



Ministry of Finance and Economic Management

Media Release

Shipping Subsidy Commences

On Thursday 12 April Taio Shipping departed Rarotonga for Manihiki, Rakahanga and Penryhn forming the first part of the first voyage under the government funded shipping subsidy.

Taio Shipping has received the equivalent of 40% of their operating expenditure for the voyage. The subsidy for 2018 is a trial beginning with the Northern Group, aimed to improve the regularity and reliability of shipping services to the Pa Enea by contracting shipping suppliers to depart within 3 days of the agreed date of departure, weather permitting. The departure is expected to take place regardless of the load booked on the voyage, to create a situation whereby the advertised dates can be relied upon by individuals, businesses and island governments in the Northern Group.

In return for the operating subsidy Taio Shipping has offered discounted freight and passenger rates for the subsidized voyages. MFEM will work with partner Ministries to assess the impact that these discounted freight and passenger rates have on cost of living in the Pa Enea.

Island Administrations have been alerted to advise if goods have been damaged or short landed and if discounted freight and passenger rates have been charged.

The second departure from Rarotonga will take place on Thursday 19 April, with Taio Shipping departing for Pukapuka, Nassau and Palmerston.

Future voyages under the 2018 trial are expected to take place in June, August and October. The contract for the June and October voyages is yet to be finalized. Once the dates are finalized MFEM will release a media statement informing people of the timelines to assist the Pa Enea in planning the receipt and sale of goods and services.