

No. 17885

**SWEDEN
and
ISRAEL**

Agreement relating to air services (with annex and exchange of notes). Signed at Stockholm on 9 November 1977

Authentic text: English.

Registered by the International Civil Aviation Organization on 2 July 1979.

**SUÈDE
et
ISRAËL**

Accord relatif aux services aériens (avec annexe et échange de notes). Signé à Stockholm le 9 novembre 1977

Texte authentique : anglais.

Enregistré par l'Organisation de l'aviation civile internationale le 2 juillet 1979.

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE KINGDOM OF SWEDEN AND THE GOVERNMENT OF THE STATE OF ISRAEL RELATING TO AIR SERVICES

The Government of the Kingdom of Sweden and the Government of the State of Israel,

Being parties to the Convention on International Civil Aviation² and the International Air Services Transit Agreement³ opened for signature at Chicago on the seventh day of 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 1. DEFINITIONS

(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 and 94 thereof;

(b) The term “aeronautical authorities” means, in the case of the Government of the Kingdom of Sweden, the Board of Civil Aviation and, in the case of the Government of the State of Israel, the Minister of Transport, or in both cases any person or body authorized to perform any functions at the present exercised by the above-mentioned authorities;

(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 4 of the present Agreement, for the operation of air services on the routes specified in such notification;

(d) The term “territory”, “air service”, “international air service”, “airline” and “stop for non-traffic purposes” shall have, in the application of this Agreement, the meaning specified in articles 2 and 96 of the Convention; and

(e) The term “annex” means the route schedules annexed to the present Agreement or as amended in accordance with the provisions of article 15 of the present Agreement.

(2) The annex forms an integral part of the Agreement and all reference to the Agreement shall include reference to the annex except where otherwise provided.

Article 2. CONFORMITY WITH OTHER CONVENTIONS RATIFIED

The provisions of this Agreement shall be subject to the provisions of the Convention ratified by both Contracting Parties insofar as those provisions are applicable to international air services.

¹ Came into force on 9 November 1977 by signature, in accordance with article 18.

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; vol. 893, p. 117; vol. 958, p. 217, and vol. 1008, p. 213.

³ *Ibid.*, vol. vol. 84, p. 389.

Article 3. TRAFFIC RIGHTS

(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 routes specified in the appropriate schedule of the annex hereto (hereinafter called "the agreed services" and "the specified routes").

(2) Subject to the provisions of the present Agreement, the airline 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 appropriate schedule of the annex to the present Agreement for the purpose of putting down and taking on in international traffic 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 for remuneration or hire and destined for another point in the territory of that other Contracting Party.

Article 4. DESIGNATION OF AIRLINE AND REVOCATION, SUSPENSION AND IMPOSITION OF CONDITIONS

(1) Each Contracting Party shall have the right to designate in writing to the other Contracting Party an airline 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 designated the appropriate operating authorization.

(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 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 3 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 authorized may begin to operate the agreed services, provided that a service shall not be operated unless a tariff established in accordance with the provisions of article 10 of the present Agreement is in force in respect of that service.

(6) Each Contracting Party shall have the right to suspend the exercise by an airline of the privileges specified in paragraph (2) of article 3 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 5. EXEMPTION FROM CUSTOMS AND OTHER DUTIES

(1) Aircraft operating on international services by the designated airline of either Contracting Party, as well as their regular equipment, spare parts, supplies of fuels and lubricants and aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all customs duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, provided such equipment and supplies remain on board the aircraft up to such time as they are re-exported.

(2) Supplies of fuels, lubricants, spare parts, regular equipment and aircraft stores introduced into the territory of one Contracting Party by or on behalf of a designated airline of the other Contracting Party or taken on board the aircraft operated by such designated airline and intended solely for use in the operation of international services shall be exempt from all national duties and charges, including customs duties and inspection fees imposed in the territory of the first Contracting Party, even when these supplies are to be used on the parts of the journey performed over the territory of the Contracting Party in which they are taken on board. The materials referred to above may be required to be kept under customs supervision or control.

(3) The regular airborne equipment, spare parts, aircraft stores and supplies of fuels and lubricants retained on board the aircraft of either Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that Party, who may require that these materials be placed under their supervision up to such time as they are re-exported or otherwise disposed of in accordance with customs regulations.

(4) Fuel, lubricants, spare parts, regular aircraft equipment and aircraft stores taken on board aircraft of one Contracting Party in the territory of the other Contracting Party and used solely on flights between two points in the territory of the latter Contracting Party shall be accorded with respect to customs duties, inspection fees and other similar national or local duties and charges treatment not less favourable than that granted to national airlines or to the most favoured airline operating such flights.

