

No. 5656

**SWEDEN
and
PAKISTAN**

**Agreement (with annex and exchange of notes) relating to
air services. Signed at Stockholm, on 6 March 1958**

Official text: English.

Registered by the International Civil Aviation Organization on 27 March 1961.

**SUÈDE
et
PAKISTAN**

**Accord (avec annexe et échange de notes) relatif aux services
aériens. Signé à Stockholm, le 6 mars 1958**

Texte officiel anglais.

Enregistré par l'Organisation de l'aviation civile internationale le 27 mars 1961.

No. 5656. AGREEMENT¹ BETWEEN THE GOVERNMENT OF SWEDEN AND THE GOVERNMENT OF PAKISTAN RELATING TO AIR SERVICES. SIGNED AT STOCKHOLM, ON 6 MARCH 1958

The Government of Sweden and the Government of Pakistan, hereinafter described as the Contracting Parties,

Being Contracting Parties to the Convention on International Civil Aviation² and the International Air Services Transit Agreement,³ both signed at Chicago on the seventh day of December, 1944, the terms of which Convention and Agreement are binding on both Parties,

And desiring to conclude an agreement for the operation of air transport services between and beyond their respective territories,

Have agreed as follows :

Article I

(A) Each Contracting Party grants to the other Contracting Party the right to operate the air services specified in the Annex⁴ to this Agreement (hereinafter referred to as the "specified air services") and to carry traffic to, from and in transit over its territory as provided in this Agreement.

(B) The airline designated as provided in Article II hereof shall have the right to use :

- (i) for traffic purposes, airports provided for public use at the points specified in the Annex to this Agreement and ancillary services provided for public use on the air routes specified in the said Annex (hereinafter referred to as the "specified air routes ") and
- (ii) for non-traffic purposes, all airports and ancillary services provided for public use on the specified air routes. Provided that the places of first landing and final departure shall be customs airports.

¹ Came into force on 6 March 1958, upon signature, in accordance with article XIV.

² See footnote 1, p. 56 of this volume.

³ United Nations, *Treaty Series*, Vol. 84, p. 389; Vol. 139, p. 469; Vol. 178, p. 419; Vol. 199, p. 363; Vol. 260, p. 462; Vol. 324, p. 342, and Vol. 355, p. 419.

⁴ See p. 196 of this volume.

Article II

(A) Each of the specified air services may be inaugurated immediately or at a later date at the option of the Contracting Party to whom the rights under this Agreement are granted, on condition that :

- (i) The Contracting Party to whom the rights have been granted shall have designated an airline (hereinafter referred to as the "designated airline") for the specified air route(s).
- (ii) The Contracting Party which grants the rights shall have given the appropriate operating permission to the airline pursuant to paragraph (C) of this Article which it shall do with the least possible delay.

(B) Substantial ownership and effective control of the designated airlines of each Contracting Party shall be vested in that Party or its nationals.

(C) The designated airline may be required to satisfy the aeronautical authorities of the Contracting Party granting the rights that it is qualified to fulfil the conditions prescribed by or under the laws and regulations normally applied by those authorities to the operation of commercial air services.

(D) The operation of each of the specified air services shall be subject to the approval of the Contracting Party concerned that the route organisation available for civil aviation on the specified air route is adequate for the safe operation of air services.

Article III

The airline designated by each Contracting Party shall enjoy, while operating the specified air services, the rights :

- (i) to fly its aircraft across the territory of the other Contracting Party;
- (ii) to make stops in the said territory for non-traffic purposes; and
- (iii) subject to the provisions of Article IV to make stops in the said territory at the points specified in the Annex to this Agreement for the purposes of setting down and picking up international traffic in passengers, cargo and mail.

Article IV

1. It is recognised that each Contracting Party shall have fair and equal rights to the carriage of 3rd and 4th freedom traffic on the routes specified in the Annex to this Agreement, 5th freedom traffic to have purely a supplementary character. Where traffic is of the nature of 5th freedom to one Contracting

Party but 3rd or 4th freedom to the other Contracting Party, the primary right to the carriage of such traffic shall be that of the latter Contracting Party. The first Contracting Party shall have the right to uplift such 5th freedom traffic provided that it shall not be prejudicial to the primary interest of the other Contracting Party.

