



PRESIDEN  
REPUBLIK INDONESIA

KEPUTUSAN PRESIDEN REPUBLIK INDONESIA  
NOMOR 2 TAHUN 1998  
TENTANG  
PENGESAHAN AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT  
OR THE REPUBLIC OF INDONESIA AND THE GOVERNMENT OF  
THE PEOPLE'S REPUBLIC OF BANGLADESH

PRESIDEN REPUBLIK INDONESIA,

- Menimbang : a. bahwa di Jakarta, pada tanggal 5 September 1997 Pemerintah Republik Indonesia telah menandatangani Air Transport Agreement between the Government of the Republic of Indonesia and the Government of the People's Republic of Bangladesh, sebagai hasil perundingan antara Delegasi-delegasi Pemerintah Republik Indonesia dan Pemerintah Republik Rakyat Bangladesh;
- b. bahwa sehubungan dengan itu, dan sesuai dengan Amanat Presiden Republik Indonesia kepada Ketua Dewan Perwakilan Rakyat Nomor 2826/HK/1960 tanggal 22 Agustus 1960 tentang Pembuatan Perjanjian-perjanjian dengan Negara Lain, dipandang perlu untuk mengesahkan Agreement tersebut dengan Keputusan Presiden;

Mengingat : Pasal 4 ayat (1) dan Pasal 11 Undang-Undang Dasar 1945;

MEMUTUSKAN:

Menetapkan : KEPUTUSAN PRESIDEN TENTANG PENGESAHAN AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDONESIA AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH.

Pasal 1

Mengesahkan Air Transport Agreement between the Government of the Republic of

Indonesia and the Government of the People's Republic of Bangladesh, yang telah ditandatangani Pemerintah Republik Indonesia di Jakarta, pada tanggal 5 September 1997, sebagai hasil perundingan antara Delegasi-delegasi Pemerintah Republik Indonesia dan Pemerintah Republik Rakyat Bangladesh yang salinan naskah aslinya dalam bahasa Inggris sebagaimana terlampir pada Keputusan Presiden ini.

Pasal 2

Keputusan Presiden ini mulai berlaku pada tanggal ditetapkan.

Agar setiap orang mengetahuinya, memerintahkan pengundangan Keputusan Presiden ini dengan penempatannya dalam Lembaran Negara Republik Indonesia.

Ditetapkan di Jakarta  
pada tanggal 7 Januari 1998

PRESIDEN REPUBLIK INDONESIA

ttd.

SOEHARTO

Diundangkan di Jakarta  
pada tanggal 7 Januari 1998

MENTERI NEGARA SEKRETARIS NEGARA  
REPUBLIK INDONESIA

ttd.

MOERDIONO

LEMBARAN NEGARA REPUBLIK INDONESIA TAHUN 1998 NOMOR 3

AIR TRANSPORT AGREEMENT  
BETWEEN  
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA  
AND  
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

The Government of the Republic of Indonesia and The Government of the People's Republic of Bangladesh hereinafter called in this Agreement as the Contracting Parties;

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

Desiring to conclude an Agreement, supplementary to the said Convention, for the purpose of establishing scheduled air services between and beyond their respective territories;

Have agreed as follows:

Article 1

Definitions

For the purpose of this Agreement, unless the context otherwise requires:

1. 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 Annex or Convention under Articles 90 and 94 hereof insofar as those amendments and Annexes have become effective for both Contracting Parties;
2. the term territory means in the case of Indonesia, the territory of the Republic of Indonesia as defined in its laws and the adjacent areas over which the Republic of Indonesia has sovereign rights or jurisdiction in accordance with the United Nation Convention on the Law of the Sea 1982, and in the case of the People Republic of Bangladesh, territory means the land territory and territorial sea as laid down in Article 2 of the Convention.
3. the term Aeronautical Authorities means, in the case of the Government of the Republic of Indonesia, the Ministry of Communications and in the case of the Government of the People's Republic of Bangladesh the Ministry of Civil Aviation,

or, in both cases any person or body duly authorized to perform any function exercised by the said Authorities;

