### No. 48121\*

### United Republic of Tanzania and South Africa

Memorandum of Understanding between the Government of the United Republic of Tanzania and the Republic of South Africa on Bilateral Air Services Agreement (with attachments). Dar es Salaam, 15 October 2009

**Entry into force:** 15 October 2009 by signature, in accordance with article 10

**Authentic text:** *English* 

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### République-Unie de Tanzanie et Afrique du Sud

Mémorandum d'accord entre le Gouvernement de la République-Unie de Tanzanie et la République sud-africaine relatif à l'Accord bilatéral sur les services aériens (avec pièces jointes). Dar es-Salaam, 15 octobre 2009

Entrée en vigueur : 15 octobre 2009 par signature, conformément à l'article 10

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#### [ ENGLISH TEXT – TEXTE ANGLAIS ]

### MEMORANDUM OF UNDERSTANDING BETWEEN THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA AND THE REPUBLIC OF SOUTH AFRICA

Delegations representing the Government of the United Republic of Tanzania and the Government of the Republic of South Africa met in Dar es Salaam on 15 October 2009. The lists of the respective delegations are attached as **Attachment A**. The discussions were held in a friendly and cordial atmosphere and the two delegations reached the following understanding.

#### 1. The Air Services Agreement

- (a) In order to reflect the developments that have taken place in the field of civil aviation since the time of review of the Air Services Agreement (ASA) in March 2003 the Delegations agreed upon several amendments and modifications to the current text of the finitialed ASA".
- (b) The Heads of Delegations initialed the revised text of the Air Services Agreement (hereinafter referred to as "Agreement") in the English language, which is attached as Attachment B and agreed to recommend to their respective Governments to formally sign the ASA by April 2010 or sooner if possible. The place and date of signing will be determined through diplomatic channels.
- (c) It was decided that, pending the completion of the constitutional requirements of each Contracting Perty necessary to formally adopt the Agreement text initialed today, that the aeronautical authorities would act in conformity with the provisions of the Agreement initialed today and to implement it administratively from the date hereof, subject to the understanding hereinafter mentioned with respect to the traffic rights to be exercised by the designated airlines.

#### 2. Traffic Rights to be exercised by the designated airlines.

Both delegations noted that the ASA initialed contains some provisions of Yamoussoukro Decision (YD). The Republic of South Africa proposed the the initialed agreement incorporate fully the provisions of YD. The United Republic of Tanzania noted this request and proposed that the liberalization be implemented on a gradual basis. Both delegations agreed that full implementation of YD be considered at a later date.

#### 3. Designation

Both Parties confirmed the multiple designation regime.

Pursuant to Article 3 of the Agreement, the two delegations agreed as follows:

The Government of the United Republic of Tanzania accepted the designation of South African Airways, 1Time Airlines and other airlines to be notified at a later dates.

The Government of the Republic of South Africa accepted the designation of Air Tanzania Company Limited, Precision Air Services Limited, Community Airlines and Air Zara APA International Limited and other airlines to be designated in future.

#### 4. Code-share Services

In operating the authorised services on the agreed routes, any designated airline of one Contracting Party may, subject to applicable competition Laws and regulations, enter into cooperative marketing arrangements like code-share, with:-

- (a) an airline or airlines of the other Contracting Party;
- (b) an airline or airlines of a third country, provided that such third country authorises or allows comparable arrangements between the airlines of the other party and other airlines on services to, from and via such third country;

provided that all airlines in such arrangements:-

- (i) hold the appropriate authorisation;
- (ii) meet the requirements normally applied to such arrangements; and
- (iii) must, in respect or any ticket sold by it, make it clear to the purchaser at the point of sale which airline will actually operate each sector of the service and which airline or airlines the purchaser is entering into contractual relationship.

#### 4.1 Counting of Code-shared Services

Each code-sharing service operated by the designated airlines of either country will count as one (1) frequency, whereas the codesharing services of the marketing carrier will not be counted as a frequency

#### 4.2 Commercial Agreements

All commercial agreements in this regard shall be filed for approval and subject to review by both Aeronautical Authorities prior to their introduction

#### 5. Tariff Regime

The two delegations agreed to adopt a non regulated tariff regime.

#### 8. Route Schedule

The two delegations agreed on the Route Schedule which is contained in the agreement Attachment "C"

#### 7. Capacity and Frequencies

#### 7.1 Passenger Services

Pursuant to Article 2 and Article 4 of the Agreement, the two delegations agreed that, the designated airline(s) of each Contracting Party shall be permitted to operate up to 21 flights per week in each direction, using any type of aircraft. It was further agreed that an increase in frequencies will be favourably considered through correspondences, once the agreed 21 have been utilised.