2. The capacity offered by the airline(s) of each Contracting Party on the specified air routes shall jointly bear a close relationship to the current and reasonably anticipated needs of the public for air transport at a reasonable load factor.

3. The right of the airline of either Contracting Party to embark and to disembark at points in the territory of the other Contracting Party international traffic destined for or coming from third countries, shall, subject to the principles in paragraph 1 of this Article, be related to :

- (a) The air transport needs between the country of origin and the countries of destination, and
the air transport needs of the area through which the airline passes, after taking into account the services operated by the airline of the other Contracting Party over the whole or parts of the route specified, and
- (b) the economics of through airline operation.

Article V

(A) Rates shall be fixed at reasonable levels, due regard being paid to all relevant factors, including costs of comparable economic operations, reasonable profit, differences of characteristics of service and the rates charged by any other operators on the route.

(B) The rates to be charged by any of the airlines designated under this Agreement, in respect of traffic between the territories of the two Parties shall be agreed in the first instance between the designated airlines in consultation with other airlines operating on the route or any section thereof, and shall have regard to the relevant rates adopted by the International Air Transport Association. Any rates, so agreed shall be subject to the approval of the aeronautical authorities of the Contracting Parties. In the event of disagreement between the airlines, the Contracting Parties themselves shall endeavour to reach agreement and shall take all necessary steps to give effect to such agreement. Should the Contracting Parties fail to agree, the dispute shall be dealt with in accordance with Article XI. Pending the settlement of any dispute by agreement or until it is decided under Article XI the rates already established shall prevail.

(C) Pending the acceptance by both Parties of any recommendations which the International Civil Aviation Organization may make with regard to the regulation of rates for traffic other than that defined in paragraph (B) of this Article, the rates to be charged by an airline of one Contracting Party in respect of traffic between the territory of the other Contracting Party and a third country shall be fixed on the basis of the principles set out in paragraph (A) of this Article and after taking into consideration the interests of the airline of the other Party and shall not vary unduly in a discriminatory manner from the rates established by the airline of the other Party operating air services on that part of the specified air routes concerned. Provided, however, that a designated airline under the Agreement shall not be required to charge rates higher than those established by any other airline operating on the specified air routes.

(D) If the International Civil Aviation Organization fails to establish a means of determining rates for traffic defined in paragraph (C) of this Article in a manner acceptable to both Parties, within a reasonable time, consultation shall be inaugurated in accordance with Article IX of this Agreement with a view to such modification of paragraph (C) of this Article as appears desirable.

Article VI

(A) The aeronautical authorities of both Contracting Parties shall exchange information as promptly as possible concerning the current authorizations extended to their respective designated airlines to render service to, through and from the territory of the other Contracting Party. This will include copies of current certificates and authorizations for service on the specified air routes, together with amendments, exemption orders and authorized service patterns.

(B) Each Contracting Party shall cause its designated airline to provide to the aeronautical authorities of the other Contracting Party, as long in advance as practicable, copies of time tables, tariff schedules, including any modification thereof, and all other relevant information concerning the operation of the specified air services including information about the capacity provided on each of the specified air routes and any further information as may be required to satisfy the aeronautical authorities of the other Contracting Party that the requirements of this Agreement are being duly observed.

(C) Each Contracting Party shall cause its designated airline to provide to the aeronautical authorities of the other Contracting Party statistics relating to the traffic carried on their air services to, from and over the territory of the other Contracting Party showing the origin and destination of the traffic.

Article VII

(A) Fuel, lubricating oils and spare parts introduced into or taken on board aircraft in the territory of one Contracting Party, by, or on behalf of, the other Contracting Party or its designated airline(s) and intended solely for use by the latter's aircraft shall be accorded, with respect to customs duties, inspection fees or other charges imposed by the former Contracting Party, treatment not less favourable than that granted to its national airlines engaged in international public transport or to the airlines of the most favoured nation.

(B) Supplies of fuel, lubricating oils, spare parts, regular equipment and aircraft stores retained on board aircraft of the designated airline of one Contracting Party shall be exempt in the territory of the other Contracting Party from customs duties, inspection fees and similar duties or charges, even though such supplies be used by such aircraft on flights in that territory. Goods so exempted may only be unloaded with the approval of the customs authorities of the other Contracting Party. These goods, which are to be re-exported, shall be kept until re-exportation under customs supervision.

