

PRESS STATEMENT OF THE TEMA DISTRICT COUNCIL OF THE MARITIME AND DOCKWORKERS' UNION OF TUC (GHANA) DELIVERED BY BROTHER EBENEZER TAYLOR (SECRETARY OF THE TEMA DISTRICT COUNCIL OF MDU) AT THE PRESS CONFERENCE HELD AT THE TUC HALL IN ACCRA ON 15TH AUGUST 2013.

Brother Chairman,
Comrades of our union,
Our friends of the media,
Ladies and Gentlemen,

We wish to explain that this press conference is being organised as a solidarity action of the Tema District Council of the Maritime and Dockworkers' Union (MDU) which comprises all the local unions of MDU in the maritime industry.

We have invited you to this press conference to state our concerns with respect to the on-going negotiations between government and Tullow Ghana on the leasing of the PSC Tema Shipyard facility to Tullow Ghana.

As background information, the Tema Shipyard and Dry-Dock Corporation (TSDC) was built as part of the Tema Harbour in the 1960s for the realisation of the economic potential of the country's maritime industry. The TSDC has two graving docks and a slipway and one of the graving docks is the largest dock between the Cape of Good Hope (South Africa) and the southern tip of Europe. The Shipyard is of strategic importance and can undertake dry-docking and repairs of ships up to 100,000 deadweight (DWT) which ply the western shoreline of Africa.

The government of Ghana divested 60% its interest in TSDC to Penang Shipbuilding Construction Corporation of Malaysia in a Joint Venture Agreement (JVA) dated 8th November 1996 and the company took on a new identity of PSC Tema Shipyard.

The government instituted a Committee of Enquiry chaired by Mr Chris A. Ackumey on 20th October 2009 to investigate the factors that militated against the smooth operations of the PSC Tema Shipyard and to make recommendations to address the problems.

The Chris Ackumey committee's report indicted the Malaysian administration for breaches of the Share and Purchase Agreement (SPA) and the Joint Venture Agreement (JVA) especially the disposal of the shares of Penang Shipbuilding and Construction to Boustead Heavy Industries Corporation in 2007 without reference to the government which was the minority shareholder. The Malaysians failed to inject working capital to revamp the company and the company was saddled with workers' agitations against the Malaysian administration on allegations of corruption and violations of labour rights.

Some of the recommendations of the Chris Ackumey committee include but not limited to the following:

- Ghana Ports and Harbours Authority (GPHA), Ghana National Petroleum Corporation (GNPC) and Social Security National Insurance Trust (SSNIT) among others have the asset and financial capability to raise the needed capital.
- The view of the workers of the Shipyard is that, the GPHA should take over the running and management of Shipyard. The committee is of the view that this proposal is worth considering. GPHA is the Landlord of the Shipyard which has a big capital asset base and also

has the financial capacity to take-over the assets of the Shipyard and finance its urgent rehabilitation.

- GPHA by the nature of their business deals with a lot of shipping lines and ship owners operating in the region. They have also created the niche for themselves as having the necessary structures in place as professionals in their business management.
- It is true that GPHA is not directly involved in the ship repair industry, but it could be recalled that the Shipyard and GPHA used to be the same organisation. We think that this is a step in the right direction coming from the workers themselves. This in our opinion would bring to the barest minimum any conflict or confrontation the workers would have with management other than the one they proposed.

On the basis of the recommendations of the Chris Ackumey Committee, the government of Ghana made arrangements for the return of the ownership of Shipyard to the Republic of Ghana. The buyback of the entire 60% shares in PSC Tema Shipyard held by Penang Shipbuilding and Construction was concluded on 27th June 2012 with the payment of US\$ 6.36 million to Penang on the breakdown as follows:

1. 60% sharetransfer US\$ 5.120 million
2. Discounted Inter-Company Payables US\$ 1.240 million

The Ghana Ports and Harbours Authority (GPHA) paid the amount of US\$ 6.36 million to Penang Shipbuilding and Construction Company upon request from government and stated its interest in the takeover and management of Tema Shipyard in a letter dated 20th June 2012 and titled "PAYMENT OF ACQUISITION OF PENANG SHIPBUILDING AND CONSTRUCTION SND BHD (PENANG) NOW BPS 60% STAKE IN PSCT". The referenced letter stated the interest of GPHA in the management of the Shipyard as follows;

"In giving approval for the settlement of your request, the Board has kindly requested that the interest of GPHA in the takeover and management of the Tema Shipyard be restated to you which I hereby do, for your consideration."