#### 7.2 Air Cargo Services

The two delegations agreed that the designated airlines of the Contracting Parties may operate all cargo flights without any restriction as to capacity or frequency, with owned or leased aircraft and may exercise full fifth freedom cargo carriage traffic rights to end from any intermediate and beyond point.

#### 8. Fifth Freedom Traffic Rights

The two delegations reached an agreement that the designated airlines of either Contracting Party may exercise full fifth freedom traffic rights only on the sectors not serviced by the designated airline(s) of the other Contracting Party. Such conferred rights shall be one within six (6) months after commencement of operations by the airline(s) of the other Contracting Party.

#### 9. Provisional Effect of the Agreement

Pending the coming into force of the Agreement, the two delegations egree that the contents of the Agreement and this Memorandum of Understanding shall come into effect as from the date of signature of the MOU.

#### 10. Entry into Force and Power to Supercede

This Memorandum of Understanding comes into effect upon its signature and supercedes the Confidential Memorandum of Understanding signed previously.

DONE AT Dar es Salaam on this 15th day of October 2009.

Kirenga R. Ndemino

FOR THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

Vuwani Ndwamato

FOR THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

### Attachment "A"

### Yanzania Delegation

1. Mr. Kirenga R. Ndemino	*	Assistant Director, Air Transport and Meteorology, Ministry of Infrastructure Development (Head of Delegation)
2. Dr. 8. 8. Bufunjo	•	Principal Transport Officer, Ministry of Infrastructure Development
3. Mrs. Margaret Munyagi	*	Director General, Tanzania Civil Aviation Authority
4. Mr. Fadhlii J. Manongi	•	Ofrector of Economic Regulation, Tanzania Civil Aviation Authority
5. Mr. Biseko Chiganga	•	Senior Air Transport Officer, Ministry of infrastructure Development
6. Mr. Den Malenga		Chief, Air Transport Regulation, Tanzania Civil Aviation Authority
7. Mr. Ntandu Mathayo	~	Senior Air Transport Regulation Officer, Tanzania Civil Aviation Authority
8. Ms. Massad Shebe		Princing Alliances Specialist, Air Tanzania Company Ltd
9. Mr. James Mhagama	•	Marketing and Contracts Manager, Swissport (T) Ltd
10. Mr. Thomas Haule	•	Manager Airports Operations, Tanzania Airports Authority
11. Ms. Mwantumu Salim	•	Senior Legal Counsel, Tanzania Revenue Authority
12. Mr. Elias Moshi	•	Head, Industry, Government Affairs and Ground Handling Project, Precision Air Services Ltd

### South African Delegation

1.	Mr. Vuwani Ndwamato	•	Director: Air Transport, Department of Transport ((Head of Delegation)
2.	Mr. Darren Hay	**	Manager: Aeropolitical Affairs, South African Airways
3.	Mr. Sam Ndlovu	•	Manager: Network Planning and Aero- political, SAA Cargo
4.	Ms. Michelle Muller	<b>.</b> :	Route Development Analyst, Comair
5.	Mr. Bert vd Linden	-	Director: Business Development, Comair
6.	Mr. Gokul Nath		Country Manager Tenzenia South African Airways

### **BILATERAL AIR SERVICES**

#### AGREEMENT

### BETWEEN

## THE GOVERNMENT OF THE UNITED REPUBLIC OF TANZANIA

### AND

THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

### BILATERAL AIR SERVICES AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED REPUBLIC TANZANIA AND THE GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

#### PREAMBLE

The Government of the United Republic of Tanzania and the Government of the Republic of South Africa (hereinafter referred to as, "the Contracting Parties");

Desiring to promote an international aviation system based on competition among airlines:

Desiring to facilitate the expansion of international air services opportunities:

Recognising that efficient and competitive international air services enhance trade, the welfare of consumers, and economic growth:

Desiring to make it possible for aidines to offer the travelling and shipping public a variety of service options, and wishing to encourage individual aidines to develop and implement innovative and competitive prices:

Desiring to ensure the highest degree of safety and security in international air services and reaffirming their grave concern about acts or threats against the security of aircraft, which jeopardise the safety of persons or property, adversely affect the operation of air services, and undermine public confidence in the safety of civil aviation; and

Being Parties to the Convention on International Civil Aviation opened for signature at Chicago on December 7, 1944:

Have agreed as follows:

## ARTICLE 1 DEFINITIONS

- For the purpose of the present Agreement and its Annex, unless otherwise agreed:
  - (a) The term "aeronautical authorities" means, in the case of Tanzania, the Minister for the time being responsible for matters relating to Civil Aviation and in the case of South Africa the Minister responsible for Transport, or in both cases any person or body, authorised to exercise the function presently assigned to the said authorities.
  - (b) The term "agreed services" means air services on the specified routes for the carriage of passengers, pargo and mail, separately or in combination;
  - (c) The terms "air services", "international air services", "airline" and "stop for non-traffic purposes" shall have the meaning respectively assigned to them in Article 98 of the Convention;
  - (d) 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 so far as those annexes and amendments are applicable for both Contracting Parties:
  - (e) The term "designated airlines" means an airline or airlines which one Contracting Party has designated, in accordance with Article 3 of the present Agreement, for the operation of the agreed air services;