Article 6. ENTRY CLEARANCE REGULATIONS

Passengers, baggage and cargo in direct transit across the territory of one Contracting Party and not leaving the area of the airport reserved for such purpose shall only be subject to a very simplified control. Baggage and cargo in direct transit shall be exempt from customs and other similar taxes.

Article 7. LAWS AND REGULATIONS GOVERNING ENTRY AND DEPARTURE AND AIRPORTS AND FACILITY CHARGES

(1) The laws and regulations of one Contracting Party governing entry into and departure from its territory of aircraft engaged in international air navigation or flights of such aircraft over that territory shall apply to the designated airline of the other Contracting Party.

(2) The laws and regulations of one Contracting Party governing entry into, sojourn in, and departure from its territory of passengers, crew, cargo or mail, such as formalities regarding entry, exit, emigration, as well as customs and sanitary measures shall apply to passengers, crew, cargo or mail carried by the aircraft of the designated airline of the other Contracting Party while they are within the said territory.

(3) Each Contracting Party undertakes not to grant any preferences to its own airline with regard to the designated airline of the other Contracting Party in the application of the laws and regulations provided for by the present article.

(4) When utilizing the airports and other facilities offered by one Contracting Party, the designated airline of the other Contracting Party shall not have to pay fees higher than those which have to be paid by national aircraft on scheduled international services.

Article 8. CERTIFICATES

(1) Certificates of airworthiness, certificates of competency and licences issued or rendered valid by one of the Contracting Parties shall, during the period of their validity, be recognized as valid by the other Contracting Party, provided that the requirements under which such certificates or licences were issued or rendered valid are equal to or above the minimum standards which may be established from time to time pursuant to the Convention.

(2) Each Contracting Party reserves its rights, however, not to recognize as valid, for the purpose of flights in its own territory, certificates of competence and licences granted to its own nationals or rendered valid for them by the other Contracting Party or by any other State.

Article 9. CAPACITY PROVISIONS

(1) There shall be fair and equal opportunity for the designated 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 designated airline of each Contracting Party shall take into account the interest of the designated airline of the other Contracting Party so as not to affect unduly the services which the latter provides on the whole or part of the same routes.

(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:

(a) Traffic requirements to and from the territory of the Contracting Party which has designated the airline;

- (b) 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
- (c) The requirements of through airline operation.

Article 10. TARIFFS

(1) For the purpose of the following paragraphs, the term “tariff” means the prices to be paid for the carriage of passengers and cargo and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services but excluding remuneration and conditions for the carriage of mail which shall be governed by any regulations agreed within the appropriate inter-governmental agencies.

(2) The tariffs to be applied by the designated airline of one Contracting Party for carriage to or from the territory of the other Contracting Party shall be established at reasonable levels, due regard being paid to all relevant factors including cost of operation, reasonable profit and the tariffs of other airlines on the same routes.

(3) The tariffs referred to in paragraph (2) of this article shall be agreed upon between the designated airlines of the Contracting Parties, in consultation with other airlines operating over the whole or part of the route, using where possible the traffic conference procedure of the International Air Transport Association.

(4) The tariffs so agreed shall be submitted for approval to the Aeronautical Authorities of the Contracting Parties at least ninety (90) days before the proposed date of their introduction; in special cases, a shorter period may be accepted by the Aeronautical Authorities.

(5) If a tariff cannot be established in accordance with the provisions of paragraph (3) of this article, or if during the first thirty days of the ninety days’ period referred to in paragraph (4) of this article one Contracting Party gives the other Contracting Party notice of its dissatisfaction with any tariff submitted in accordance herewith, the Aeronautical Authorities of the Contracting Parties shall try to determine the tariff by agreement between themselves.

(6) If the Aeronautical Authorities cannot agree upon such tariffs, the dispute shall be settled in accordance with the provisions of article 14 of this Agreement.

(7) No tariff shall come into force, unless it has been approved or accepted by the Aeronautical Authorities of both Contracting Parties.

(8) A tariff established in accordance with the provisions of this article shall remain in force until a new tariff has been established. Nevertheless, a tariff shall not be prolonged by virtue of this paragraph for more than twelve months after the date on which it would otherwise have expired.

Article 11. FINANCIAL PROVISIONS

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 in connection with the carriage of passengers, baggage, mail shipments and freight. 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 12. EXCHANGE OF STATISTICS

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 of the first Contracting Party. Such statements shall include all information required to determine the amount of traffic carried by the airline on the agreed services and the origin and destination of such traffic.

Article 13. CONSULTATIONS

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

Either Contracting Party may request consultation, which may be through discussion or by correspondence and shall begin within a period of ninety (90) days from the date of receipt of the request, unless both Contracting Parties agree to an extension of this period.

