



ASEAN MEMORANDUM OF UNDERSTANDING ON AIR FREIGHT SERVICES

The Aeronautical Authorities of Brunei Darussalam, the Kingdom of Cambodia, the Republic of Indonesia, the Lao People's Democratic Republic, Malaysia, the Union of Myanmar, the Republic of the Philippines, the Republic of Singapore, the Kingdom of Thailand and the Socialist Republic of Viet Nam, Member States of the Association of Southeast Asian Nations (ASEAN) (hereinafter referred to as "Contracting Parties");

Recalling the Hanoi Plan of Action adopted at the Sixth ASEAN Summit in Ha Noi on 16 December 1998 called for the institutionalisation of the policy framework and modalities for the development of a Competitive Air Services Policy which may be a gradual step towards an Open Sky Policy in ASEAN ;

Recalling also the decision of the Fourth ASEAN Transport Ministers Meeting in Singapore on 9-10 September 1998, to make concrete recommendations to liberalise air freight services as part of the ASEAN Competitive Air Services Policy;

Being committed to maintain, further develop and strengthen friendly relations and cooperation between their countries;

Noting that efficient air freight services is important to the development of trade and promotion of economic growth;

Desiring to facilitate and enhance air freight services and its related activities, to complement the other transport facilitation and liberalisation efforts in ASEAN;

Desiring to remove restrictions, on a gradual basis, so as to achieve greater flexibility and capacity in the operations of air freight services in ASEAN;

HAVE HEREBY AGREED AS FOLLOWS:

1. Designation

Each Contracting Party may designate one or more airlines to operate the agreed services on the specified routes.

2. Capacity and Frequency

The designated airline(s) of each Contracting Party shall be allowed to operate all-cargo services up to 100 tons weekly in each direction, with no limitations on frequency and aircraft type from its territory to each of the other Contracting Parties' territory and vice-versa.

3. Route (point to point)

Brunei Darussalam	:	Bandar Seri Begawan
Cambodia	:	Phnom Penh
Indonesia	:	Batam, Balikpapan, Biak, Makasar, Manado, Pontianak
Lao PDR	:	Vientiane
Malaysia	:	Kuala Lumpur
Myanmar	:	Yangon, Mandalay
Philippines	:	Points in the Philippines
Singapore	:	Singapore
Thailand	:	Bangkok, Chiang Mai, Hat Yai, Khon Kaen, Phuket, U-Taphao
Vietnam	:	Ha Noi, Da Nang

4. Traffic Rights

The designated airline(s) of each Contracting Party shall be allowed to exercise third and fourth freedom traffic rights in operating the agreed services.

5. Code Sharing

In operating air services on the agreed routes, the designated airline(s) of any Contracting Party may enter into bilateral code sharing arrangement, with any other designated airline(s) from the other Contracting Party which holds the appropriate route and traffic rights from both Contracting Parties.

Capacity offered by a designated airline as the marketing airline, on services operated by other airlines, will not be counted against any capacity entitlements of the Contracting Parties designating the marketing airline. When a designated airline performs services under cooperative marketing arrangements as the operating airline, the total capacity operated will be counted against the capacity entitlements of the Contracting Party designating that airline.

6. Supplementary

This Memorandum of Understanding shall be in addition to the existing bilateral and / or plurilateral Air Services Agreements or amendments thereto, between or among ASEAN Member Countries so far as all-cargo services are concerned. This Memorandum of Understanding shall not prejudice any other provisions in the said Agreements.

7. Depository

This Memorandum of Understanding and any amendments thereto shall be deposited with the Secretary-General of ASEAN, who shall promptly furnish a certified copy thereof to all Contracting Parties.

8. Amendments

This Memorandum of Understanding may be amended through the consent of all Contracting Parties and such amendments shall become effective upon the deposit of the Diplomatic Notes by all the Contracting Parties with the Secretary-General of ASEAN. Any amendment(s) may be proposed by any Contracting Party.

9. **Entry into Force**

The Contracting Parties shall submit this Memorandum of Understanding to their respective Governments, for approval.

This Memorandum of Understanding shall enter into force upon the deposit of the Diplomatic Notes by all the Contracting Parties with the Secretary-General of ASEAN which shall be done not later than 20 December 2002.

In witness whereof, the undersigned, being duly authorised to sign by their respective Governments, have signed this ASEAN Memorandum of Understanding on Air Freight Services.

Done at **Jakarta, Indonesia**, this **19th** day of **September 2002**, in a single copy in the English Language.