

Economy and Fair Work Committee
Wednesday 13 November 2024
29th Meeting, 2024 (Session 6)

Petroineos Grangemouth Note by the Clerk

Background

1. The refinery at Grangemouth has been in operation since the 1920s. 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 into 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. The Cabinet Secretary for Net Zero and Energy [wrote to the Committee](#) following this confirmation, outlining actions being undertaken by the Scottish Government.
4. The Minister for Climate Action [wrote to the Committee on 7 November 2024](#) to highlight the launch of a consultation on the draft Grangemouth Just Transition Plan. This letter can be found at **Annexe A**.

Previous Committee Scrutiny

5. Last year the Committee held an inquiry into a just transition for the Grangemouth area.
6. While INEOS did not formally engage with the inquiry, it fed into 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.
7. The Committee [published its report on 21 June 2023](#).
8. 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](#).

Evidence Session

9. An [assessment commissioned by the Scottish Government of the Grangemouth Refinery's recent economic contribution](#) was published on 24 October 2024.
10. Following publication of this assessment, the Committee agreed to invite INEOS Grangemouth and Petroineos Manufacturing Scotland Ltd to attend and provide an update on developments.
11. The Committee will hear from—
 - Iain Hardie, Head of Legal & External Affairs, Petroineos Manufacturing Scotland Ltd; and
 - Colin Pritchard, Sustainability & External Relations Director INEOS Olefins & Polymers UK.

**Clerks to the Committee
November 2024**

Minister for Climate Action
Ministear airson Gnìomhachd na Gnàth-shìde
Alasdair Allan MSP
Alasdair Allan BPA

 **Scottish Government**
Riaghaltas na h-Alba

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

Economy and Fair Work Committee
economyandfairwork.committee@parliament.scot

7 November 2024

Dear Committee Members,

I am pleased to inform you that today, the draft Grangemouth Just Transition Plan has published for consultation. The draft plan and corresponding documents are now live on <https://www.gov.scot/isbn/9781836015574>.

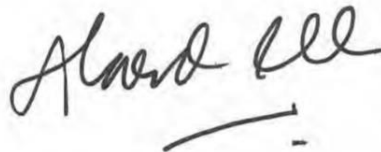
The plan will now enter into a ten week public consultation period, ending on 16 January 2025. During this time, it is our intention to collect views on the plan's content from community, industry, the industrial workforce, and all others with a vested interest in the future of the Grangemouth industrial cluster.

Firstly, I would like to thank you for your ongoing insights that have helped the development of this work to date, largely through the Committee's inquiry into a Just Transition for Grangemouth. Specifically, your input has played a significant role in raising the profile of Grangemouth as a region that will be critical in meeting our climate ambitions feedback, as well as highlighting key areas for attention.

As you will be aware, we are developing this work in partnership with the Grangemouth Future Industry Board, which has approved this draft for publication. It is our ambition that the document becomes the strategic guiding framework that aids GFIB in decision-making as the industrial cluster transitions to net-zero. With your help, through consultation feedback, we hope to finalise a robust Just Transition Plan that is reflective of both our shared ambition for the future, and the action necessary to achieve this.

We would like to invite Committee members to consider the draft plan and coordinate a response to the consultation. Before finalising the plan in 2025 we will endeavour to inform everyone who has contributed to the consultation of how their views were reflected. Should the Committee wish to discuss the content of the plan at any point during the consultation, please do not hesitate to reach out to my Private Office.

Yours sincerely,



Dr Alasdair Allan
Minister for Climate Action

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St Andrew's House, Regent Road, Edinburgh EH1 3DG
www.gov.scot

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