

Government 'sells UK shipyards down the river'



Handing crucial £1 billion contract to Korea, Japan, Spain or Italy would be betrayal of UK industry

GMB has hit out at the Government's decision to shortlist four non-UK firms for a crucial £1 billion shipbuilding order.

The union said that the order could be used to preserve vital military defence manufacturing capacity that is currently under threat.

The historic Appledore shipyard, in North Devon, is currently due to close in March 2019 – while Cammell Laird workers are in the midst of industrial action over 300 job losses announced by the company.



“ It’s outrageous that this crucial order is being put out to artificially-subsidised overseas companies when jobs are being lost in the UK. Ministers have the power to provide a future for workers in our historic yards such as Appledore and Cammell Laird where highly skilled jobs are under threat.

Ross Murdoch, GMB National Officer and Chair of CSEU Maritime

GMB estimates that 1,800 shipbuilding jobs could be secured in the UK if the consortium of Babcock, BAE Systems, Cammell Laird and Rolls-Royce win the contact for Fleet Support Vessels, which will supply the Royal Navy.

New GMB research has established that all of the shortlisted non-UK bidders have enjoyed unfair advantages compared to domestic companies:

- Daewoo Shipbuilding and Marine Engineering of South Korea (DSME) received a £2 billion bail-out from the South Korean government in 2017. In 2015, the state Korean Development Bank launched the ‘KDB Ocean Value-Up Fund’ worth \$847 million and a \$1.2 billion ship investment fund to assist Korean shipbuilding.
- DSME has been shortlisted despite failing to deliver the UK MARS tanker order on time.
- Navantia is 100% owned by the Spanish government. Spanish shipbuilders were found to have received illegal direct subsidies in 2013.
- Fincantieri is majority owned by the Italian government. Fincantieri is currently building a similar €372 million Logistic Support Ship for the Italian Navy. The Italian government did not put its order out to international tender.
- Japan Marine United Corporation: The Japanese government has indirectly subsidised production by providing credits for the purchase of ships, and providing training opportunities for workers that are not available in the UK.

“ Whatever happened to the prosperity for shipbuilding communities that the Government set out in the National Shipbuilding Strategy?



It's a mockery of competition to force UK firms to compete with artificially subsidised companies overseas. These factors must be accounted for by the MoD when it evaluates bids for the Fleet Solid Support order.

Shipbuilding communities are feeling a profound sense of betrayal. They were promised a 'red, white and blue' Brexit – instead their jobs are being sold down the river.

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