



ASSEMBLY — 42ND SESSION

ECONOMIC COMMISSION

Agenda Item 26: Economic Development of Air Transport

IMPACT OF THE LIBERALIZATION OF AIR TRANSPORT

(Presented by the Dominican Republic and supported by 16 LACAC Member States²)

EXECUTIVE SUMMARY

This working paper highlights the International Civil Aviation Organization's (ICAO) work in developing policies to promote air transport liberalization and the Dominican Republic's experience in implementing a progressive commercial aviation policy that has resulted in significantly improved connectivity, air traffic growth and strengthened tourism.

The main regulatory advances introduced by the Dominican Republic are described, including the granting of broader traffic rights, the granting of seventh-freedom traffic rights for passengers on flights from destinations where there is no established service and that do not constitute unfair competition against an authorized scheduled service, the encouragement of equitable gender participation, the introduction of innovation and digitalization, and technical capacity building. Figures are presented in support of the benefits derived from this policy and States are invited to see liberalization as a tool for the sustainable development of air transport.

Action: The Assembly is invited to:

- a) note the information in this paper;
- b) recognize the benefits that can accrue from the adoption of flexible, sustainable and inclusive commercial air transport policies, in line with the principles promoted by ICAO;
- c) encourage States to consider, in accordance with their national circumstances, the adoption of progressive approaches to liberalization that promote market access, operational efficiency and air transport growth; and
- d) request the Council to continue developing guidelines, studies and technical cooperation mechanisms to support States in the design and implementation of commercial aviation policies aligned with the strategic goals of the organization.

<i>Strategic Goals:</i>	This working paper relates to Strategic Goal – <i>The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All.</i>
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¹ Spanish version provided by the Dominican Republic.

² Argentina, Belize, Bolivia (Plurinational State of), Chile, Colombia, Costa Rica, Ecuador, El Salvador, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Paraguay, Peru and Uruguay.

<i>Financial implications:</i>	Any financial implications would depend on action as may be approved by ICAO in its 2026–2028 budget.
<i>References:</i>	Resolution A41-27, <i>Consolidated statement of continuing ICAO policies in the air transport field</i>

1. INTRODUCTION

1.1 The International Civil Aviation Organization (ICAO) has consistently promoted the liberalization of air transport as a tool to promote connectivity, economic development and cultural exchange among peoples. Through global conferences, technical studies, statistics and guidance documents, ICAO has provided Member States with the necessary tools to formulate effective public policies in this area.

1.2 In this context, the Dominican Republic has adopted a proactive approach, reforming its commercial air transport policy to eliminate barriers and facilitate access to its market, and this has generated tangible results in terms of air traffic growth and route expansion. This paper gives a detailed description of this experience, with a view to providing relevant inputs for the deliberations of the Economic Commission at the Assembly's 42nd session.

2. DISCUSSION

2.1 As a contribution to connectivity between nations, cultural exchange and the economy of peoples, ICAO has carried out a series of activities, ranging from the holding of air transport conferences to the continuous preparation of guidance texts and the analysis and presentation of statistics, to assist Member States in the production of public policies and tools that help create a favourable environment for the sustainable development of international air transport.

2.2 The increase in air transportation is intensifying by the day and flying is becoming more and more popular among passengers of all social classes and with varying needs. The Dominican Republic has adopted a strategic, progressive approach to air transport liberalization, consistent with the principles promoted by ICAO. Recognizing that air connectivity is a catalyst for economic and social development, the Dominican State has reformulated its commercial aviation policy to facilitate access by international operators, promote fair competition and foster the efficiency of the system. This has been done by adopting modern regulatory frameworks, granting broader traffic rights and strengthening institutional capacities to manage a liberalized environment in an orderly and safe manner.

2.3 The process began in 2005 and was motivated by the outcomes of ICAO's Fifth Worldwide Air Transport Conference (Montreal, 2003), which urged States to adopt measures to facilitate market access and stimulate fair competition. Subsequently, in 2010, the Dominican Republic formally adopted a national air transport policy geared towards liberalization.