- (f) The term "regular equipment" means an article, other than stores and spare parts of a removable nature, for use on board an aircraft during flight, including first aid and survival equipment:
- (g) The term "tariff" means the prices to be paid for the carriage of passengers, beggage and cargo and the conditions under which these prices apply, including commission charges and other additional remuneration for agency or sale of transportation documents but excluding remuneration and conditions for the carriage of mail.
- (h) The term "territory" in relation to a State shall have the meaning assigned to it in Article 2 of the Convention;
- (i) The term "user charge" means a charge made to airlines for the provision for aircraft, their crews and passengers of airport and air navigation facilities. including related services and facilities; and
- The Annex forms an integral part of the present Agreement. All references to the Agreement shall include the Annex unless explicitly agreed otherwise.

## ARTICLE 2 GRANT OF RIGHTS

- Each Contracting Party shall grant to the other Contracting Party the rights
  provided for in this Agreement to enable its designated airline(s) to establish
  and operate international air services on the routes specified in the Annex.
- Subject to the provisions of this Agreement, the designated airline(s) of each Contracting Party shall have the right:
  - (a) to fly across the territory of the other Contracting Party without landing;

- (b) to make stops in that territory for non-traffic purposes, and
- (c) to land in the territory of the other Contracting Party for the purpose of taking on board and discharging traffic in passengers, baggage, cargo and mall while operating an agreed service.
- The airline(s) of each Contracting Party, other than those designated in terms of Article 3, shall also have the rights provided for in paragraphs (a) and (b) of sub-Article (2).
- 4. Nothing in sub-Article (2) shall confer on a designated airline(s) of the Contracting Party the right of taking on board in the territory of the other Contracting Party, passengers, baggage, cargo and mail, carried for remuneration or hire and destined for another point in the territory of the other Contracting Party.
- 5. If because of armed conflict, political disturbances or developments, or special and unusual circumstances, a designated airline(s) of the Contracting Party is unable to operate a service on its normal routes, the other Contracting Party shall use its best efforts to facilitate the continued operation of such service through appropriate temporary rearrangements of such routes, including the temporary granting of alternative rights, as mutually decided by the Contracting Parties.

## ARTICLE 3 DESIGNATION AND AUTHORISATION

 Each Contracting Party shall have the right to designate one or more airlines for the purpose of operating the agreed services. Such designation shall be effected by virtue of a written notification between the aeronautical authorities of both Contracting Parties.

- 2. The aeronautical authorities which have received the notification of designation shall, subject to the provisions of paragraphs 3 and 4 of this Article, grant without undue delay to the designated airlines of the other Contracting Party the necessary operating authorisation.
- 3. The ecronautical authorities of one Contracting Party may require the airlines designated by the other Contracting Party to prove that they are qualified to fulfil the conditions prescribed under the laws and regulations normally applied to the operation of international air services by the said authorities in conformity with the provisions of the Convention.
- 4. Each Contracting Party shall have the right to refuse to grant the operating authorisation referred to in paragraph 2 of this Article, or to impose such conditions as it may deem necessary on the exercise of the rights specified in Article 2 of the present Agreement, whenever the said Contracting Party is not satisfied that the principal place of business and effective regulatory control of that sirline is vested in the other Contracting Party.
- Having received the operating authorisation, provided for under paragraph 2 of this Article, the designated airlines may at any time operate the agreed services.

## ARTICLE 4 REVOCATION AND SUSPENSION OF OPERATING AUTHORISATION

 Each Contracting Party shall have the right to revoke or suspend an operating authorisation for the exercise of the rights specified in Article 2 of the present Agreement by the designated sirlines of the other Contracting Party or to impose such conditions as it may deem necessary on the exercise of such rights, if:

(a) it is no longer satisfied that the principal place of business and effective

regulatory control of that airline is vested in the other Contracting Party or its nationals, or

- (b) the said airlines fall to comply with or have seriously infringed the laws or regulations of the Contracting Party granting these rights, or
- (c) the seld airlines fall to operate the agreed services in accordance with the conditions prescribed under the present Agreement.
- Such a right shall be exercised only after consultation with the other Contracting Party, unless immediate revocation, suspension or imposition of the conditions provided for under paragraph 1 of this Article is essential to prevent further infringements of laws and regulations.