4. the term designated airline means, an airline which has been designated and authorized in accordance with Article III of the present Agreement;
5. the term air service, international air service, airline and stop for non-traffic purpose have the meaning respectively assigned to them in Article 96 of the Convention;
6. the term Agreement means this Agreement, its Annex and any amendments thereto;
7. the term specified routes means the routes established or to be established in the Annex to this Agreement;
8. the term agreed services means the international air services which can be operated, according to the provisions of this Agreement, on the specified routes;
9. the term tariff means the prices to be paid for the carriage of passengers, baggage and freight and the conditions under which those prices apply, including prices and conditions for agency and other auxiliary services, but excluding remuneration or conditions for the carriage of mail.

## Article II

### Traffic rights

1. Each Contracting Party grants to the other Contracting Party the rights specified in the present Agreement for the purpose of establishing international scheduled air services on the routes specified in the appropriate Section of the Annex thereto.
2. The airline of each Contracting Party shall enjoy 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 points specified in the Route Schedule in the Annex to this Agreement for the purpose of taking on or putting down, on international traffic, passengers, cargo and mail in accordance with the provisions of the Annex to this Agreement, to or from the territory of the other Contracting Party or to or from the territory of another state.

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 with or without remuneration or hire and destined for another point in the territory of the 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 III

#### Operating Authorizations

1. Each Contracting Party shall have the right to designate in writing to the other Contracting Party one airline for the purpose of operating the agreed services on the specified routes.
2. On receipt of such designation, the other Contracting Party shall, subject to the provisions of paragraphs (4) and (5) of this Article, without delay grant to the designated airline the appropriate operating authorizations.
3. Each Contracting Party shall have the right, by written notification to the other Contracting Party, to withdraw the designation of any such airline and to designate another one.
4. The airline designated by either Contracting Party may be required to satisfy the other Contracting Party that it is qualified to fulfill the conditions prescribed by the laws and regulations normally and reasonably applied by this Contracting Party to the operation of international air services in conformity with the provisions of the Convention.
5. Each Contracting Party shall have the right to refuse to grant the operating authorization referred to in paragraph (2) of this Article, or to impose such conditions as it may deem necessary on the exercise by a designated airline of the rights specified in Article (II) of the present Agreement, in any case where the said Contracting Party is not satisfied that substantial ownership and effective control of that airline are vested in the Contracting Party designating the airline or in its nationals.

6. When an airline has been so designated and authorized, it may at any time begin to operate the agreed services, provided that a tariff established in accordance with the provisions of Article (X) of the present Agreement is in force and an agreement in accordance with the provisions of Article (V) of the present Agreement has been reached in respect of that service.

#### Article IV

##### Suspension and Revocation

1. Each Contracting Party shall have the right to revoke the operating authorization or to suspend the exercise of the rights specified in Article (II) of the present Agreement by the airline designated by the other Contracting Party, or to impose such conditions as it may deem necessary on the exercise of these rights:
  - a. 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 such Contracting Party, or
  - b. in the case of failure by that airline to comply with the laws or regulations of the Contracting Party granting these rights, or
  - c. in case the airline otherwise fails to operate the agreed services in accordance with the conditions prescribed under the present Agreement.
2. Unless immediate revocation, suspension or imposition of the conditions mentioned in paragraph (1) of this Article is essential to prevent further infringements of laws or regulations, such rights shall, be exercised only after consultations between the aeronautical authorities of the Contracting Parties. In such a case consultations shall begin within a period of sixty (60) days from the date of request made by either Contracting Party for consultations.

#### Article V

##### Capacity

1. The designated airline of each Contracting Party shall, in all respects, enjoy fair and equal opportunity for the carriage of international traffic between and beyond the territories of the two Parties.
2. In operating the agreed services, the airline of each Contracting Party shall take into account the interest of the 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 route.

