

Agreement On Air Services

September 18, 1968

AGREEMENT BETWEEN THE GOVERNMENT OF INDIA AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA FOR AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

Djakarta

The Government of India and the Government of the Republic of Indonesia,
BEING parties to the Convention of International Civil Aviation opened for signature at Chicago on the Seventh day of December, 1944 and

DESIRING to conclude an Agreement, supplementary to the said Convention, for the purpose of establishing air services between and beyond Indonesian and Indian territories,

HAVE agreed as follows :

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 the Republic of Indonesia, the Minister of Communications and any person or body authorised to perform any functions at present exercised by the said Minister or similar functions; and in the case of India, the Director General of Civil Aviation and any person or body authorised to perform any functions at present exercised by the said Director General or similar functions ;
3. the term "designated airline" means an airline which one Contracting Party shall have designated, by written notification to the other Contracting Party, in accordance with Article 3 of the present Agreement, for the operation of air services ;
4. the term "territory" in relation to a State shall have the meaning assigned to it in Article 2 of the Convention.
5. the terms "air service", "international air service", "airline" and "stop for non traffic purposes" have the meanings respectively assigned to them in Article 96 of the Convention.

Article 2

1. 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 appropriate Section of the Schedule hereto (hereinafter called "the agreed services" and "the specified routes").

2. The airlines of each Contracting Party shall enjoy the following privileges :

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

II. to make stops in the said territory for non traffic purposes; and

III. while operating an agreed service on a specified route, subject to the provisions of the present Agreement, to make stops in the said territory at the points specified for the route in the Schedule to the present Agreement for the purpose of putting down and taking on international traffic in passengers, cargo and mail.

3. 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 carried with or without remuneration or hire and destined for another point in the territory of the other Contracting Party.

4. Notwithstanding the provisions of paragraphs (1) and (2) of this Article, the operation of agreed services in respect of prohibited areas shall be in accordance with Article 9 of the Convention.

Article 3

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 the specified route.

2. On receipt of the designation, the other Contracting Party shall, 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 in conformity with the provisions of the Convention to the operation of international commercial air services.

4. Each Contracting Party shall have the right to refuse to accept the designation of the airline and to withhold or revoke the grant to the airline of the privileges specified in paragraph (2) of Article 2 deem necessary on the exercise by the airline of those privileges in any case where it is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or its nationals of the Contracting Party designating the airline.

5. At any time after the provisions of paragraphs (1) and (2) of this Article have been complied with, an airline so designated and authorised may begin to operate the agreed services provided that a service shall not be operated unless the provisions of Articles 5 and 9 of the present Agreement have been complied with in respect of that service.

6. Each Contracting Party shall have the right to suspend the exercise by the airline of the privileges specified in paragraph (2) of Article 2 of the present Agreement or to impose such conditions as it may deem necessary on the exercise by the airline of those privileges in any case where the airline fails to comply with the laws or regulations of the Contracting Party granting those privileges or otherwise fails to operate in accordance with the conditions prescribed in the present Agreement provided that, unless immediate suspension or imposition of conditions is essential to prevent further infringements of laws or regulations, this right shall be exercised only after consultation with the other Contracting Party.

Article 4

1. Aircraft, fuels, lubricating oil, spare parts, regular aircraft equipment and aircraft stores introduced into the territory of one Contracting Party or taken on board aircraft in the territory, or on behalf of the other Contracting Party or its designated airline and intended solely for use in the aircraft of those airline shall be accorded the following treatment by the first Contracting Party in respect of customs duties, inspection fee and other similar charges :

I. in the case of fuel and lubricating oils remaining on board aircraft at the last airport of call before departure from the said territory, and aircraft, exemption ; and

II. in the case of fuel and lubricating oils not included under (a) and spare parts, regular aircraft equipment and aircraft stores introduced into the said territory, or taken on board aircraft in that territory, and intended for use by or in the aircraft engaged in the international air services exemption;

III. fuel and lubricating oils taken on board aircraft in the territory of one Contracting Party by the designated airline of the other Contracting Party shall be exempt from customs duties and other similar charges, provided that customs duties and other similar charges, provided that customs regulations in force in the said territory are complied with;

IV. the materials enjoying the exemption from any customs duties and any other fiscal charges under the provisions of the above paragraphs, cannot be used for purposes other than the operation of air services and they shall be re-exported failing their use or consumption unless otherwise authorised under the provisions in force in the territory of the Contracting Party concerned. Waiting for their use and disposal, they shall be kept under customs supervision and control.

