



AIR SERVICE AGREEMENTS RECENTLY

APPROVED BY EL SALVADOR

Currently, El Salvador is executing actions that demonstrate its openness to new commercial relationships to strengthen air services with other countries. Such is the case that on December 12, 2018 the Legislative Assembly ratified two Air Services Agreements, one with the government of Canada and the other with the Association of Caribbean States, and on January 9 of this year they ratified a similar agreement with the Qatari government. The aforementioned instruments aim to facilitate the execution of trade agreements between El Salvador and other countries, to strengthen the industry of air transportation of passengers and others. All agreements will become effective eight days after their publication in the Official Journal.

Under the agreement with Canada, each of the parties can designate one or several airlines to operate the agreed services. With regard to the agreement with the Caribbean countries, up to two airlines may be designated for each member country of said Association. While the agreement with Qatar enables

each of the parties to designate only one airline to operate the agreed services.

All agreements establish that the rights of the parties include: a) Flying over the territory of the other party without landing; b) Making a stopover for non-commercial purposes in the other party's territory; and, c) Stopping in the other party's territory for the purpose of boarding and unloading passengers and exclusive cargo, including mail.

In tax matters, the agreements indicate that aircrafts, equipment, fuel and lubricant supplies and provisions on board the aircrafts will be exempt from customs taxes, inspection fees and other similar charges of customs nature, provided that everything is kept inside the aircrafts until it is exported or used in the trip over the other party's territory.

The main benefits offered by the agreement with Canada are the following: a) Free competition is generated, given that several airlines can be desig-

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nated to operate the services; b) Cooperation agreements may be established; c) Charter flights can be made; d) The permits and licenses issued by the aeronautical authorities of one of the parties will be recognized as valid by the other party.

Regarding the agreement with the Caribbean countries, the main benefits are: a) To enter into cooperation agreements on marketing between the airlines; b) Cooperation and reciprocal assistance between the parties in order to comply with the universal surveillance program; and, c) Generation of business opportunities.

The agreement with Qatar includes the following as the most significant benefits: a) To enter into commercial cooperation agreements; and b) To generate certain operational flexibility, in terms of the usage of own, leased, chartered or exchanged aircrafts.

With the ratification of these agreements, the desire to promote trade, tourism and investment between El Salvador and the other countries is verified. In the same way, friendship and economic bonds are strengthened with them.

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