BILATERAL

MEMORANDUM OF UNDERSTANDING

Read online (full-text search, related cases, audio case brief): https://batas.org/library/923135e28345/

Delegations representing the aeronautical authorities of the Republic of Philippines and the People's Republic of China met in Beijing from 2-3 March 2004 to discuss issues related to further development of their aviation relations in accordance with the Air Services Agreement between the Government of the Republic of Philippines and the Government of the People's Republic of China signed on 8 July 1979 ("the Agreement").

The discussions were held in a friendly and cordial atmosphere. A list of the members of the two delegations is attached hereto as Appendix. The two delegations reached the following understanding:

1. Application

This Memorandum of Understanding shall replace the relevant parts in the Memoranda of Understanding signed respectively on 3 September 1992 and 6 October 1997, and Annex 1 of the Agreement. This MOU shall enter into force on the date of the exchange of diplomatic notes confirming the agreement reached by both delegations. Pending such exchange of diplomatic notes, this MOU shall be given provisional effect on the date of signature.

2. Route Schedule

The designated airlines of China may operate on the following routes for passenger, all cargo or combination services:

> Points of Origin: points in China
>
> Intermediate Points: two (2) points to be designated by the Chinese side
>
> Points of Destination: Manila and two (2) additional points in the Philippines, and from2006 three (3) additional points in the Philippines. These additional points shall be designated by the Chinese side
>
> Beyond Points: one (1) point to be designated by the Chinese side except USA, the Republic of Korea, Japan, Australia and Europe

The designated airlines of the Philippines may operate on the following routes for passenger, all cargo or combination services:

> Points of Origin: points in the Philippines
>
> Intermediate Points: two (2) points to be designated by the Philippine side
>
> Points of Destination: Beijing and six (6) additional points in China, and from 2006 two (2) additional points in China. These additional points shall be designated by the Philippine side
>
> Beyond Points: one (1) point to be designated by the Philippine side except USA, the Republic of Korea, Japan, Australia and Europe

Note:

The designated airlines of each Contracting Party may, at their own option, omit any or some of the points on their routes on any or all of their services, provided that such services originate and terminate in the country

Turn this case into an audio lecture - facts, issues, ruling and doctrine - at batas.org

designating them.

3. Co-Terminal Rights

(1) The designated airlines of China may co-terminalize the following points: Points of origin, and Manila and 3 points in the Philippines

(2) The designated airlines of the Philippines may co-terminalize the following points: Points of origin, and Beijing and 3 points in China

4. Capacity Entitlement

(1) For combination services: the designated airlines of each Contracting Party may operate

up to 6000 seats per week from mid-March 2004 up to 8000 seats per week from mid-March 2006 up to 10000 seats per week from mid-March 2008

on their respective routes specified in the Route Schedule.

(2) For freighter services: the designated airlines of each Contracting Party may operate up to 300 tons per week per direction on their respective routes specified in the Route Schedule.

(3) Favorable consideration would be given to requests from any of the designated airlines for minor variations in the above capacity levels from time to time in order to accommodate seasonal market needs or aircraft with configurations which would give rise to capacity being operated slightly in excess of the level permitted.

(4) The aeronautical authorities of each Contracting Party shall have the right to allocate at its own discretion the capacity entitlement among its designated airlines.

5. Fifth Freedom Traffic Rights

The designated airlines of both sides may exercise fifth freedom traffic rights for passenger or combination services to one (1) beyond point provided for in subparagraph A and B of the Route Schedule up to 7 weekly frequencies per direction. Neither party shall exercise fifth freedom traffic rights on the intermediate points on the services specified in the Route Schedule.

6. Stop-over Rights

The designated airlines of the Philippines may exercise stop-over rights subject to the local customs and immigration laws and regulations between any three (3) city-pair points in China in accordance with Paragraph 2 (Route Schedule), except the following combinations:

Beijing-Shanghai v.v.
Beijing-Guangzhou v.v.
Shanghai-Guangzhou v.v.

In the event that China grants stopover rights between and among Beijing, Shanghai and Guangzhou to any foreign carrier, the designated carriers of the Philippines shall receive the same grant of stopover rights with the agreement by Chinese aeronautical authorities.

The designated airlines of China may exercise stop-over rights subject to the local customs and immigration laws and regulations between any three (3) city-pair points in the Philippines in accordance with Paragraph 2 (Route Schedule).

7. Aircraft Leasing

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

The designated airlines of each Contracting Party shall be allowed the use of leased aircraft (wet-lease or dry-lease) for operation of air services. Favorable consideration would be given by the respective aeronautical authorities in accordance with their rules and regulations.

