

MEMORANDUM OF UNDERSTANDING

The Government of the Kingdom of Saudi Arabia and the Governments of the Kingdoms of Denmark, Norway and Sweden have established the following understandings with respect to the Agreements on Air Transport between the Government of the Kingdom of Saudi Arabia and the Governments of the Kingdoms of Denmark, Norway and Sweden.

1. Each of the designated airlines shall have the right to a total of three weekly frequencies between Saudi Arabia and Scandinavia. A maximum of two flights may be operated on either Riyadh or Jeddah by SAS. SAS shall be entitled to operate a fourth frequency with a temporary permit until such time that Saudia commences its operations from Riyadh to Scandinavia with the understanding that Saudia shall serve a one year prior notice through the appropriate authorities of the Government of the Kingdom of Saudi Arabia for SAS' cancellation of its fourth frequency unless the designated airlines agree that the market demand warrants continuation of its fourth frequency and the approval of the Contracting Parties is obtained.

2. The Contracting Parties agreed to encourage the designated airlines to maintain the existing commercial agreement as long as unilateral operation exists, as well as to maintain the commercial co-operation also when both designated airlines operate the services agreed upon.

3. Fifth freedom traffic rights may be granted on recommendation from the two designated airlines either on reciprocal basis or subject to commercial agreement if agreed to be exercised unilaterally by either of the carriers.

4. The Annexes of this agreement as well as this Memorandum will be applied not later than the date when it has been signed by the Government of the Kingdom of Saudi Arabia and by the Governments of Kingdoms of Denmark, Norway, and Sweden.

5. The provisions in the Annexes and this Memorandum of Understanding shall apply as long as SAUDIA is the designated airline of Saudi Arabia and SAS is the designated airline of the Scandinavian countries. Should any change in designation take place the Contracting Parties undertake to hold consultations according to the provisions of Article 16 of the Agreements.

This Memorandum of Understanding shall form part of the Agreement on Air Transport between the Government of the Kingdom of Saudi Arabia and the Governments of the Kingdoms of Denmark, Norway, and Sweden.


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