

No. 12971

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
and
INDONESIA**

Agreement for air services between and beyond their respective territories (with route schedule). Signed at Djakarta on 28 June 1973

Authentic texts: English and Indonesian.

Registered by the United Kingdom of Great Britain and Northern Ireland on 18 January 1974.

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD
et
INDONÉSIE**

Accord relatif aux services aériens entre leurs territoires respectifs et au-delà (avec tableau des routes). Signé à Djakarta le 28 juin 1973

Textes authentiques : anglais et indonésien.

Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 18 janvier 1974.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF INDONESIA FOR AIR SERVICES BETWEEN AND BEYOND THEIR RESPECTIVE TERRITORIES

The Government of the United Kingdom of Great Britain and Northern Ireland and the Government of the Republic of Indonesia.

Being parties to the Convention on International Civil Aviation opened for signature at Chicago on the seventh day of December, 1944,² and

Desiring to conclude an agreement, supplementary to the said Convention, for the purpose of establishing air services between and beyond United Kingdom and Indonesian territories,

Have agreed as follows:

Article 1. For the purpose of the present Agreement, unless the context otherwise requires:

(a) 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 or 94 thereof;

(b) The term “aeronautical authorities” means, in the case of the United Kingdom, the Secretary of State, the Civil Aviation Authority and any person or body authorised to perform any functions at present exercisable by the Secretary of State or by the said Authority or similar functions; and, 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;

(c) 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 on the routes specified in such notification;

(d) The term “territory” in relation to a State means the land areas and territorial waters adjacent thereto under the sovereignty, protection or trusteeship of that State; and

(e) 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

¹ Came into force on 28 June 1973 by signature, in accordance with article 14.

² United Nations, *Treaty Series*, vol. 15, p. 295. For the texts of the Protocols amending this Convention, see vol. 320, pp. 209 and 217; vol. 418, p. 161; vol. 514, p. 209; vol. 740, p. 21, et vol. 893, No. 1-12777.

services on the routes specified in the appropriate Section of the Schedule thereto (hereinafter called "the agreed services" and "the specified routes").

(2) Subject to the provisions of the present Agreement, the airlines designated by each Contracting Party shall enjoy, while operating an agreed service on a specified route, the following privileges:

- (a) to fly without landing across the territory of the other Contracting Party;
- (b) to make stops in the said territory for non-traffic purposes; and
- (c) to make stops in the said territory at the points specified for that 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 airlines of one Contracting Party the privilege of taking up, 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) Notwithstanding the provisions of paragraphs (1) and (2) of this article, the operation of agreed services in areas of hostilities or military occupation, or in areas affected thereby, shall, in accordance with article 9 of the Convention, be subject to the approval of the competent military authorities.

Article 3. (1) Each Contracting Party shall designate in writing to the other Contracting Party one or more airlines for the purpose of operating the agreed services on the specified routes.

(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 airline or airlines designated the appropriate operating authorisation.

(3) The aeronautical authorities of one Contracting Party may require an 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 and reasonably 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 an airline and to withhold or revoke the grant to an 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 an 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 in 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 a tariff is in force in respect of it established in accordance with the provisions of article 7 of the present Agreement.

(6) Each Contracting Party shall have the right to suspend the exercise by an 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 an 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) Fuel, lubricating oils, spare parts, regular aircraft equipment and aircraft stores introduced into the territory of one Contracting Party, or taken on board aircraft in that territory, by or on behalf of the other Contracting Party or its designated airline or airlines and intended solely for use by or in the aircraft of those airlines shall be accorded the following treatment by the first Contracting Party in respect of customs duties, inspection fees and other similar national or local duties and charges.

- (a) in the case of fuel and lubricating oils remaining on board aircraft at the last airport of call before departure from the said territory, exemption; and
- (b) in the case of fuel and lubricating oils not included under (a) and spare parts, regular aircraft equipment and aircraft stores, treatment not less favourable than that accorded to similar supplies introduced into the said territory, or taken on board aircraft in that territory, and intended for use by or in the aircraft of a national airline of the first Contracting Party, or of the most favoured foreign airline, engaged in international air services.