3. The capacity to be provided, the frequency of services to be operated and the nature of air service, that is, transiting through or terminating in the territory of the Contracting Party shall be agreed between the aeronautical authorities in accordance with the principles laid down in this Article.
4. Any increase in the capacity to be provided or frequency of services to be operated by the designated airline of the other Contracting Party shall be agreed between the aeronautical authorities, on the basis of the estimated requirements of traffic between the territories of the two parties and any other traffic to be jointly agreed and determined.  
Pending such agreement or settlement, the capacity and frequency entitlements already in force shall prevail.

## Article VI

### Certificates and Licenses

1. Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one Contracting Party and still in force shall be recognized as valid by the other Contracting Party for the purpose of operating the agreed services on the specified routes in the Annex to this Agreement, provided that the requirements under which such certificates and licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the international Civil Aviation Convention.
2. Each Contracting Party reserves the right, however, of refusing to recognize the validity of the certificates of competency and the licenses granted to its own nationals by the other Contracting Party.

## Article VII

### Aviation Security

1. Consistent with their rights and obligations under international law, the Contracting Parties reaffirm that their obligation to each other to protect the security of civil aviation against acts of unlawful interference forms an integral part of this Agreement. Without limiting the generality of their rights and obligations under international law, the Contracting Parties shall in particular act in conformity with the provisions of the Convention on Offenses and Certain Other Acts Committed on Board Aircraft, signed at Tokyo on 14 September 1963, the

Convention for the Suppression of Unlawful Seizure of Aircraft, signed at the Hague on 16 December 1970, and the Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation, signed at Montreal on 23 September 1971.

2. 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 crew, airports and air navigation facilities, and any other threat to the security of civil aviation.
3. The Contracting Parties shall, in their mutual relations, act in conformity with the aviation security provisions established by the International Civil Aviation Organization and designated as Annexes to the Convention on International Civil Aviation to the extent that such security provisions are applicable to the Contracting Parties; they 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 territory and the operators of airports in their territory act in conformity with such aviation security provisions.
4. Each Contracting Party agrees that such operators of aircraft may be required to observe the aviation security provisions referred to in the paragraph above required by the other Contracting Party for the entry into, departure from, or while within the territory of the other Contracting Party.
5. Each Contracting Party shall ensure that adequate measures are effectively applied within its territory to protect the aircraft and to inspect passengers, crew, carry-on items, baggage, cargo and aircraft stores prior to and during boarding or loading. Each Contracting Party shall also give sympathetic consideration to any request from the other Contracting Party for reasonable special security measures to meet a particular threat.
6. When an incident or threat of an incident of unlawful seizure of civil aircraft or other unlawful acts against the safety of such aircraft, their passengers and crew, airports or air navigation facilities occurs, the Contracting Parties shall assist each other by facilitating communications and other appropriate measures intended to terminate rapidly and safely such incident or threat thereof.
7. Accordingly each Contracting Party shall advise the other Contracting Party of any difference between its national regulations and practices and the aforementioned aviation security provisions. Either Contracting Party may request immediate consultations with the other Contracting Party at any time to discuss any such difference.



## Article VIII

### Exemption From Customs And Other Duties

1. Aircraft operated on international services by the airline designated by each Contracting Party, as well their regular equipment, supplies of fuel and lubricants and the aircraft stores (including food, beverages and tobacco) on board such aircraft shall be exempt from all custom duties, inspection fees and other duties or taxes on arriving in the territory of the other Contracting Party, providing such equipment and supplies shall remain on board the aircraft up to such time as they are re-exported.
2. There shall also be exempted from the same duties and taxes with the exception of charges corresponding to the service performed:
  - a. aircraft stores taken on board in the territory of either Contracting Party, within limits fixed by the authorities of the said Contracting Party, and for use on board the aircraft engaged on a specified route of the other Contracting Party;
  - b. spare parts entered into the territory of either Contracting Party for the maintenance or repair of aircraft used on a specified route by the designated airline of the other Contracting Party;
  - c. fuel and lubricants destined to supply aircraft operated on a specified route by the designated airline of the other Contracting Party, even when these supplies are to be used on the part of the journey performed over the territory of the Contracting Party in which they are taken on board;
  - d. baggage and cargo in direct transit.
3. The normal board equipment, as well as the materials and supplies retained on board the aircraft operated by the designated airline of one Contracting Party may be unloaded in the territory of the other Contracting Party only with the approval of the Customs Authorities of such a territory. In such a case, they will be placed under the supervision of the said authorities until they are re-exported or otherwise disposed of in accordance with the customs regulations.
4. In so far as no duties or other charges are imposed on goods mentioned in paragraphs 1 to 3 of this Article, such goods shall not be subject to any economic prohibitions or restrictions on importation exportation and transit that may otherwise be applicable unless such prohibition or restriction applies to all airlines including the nation airline in respect to certain items mentioned in paragraphs 1 to 3 of this Article.