## ARTICLE 5 AVIATION SAFETY

- A Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party relating to aeronautical facilities, aircrew aircraft and the operation of aircraft. Such consultations shall take place within thirty (30) days of such request.
- 2. If, following such consultations, a Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to above which are at least equal to the minimum standards established at that time pursuant to the Convention, the first Contracting Party shall notify the other Contracting Party of those findings and the steps considered necessary to conform with those minimum standards. Such Contracting Party shall take appropriate corrective action and failure to take appropriate action within fifteen (15) days of being notified thereof, or such longer period as may be agreed upon, shall be grounds for the application of Article 4.

Notwithstanding the obligations mentioned in Article 33 of the Convention, it is agreed that any aircraft operated by the designated airline of one Contracting Party on services to or from the territory of the other Contracting Party, may, while within the territory of the other Contracting Party, be subject to an examination by the authorised representative of that Contracting Party. The purpose of such examination shall include the verification of the validity of the aircraft documents and those of its crew and the apparent condition of the aircraft and its equipment (hereinafter referred as "ramp inspection"), provided this does not lead to unreasonable delay.

If any such ramp inspection or series of ramp inspections gives rise to serious concerns that-

- (a) an aircraft or the operation of an aircraft does not comply with the minimum standards established at that time pursuant to the Convention; or
- (b) there is a lack of effective maintenance and administration of eafety standards established at that time pursuant to the Convention.

the Contracting Party carrying out the ramp inspection shall, for the purposes of Article 33 of the Convention, be free to conclude that the requirements under which the certificate or licences in respect of that aircraft or in respect of the crew of that aircraft had been issued or rendered valid, or that the requirements under which that aircraft is operated, are not equal to or above the minimum standards established pursuant to the Convention.

In the event that access for the purpose of undertaking a ramp inspection of an aircraft operated by the designated airline of one Contracting Party in accordance with sub-Article 3 above is denied by the representatives of that designated airline, the other Contracting Party may infer that serious concerns

of the type referred to in sub-Article 4 above arise and draw conclusions referred to in that sub-Article.

- 6. Each Contracting Party reserves the right to immediately suspend or vary the operating authorisation of a designated airline of the other Contracting Party in the event the first Contracting Party concludes, whether as a result of a ramp inspection or consultation, that immediate action is essential to the safety of airline operation.
- 7. Any action by one Contracting Party in accordance with sub-Articles (2) and (6) above shall be discontinued upon compliance by the other Contracting Party with the safety provisions of this Article.

## ARTICLE 6 APPLICATION OF DOMESTIC LAWS

- 1. The domestic law in force in the territory of a Contracting Party relating to the admission to, sojourn in, or departure from its territory of aircraft engaged in international air services, or to the operation and navigation of such aircraft, shall be applied to the aircraft of a designated airline of the other Contracting Party upon its entry into, departure from and while within the territory of the first Contracting Party.
- 2. The domestic law in force in the tenitory of a Contracting Party relating to the admission to, sojourn in, and departure from its tenitory of passengers, baggage, crew, cargo or mail onboard the aircraft, including laws and regulations relating to entry, clearance, aviation security, immigration, passports, customs, quarantine and sanitary measures, or in the case of mail, postal laws and regulations, shall be complied with by or on behalf of such passengers, baggage crew, cargo or mail of the designated airline of the other Contracting Party upon entrance into or departure from and white within the

terntory of the first Contracting Party.

- 3. Passengers, baggage, cargo and mail in direct transit across the territory of either Contracting Party and not leaving the area of the airport reserved for such purposes shall, except in respect of security measures, narcotics control or in special circumstances, be subject to no more than a simplified control.
- 4. Neither Contracting Party shall grant any preference to its own or any other airline over the designated airline of the other Contracting Party in the application of domestic law referred to in this Article.

## ARTICLE 7 RECOGNITION CERTIFICATES AND LICENCES

- Each Contracting Party shall recognise as valid, for the purpose of operating the agreed services provided for in the present Agreement, certificates of airworthiness, certificates of competency, and licenses issued or validated by the other Contracting Party and still in force, provided that the requirements for such certificates or licenses at least equal the minimum standards that may be established pursuant to the Convention.
- Each Contracting Party may, however, refuse to recognise as valid for the
  purpose of flight above its own territory, certificates of competency and licenses
  granted to or validated for its own nationals by the other Contracting Party or by
  third country.
- Each Contracting Party may request consultations at any time concerning the safety standards maintained by the other Contracting Party in areas relating to aeronautical facilities, flight crew aircraft and the operation of aircraft. Such consultations shall take place within thirty (30) days of the receipt of that request.