2.4 In January 2025, 15 years after the last revision of the Dominican Republic's commercial aviation policy, the Civil Aviation Board, by Resolution 20–25, approved an updated, more flexible, more modern commercial aviation policy, aimed at facilitating market access, encouraging the development of tourism and guaranteeing the sustainability of the national aviation system. The main elements of this policy include:

1. **Granting of courtesy traffic rights:** The operation of foreign airlines is authorized on unserved or underserved routes, under the charter modality, when that is deemed to contribute to the development of air transportation and national connectivity.
2. **Granting of extended traffic rights:** This includes fifth and sixth freedom of the air rights for passenger, cargo or combined flights, and seventh freedom of the air rights for cargo-only flights.
3. **Flexibility for unserved routes:** To stimulate tourist inflow and increase connectivity, seventh-freedom rights may be granted to passenger flights originating in destinations with no existing scheduled service, provided they do not represent unfair competition against authorized scheduled services.
4. **Special seasonal permits:** Special permits may be issued to domestic or foreign operators for routes outside their regular itinerary, with specific seasonal frequencies or flights, thus promoting greater operational flexibility.
5. **Inclusion and gender equity:** In line with the Sustainable Development Goals and the ICAO Global Air Navigation Plan, measures are included to promote the equal participation of women and men in all areas of civil aviation. The policy promotes equal pay, women's leadership and the development of mentoring, technical education and institutional awareness programmes aimed at improving gender diversity in the sector.
6. **Promoting innovation and digitalization:** The policy contains a commitment to the digital transformation of the aviation industry, promoting the incorporation of emerging technologies, the automation of regulatory and operational processes and the improvement of the user experience, all within the framework of an innovation-oriented ecosystem that fosters research, development and competitiveness.
7. **Technical capacity building:** Priority is given to the continuous training of the aviation sector's human capital through technical, managerial and operational training programmes for the staff of aviation authorities, airline operators, airports and other entities involved. These programmes cover topics such as safety, risk management, environmental sustainability, digital interoperability and air traffic management, in coordination with regional training centres and with the support of international organizations.

2.5 This experience demonstrates that liberalization, when accompanied by a robust regulatory framework, inclusive public policies and a strategic development vision, can yield tangible benefits in terms of connectivity, competitiveness and citizen well-being.

2.6 The results of this liberalization policy have been remarkable and measurable. The number of passengers carried internationally grew from 14.4 million in 2019 to 15.4 million in 2022 and reached a record 19 million in 2024. In terms of air operations, 116,391 take-offs and landings were recorded in 2019 compared to 135,191 in 2024, representing a 16% increase over the pre-pandemic period. In addition, 98 new international routes, both scheduled and charter, were approved in 2024 alone, attesting to a significant expansion in connectivity and the strategic positioning of the country as a regional interconnection hub.

2.7 These achievements are a reflection of a coherent policy based on technical criteria and a long-term vision that has favoured access to new markets, healthy competition among operators, and greater efficiency in the provision of air services.

3. **CONCLUSION**

3.1 The experience of the Dominican Republic demonstrates that a commercial aviation policy geared towards liberalization can be an effective engine for economic development, regional integration, promotion of tourism and increased competitiveness. The implementation of flexible policies has significantly improved the country's international connectivity, attracted new investments, generated quality jobs and positioned the Dominican Republic as an emerging air hub in the Caribbean region.

3.2 Far from conflicting with responsible regulation, liberalization can coexist with a sound regulatory framework that ensures the protection of users, respect for international safety standards and the promotion of fair competition. This vision has been made possible by strengthened institutional governance, effective coordination among sector authorities and a strategic approach aligned with ICAO principles and objectives.

3.3 In view of the above, the experience of the Dominican Republic is believed to offer a valuable example of how a commercial aviation policy aimed at opening up markets can be implemented in a gradual, sustainable and inclusive manner, incorporating technological innovation, gender equity and capacity building as pillars of development. The Economic Commission is respectfully invited to take note of this proposal and to consider it within the framework of the deliberations and decisions to be adopted at the Assembly's 42nd session.

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