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Agenda Item 2: Fostering aviation growth and air connectivity through investments in infrastructure, human capital and partnerships
2.1: Integrating civil aviation into national development and investment plans

DEVELOPMENT OF AIR TRANSPORT THROUGH INTEGRATION OF TOURISM, INFRASTRUCTURE AND CONNECTIVITY POLICIES: THE DOMINICAN REPUBLIC EXPERIENCE

(Presented by the Dominican Republic and supported by 18 LACAC Member States[2])

EXECUTIVE SUMMARY

This working paper highlights the importance of air transport as a driver of economic development, tourism, and international connectivity.

The International Civil Aviation Organization (ICAO) recognizes that an economically viable aviation system contributes to the prosperity and societal wellbeing of countries and therefore promotes the integration of civil aviation into national development and investment plans.

The Government of the Dominican Republic established a Tourism Cabinet by executive order 498-20 to coordinate public policies between the public and private sectors, strengthening the relationship between tourism and air transport.

One of the central themes of this paper is the need to develop integrated sectoral plans that include aviation, tourism, human capital development, private sector participation, and public-private partnerships. This paper also highlights the modernization of the legal framework through updates to the Civil Aviation Law and safety and foreign investment regulations.

The Dominican Republic's commercial aviation policy has also fostered the liberalization of air transport through new agreements, facilities for foreign airlines, expansion of air traffic rights, and the promotion of scheduled and non-scheduled flights. These measures aim to increase connectivity, tourism, trade, and job creation.

The Dominican Republic promotes a sustained airport infrastructure programme to expand operational capacity, strengthen connectivity, and support tourism and air transport growth.

In conclusion, this paper argues that Dominican aviation has experienced successful growth as a result of institutional strengthening, market liberalization, tourism promotion, and investment in infrastructure. These factors have contributed to increased air connectivity and the country's economic growth, consolidating air transport as a cornerstone of national development.

[1] Spanish version provided by the Dominican Republic.

[2] Belize, Bolivia (Plurinational State of), Chile, Costa Rica, Cuba, Ecuador, El Salvador, Guatemala, Guyana, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Uruguay and Venezuela (Bolivarian Republic of).

Action: The Conference is invited to: a) note the Dominican Republic's experience in integrating air transport, tourism, and infrastructure policies; b) recognize the importance of incorporating civil aviation into national economic development strategies; and c) encourage Member States to promote inter-agency coordination mechanisms and public-private partnerships to strengthen air connectivity and airport infrastructure.	
Strategic Goal:	This working paper relates to Strategic Goal: *The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All*.
Financial implications:	No financial implications
References:	Assembly Resolution A42-26, *Consolidated statement of continuing ICAO policies in the air transport field* ICAO State Letter SC 7/1 – 25/89 Civil Aviation Law of the Dominican Republic, No. 491-06 Air Transport Policy, Civil Aviation Board Resolution No. 20-25, January 2025 Tourism Cabinet created by executive order No. 498-20

1. INTRODUCTION

1.1 Air transport plays a key role in fostering economic development, international connectivity, and sustainable tourism.

1.2 The International Civil Aviation Organization (ICAO) has historically recognized the value of air transport as a catalyst for the development of peoples, as further reaffirmed in its 2026-2050 Strategic Plan.

1.3 Today, ICAO encourages States to take a step forward, on the understanding that regulatory structures have already been strengthened. Under the Strategic Goal: "The economic development of air transport assures the delivery of economic prosperity and societal well-being for all", ICAO promotes the development of an economically viable aviation system that serves as a path to prosperity for all and encourages States to integrate civil aviation into their national development and investment plans by strengthening the role of aviation within their broader economic strategies.

1.4 During the Fifth and Sixth Worldwide Air Transport Conferences, ICAO provided Member States with recommendations to help guide them in their negotiations, with the aim of harmonizing international air transport regulations and coordinating the ongoing liberalization process on a global scale. Issues fundamental to the economic development of nations were addressed, such as the industry and regulatory aspects, as well as the liberalization of market access.

1.5 Furthermore, with the aim of developing and implementing a national vision for public policies related to the strategic development of the tourism sector, the Government of the Dominican Republic, from 2020 and through Decree 498-20, established the Tourism Cabinet, led by the President himself and coordinated by the Minister of Tourism. The Cabinet serves as a forum for coordinated decision-making, facilitating coordination between the public and private sectors and among all public institutions involved in the tourism and air transport sectors.

2. DISCUSSION - DEVELOPMENT OF SECTORAL PLANS

2.1 The evolution of air transport, the sustained growth of tourism, the development of public-private partnerships, the expansion of airport infrastructure, and new international governance standards make it necessary to modernize traditional air transportation management models. In this regard, it is necessary to formulate integrated policies providing for the development of sectoral plans for the advancement of civil aviation, which include other sectors of the economy such as tourism, academia, and capacity building, policies for training new professionals and retaining existing personnel, the involvement of the private sector, and public-private partnership projects for the modernization of highways and access roads, the acquisition of new and modern technology, and other related elements necessary to boost the sector's comprehensive development. This approach makes it possible to align air transport policies with national economic development and competitiveness goals.

2.1.1 Modernization of the legal framework:

2.1.1.1 The Civil Aviation Law (No. 491-06) and the Airport Security Law (No. 188-11) were updated to incorporate ICAO's economic and facilitation recommendations. The Civil Aviation Law has been updated three times:

a) Law No. 67-13 amends Article 237 of the Law on Substantial Ownership to allow foreign investment of up to 100% of capital contribution into domestic airlines.
b) Law No. 29-18, on flight time limitations and flight crew fatigue.
c) Law No. 17-24 introduces amendments to the Dominican Republic's Civil Aviation Law No. 491-06, particularly regarding safety matters, which enabled us to successfully pass the FAA audit in 2024.