Article VIII

Each Contracting Party reserves the right to itself to withhold or revoke, or impose such appropriate conditions as it may deem necessary with respect to an operating permission, in case it is not satisfied that substantial ownership and effective control of the airline are vested in the nationals of the other Contracting Party, or in case of failure by a designated airline of the other Contracting Party to comply with the laws and regulations of the former Contracting Party, or in case, in the judgement of the former Contracting Party, there is a failure to fulfil the conditions under which the rights are granted in accordance with this Agreement. Except in case of a failure to comply with laws and regulations, such action shall be taken only after consultation between the Contracting Parties. In the event of action by one Contracting Party under this Article, the rights of the other Contracting Party under Article XI shall not be prejudiced.

Article IX

(A) In a spirit of close collaboration, the aeronautical authorities of the two Contracting Parties will consult regularly with a view to assuring the observance of the principles and the implementation of the provisions outlined in this Agreement.

(B) Either Contracting Party may at any time request consultation with the other with a view to initiating any amendments of the Agreement which it may deem desirable. Such consultation shall begin within a period of sixty days from the date of the request. Any modification of this Agreement agreed to as a result of such consultation shall come into effect when it has been confirmed by an exchange of diplomatic notes.

(C) Changes made by either Contracting Party in the specified air routes, except those which change the points served by the designated airline in the territory of the other Contracting Party, shall not be considered as modification of this Agreement. The Aeronautical authorities of either Contracting Party may, therefore, proceed unilaterally to make such changes, provided, however, that notice of any change shall be given without delay to the aeronautical authorities of the other Contracting Party. If such latter aeronautical authorities find that, having regard to the principles set forth in this Agreement, the interests of any of their airlines are prejudiced by the carriage by a designated airline of the first Contracting Party of traffic between the territory of the second Contracting Party and the new points in the territory of a third country, the latter Party may request consultation in accordance with the provisions of paragraph (B) of this Article.

Article X

Either Contracting Party may at any time give notice to the other of its desire to terminate this Agreement. Such notice shall be simultaneously communicated to the International Civil Aviation Organization. This Agreement shall terminate one year after the date of receipt of the notice by the other Contracting Party, unless the notice is withdrawn by agreement before the expiration 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.

Article XI

(A) 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.

(B) If the Contracting Parties fail to reach a settlement by negotiation,

(i) they may agree to refer the dispute for decision to an arbitral tribunal or some other person or body appointed by agreement between them; or

- (ii) if they do not so agree or if, having agreed to refer the dispute to an arbitral tribunal they cannot reach agreement as to its composition, either Contracting Party may submit the dispute for decision to any tribunal competent to decide it established within the International Civil Aviation Organization, or, if there be no such tribunal, to the International Court of Justice.

(C) The Contracting Parties undertake to comply with any decision given, including any interim recommendation made, under paragraph (B) of this Article.

(D) If and so long as either Contracting Party or a designated airline of either Contracting Party fails to comply with the requirements of paragraph (C) of this Article, the other Contracting Party may limit, withhold or revoke any rights which it has granted by virtue of the present Agreement.

Article XII

In the event of the conclusion of a multilateral convention or agreement concerning air transport to which both Contracting Parties adhere, this Agreement shall be modified to conform with the provisions of such convention or agreement.

Article XIII

For the purpose of this Agreement :

(A) The terms “ air service ”, “ international air service ”, and “ airline ” have the meanings specified in the Convention.

(B) The term “ territory ” in relation to a Contracting Party means the land areas and territorial waters adjacent thereto under the sovereignty, suzerainty, protection or trusteeship of that Contracting Party.

(C) The term “ aeronautical authorities ” means, in the case of Sweden, the Royal Board of Civil Aviation, and in the case of Pakistan, the Director General of Civil Aviation, and in both cases any person or body authorized to perform the functions presently exercised by the above mentioned authorities.

(D) The term “ capacity ” in relation to an aircraft means the payload of that aircraft available on the route or section of a route.

(E) The term “ capacity ” in relation to a specified air service means the capacity of the aircraft used on such service, multiplied by the frequency operated by such aircraft over a given period and route or section of a route.