Article 14. SETTLEMENT OF DISPUTES

(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:

- (a) They may agree to refer the dispute for decision to an arbitral tribunal appointed by agreement between them or to some other person or body; or
- (b) 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 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) If and so long as either Contracting Party or the 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 in default.

Article 15. AMENDMENTS

(1) If either of the Contracting Parties considers it desirable to modify the terms of this Agreement, it may request consultation between the Aeronautical Authorities of both Contracting Parties in relation to the proposed modifications. Consultation shall begin within a period of ninety (90) days from the date of the request. When these authorities agree on any modification to this Agreement, the modifications shall come into effect when they have been confirmed by an exchange of notes through the diplomatic channel.

(2) If a general multilateral agreement concerning air transport comes into force in respect of both Contracting Parties, this Agreement shall be amended so as to conform with the provisions of that agreement.

Article 16. TERMINATION

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 Organization. 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 Organization.

Article 17. REGISTRATIONS

The present Agreement and any Exchange of Notes in accordance with article 15 shall be registered with the International Civil Aviation Organization.

Article 18. ENTRY INTO FORCE

The present Agreement shall come into force on the date of signature, or if so required, when each party has informed the other Party that the necessary requirements of their respective national legislation have been fulfilled.

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

DONE in duplicate at Stockholm this 9th day of November 1977.

For the Government
of the Kingdom of Sweden:

[Signed — Signé]¹

For the Government
of the State of Israel:

[Signed — Signé]²

ANNEX

I. Routes to be operated in both directions by the designated airline of the Government of the Kingdom of Sweden:

Point in Sweden
Stockholm

Point in Israel
Ben Gurion airport-Tel Aviv

II. Routes to be operated in both directions by the designated airline of the Government of the State of Israel:

Point in Israel
Ben Gurion airport-Tel Aviv

Point in Sweden
Stockholm

III. Nothing will prevent the designated airline of either Contracting Party to serve intermediate points and points beyond as well as between the capitals of Sweden, Denmark and Norway other than those specified in this annex, provided that no commercial rights are exercised between these points and the territory of the other Contracting Party.

¹ Signed by Bo Turesson — Signé par Bo Turesson.

² Signed by Mordecai R. Kidron — Signé par Mordecai R. Kidron.

EXCHANGE OF NOTES

I

Stockholm, November 9, 1977

Your Excellency,

With reference to the Air Transport Agreement between the Government of the State of Israel and the Government of Sweden, signed today, I have the honour to notify Your Excellency that, in accordance with article 4 of the Agreement, the Government of the State of Israel designate El Al Israel Airlines to operate the routes specified in the annex attached to the Agreement.

In acknowledging simultaneously the notification given by the Government of the Kingdom of Sweden in a note of today's date of your Government's corresponding designation of AB Aerotransport (ABA), I have the honour to confirm, on behalf of my Government, the following understanding:

1. AB Aerotransport (ABA) co-operating with Det Danske Luftfartselskab A/S (DDL) and Det Norske Luftfartselskap A/S (DNL) under the designation of Scandinavian Airlines System (SAS) may operate the routes for which it has been designated under the Agreement with aircraft, crews and equipment of either or both of the other two airlines.

2. In so far as AB 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 AB Aerotransport (ABA), and the competent Swedish authorities and AB Aerotransport (ABA) shall accept full responsibility under the Agreement therefor.

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

[Signed]

MORDECAI R. KIDRON
Ambassador of IsraelH.E. Mr. Bo Turesson
Minister of Transport and Communications
Stockholm

II

Stockholm, November 9, 1977

Your Excellency,

With reference to the Air Transport Agreement signed today between the Government of the Kingdom of Sweden and the Government of the State of Israel, I have the honour to notify you that, in accordance with article 4 of the Agreement, the Swedish Government designate AB Aerotransport (ABA) to operate the routes specified in the annex attached to the Agreement.

In this connection I have the honour to confirm, on behalf of my Government, the following understanding:

1. AB Aerotransport (ABA) co-operating with Det Danske Luftfartselskab A/S (DDL) and Det Norske Luftfartselskap A/S (DNL) 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 AB 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 AB Aerotransport (ABA), and the competent Swedish authorities and AB Aerotransport (ABA) shall accept full responsibility under the Agreement therefor.

On behalf of my Government I have the honour to simultaneously acknowledge the notification given by the Government of the State of Israel in a note of today's date of your Government's corresponding designation of El Al Israel Airlines.

Please accept, Your Excellency, the assurance of my highest consideration.

[Signed]

BO TURESSON
Minister of Transport
and Communications
