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Claire Baker MSP
Convener, Economy and Fair Work Committee

Sent by email:
economyandfairwork.committee@parliament.scot

12 September 2024

Dear Claire,

I am writing to you following Petroineos' announcement today that the Grangemouth Refinery will convert to a fuels import terminal in Q2 2025. This announcement comes following the best efforts of the Scottish and UK Governments to secure shareholders' investment in the Refinery's future and despite Ministers' position that refining should continue for as long as practicable.

The Scottish Government was notified by the business of this decision today, on the same day as the workforce who must be kept at the forefront of discussions about this decision. My attention is fully focussed on supporting those impacted by Petroineos' decision and I hope you will welcome the announcement that Ed Miliband and I have made in response, which sets out our intention to implement a targeted skills intervention to support refinery workers as they seek to transition into new roles. As a matter of course, PACE has been mobilised to provide employment support for those who require assistance.

I have met the CEOs of Petroineos Trading and Refining and I expressed my disappointment at this decision and set out Petroineos' responsibility to the workforce at this time. I will do all that I can to support those who work at Grangemouth, however I expect the business to put in place enhanced support for those workers facing redundancy. I also met Unite the Union earlier today to receive the feedback of its members to this decision. It is clear that the workforce faces an uncertain future and I know they will have the support of your Committee and, indeed, the entire Chamber as they begin to build a new future outside of the Refinery.

I am clear that there is much more to do, and I remain committed to exploring all routes to expediting the deployment of low carbon projects at Grangemouth and appreciate the UK Government's commitment to explore routes to supporting the next stage of projects at Grangemouth via the National Wealth Fund.

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You will also be aware that the UK Government Department for Energy Security and Net Zero and the Scottish Government are supporting Petroineos' "Project Willow" cross site study, which will examine and identify viable options for transitioning the site into a low carbon fuels hub. I must be clear that the options being examined under Project Willow are in the earlier stages of technological readiness, however I am committed to progressing projects to a state of technological readiness. I await the outputs of this work with anticipation and expect that your Committee will also be interested in its findings.

I would of course be glad to attend a meeting of the Committee at your convenience, should you find this helpful, to discuss these important matters.

Yours sincerely,



GILLIAN MARTIN

Cc: Convener of the Net Zero, Energy and Transport Committee

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