5. The treatment specified in 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 IX

### Direct Transit Traffic

Passengers, baggage and cargo in direct transit across the territory of either Contracting Party shall be subject to rules and regulations of that Contracting Party.

## Article X

### Establishment of Tariffs

1. The tariffs to be charged 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.
2. The tariffs referred to in paragraphs (1) of this Article shall, if possible, be agreed by the designated airlines of both Contracting Parties, after consultation with the other airlines operating over the whole or part of the route, and such agreement shall, wherever possible, be reached by the use of the procedures of the International Air Transport Association for the working out of tariffs.
3. The tariffs so agreed shall be submitted for the approval of the Aeronautical Authorities of the Contracting Parties at least sixty (60) days before the proposed date of their introduction. In special cases, this period may be reduced, subject to the agreement of the said authorities.
4. This approval may be given explicitly. If neither of the Aeronautical Authorities has expressed disapproval within thirty (30) days from the date of submission, in accordance with paragraph (3) of this Article, these tariffs shall be considered as approved. In the event of the period for submission being reduced, as provided for in paragraph (3), the Aeronautical Authorities may agree that the period within which any disapproval must be notified shall be less than thirty (30) days.
5. If a tariff can not be agreed in accordance with paragraph (2) of this Article, or if, during the period applicable in accordance with paragraph (4) of this Article, one Aeronautical Authority gives the other Aeronautical Authority notice of its disapproval of any tariff agreed in accordance with the provisions of paragraph (2).

The Aeronautical Authorities of the Contracting Parties shall, after consultation with the Aeronautical Authorities of any other State whose advice they consider useful, endeavor to determine the tariff by mutual agreement.

6. If the Aeronautical Authorities can not agree on any tariff submitted to them under paragraph (3) of this Article, or on determination of any tariff under paragraph (5) of this Article, the dispute shall be settled in accordance with the provision of Article XI in this Agreement.
7. 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 otherwise would have expired.

## Article XI

### 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 endeavor to settle it by negotiations.
2. If the Contracting Parties fail to reach a settlement by negotiation, they may agree to refer the dispute for decision to some person or body, or 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 diplomatic channels requesting arbitration of the dispute and the third arbitrators 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 Organization may be requested by either Contracting Party to appoint an arbitrator or arbitrators as the case requires. In any case, the third arbitrator shall be a national of a third State and shall act as president of the arbitral body.
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 of that Contracting Party or to the designated airline in default.

5. Each Contracting Party shall bear the expenses of its designated arbitrator and both Contracting Parties shall share equally all further expenses resulting from the activities of the tribunal including those of the president.

## Article XII

### Transfer of Earnings

Each Contracting Party shall grant to the designated airline of the other Contracting Party the right to transfer in freely convertible currencies of the excess of receipts over expenditure earned in the territory of the other Contracting Party. The procedure for such transfer, however, shall be in accordance with the Foreign Exchange Control Regulations of the Contracting Party in the territory of which the revenue accrued.