2. The treatment specified in paragraph (1) of this Article shall be in addition to and without prejudice to that which each Contracting Party is under obligation to accord under Article 24 of the Convention.

Article 5

1. 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.

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

3. The capacity to be provided, the frequency of services to be operated and the nature of air services, that is transiting through or terminating the territory of the other Contracting Party shall be agreed between the aeronautical authorities in accordance with the principles laid down in this Article.

4. 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 between 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.

5. 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 an exchange of letters between the aeronautical authorities of the Contracting Parties.

Article 6

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 airline for whole or 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 if 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, in consultation with other airlines operating over the whole or part of that route and such agreement shall, where 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 other reason a tariff cannot be agreed in accordance with the provisions of paragraph (2) of this Article, 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 dispute shall be settled in accordance with the provisions of Article 9 of the present Agreement.

5.

I. No tariff shall come into force if the aeronautical authorities of either Contracting Party are dissatisfied with it except under the provisions of paragraph (3) of Article 9 of the present Agreement.

II. When tariffs have been established in accordance with the provisions of this Article, these tariffs shall remain in force until new tariffs have been established in accordance with the provisions of this Article.

Article 7

The aeronautical authorities of either Contracting Party shall regularly furnish to the aeronautical authorities of the other Contracting Party statistics relating to the traffic carried on their air services to, from and through the territory of the other Contracting Party showing the points of embarkation and disembarkation of such traffic.

Article 8

There shall be regular and frequent consultation between the aeronautical authorities of the Contracting Parties to ensure close collaboration in all matters affecting the fulfilment of the present Agreement.

Article 9

1. 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.

2. If the Contracting Parties fail to reach a settlement by negotiations, the disputes may at the request of either Contracting Party be submitted to a tribunal of three arbitrators, one to be nominated 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 of a notice through the diplomatic channel requesting arbitration of the dispute and the third arbitrator shall be appointed within a further period of 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 the either Contracting Party to appoint an arbitrator or arbitrators as the case requires.

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

4. 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 of the Contracting Party in default or to be designated airline of that Contracting Party in default.

Article 10

1. If either of the Contracting Party consider it desirable to modify any provision of the present Agreement including the Schedule hereto, such modification, if agreed between the Contracting Parties shall come into effect when confirmed by an Exchange of Notes.

2. In the event of the conclusion of any general multilateral convention concerning air transport by which both Contracting Parties become bound, the present Agreement shall be amended so as to conform with the provisions of such Convention.

Article 11

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 12

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 (12) 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 (14) days after the receipt of the notice by the International Civil Aviation Organisation.

Article 13

The present Agreement and any Exchange of Notes in accordance with Article 10 shall be registered with the International Civil Aviation Organisation.

Article 14

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

IN WITNESS WHEREOF the undersigned, being duly authorised thereto by their respective Governments, have signed the present Agreement.

DONE at Djakarta this Eithteenth day of September 1968 in six originals, two each in the Indonesia and Hindi and, English languages, the the texts being equally authentic. In case of any divergence of interpretations, the English text shall prevail.

Sd/-

For the Government of India
India

Sd/-

For the Government of the
Republic of Indonesia

SCHEDULE

SECTION I

The airline designated by the Government of the Republic of Indonesia shall be entitled to operate air services in both directions on the route specified in this Section and to land for traffic purposes in the territory of India at the point therein specified :

Indonesia - Singapore - Bangkok - Phnom Penh - Karachi to Bombay and if so desired beyond Teheran - Cairo - Beirut - Tel. Avia - Athens - Rome - Paris - Frankfurt - Amsterdam.

SECTION II

The airline designated by the Government of India shall be entitled to operate air services in both directions on the route specified in this Section and to land for traffic purposes in the territory of the Republic of Indonesia at the point therein specified :

India - Ceylon - Saigon - Phenom Penh - Bangkok - Kuala Lumpur - Singapore to Jakarta and if desired beyond to Perth-Sydney-Melbourne-Auckland-New Caledonia-Fiji-Tahiti.

SECTION III

Points on any of the specified routes 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.