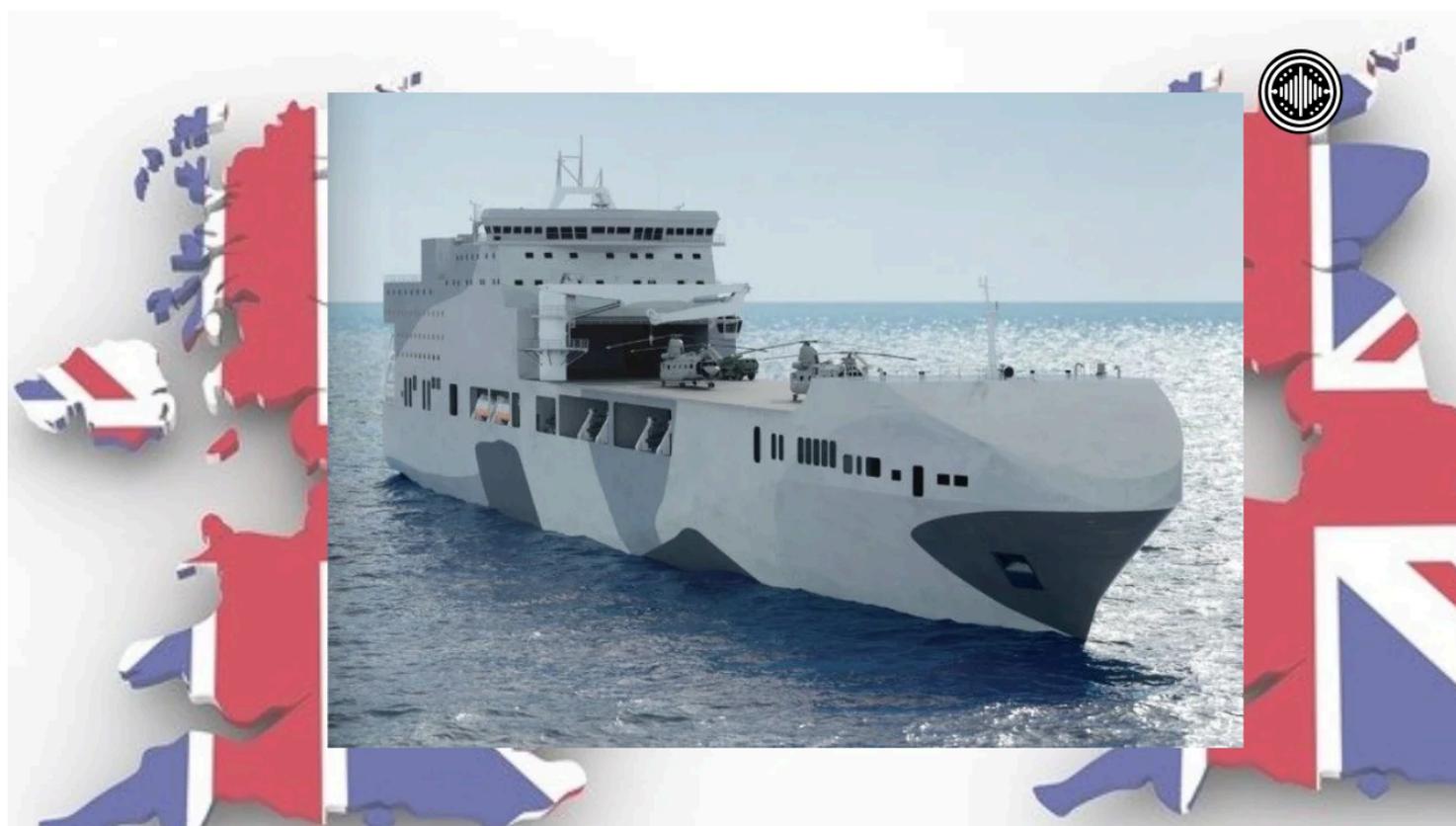


## New Royal Navy Contract Secures Future of Scottish Shipyard

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Ferguson Marine, the Scottish Government–owned shipyard in Port Glasgow, has secured a contract to fabricate three major structural sections for HMS Birmingham, the fourth ship in the Royal Navy’s Type 26 frigate fleet. The deal is expected to sustain the yard’s 300–strong workforce over the next two to three years and underscores continued UK defence investment in Scotland.

Under the agreement, BAE Systems will oversee the completion of HMS Birmingham at its Govan yard, integrating its structural units before full assembly at Scotstoun. Steel cutting is set to begin imminently. The Type 26 class is intended to provide cutting-edge anti-submarine warfare capability, reinforcing the Royal Navy's effectiveness.

Scottish Secretary Ian Murray described the contract as a pivotal demonstration of the "defence dividend" for Scottish workers and coastal communities. "Shipbuilding on the Clyde is thriving thanks to UK Government investment in defence," he said. "This contract is great news for the workers there, who will play a key role in keeping our country safe."

BAE Systems' Naval Ships Managing Director Simon Lister praised Ferguson Marine as a "key supplier of structural steelwork on the Clyde". He described the award as strengthening their productive relationship and reaffirming the yard's value within the Type 26 programme. Ferguson's Chief Executive Graeme Thomson renewed that message, noting the contract demonstrates the yard's competitiveness and commitment to expanding its skilled workforce for future contracts in both defence and commercial shipbuilding.

Critics have highlighted the yard's troubled recent history, particularly the cost-overrun ferry contracts and delays that led to nationalisation in 2019. Despite these setbacks, the new agreement offers a lifeline. Deputy First Minister Kate Forbes called the award "a positive demonstration of the shipyard's capabilities" and said it illustrates that Ferguson can win work in an open commercial market.

The contract is part of a broader UK Government strategy to bolster shipbuilding and defence manufacturing across Britain. In recent months,

steel has also been cut for HMS Formidable, a Type 31 warship, at the Rosyth yard, supporting around 2,500 jobs and launching 400 apprenticeships. Additionally, the Govan and Scotstoun shipyards in Glasgow are building the first eight City-class Type 26 frigates under a £4.2 billion contract, sustaining 1,700 jobs across two yards and thousands more in the wider supply chain.

While the deal marks a significant step forward, questions remain about long-term work for Ferguson Marine once the Type 26 section production is complete. The Scottish Government has committed £14.2 million in modernisation funding to the yard and is pushing for further defence partnerships to ensure sustainable operations well beyond the current contract.