



ICAO

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WORKING PAPER

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**Tenth North American, Central American and Caribbean Directors of Civil Aviation Meeting  
(NACC/DCA/10)**

Martinique, France, 21 to 23 June 2022

**Agenda Item 3: Status of Aviation Recovery and 2022 and new 2023-2025 Triennium Priorities  
for the NAM/CAR Regions**

**RECOVERY OF AIR SERVICES IN THE DOMINICAN REPUBLIC: MEMORANDUM OF UNDERSTANDING  
WITH THE LATIN AMERICAN CIVIL AVIATION COMMISSION FOR THE SEVENTH FREEDOM OF THE AIR  
IN CARGO**

(Presented by Dominican Republic)

**EXECUTIVE SUMMARY**

This working paper shares the experience of the Dominican Republic regarding the signing of the Memorandum of Understanding between the Civil Aviation authorities of the Member States of the Latin American Civil Aviation Commission, for the seventh freedom of the air in cargo.

<b>Action:</b>	Suggested actions are presented in Section 4.
<i>Strategic Objectives:</i>	This working paper is related to the Strategic Object – <i>Economic development of air transport</i>

**1. Introduction**

1.1 This working paper refers to the Memorandum of Understanding signed between the Civil Aviation authorities of the Member States of the Latin American Civil Aviation Commission (Brazil, Chile, Ecuador, Guatemala, Panama, Paraguay, Peru, Dominican Republic, Uruguay, Venezuela), on December 14, 2020, which was extended until December 31, 2021, and later extended until December 31, 2022, by Brazil, Chile, Guatemala, Paraguay, Dominican Republic, Venezuela and Peru.

**2. Analysis**

2.1 As a result of the negative impacts of COVID-19 on civil aviation, there was an increasing demand for cargo flights to allow the adequate supply of the necessary products to combat the pandemic, as well as the interest of the States to reactivate air connectivity. The Latin American Civil Aviation Commission (CLAC) proposed the subscription of a Memorandum of Understanding for the temporary grant of the exercise of the traffic rights of the seventh freedom of the air for exclusively cargo flights.

2.2 Through the seventh freedom of air, the cargo services are reciprocally allowed for regular and non-regular flights to the airlines of the subscribing countries or those that sign said Memorandum of Understanding, on equal opportunities, without geographic or capacity restrictions or limitations.

**3. Air Cargo Liberalization**

3.1 The Dominican Republic has moved towards an open skies policy, which is based on the elimination of the offered capacity (frequency, aircraft type, number of seats, cargo volume) based on market demand; where traffic rights are granted up to the Sixth Freedom of the Air for passenger, cargo or combined flights, and the Seventh Freedom of the Air in exclusively for cargo operations.

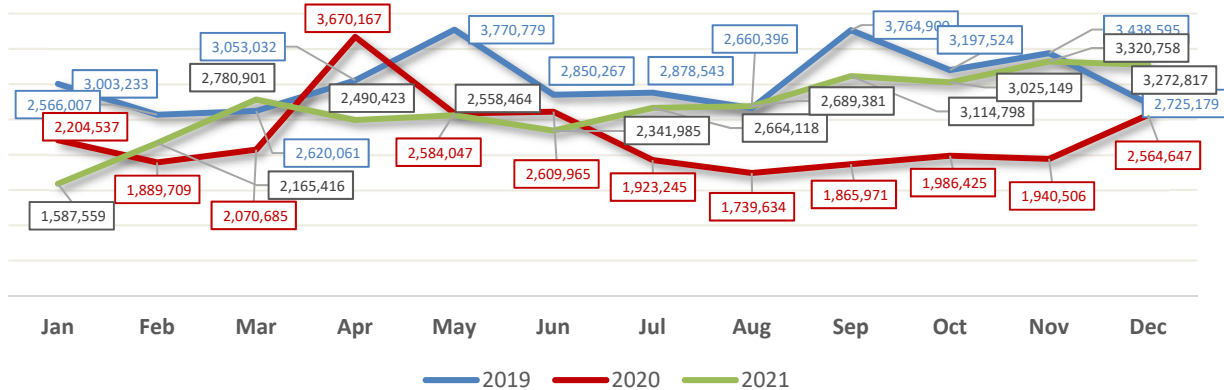
3.2 The aforementioned policy implemented by the Dominican Republic has allowed a deconcentrating of the market and granting of facilities to national and international airlines, promoting the entry of new airlines that compete for the main points and destinations both in terms of passengers and cargo.

3.2 As part of promoting the development of national civil aviation, among all the actors of the Dominican State, an effort has been made to generate a shared vision that results in a greater liberalization of its Air Transport Policy, which contemplates the granting of rights of traffic of the Seventh Freedom of the Air for exclusively cargo flights, allowing the growth of trade and thereby positively impacting the national economy.

3.3 During the months of total confinement, March-June 2020, air cargo became the main source of income for most airlines worldwide, according to a report by the International Air Transport Association (IATA), in 2020, the global air cargo industry generated US\$129,000.00 million, representing approximately one-third of total airline revenue and an increase of 10% to 15% compared to previous levels of the crisis.

