

Economy and Fair Work Committee
Wednesday 21 May 2025
16th Meeting, 2025 (Session 6)

Grangemouth's Industrial Future Note by the Clerk

Background

1. The oil refinery at Grangemouth has been in operation since the 1920s and is Scotland's only oil refinery. It is currently owned by [Petroineos](#), a refining and energy trading joint venture between [PetroChina](#) and the [INEOS Group](#).
2. On 22 November 2023, it was announced that the refinery would transition to a finished fuels import terminal and distribution hub. On 12 September 2024, [it was confirmed that this transition would take place during the second quarter of 2025](#).
3. Following this confirmation, the Cabinet Secretary for Net Zero and Energy [wrote to the Committee](#), outlining actions being undertaken by the Scottish Government.
4. One of these was to work with the UK Government to support Petroineos' "Project Willow", a feasibility study into different industrial options for the industrial future of Grangemouth. Project Willow's [findings were published in March](#).
5. The Scottish Government also recently consulted on a [draft Grangemouth Just Transition Plan for Grangemouth](#). This is scheduled to be published in May.
6. Refining at Grangemouth officially ceased last month.

Previous Committee Scrutiny

7. In 2023, the Committee held an inquiry into a just transition for the Grangemouth area.
8. While INEOS did not formally engage with the inquiry, it contributed to a [written submission](#) from Forth Ports Limited and the Forth Green Freeport, as well as [oral evidence](#) provided by Forth Ports Limited. The company also hosted a visit by the Committee on 20 March 2023.
9. The Committee [published its report on 21 June 2023](#).
10. Following the November 2023 announcement, the Committee took evidence on [Wednesday 13 December 2023](#) from Petroineos Manufacturing Scotland Ltd, INEOS Grangemouth, and the then Cabinet Secretary for Wellbeing

Economy, Fair Work and Energy. The Committee also heard from the then Minister for Energy Security and Net Zero on [Wednesday 17 January 2024](#).

11. The Committee held a further evidence session with Petroineos Manufacturing Scotland Ltd and INEOS Olefins & Polymers UK on [Wednesday 13 November 2024](#).

Evidence Session

12. Following the publication of Project Willow's findings, the Committee agreed to hold further evidence sessions with the UK and Scottish Governments to discuss the report's findings and next steps.

13. The Committee will hear today from—

- Michael Shanks MP, Parliamentary Under-Secretary of State (Minister for Energy); and
- Camilla Pierry, Deputy Director Energy Security, UK Government.

Clerks to the Committee
May 2025