- 4. If, following such consultations, one Contracting Party finds that the other Contracting Party does not effectively maintain and administer safety standards in the areas referred to in paragraph 3 of this Article that meet the Standards established at that time pursuant to the Convention, this other Contracting Party shall be informed of such findings and of the steps considered necessary to conform with the Standards of the International Civil Aviation Organisation. The other Contracting Party shall then take appropriate corrective action within an agreed time period.
- 5. Pursuant to Article 16 of the Convention, it is further agreed that, any aircraft operated by, or on behalf of an airline of one Contracting Party, on service to or from the territory of another Contracting Party, may, while within the territory of the other Contracting Party be the subject of a search by the authorised representatives of the other Contracting Party, provided this does not cause unreasonable delay in the operation of the aircraft. Notwithstanding the obligations mentioned in Article 33 of the Convention, the purpose of this search is to verify the validity of the relevant documentation, the licensing of its crew, and that the aircraft equipment and the condition of the aircraft conform to the Standards established at that time pursuant to the Convention.
- 6. When urgent actions is essential to ensure the safety of an airline operation, each. Contracting party reserves the right to immediately suspend or vary the operating authorisation of an airline or airlines of the other Contracting Party.
- Any actions by one Contracting Party in accordance with paragraph 4 of this
  article shall be discontinued once the basis for the taking of that action ceases
  to exist.

## <u>ARTICLE 8</u> CUSTOMS DUTIES AND OTHER TAXES

- Aircraft operated on agreed services by a designated airline of a Contracting Party, as well as their regular equipment, supplies of fuel, fubricants (including hydraulic fluids), consumable technical supplies, spare parts, aircraft stores including food, beverages, liquor, tobacco and other products for sale to or use by passengers, in limited quantities, during the flight, and other items intended for or used solely in connection with the aviation operation or servicing, which are on board such aircraft, shall, on enlering into the territory of the other Contracting Party, be exempt from customs duties, excise duties and charges Provided that such equipment, supplies and stores remain on board the aircraft until they are re-exported or consumed during flight on the agreed service.
- There shall also be exemption from the same national or local duties, fees and charges, with the exception of charges based on the cost of the service provided, in respect of-
  - (a) aircraft stores taken on board in the territory of a Contracting Party, within the limits that may be fixed by the appropriate authorities of the said Contracting Party, and intended for use on board the aircraft operated on an international service by a designated airline of the other Contracting Party:
  - (b) spare parts (including engines) and regular equipment imported into the territory of a Contracting Party for the maintenance or repair of aircraft operating agreed services by the designated airline or the other Contracting Party:
  - (c) fuels and lubricants (including hydraulic fluids) destined for the designated airline of a Contracting Party to supply aircraft operating agreed services, even when these supplies are to be used on any part

of a journey performed over the territory of the other Contracting Party in which they have been taken on board, and

- (d) baggage and cargo in direct transit.
- The items referred to in paragraphs (a), (b), (c) and (d) of sub-Article (2), may
  be required to be kept under customs supervision or control.
- 4. The regular equipment, as well as spare parts, aircraft stores, supplies of fuel, lubricants (including hydraulic fluids) and other items referred to in sub-Article (1) normally retained on board an aircraft operated by a designated airline of a Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the customs authorities of that territory. In such case, the said items may be placed under the supervision of those customs authorities until they are re-exported or otherwise disposed of in accordance with the domestic law of that Contracting Party.
- 5. The exemptions provided for in this Article shall be available in situations where a designated aidine of a Contracting Party has entered into arrangements with another aidine or aidines for the loan or transfer in the territory of the other Contracting Party of the Items referred to in sub-Articles (1) and (2): Provided that such other aidline similarly enjoys such exemptions from the other Contracting Party.

# ARTICLE 9 PRINCIPLES GOVERNING THE OPERATION OF AGREED SERVICES

The designated airlines of each Contracting Party shall be allowed fair and equitable treatment in order that it may enjoy equal opportunity in the operation of the agreed service. Each Contracting Party shall take all

appropriate action within its jurisdiction to eliminate all forms of discrimination and unfair competitive or predatory practices adversely affecting the competitive position of the designated airlines of the other Contracting Party in the exercise of its rights and entitlements set out in this Agreement.

- 2. In operating the agreed services the designated airlines of each Contracting Party shall take into consideration the interests of the designated airlines of the other Contracting Party so as not to unduly affect the services which the latter provide on the whole or part of the same routes.
- Both Parties agreed that in operating the agreed services the designated airline(s) may enter into co-operative marketing arrangements such as blocked space and code-sharing with-
  - (a) the airline(s) of the other Contracting Party; and/or
  - (b) an aidine or aidines of a third country provided that all aidines in such arrangements hold appropriate authorisations for such arrangements from the other Contracting Party.
- Code-share marketing arrangements shall be subject to the principles and criteria mutually agreed to by the Aeronautical Authorities of the Contracting Parties as per the attached Annex

## ARTICLE 10 COMMERCIAL ACTIVITIES

 A designated airline of a Contracting Party shall, on a reciprocal basis, be allowed to establish in the territory of the other Contracting Party offices for the promotion and sale of air transportation services.