(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) There shall be fair and equal opportunity for the airlines of both Contracting Parties to operate the agreed services on the specified routes between their respective territories.

(2) In operating the agreed services, the airlines of each Contracting Party shall take into account the interests of the airlines of the other Contracting Party so as not to affect unduly the services which the latter provide on the whole or part of the same route.

(3) The agreed services provided by the designated airlines of the Contracting Parties shall bear close relationship to the requirements of the public for transportation on the specified routes and shall have as their primary objective the provision, at a reasonable load factor, of capacity adequate to carry the current and reasonably anticipated requirements for the carriage of passengers, cargo and mail originating from or destined for the territory of the Contracting Party which has designated the airline. Provision for the carriage of passengers, cargo and mail both taken up and put down at points on the specified routes in the territories of States other than that designating the airline shall be made in accordance with the general principles that capacity shall be related to:

- (i) traffic requirements to and from the territory of the Contracting Party which has designated the airline;
- (ii) traffic requirements of the area through which the airline passes, after taking account of other transport services established by airlines of the States comprising the area; and
- (iii) the requirements of through airline operation.

Article 6. In the pursuance of the principle of fair and equal opportunity stated in article 5 (1), each Contracting Party grants to the designated airlines of the other Contracting Party the right of free transfer of the excess of receipts over expenditure earned by those airlines in its territory in connection with the carriage of passengers, mail and cargo. Such transfer shall be at the official rate of exchange, where such a rate exists, or otherwise at a rate equivalent to that at which the receipts were earned.

Article 7. (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, in consultation with other airlines operating over the whole or part of that route, and such agreement shall, where possible, be reached through the ratemaking 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 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 dispute shall be settled in accordance with the provisions of article 10 of the present Agreement.

(5) (a) 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 10 of the present Agreement.

(b) 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 8. The aeronautical authorities of either Contracting Party shall supply to the aeronautical authorities of the other Contracting Party at their request such periodic or other statements of statistics as may be reasonably required for the purpose of reviewing the capacity provided on the agreed services by the designated airline or airlines of the first Contracting Party. Such statements shall include all information required to determine the amount of traffic carried by those airlines on the agreed services and the origins and destinations of such traffic.

Article 9. 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 Agreements.

Article 10. (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 negotiation, the dispute may 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 the diplomatic channel requesting arbitration of the dispute, 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.

(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 to the Contracting Party in default or to the designated airline or airlines of that Contracting Party or to the designated airline in default.

Article 11. (1) If either of the Contracting Parties considers 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 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 11 shall be registered with the International Civil Aviation Organisation.

Article 14. The present Agreement shall enter into force on the date of signature.

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

DONE this twenty-eighth day of June 1973 in duplicate at Jakarta in the English and Indonesian languages, both texts being equally authentic.

W. I. COMBS

For the Government
of the United Kingdom of Great
Britain and Northern Ireland

E. SALIM

For the Government
of the Republic of Indonesia

ROUTE SCHEDULE

SECTION I

Route to be operated by the designated airline or airlines of the United Kingdom

Hong Kong – Bangkok or Manila – Kota Kinabalu or Brunei – Kuala Lumpur – Singapore – Jakarta – Perth.

NOTE: the designated airline or airlines of the United Kingdom may on any or all flights omit calling at any of the above mentioned points, provided that the agreed services on these routes begin at a point in United Kingdom territory.

SECTION II

Route to be operated by the designated airline or airlines of Indonesia

Jakarta – Singapore – Kuala Lumpur – Bangkok or Manila – Hong Kong – Taipei – Tokyo – Honolulu – San Francisco.

NOTE: the designated airline or airlines of Indonesia may on any or all flights omit calling at any of the above mentioned points, provided that the agreed services on these routes begin at a point in Indonesian territory.