2.1.1.2 According to the study entitled *Impact of Air Transport in the Dominican Republic*, jointly conducted by ICAO, the Instituto Dominicano de Aviación Civil (IDAC), the Cuerpo Especializado en Seguridad Aeroportuaria y de la Aviación Civil (CESAC) and the Civil Aviation Board of the Dominican Republic (JAC), air transport, through its direct and indirect contributions, helped increase the Gross Domestic Product (GDP) of the Dominican Republic from USD 38 billion in 2006 to USD 76 billion in 2017, while supporting 432,000 jobs. Updated estimates for 2025 indicate that, owing to the contributions of aviation and tourism, the country's GDP has reached USD 127.8 billion (Central Bank of the Dominican Republic figures). This represents growth of 336 per cent over the past 20 years. In 2025, the Dominican Republic is connected to 70 countries through a network comprising 400 destinations and 1,007 routes.

2.1.2 Commercial aviation policy

2.1.2.1 The Dominican Republic applies a fully liberalized commercial aviation policy, making it possible to expand into new markets and strengthen existing ones. This has resulted not only in the development of air transport but also in increased domestic and foreign investment, tourism, trade, and the creation of direct and indirect jobs. This policy includes, among other things:

a) **Liberalization of traffic rights**: up to the sixth freedom of the air for passenger, cargo, and mail flights, either separately or in combination, and the seventh freedom exclusively for cargo flights.
b) **Reciprocity or Courtesy:** unilateral granting of a right or benefit to a foreign airline without expecting reciprocal treatment.
c) **Airline designation**: promotes the designation of multiple air carriers.

d) **Non-scheduled Services**: to boost traffic into the country, the Dominican Republic will consider granting authorizations for non-scheduled passenger, cargo, or combination flights to airlines from other States, to contribute to the growth of tourism and the national economy.

e) **Special permits:** approval of the request and authorization procedure for Special Permits granted by the Civil Aviation Board to domestic and foreign air operators, based on the powers conferred upon it by Articles 233, 234, and 235 of the Dominican Republic's Civil Aviation Law No. 491-06.

3. INFRASTRUCTURE DEVELOPMENT, ECONOMIC IMPACT ON THE DOMINICAN REPUBLIC

3.1 The Government of the Dominican Republic, in coordination with the private sector, is making significant investments in this sector. Construction work started during the second half of 2025 for a passenger terminal at Las Americas International Airport, José Francisco Peña Gómez (AILA) to expand capacity and improve the travelling experience, at a cost of USD 350 million.

3.2 An expansion project at Cibao International Airport (a USD 200 million investment) will extend the runway to 2,920 meters (work scheduled to be completed next year) to accommodate wide-body aircraft operations in order to expand the scope of its international operations, and build a new terminal with a modern design, enabling wide-body aircraft operations and access to new international destinations. The strategic investment to modernize and expand Cibao International Airport provides for the construction of a new 38,000 square-metre terminal designed to double its operational capacity and handle up to six million passengers per year.

3.3 The expansion of Pedernales International Airport (a USD 70 million investment) is aimed at boosting economic and tourism development in the south-west region by strengthening air connectivity and promoting new investment opportunities. The airport is located 330 km from the capital city of Santo Domingo. The province of Pedernales, given its size and natural beauty that boasts forests, beaches, lakes, and mineral resources, holds great economic potential for the country. This region, with a current GDP of just USD 3 billion, will serve as a case study to understand how construction of the new airport can foster development.

3.4 Maintenance, Repair and Overhaul (MRO) facility at Punta Cana International Airport (a USD 200 million investment). The country's first large-scale aircraft maintenance, repair, and overhaul facility, located in the Punta Cana Free Trade Zone (PCFTZ) and built on an area of 27,000 square metres, can simultaneously service up to 10 aircraft. Its hangars can accommodate both narrow-body (Airbus A319/320/321, Boeing 737) and wide-body (Airbus A330, A340; Boeing 777-200, 747) aircraft.

3.5 In 2026 (sic), GDP of the province of La Altagracia where Punta Cana is located was USD 2.9 billion; today, it stands at USD 18 billion.

4. STRENGTHENING THE SYSTEM: THE CHALLENGES

4.1 The situation in the Dominican Republic is somewhat complex. We currently have eight international airports, three of which are privately owned and five are operated under concession, which hampers and slows down any initiative aimed at establishing a flexible charging policy or effective incentive legislation. As we have already stated, under a flexible charging or tax policy, costs are spread

across a complex system that includes, on the one hand, the aviation fees charged by the regulatory authorities of the Dominican Republic, which are also responsible for levying taxes on commercial air transport; and on the other hand, the airport fees charged by airport operators. This is one of the main challenges to overcome when designing flexible incentive mechanisms and charging policies to promote greater competitiveness in air transport.

5. CONCLUSIONS

5.1 The experience of the Dominican Republic demonstrates that the coordination of air transport, tourism, infrastructure and economic development policies is an effective tool for strengthening a State's connectivity and competitiveness, and can serve as a model for other ICAO Members.

6. LESSONS LEARNED

a) Aviation should be integrated into national planning.
b) Coordination between tourism and air transport sectors should be strengthened.
c) Public-private partnerships should be fostered.
d) Regulatory frameworks need to be kept up to date.
e) Infrastructure investment should be sustained.

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