

Newark Works
Castle Road
Port Glasgow
Renfrewshire, PA14 5NG
T. +44 (0) 1475 742300
E. info@fergusonmarine.com
www.fergusonmarine.com

Business Plan & Strategy Update – 09 June 2025

Colin Smyth MSP
Convener
Economy and Fair Work Committee
The Scottish Parliament
Edinburgh,
EH99 1SP

09 June 2025

Dear Colin

Firstly, may I offer my apologies to you, as Convenor, for the delay in replying – I take responsibility for this as I was to reply on behalf of the Chair (in my capacity as Accountable Officer) whilst he was taking a well-deserved break and it has slipped through the cracks during a very busy time at Ferguson Marine.

It was indeed very disappointing to learn that we were unsuccessful in our bid for the Small Vessels Replacement Programme (Phase 1) as we felt that we put in a very good technical submission which we scored very highly on in terms of quality, but we ultimately lost out on price and this is something that will cause us concern for future tenders if they continue without any element of local content.

Local content is a significant factor in allowing Ferguson Marine, and other UK shipyards, to compete against non-UK companies. When a value is allowed for the social & economic benefit of placing work at Ferguson Marine, we see employment of up to 300 staff, with the majority of Ferguson payroll employment living in the PA postcode area, as well as the procurement of materials and services from local suppliers and contractors. This equates to approximately £135m of Gross Value Add (GVA) over the next five years.

The introduction of 15-20% local content into the scoring matrix would considerably improve the possibility of Ferguson Marine being competitive in our future tenders.



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Registered office: Ferguson Marine (Port Glasgow) Ltd.
Newark Works, Castle Road
Port Glasgow, Renfrewshire, PA14 5NG
VAT number: GB 340 6721 21

Our new CEO, Graeme Thomson, started on 1st May 2025 and brings along a wealth of experience and expertise in shipbuilding and we are very pleased with Graeme's first month at the shipyard, as he gets to know the Senior Leadership Team, the staff and stakeholders and starts to drive change.

In terms of our Business Plan, this remains valid without winning the SVRP contract, it was not actually an integral part of the plan and we believe that the work done in defining the strategy of Ferguson Marine will provide a solid foundation for investment in the future.

We have agreed a strategy going forward now, which is currently going through the first stages of implementing the key stakeholder engagement and then formal approval at FMPG Board level. Once this has been achieved, we expect to be submitting this plan to Scottish Government over the next couple of months.

Thank you for your continued interest in the future of Ferguson Marine and should you wish to visit the yard, we would welcome you for a tour.

Yours sincerely

A handwritten signature in black ink, appearing to read 'David Dishon', with a stylized flourish underneath.

David Dishon

Chief Financial Officer & Accountable Officer

Ferguson Marine (Port Glasgow) Limited