

Ard-stiùiriche na h-Eaconomaidh
Director-General Economy
Liz Ditchburn



Scottish Government
Riaghaltas na h-Alba
gov.scot

T: 0131-244 5598
E: DGeconomy@gov.scot

[REDACTED]
Clyde Blowers Capital IM LLP
5 Redwood Creseent
Peel Park
East Kilbride
G74 5PA

By email: [REDACTED]

5 October 2018

Dear [REDACTED]


We refer to your letter of 1 October 2018 to Scottish Ministers on behalf of Clyde Blowers Capital IM LLP (CBC) which sets out the proposal that was broadly described at your meeting of 27 September 2018 with Scottish Government officials and PWC.

The Scottish Ministers agreed to provide Ferguson Marine Engineering Limited (FMEL) commercial funding to support working capital and diversification efforts. The objectives of Ministers were to keep an operating shipbuilding facility in Scotland, to retain employment and to support construction of two ferries for CMAL, and these remain Ministers' objectives. The terms of the funding agreements to achieve these aims were negotiated in detail over eight weeks and ultimately signed by FMEL on 22 June 2018. These agreements were entered into with the knowledge of CBC's Investment Committee and refer to a business plan and accompanying projections provided to us in May 2018. The agreements provided significant funding to the business and we have complied with all our responsibilities under these agreements.

We are therefore disappointed that CBC is already seeking to amend the agreements with Scottish Ministers.

[REDACTED]

[REDACTED]



We would therefore suggest that CBC informs us if there are other aspects of your proposal that could be more acceptable to a commercial loan provider and might allow a meaningful discussion to take place.

We note your comments on the dispute with CMAL and would encourage the Directors of FMEL to take all steps possible to reduce the timeline set out in your letter.

Given your recent communications we should meet again to discuss how we can move collectively forward. Ministers remain very supportive of FMEL and want to work with CBC to achieve the best outcome.



LIZ DITCHBURN