- 2. A designated airline of the Contracting Party shall be allowed to bring in and maintain in the territory of the other Contracting Party its managerial commercial, operational and technical staff as it may require in connection with the provision of air transportation. These staff requirements may, at the option of a designated airline, be satisfied by its own personnel or by using the services of any other organisation, company or airline operating in the territory of the other Contracting Party, and authorised to perform such services in the territory of that Contracting Party.
- 3. A Contracting Party shall grant to any designated airline(s) of the other Contracting Party the right to engage in the sale of air transportation in its territory directly and, at the airline's discretion, through its agents. Each designated airline shall have the right to sell such transportation and any person shall be free to purchase such transportation in local currency, or in freely convertible currencies.
- 4. Any designated airline(s) of the Contracting Parties shall have the right to pay for local expenses in the territory of the other Contracting Party in local currency, or in freely convertible currencies: Provided that this accords with local currency regulations.
- 5. The activities referred to in this Article shall be carried out in accordance with the domestic law in force in the territory of the relevant Contracting Party.

## ARTICLE 11 TARIFFS

1. The tariffs applicable between the territories of the two Parties shall be established at reasonable levels, due consideration being paid to all relevant factors, including the cost of operation, the interests of users, reasonable profit, class of service and, when it is deemed appropriate, the tariffs of other aimnes operating over the routes specified in the Annex.

- Each Party shall allow tariffs for air transport to be established by each designated airline based upon commercial considerations in the market-place.
   Intervention by the Contracting Parties shall be limited to:
  - (a) prevention of unreasonably discriminatory prices or practices;
  - (b) protection of consumers from prices that are unreasonably high or restrictive due to the abuse of a dominant position; and
  - (c) protection of airlines from prices that are artificially low due to direct or indirect government subsidy or support.
- 3. Each Party may require notification to or filing with both Aeronautical Authorities of prices to be charged to or from its territory by sirlines of the other Party. Notification or filing by the sirlines of both Parties may be required no more than 30 days before the proposed date of implementation. In individual cases, notification or filing may be permitted on shorter notice than normally required. Neither Party shall require the notification nor filing by sirlines of the other Party of prices charged by charterers to the public, except as may be required on non-discriminatory basis for information purposes.
- 4. Neither Party shall take unitateral action to prevent the inauguration or continuation of a price charged by:
  - (a) An airline of either Party for international air transport between the territories of the Parties;
  - (b) An airline of one Party for international air transport between the territory of the other Party and any other country, including in both cases transportation on an inter-line or intra-line basis. If either Party believes that any such price is inconsistent with the considerations set forth in paragraph 1 of this Article, it shall request consultations and notify the

other Party of the reasons for its dissallsfaction as soon as possible. These consultations shall be held not later than thirty (30) days after receipt of the request, and the Parties shall cooperate in securing information necessary for resolution of the issue.

5. If the Parties reach agreement with respect to a price for which a notice of dissatisfaction has been given, each Party shall use its best efforts to put that agreement into effect. Without such agreement, the previously existing undisputed tariff shall remain in effect.

## ARTICLE 12 TIMETABLE

- 1. Each Contracting Party may require notification to its aeronautical authorities of the envisaged time-tables by the designated airlines of the other Contracting Party not less than thirty (30) days prior to the operation of the agreed services. The same procedure shall apply to any modification thereof.
- 2. For supplementary flights which the designated airlines of one Contracting Party wishes to operate on the agreed services outside the approved time-table it has to request prior permission from the aeronautical authorities of the other Contracting Party. Such request shall usually be submitted at least two (2) working-days before operating such flights.

## ARTICLE 13 PROVISION OF INFORMATION

The Aeronautical Authority of a Contracting Party shall, upon request, provide or shall cause its designated airline(s) to provide the Aeronautical Authority of the other Contracting Party with such periodic or other statements of statistics as may be

reasonably required for the purpose of reviewing the operation of the agreed services, including, but not limited to, statements of statistics related to the traffic carried by its designated airline(s) between points in the territory of the other Contracting Party and other points on the specified routes.

## ARTICLE 14 TRANSFER OF EARNINGS

- 1. Subject to its applicable domestic law, each Contracting Party grants to the designated airline of the other Contracting Party the right of free transfer of the excess of receipts over expenditure earned by such designated airline in the territory of such Contracting Party In connection with the carriage of passengers, baggage, cargo and mail, as well as from any other activities related to air transport that may be permitted under domestic law. Such transfers shall be effected at the rate of exchange in accordance with the domestic law applicable in the respective countries governing current payments, but where there is no official exchange rate such transfers shall be effected at the prevailing foreign exchange market rate for current payments.
- In the event that the form of payment between the Contracting Parties is governed by a special agreement, such an agreement shall apply.

