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Logistics Sector: Paving the Way to Become the Fourth Economic Pillar of the Dominican Republic

The Dominican Republic has experienced remarkable economic growth in recent years, resulting from joint efforts of both the private and public sectors. One of the continuously expanding economic pillars is the logistics sector, driven by our strategic geographical position and connectivity with other countries. This sector relies on a transportation network including air, land, and sea transport, encompassing airports, roads, ports, and border facilities (8 international airports, 10 seaports, 784 logistics companies, 84 free trade zone parks, and 33 logistics operators).

The short-term benefits of this economic pillar include reduced maritime and air freight costs, decreased inventory costs, and increased quantity and diversity of goods and inputs available for international and local markets, supported by the General Customs Law 168-21 regulating the customs regime in the Dominican Republic, including customs authority and legal relationships related to the entry, exit, and transit of goods.

This law, together with the Logistics Operations Law project, establishes a specific legal framework for the development and promotion of the Dominican Republic as a regional logistics activity zone, regulating the operation of logistics centers and logistics operator companies. It consists of 47 articles and was approved in the second reading by the Senate of the Dominican Republic on November 14, 2023, under Decree No. 262-15 specifying the regulation that has allowed providing legal guarantees to investors.

Likewise, it contributes to job creation and poverty reduction, thus promoting the development and economic growth of the Dominican Republic.



On its way to becoming the fourth pillar of our economy, we observe that, in the last month of April of this year. Dominican exports reached US\$1,155.7 million, representing a year-on-year growth of 22%, according to reports provided by ProDominicana. Among these exports, the growth in the export of medical devices stands out, reaching a total of US\$106.8 million, followed by cigars and raw gold.

Moreover, we have consolidated ourselves as a first-class logistics hub in the Americas, thanks to record transit times compared to other countries in the region, both by air and sea. We have modern, efficient, and agile ports, as mentioned by Sanz Lovatón, Director General of Customs, during the "Dominican Republic Logistics Summit 2024".

In conclusion, the development of the logistics sector represents a significant opportunity for the Dominican Republic, not only in terms of economic growth but also in improving international competitiveness and attracting foreign investments. As we continue to strengthen our logistics capabilities and consolidate ourselves as a strategic hub in the region, we can expect greater benefits in terms of employment, socio-economic development, and global positioning. It is crucial to continue promoting infrastructure and policies that favor this sector, thus promoting sustainable and equitable erowth for the future of the Dominican Republic.



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