Despite the recommendation of the Chris Ackumey Committee for GPHA to manage PSC Tema Shipyard, the payment of the US\$6.36 million by GPHA to complete the buyback process and the expression of interest by GPHA to manage the PSC Tema Shipyard, no serious decision has been taken by government for the realisation of the full potential of PSC Tema Shipyard since the company became a fully owned Ghanaian company over a year now. PSC Tema Shipyard does not have a Board of Directors and the company is being managed by a 76-year CEO whose vision for the company is completely opposed to the long term vision of placing PSC Tema Shipyard under the management of GPHA as proposed by the Chris Ackumey committee, though he was the Vice Chairman of the Chris Ackumey Committee.

Official information is that the buyback committee is negotiating a leasing arrangement with Tullow Ghana to use PSC Tema Shipyard facility for the fabrication of parts for the building of a new FPSO. In the opinion of the workers of PSC Tema Shipyard and the MDU District Council of Tema, this constitutes a piecemeal approach that cannot solve the long term problems of PSC Tema Shipyard. We have cause to worry about the official reasons provided on the Tullow issue because it would mean cutting PSC Tema Shipyard to pieces before implementing the Chris Ackumey committee's recommendation of a GPHA takeover and management of Tema Shipyard which was the vision of Osagyefo Dr Kwame Nkrumah in the setting up of the Tema Harbour. Additionally, the potential of

PSC Tema Shipyard is beyond the fabrication of parts for the building of a new FPSO for Tullow Ghana.

With the right management under GPHA, it is possible to develop PSC Tema shipyard into a first class modern Ship building and repairs company in Africa to provide dry-dock and repairs for ships plying the Western shoreline of Africa, those that call at the Tema Harbour and then take advantage of the increased vessel call in the oil industry for Ghana and the sub-region. We call on Government to pursue the bigger vision for PSC Tema Shipyard under the management of GPHA instead of reducing the potential of the company to the fabrication of parts for Tullow's FPSO. We are aware that the process for the takeover of PSC Tema Shipyard by GPHA had been initiated by government and a CEO had been nominated from GPHA to replace Mr Kugblenu, the current CEO of Shipyard. We find the negotiations to lease out Tema Shipyard to Tullow Ghana before the completion of the takeover processes by GPHA an unfortunate U-turn in the efforts to address the management problems of the Shipyard. In our opinion, the starting point of resolving the Tema Shipyard problems is to place the company under the management of GPHA first before any other issue could be considered.

We are also of the opinion that the prominence given to Tullow Ghana in the PSC Tema Shipyard affairs is misplaced. Information from government sources indicate that Tullow Ghana is not interested in the takeover of Tema Shipyard and that the interest of Tullow Ghana does not go beyond a 2-year local content project which would involve the fabrication of parts for a new FPSO which would be built outside Ghana. If the official information is true, then what is government's short and long term plans for Tema Shipyard?

We have a lot to learn from the mismanagement of the Shipyard for about 15 years by the Malaysians and posterity would blame us if we miss this second opportunity in the realisation of the original dream of Osagyefo Kwame Nkrumah for Shipyard in particular and the Tema Harbour in general.

The Tema Shipyard is a GOLDMINE which can create employment for more than one thousand people and the nation cannot go on a gambling spree with such an important national asset.

On the basis of the aforementioned, we make the following demands from government;

- The immediate withdrawal of the Tullow Ghana employees from the PSC Tema Shipyard.
- That Mr Kugblenu, the CEO of PSC Tema Shipyard should immediately be replaced by the person nominated by GPHA as the new CEO.
- That immediate step must be taken by government to implement the recommendation of the Chris Ackumey committee for the takeover and management of PSC Tema Shipyard by GPHA.
- That government should provide opportunity for GPHA to present its proposal to revamp the Shipyard into a modern ship building and repairs company in Africa.

We wish to express our commitment to the struggle for the realisation of the dream of the founding fathers of our nation to make Tema Shipyard a strategic national asset well-resourced and managed by Ghanaians to operate at full potential in Africa. We are driven only by national interest in this struggle and not by any parochial interest.

We thank you for the expression of solidarity with our national course.