

**[ MIA MEMORANDUM CIRCULAR NO. 16,  
September 18, 1978 ]**

**POLICY GUIDELINES FOR THE DEVELOPMENT OF INTER-ISLAND  
SHIPPING**

Quoted hereunder is the text of the MARINA Board approved set of Policy Guidelines designed to serve and support specific objectives of the Maritime Industry Authority towards the development of inter-island shipping.

1. **Objective:** To ensure that the interisland shipping development program is formulated and implemented in accordance with the over-all development priorities set by the government.

Policy Statement: The inter-island shipping development program shall be dovetailed with national economic development priorities, which program should stress the following:

- a. The industry should be made an effective development agent particularly in such priority areas as industry dispersal, creation, and development of marketing channels, labor absorption and employment generation, technology transfer, and social services.
  - b. The industry should, relative to other transport modes, provide efficient, reliable, and safe transportation for passenger and cargoes.
  - c. The industry development program should maximize vertical and horizontal linkages with other industry groups particularly commercial, agricultural, and industrial enterprises and the shipbuilding/repair industry and related industries.
2. **Objective:** To encourage and protect private investment and to prevent cutthroat competition especially in investment areas deemed already overcrowded or where the existing or potential market is thin.

**Policy Statement:** The Government shall protect already established shipping companies providing adequate shipping services from undue competition from new entrants. For this purpose, no new shipping companies shall be allowed to enter the liner trade in the primary and secondary routes and only one shipping company shall be allowed to operate (unless more than one is already operating, in which case the government shall promote and/or encourage mergers or joint services) in a tertiary or development route. In significant routes where no substantial competition exists, the government shall impose strict measures to upgrade operating and service standards, and whenever