### ARTICLE 15 USER CHARGES

Each Contracting Party shall endeavour to ensure that user charges imposed
or permitted to be imposed by its competent authorities on a designated airline
of the other Contracting Party are just and reasonable. These charges shall
be based on sound economic principles.

- Neither Contracting Party shall impose or permit to be imposed on the
  designated airline of the other Contracting Party user charges higher than
  those imposed on its own designated airline operating similar international air
  services using similar aircraft and associated facilities and services.
- Each Contracting Party shall encourage consultations between its responsible charging bodies and the designated sirline using the facilities and services.
   Where practicable, such consultations should be through the appropriate representative airline organisation.
- 4. Reasonable advance notice shall, whenever possible, be given to the designated airline of any proposals for changes to charges referred to in this Article, together with relevant supporting information and data, to enable it to express and have its views taken into account before any changes are made.

## ARTICLE 16 AVIATION SECURITY

- Consistent with their rights and obligations under international law binding on the Contracting Parties, the Contracting Parties affirm that their obligation to protect, in their mutual relationship, the security of civil aviation against acts of unlawful interference, forms an integral part of this Agreement.
- 2. Subject to applicable domestic law and without derogating from the generality of their rights and obligations in terms of international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offences and Certain Other Acts Committed on Board Aircraft, opened for signature at Tokyo on 14 September 1963; the Convention for the Suppression of Unlawful Seizure of Aircraft, opened for signature at The Hague on 16 December 1970; the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, opened for signature at Montreal on

23 September 1971; and any other multilateral agreement governing civil aviation security binding upon both Contracting Parties.

The Contracting Parties shall provide upon request all necessary assistance to each other to prevent acts of unlawful seizure of civil aircraft and other unlawful acts against the safety of such aircraft, their passengers and craw, airports and air navigation facilities, and any other threat to the security of civil aviation.

The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organisation and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to both Contracting Parties.

The Contracting Parties shall require that operators of aircraft of their registry, or operators of aircraft who have their principal place of business or permanent residence in their respective territories, and the operators of airports in their respective territories, act in conformity with such aviation security provisions as are applicable to both Contracting Parties.

Each Contracting Party agrees that its operators of aircraft shall be required to observe the aviation security provisions referred to in sub-Article (4) applied by the other Contracting Party for entry into, sojourn in, or departure from the territory of that other Contracting Party. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to apply security controls to passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall give positive consideration to any request from the other Contracting Party for reasonable special security measures in its territory to meet a particular threat to civil aviation.

- 7. If an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful act against the safety of such aircraft, their passengers and crew, airports and air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate such incident or threat as rapidly as possible commensurate with minimum risk to life.
- 8. Each Contracting Party shall take such measures as it may find practicable to ensure that an aircraft of the other Contracting Party, subjected to an act of unlawful seizure or any other act of unlawful interference, which is on the ground in its territory, is detained thereon unless its departure is necessifated by the overriding duty to protect the lives of its crew and passengers. Wherever practicable, such measures shall be taken on the basis of consultations with the other Contracting Party.
- 9. If a Contracting Party has reasonable grounds to believe that the other Contracting Party has departed from the provisions of this Article, the Aeronautical Authority of the first Contracting Party may request immediate consultations with the Aeronautical Authority of the other Contracting Party. Failure to reach a satisfactory agreement within filteen (15) days from the date of such request shall constitute grounds for the application of sub-Article (1) of Article 4. If required by an emergency, a Contracting Party may take action in terms of Article 4 prior to the expiry of fifteen (15) days. Any action taken in accordance with this sub-Article shall be discontinued upon compliance by the other Contracting Party with the security provisions of this Article.

## ARTICLE 17 CONSULTATIONS

 Either Contracting Party may at any time request consultations on the implementation, interpretation, application, amendment of, or compliance with this Agreement.  Subject to Articles 5 and 16 such consultations, which may be through discussion or correspondence, shall begin within a period of thirty (30) days of the date of receipt of such a request, unless otherwise mutually decided.

## ARTICLE 18 AMENDMENT OF THE AGREEMENT

- If either of the Contracting Parties considers it desirable to amend any provision of this Agreement, such amendment shall be agreed upon in accordance with the provisions of Article 17 and shall be effected by an Exchange of Notes, through the diplomatic channel, and shall come into effect on the date on which each Contracting Party has notified the other of its compliance with the constitutional requirements necessary for the implementation of the relevant amendment.
- 2. Notwithstanding the provisions of sub-Article (1), amendments to the Arnex to this Agreement may be agreed upon directly by the aeronautical authorities of the Contracting Parties. Such amendments shall apply from the date they have been agreed upon and enter into force when confirmed by both Contracting Parties through the diplomatic channel.
- This Agreement shall, mutatis mutandis, be deemed to have been amended by those provisions of any international convention or multilateral agreement that may become binding on both Contracting Parties.

