increase in the frequency of services to be operated by the designated airline of either Contracting Party shall be agreed, in the first instance, between the designated airline and shall be subject to the approval of the aeronautical authorities. Pending such approval the frequency entitlements already agreed shall prevail.
2. Subject to the provisions of paragraphs 1 and 2 of this Article, the designated airlines may operate with any type of aircraft regardless of its capacity.
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 Party shall endeavour to reach agreement thereon.
4. The frequency of services to be operated and the nature of air services, 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 an exchange of letters between the aeronautical authorities of the Contracting Parties.

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 countries of origin and destination and the points of embarkation and disembarkation of such traffic. Such statistics shall be furnished as early as possible.

Article XII

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. The procedure for such remittances, however, shall be in accordance with the foreign exchange regulations of the Contracting Party in the territory of which the revenue accrued.

Article XIII

The Tariffs i.e. the fares and rates to be changed on any agreed services shall be established at reasonable levels in accordance with the following provisions of this Article.

1. The tariffs referred to in paragraph (1) of this Article, together with the rates of agency commission, discounts for group movements, free baggage allowances and conditions of service applicable to the carriage of passengers in the economy and first class as also the conditions relating to the carriage of cargo and baggage shall, in respect of each of the specified routes, be those reached through the rate-fixing machinery of the International Air Transport Association. Such tariffs and conditions shall be subject to the approval of the aeronautical authorities of both Contracting Parties.
2. If for some reason a tariff or condition of service cannot be determined in accordance with the provisions of paragraph (2) of this Article, the aeronautical authorities of the Contracting Parties shall try to determine such tariff or condition of service by agreement between themselves.
3. If the aeronautical authorities cannot agree on the approval of any tariff or condition of service 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 XVI of the present Agreement.
4. Pending determination of the tariffs or condition of service in accordance with the provisions of this Article, the tariffs or condition of service already in force shall prevail.

Article XIV

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 XV

Consultations may be requested at any time by either Contracting Party for the purpose of initiating any amendments to 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 that an exchange of views within the meaning of Article XIV 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 XVI

If any dispute arises between the Contracting Parties relating to the interpretation or application of the present Agreement, the Contracting Parties shall in the first place endeavour to settle it by negotiation between themselves.

1. If the Contracting Parties fail to reach a settlement by negotiation within ninety (90) days of the date of formal notification of a dispute by either Contracting Party, they may agree to refer the dispute for decision to some person or body; if they do not so agree, the dispute shall at the request of either Contracting Party be submitted for decision to a tribunal of three arbitrators, 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 by either Contracting Party from the other of a notice through diplomatic channels requesting arbitration of the dispute by such a tribunal and the third arbitrator shall be appointed within a further period of sixty (60) days. If either of the Contracting Parties fails to nominate an arbitrator within the period specified, or if the third arbitrator is not appointed within the period specified, the President of the Council of the International Civil Aviation Organisation may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In such case, the third arbitrator shall not be a national of either Contracting Party and shall act as President of the arbitral tribunal.
2. The Contracting Parties shall comply with any decision given under paragraph (2) of this Article.

Article XVII

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 XVIII

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

1. The present Agreement shall be subject to ratification and instruments of ratification shall be exchanged as soon as possible.
2. The present Agreement shall come into force on the date of the exchange of instruments of ratification.

Article XIX

Either Contracting Party may at any time give notice to the other if it desires to terminate the present Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation

Organisation. If such notice is given, the present Agreement shall terminate twelve months after the date of receipt of the notice by the other Contracting Party, unless the notice to terminate is withdrawn by agreement before the expiry 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 Organisation.

Done at Jeddah on the twenty sixth day of April 1973 in six originals, two each in Hindi, Arabic and English languages, all the three texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

Sd/-
T.T.P. ABDULLAH
For the Government of India

Sd/-
SHEIKH IBRAHIM MASOUD
For the Government of the Kingdom of Saudi
Arabia

ANNEX:-

SECTION I

The airline designated by the Government of India shall be entitled to operate air services in each direction on the routes specified in this Section and to land for traffic purposes in the territory of Kingdom of Saudi Arabia at the points therein specified :

1. India, Dubai, a point in the Gulf of Air India's choice to Dhahran and beyond to a point in the Middle East, two points in Continental Europe, London and New York.
2. India, Dubai, a point in the Gulf or Air India's Choice to Jeddah and beyond to points in East Africa and beyond.

Note : According to Saudi Arabian Government policy no traffic rights are to be exercised by the designated airline of India between points within the Arab League State unless Saudi Arabian Airline does not operate on the same sector.

SECTION II

The airline designated by the Government of Kingdom of Saudi Arabia shall be entitled to operate air services in each direction on the route specified in this Section and to land for traffic purposes in the territory of India at the points therein specified :

1. Saudi Arabia, Dubai, Karachi to Bombay and beyond to Bangkok, Manila and Tokyo.
2. Saudi Arabia, Dubai, Karachi to Bombay and beyond to Colombo, Kuala Lumpur and Jakarta.

SECTION III

1. Points specified on one route shall not be served on the other route.

2. Points on any of the specified routes may be omitted on any or all flights at the option of the designated airline.