## Article XIII

### Technical and Commercial Activities

Subject to the laws and regulations of the other Contracting Party, the designated airline of each Contracting Party shall have an equal opportunity:

1. to open its own representation on the territory of the other Contracting Party and in this purpose to enter, reside and employ in the territory of the other Contracting Party, or to bring in and maintain in the territory of the other Contracting Party those of their own managerial and other specialist staff who are required for the provision of air services;
2. to issue all kinds of documents of carriage and to advertise and to promote sales in the territory of the other Contracting Party, to engage in the sale of air transportation in that territory directly or at the airline discretion, through its agents. Each airline shall have the right to sell such transportation in the currency of that territory or in freely convertible currencies of other countries, in accordance with the monetary regulations of each government.

## Article XIV

### Laws and Regulations

1. The laws and regulations of each Contracting Party controlling the admission to or departure from its own territory of aircraft engaged in international air services or related to the operation of aircraft while within its territory, shall be applied to the aircraft of the designated airline of the other Contracting Party.
2. The laws and regulations controlling the entry, stay and departure of passengers, crew, baggage, mail and cargo, over the territory of each Contracting Party, and also the regulations related to the requirements of entry and departure from the country, immigration, customs and sanitary rules, shall be applied in such territory to the operations of the designated airline of the other Contracting Party.

## Article XV

### Consultations

1. In a spirit of close co-operation, the Aeronautical Authorities of the Contracting Parties shall consult each other from time to time with a view to ensuring the implementation of, and satisfactory compliance with, the provisions of the present Agreement and the Annex thereto.
2. Such consultations shall begin within a period of sixty (60) days from the date of receipt of the request, unless otherwise agreed by the Contracting Parties.

## Article XVI

### Modifications

1. If either Contracting Party considers it desirable to modify any of the provisions of this Agreement, it may request consultation with the other Contracting Party. Such consultation may be between the Aeronautical Authorities and may be conducted by discussion or correspondence and shall begin within a period of sixty (60) days from the date of request. Any modification so agreed shall come into force when they have been confirmed by an exchange of diplomatic notes.
2. Modifications to the Annex to this Agreement may be made by direct agreement between the Aeronautical Authorities of the Contracting Parties and confirmed by exchange of diplomatic notes.

## Article XVII

### Conformity with Multilateral Conventions

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 XVIII

### Exchange of Statistical Data

The Aeronautical Authority of either Contracting Party shall supply to the Aeronautical Authority of the other Contracting Party upon their request such informations 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 airlines of the Contracting Parties.

## Article XIX

### Termination

Either Contracting Party may at any time give written notice through diplomatic channels to the other Contracting Party of its decision to terminate the present Agreement; such notice shall be simultaneously communicated to the International Civil Aviation Organization.

In such case the 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 acknowledgment 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 Organization.

## Article XX

### Registration

This Agreement and all amendments thereto shall be registered with the International Civil Aviation Organization.

Article XXI

Entry into Force

This Agreement shall apply provisionally on the date of signature and definitively enter into force as soon as both Contracting Parties give written notification to each other by exchange of diplomatic notes that their respective constitutional requirements for definite entry into force have been fulfilled.

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

DONE in duplicate at Jakarta this fifth day of September 1997 in the English language, both texts being equally authentic.

FOR THE GOVERNMENT OF THE REPUBLIC OF INDONESIA      FOR THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH

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ANNEX

1. Section 1

Routes to be served by the designated airline of the Republic of Indonesia in both directions:

Point of Departure	Intermediate Points of Arrival Points	Points Beyond
Points in Indonesia	Singapore, Dhaka Kuala Lumpur, Bangkok, Ho Chi Min City or Yangoon	Will be decided by both aeronautical authorities at a later date

2. Section 2

Routes to be served by the designated airline of the People's Republic of Bangladesh in both direction:

Points of Departure	Intermediate Points of Arrival Points	Points Beyond
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Points in Bangladesh	Singapore, Kuala Lumpur, Jakarta, Bangkok, Ho Chi Min City or Yangoon	Will be decided by both aeronautical authorities at a later date
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Notes:

1. For the implementation of the intermediate points, shall be maximum two (2) points may be touched in a single service.
2. For the designated airline of either Contracting Party may, on any or all flights omit calling at any of the above points, provided that the agreed services on this route start and terminate in the territory of that Contracting Party.