(F) The term "designated airline" means an airline designated by one Contracting Party to the aeronautical authorities of the other Contracting Party in accordance with Article II of this Agreement.

Article XIV

(A) The Annex to this Agreement shall be deemed to be part of the Agreement and all references to the "Agreement" shall include references to the Annex, except where otherwise expressly provided.

(B) This Agreement shall come into force on the day it is signed.

(C) This Agreement shall replace the Agreement between the Government of Sweden and the Government of Pakistan relating to air services signed at Karachi on May 6th, 1948.¹

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

DONE this 6th day of March 1958 in duplicate at Stockholm in the English language.

For the Government of Sweden:

(Signed) Östen UNDÉN

For the Government of Pakistan:

(Signed) Agha HILALY

ANNEX

1. An airline designated by the Government of Pakistan shall be entitled to operate air services in both directions on the route specified hereinafter and to make scheduled landings for traffic purposes in Sweden at the points specified:

Points in Pakistan; Points in Afghanistan and/or Kuwait and/or Bahrein; Points in Saudi Arabia; Points in Egypt; Points in Iran and/or Iraq and/or Syria and/or Lebanon; Points in Turkey; Points in Italy; Points in Switzerland; Points in Germany; Points in Scandinavia, London and beyond in both directions.

2. An airline designated by the Government of Sweden shall be entitled to operate air services in both directions on the route specified hereinafter and to make scheduled landings for traffic purposes in Pakistan at the points specified:

Points in Scandinavia; Points in Germany; Points in the Netherlands; Points in Belgium; Points in Switzerland; Points in Austria; Points in Spain;

¹ United Nations, *Treaty Series*, Vol. 36, p. 3, and Vol. 216, p. 372.

Points in Italy; Points in Greece; Points in Turkey; Points in Lebanon and/or Syria and/or Egypt; Points in Iraq and/or Points in Saudi Arabia and/or Kuwait and/or Bahrein and/or Iran; Karachi; Points in India, Burma, Thailand and beyond in both directions.

3. Points on the specified routes may, at the option of the designated airlines, be omitted on any or all flights. Provided that it does not involve termination of route in the territory of the other Contracting Party.

EXCHANGE OF NOTES

I

Stockholm, 6th March, 1958

Your Excellency,

With reference to the Agreement signed this day¹ between the Government of Sweden and the Government of Pakistan, I have the honour to notify you that, in accordance with Article II of the Agreement, the Swedish Government designate Aktiebolaget Aerotransport (ABA) to operate the route specified in the Annex² attached to the Agreement.

In this connection I have the honour to confirm, on behalf of my Government, the following understanding reached in the course of the negotiations preceding the signing of the Agreement :

- (1) Aktiebolaget Aerotransport (ABA) co-operating with Det Norske Luftfartselskap (DNL) and Det Danske Luftfartselskab (DDL) under the designation of Scandinavian Airlines System (SAS) may operate the services assigned to it under the Agreement with aircraft, crews and equipment of either or both of the other two airlines.
- (2) In so far as Aktiebolaget Aerotransport (ABA) employ aircraft, crews and equipment of the other airlines participating in the Scandinavian Airlines System (SAS), the provisions of the Agreement shall apply to such aircraft, crews and equipment as though they were the aircraft, crews and equipment of Aktiebolaget Aerotransport (ABA), and the competent Swedish authorities and Aktiebolaget Aerotransport (ABA) shall accept full responsibility under the Agreement therefor.

¹ See p. 182 of this volume.

² See p. 196 of this volume.

I have the honour to suggest that, if the Government of Pakistan is in agreement with the above, this letter and Your Excellency's reply shall be regarded as an agreement between our two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Östen UNDÉN

His Excellency M. Agha Hilaly
Ambassador Extraordinary and Plenipotentiary
of Pakistan
etc., etc., etc.

II

EMBASSY OF PAKISTAN
STOCKHOLM

6th March, 1958

Your Excellency,

I have the honour to acknowledge receipt of your Excellency's Note of today's date which reads as follows :

[*See note I*]

In reply, I have the honour to inform Your Excellency that this proposal is acceptable to the Government of Pakistan who will regard Your Excellency's Note and this reply as constituting an Agreement between our two Governments.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Agha HILALY

His Excellency Mr. Östen Undén
Minister for Foreign Affairs
Stockholm