

T: 0300 244 4000
E: scottish.ministers@gov.scot

Edward Mountain MSP
Convenor of Net Zero, Energy and Transport
Committee
Scottish Parliament
By email: netzero.committee@parliament.scot

11 December 2025

Dear Edward,

The Scottish Government is committed to securing a long term and sustainable future for the Grangemouth industrial cluster following the decision by Petroineos to cease refining at the site. Alongside the UK Government, I established the Grangemouth Investment Taskforce which has been working at pace to identify projects and activities that would benefit from the support of the Scottish Government's £25 million Grangemouth Just Transition Fund. The fund, announced by the First Minister in February, is additional resource to support businesses to bring forward new commercial opportunities that will unlock Grangemouth's future, as well as initiatives that benefit the workforce and community.

The committee will be aware that I have consistently advocated that the UK Government should join the Scottish Government in providing readily available financial support for projects at Grangemouth. Therefore I welcome the announcement in the UK Government Budget that such funding will be made available immediately and look forward to seeing the detail of this funding.

Scottish Enterprise has been spearheading the work of the Grangemouth Investment Taskforce and has made significant progress. Scottish Enterprise has received a wide range of interest from businesses, including in excess of 130 formal enquiries. This illustrates the clear appetite there is from industrial operators who recognise the commercial opportunities associated with Grangemouth's Just Transition.

Over recent months, we have been working with several frontrunner projects that require public sector support to realise their potential. I am pleased to be able to confirm that the Scottish Government will support these opportunities as part of the Grangemouth Just Transition Fund:

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- An allocation of up to £1.5 million will be allocated by the Scottish Government over this financial year and the next in grant funding to support the construction of MiAlgae's new omega-3 bio-reactor project at Grangemouth, which, assuming it expands as planned, is expected to create up to 130 direct jobs at Grangemouth in the next five years. I am also pleased to confirm that the UK Government Department for Energy Security and Net Zero are matching the Scottish Government's funding allocation for this project, taking total allocated grant support up to £3 million across financial years 2025/26 and 2026/27.
- Subject to final negotiations and confirmation of standard public funding conditions, an allocation of up to £6,232,078 over this financial year and the next in grant funding to enable Celtic Renewables to reach final investment decision on its new ABE bio-refinery project at Grangemouth. This grant funding is expected to support the creation of up to 149 new jobs at Grangemouth by 2030 and put the industrial cluster at the forefront of green chemicals manufacturing.
- Up to £595,000 in to Scottish Enterprise during this financial year to support enabling activities which will make tangible progress towards ensuring Grangemouth is an attractive and shovel ready location for new investment.

Although it has taken time for the Grangemouth Investment Taskforce to rigorously assess that these propositions are both appropriate and ready for support from the Grangemouth Just Transition Fund, I expect the Committee will agree that the commitment of up to £8,232,078 of support from the Scottish Government is a strong signal of the promising future of the site. I hope that this initial step is a welcome sign to the workforce and the local community that Grangemouth has a bright and prosperous future. However, the Scottish Government will not stop at these activities and I hope to be in a position to announce further support for projects next year.

This morning, I will be attending a groundbreaking ceremony at MiAlgae alongside UK Ministers, and look forward to operations commencing next year. Later today, I will provide a wider update to Parliament on the action being taken by the Scottish Government to secure a long term and sustainable future for the Grangemouth Industrial Cluster.

I have copied this letter to the Economy and Fair Work Committee for awareness.

Yours sincerely



GILLIAN MARTIN

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St Andrew's House, Regent Road, Edinburgh EH1 3DG
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