### ARTICLE 19 SETTLEMENT OF DISPUTES

 If any dispute erises between the Contracting Parties relating to the interpretation or implementation of this Agreement, the Contracting Parties shall in the first place endeavour to settle such dispute by negotiation.

- If the Contracting Parties fall to reach a settlement by negotiation, they may agree to refer the dispute to some competent and independent person or body for mediation.
- If settlement is not reached in accordance with sub-Article (1) or (2) the dispute shall, at the request of either Contracting Party, be submitted for decision to a tribunal of three arbitrators.
- Each Contracting Party shall appoint one arbitrator and the third arbitrator, to be jointly appointed by the two arbitrators so appointed, shall act as President of the tribunal.
- 5. Each Contracting Party shall appoint its arbitrator within a period of thirty (30) days from the date of receipt of a notice by either Contracting Party from the other, through the diplomatic channel, requesting arbitration of the dispute by such a tribunal and the third erbitrator, who shall be a national of a third State, shall be appointed within a further period of thirty (30) days.
- 6. If either Contracting Party fails to appoint 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 within thirty (30) days, as the case may be: Provided that the President is not a national of either Contracting Party, in which case the Vice President of that Council may be so requested. In such a case, the arbitrator or arbitrators appointed by the said President or Vice President, as the case may be, shall not be nationals or permanent residents of the respective States of the Contracting Parties.
- 7. The tribunal shall determine the limits of its jurisdiction in accordance with this Agreement and shall establish its own procedure

- 8. Each Party shall meet the cost of remuneration and the expenses of its arbitrator. The remuneration and the expenses of the third arbitrator and the expenses of the tribunal, the nature and limits of which shall be agreed before hand by the Parties, shall be shared equally between and shall be met by the Parties. Any question concerning the division of costs shall be determined by the arbitral tribunal.
- The Contracting Parties shall comply with any provisional ruling and the final decision of the tribunal.
- 10. If, and for as long as, a Contracting Party fails to comply with a decision contemplated in sub-Article (9), the other Contracting Party may limit, suspend or revoke any rights or privileges which it has granted in terms of this Agreement to the Contracting Party in default.

## ARTICLE 20 REGISTRATION OF THE AGREEMENT AND AMENDMENTS

The Contracting Parties shall submit this Agreement and any subsequent amendments thereto to the International Civil Aviation Organisation for registration.

## ARTICLE 21 TERMINATION OF THE AGREEMENT

Either Contracting Party may at any time from the entry into force of this
Agreement give notice in writing through the diplomatic channel to the other
Contracting Party of its decision to terminate this Agreement. Such notice
shall be communicated simultaneously to the international Civil Aviation
Organisation. The Agreement shall terminate one (1) year 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 default of acknowledgement of receipt of a notice of termination by the other Contracting Party, the notice shall be deemed to have been received fourteen (14) days after the date on which the International Civil Aviation Organisation acknowledged receipt thereof unless the notice to terminate is withdrawn by aureement before the expiry of this period.

## ARTICLE 22 ENTRY INTO FORCE

This Agreement shall enter into force on the date on which both Contracting Parties have notified each other in writing through the diplomatic channel, of their compliance with the constitutional requirements necessary for the implementation thereof. The date of entry into force shall be the date of the last notification.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement in the English language.

DONE in on this	day of
***********************************	STORY TO COLOR OF THE COLOR OF
FOR THE GOVERNMENT OF THE	FOR THE GOVERNMENT OF THE
UNITED REPUBLIC OF TANZANIA	REPUBLIC OF SOUTH AFRICA

#### ROUTE SCHEDULE

### A: For the designated airline (s) of the United Republic of Tanzania

Point(s) of Origin	Intermediate Point	Point(s) in the Republic of South Africa:	Point (s) Seyond
Any point in	Any point	Any airport with	Any point
Tanzania		international status	
		to handle either	
		passenger and/or	
		cargo services	

#### 8: For the designated airline (s) of the Republic of South Africa

Point(s) of Origin	Intermediate	Point(s) in the	Point (s) Beyond
	Point	United Republic	
		of Tanzania	
Any point in South	Any point	Any airport with	Any point
Africa		international status	
		to handle either	
		passenger and/c/	
		cargo services	

#### Notes

- Any point on the above routes may, at the option of the artine concerned, be omitted on any or all flights, provided that any service either begins or terminates in the territory of the country designating the airline.
- The designated airlines may exercise unrestricted 5<sup>th</sup> freedom traffic on the routes not served by the designated airline (s) of the other Contracting Party.