8. Overflight Rights

The civil aeronautical authorities of one side shall, subject to their regulations, allow the designated airline(s) of the other side for overfly rights on all overfly routes over the territory of the other side which shall include all overfly routes between Asia and Europe.

9. Rights for the Designated Airlines of the Philippines Operating to Haikou and/or Sanya

Notwithstanding the above framework, the designated airlines of the Philippines shall be entitled to the following rights provided that they operate passenger, all cargo or combination services to/from Haikou and/or Sanya:

(1) unlimited 3rd and 4th freedom traffic rights

(2) stop-over rights between Haikou and/or Sanya and any other points in China except Beijing, Shanghai or Guangzhou with up to seven (7) frequencies between each city-pair

(3) unlimited 5th freedom traffic rights between third countries to/from Haikou and/or Sanya

10. Airline Crew and Personnel Visa

Both sides agreed to recommend to their competent authorities to extend waiver of visa fees for airline crew and personnel of the designated carriers of the other party.

Done in Beijing on the 3rd day of March 2004.

(Sgd.)

For the Aeronautical Authorities
of the Republic of the Philippines

(Sgd.)

For the Aeronautical Authorities
of the People's Republic of China

Chinese Delegation

Appendix

Chairman

Mr. Yang Guoqing Vice Minister
CAAC

Vice Chairman

Mr. Wu Zhouhong
Deputy Director General
Department of International Affairs and Cooperation

Study hands-free: podcast-style lessons with read-along highlighting - batas.org

CAAC

Members

Mr. Ding Chunyu Senior Official
International Relations Division
Department of International Affairs and Cooperation
CAAC

Ms. Shao Fengru Senior Official
International Relations Division
Department of International Affairs and Cooperation
CAAC

Ms. Wu Qihui Senior Official
Department of International Affairs and Cooperation
CAAC

Airline Observers:

Ms. Hou Xueying International Affairs
Department Air China

Ms. Dai Fei Marketing Department
China Cargo Airlines

Mr. Bao Han Assistant General Manager
Revenue Management
China Eastern Airlines

Ms. Li Chen Manager
International Department
China Eastern Airlines

Ms. Zeng Min Deputy Director
Industry and Alliances
China Southern Airlines

Mr. Sun Peng Assistant Manager
Cargo Business Development
China Southern Airlines

Ms. Pan Ling Assistant Manager
Industry and Alliances
China Southern Airlines

Ms. Niu Yingxin Regional Manager
International Sales Office
Marketing and Sales Department
Hainan Airlines

Mr. Yu Heng International Division
Commercial Department
Shanghai Airlines

Mr. Shi Yuan International Division
Commercial Department
Shanghai Airlines

Ms. Zeng E Passenger Marketing Department
Xiamen Airlines

The Philippine Delegation

Chairman

Atty. Edward Harun V. Pagunsan Undersecretary for Air Sector and Staff Services
Department of Transportation & Communication
Chairman, Philippine Air Panel

Vice Chairman

Mr. Franklin M. Ebdalin Undersecretary, Department of Foreign Affairs
Vice Chairman, Philippine Air Panel

Members

Mr. Willy C. Gaa
Ambassador

Bar review courses, mock exams and a study planner that keeps you on pace - batas.org

Embassy of the Philippines

Ms. Evelyn B. Pantig Undersecretary
Department of Tourism

Ms. Felicitas Agoncillo-Reyes Assistant Secretary for International Trade
Department of Trade and Industry

Atty. Carmelo L. Arcilla Deputy Executive Director
Civil Aeronautics Board

Atty. Irene Susan B. Natividad Director, Treaties Division, Legal Affairs
Department of Foreign Affairs

Atty. Evelyn R. Cajigal Director, Legal Services
Department of Tourism

Mr. Victor Jose I. Luciano Vice President
Clark Development Corporation

Mr. Porvenir P. Porciuncula Chief, Economic Planning & Research Division
Civil Aeronautics Board

Mr. Danilo R. Crisologo Senior Executive Assistant
Department of Transportation and Communication

Ms. Elizabeth Te Third Secretary
Embassy of the Philippines

Observers:

Mr. Reynaldo L. Rodriguez Asia Overnight Express Corporation

Atty. Racquel T. Ruiz-Dimalanta Cebu Pacific

Mr. Emilio Yu Philippine Airlines

Atty. Roberto CO. Lim Philippine Airlines

Ms. Ma. Socorro R. Gonzaga Philippine Airlines

Atty. Ma. Clara de Castro Philippine Airlines

Mr. Joselito D. Lontok Pacific East Asia Cargo

Mr. Felicisimo I. Guerrero Pacific East Asia Cargo

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at https://batas.org

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.