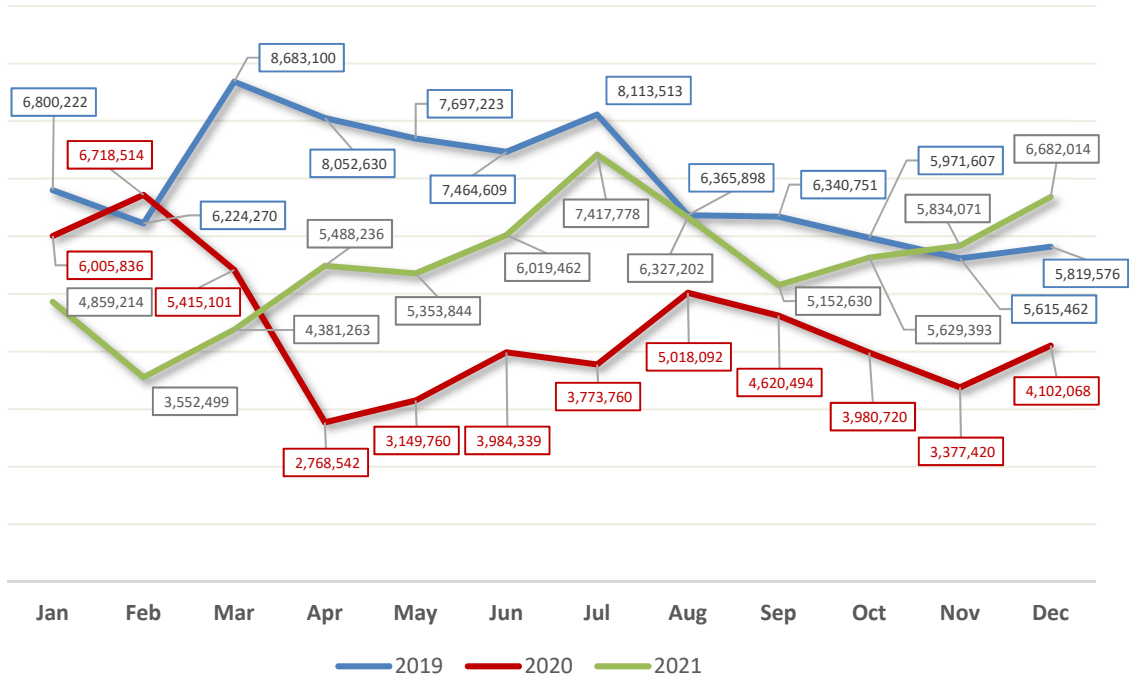
3.4 In Dominican Republic, almost 7 million kilograms of merchandise were transported on average in those months, both in exports and imports. In the year 2021, imports showed a full recovery in December, compared to the same month of the year 2019, with 3.3 million kg.

**IMPORTS: MONTHLY CARGO MOVEMENT (KG) 2019-2021**

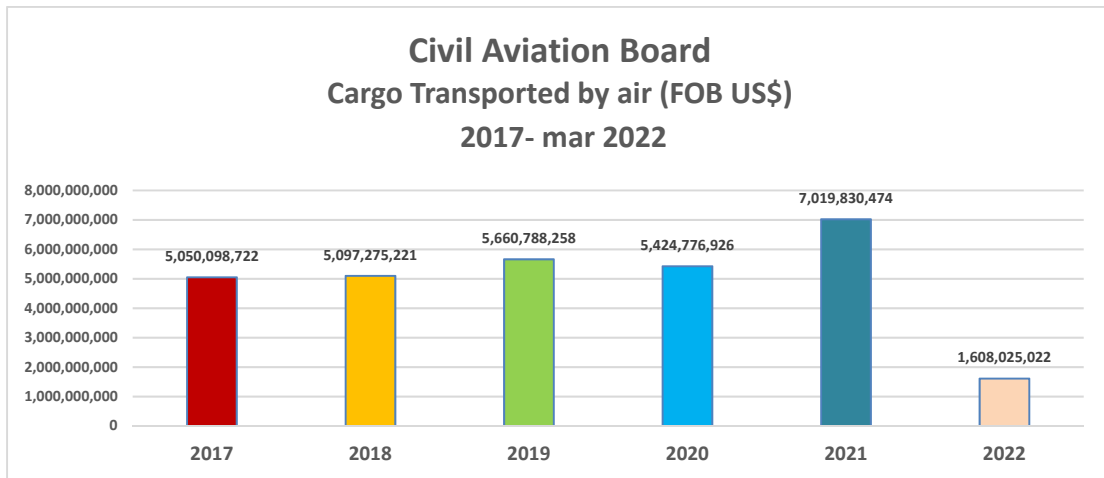


3.5 In 2021, more than two thirds of the air cargo in the Dominican Republic was exported with 66.7 million kg and 32 million kg was imported. This represents an 18% increase in imports, compared to the year 2020, and a 26% increase in exports. Exports showed a complete recovery in November 2021 with 5.8 million kg.

**EXPORTS: MONTHLY CARGO MOVEMENT (KG) 2019-2021**



3.6 For 2022, if world conditions remain stable in relation to the problems caused by the Covid-19 pandemic and the Ukraine-Russia conflict reaches a solution in the near future, we expect to close said year exceeding US\$7.5 billion dollars in export and import by air.



3.7 The Memorandum of Understanding signed with the Latin American Civil Aviation Commission (CLAC), regarding the seventh freedom rights were reciprocally granted, contributes to regional economic recovery and development, enabling more liberalized and sustainable air services in the 21st century.

**4. Suggested Actions**

4.1 The Member States of the Latin American Civil Aviation Commission invites:

- a) take note of the information presented in this working paper;
- b) join to the Memorandum of Understanding in order to reciprocally exercise seventh freedom of air for exclusively cargo services;
- c) analyze any other related point that the Meeting deems necessary.