House of Commons

Scottish Affairs Committee

Oral evidence: Mossmorran closure, HC 1564

Wednesday 17 December 2025

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Watch the meeting

Members present: Patricia Ferguson (Chair); Harriet Cross; Dave Doogan; Mr Angus MacDonald; Douglas McAllister; Susan Murray.

Questions 1 - 104

Witnesses

I: Bob MacGregor, Industrial Officer, Unite the Union; Pamela Stevenson, Service Manager (Economic Development), Fife council.

II: Paul Greenwood, UK Chair, ExxonMobil; Simon Marsh, Communications Director, Chemical Industries Association.

Examination of witnesses

Witnesses: Bob MacGregor and Pamela Stevenson.

Q1 **Chair:** Welcome to this meeting of the Scottish Affairs Committee, our last before the Christmas recess. We are going to be taking evidence this morning on the closure of the Mossmorran plant in Fife.

We would like to welcome our witnesses and thank them for giving their time to come and speak with us today. We would be very grateful if you would introduce yourselves.

Bob MacGregor: I am Bob MacGregor, regional officer with Unite the Union, here representing the workforce.

Pamela Stevenson: Good morning, everyone. I am Pamela Stevenson, the service manager for economic development at Fife council.

Q2 **Chair:** Thank you very much. Mr MacGregor, ExxonMobil and the UK Government have said that the Mossmorran site is not commercially viable, and that there is no realistic business plan to support investment. Would you agree with that assessment?

Bob MacGregor: I would not agree with that assessment. The plant is one of the youngest ethylene plants in Europe, and it has a dedicated workforce. Yes, it needs investment, but I am sure that investment could come for a company that is making £25 billion this year; it is its third best year in the history of its business.

We are calling on them to pause the closure, to allow an industrial future for the site to be interrogated and investigated, and to allow other potential owners of that site to see if it is viable. There has been an announcement today about money being invested in the Grangemouth ethylene plant, so it is clear that ethylene production in Scotland is not a no-no and that it can be a viable business.

We asked Exxon to pause the process, and its answer was that its contract ends for the supply feed to the site on the date that it has announced for the closure to take place. It gets its supply feed from its neighbour next door, Shell, which is now having to scramble to find where it is going to put that capacity—the excess feed it will have when the plant closes. I am sure that Shell would not be averse to a conversation about extending the contract for the feed to allow space for the plant viability to be looked at. The plant supplies Shell with steam as well, so Shell needs it there to do that supply work.

We certainly hope that both Governments get behind that call to extend the date of closure further into the future to allow a real look at the viability of the site, whether it is an ethylene plant, or something else. The plant has great power supply. It has cooling towers. It has furnaces. It has a grid connection that loads of companies would love. It has a pipeline to Braefoot Bay in the North sea where it can load things on to ships, so it has to be a viable site. It has had £100 million worth of investment from Exxon over the last five years; companies do not normally invest in something to that degree if it is not viable.

Q3 **Chair:** My understanding is that ExxonMobil says it has not made a profit at the site for five years. Do you think that is the case?

Bob MacGregor: That may very well be the case. As I have just said, it has invested £100 million over the last five years and that is an expenditure for the site. But that is not to say that it cannot be profitable moving forward. We have been in discussions trying to get a lower-carbon future plan for the entire site to make it more viable and less damaging to the environment. We have been working with Mark Ruskell, the Green MSP, on that; we want there to be a good, viable lower-carbon future for the site.

Q4 **Chair:** I understand that there have been concerns in the local community about the environmental effects of the plant. Is that something your members are conscious of?

Bob MacGregor: Yes, our members are conscious of that; the local community, I would say, have tolerated the site for the entire time it has been there. It sometimes flares, it sometimes makes noise, and the investment was to reduce that effect on the local community and lessen the impact on the environment.

But I do not think the local community want it to shut because it is such a vital asset. There is the odd voice that will call for its closure, regardless of the job losses, regardless of everything else, but in the main, the local community support it; 76% of people who work on that site live within 10 miles of it, so it is vital to their income.

Q5 **Chair:** So you think it has a viable future, and that it could be more environmentally friendly going forward?

Bob MacGregor: Absolutely, and that is why we are asking for the pause: to allow that future to be interrogated properly, not rushing into closure and demolition of the site.

Q6 **Mr MacDonald:** Mr MacGregor, in the background notes on this I read that the UK industry Minister Chris McDonald was informed about this in August. Before I ask my question in full, can you just tell me when people working at the plant became aware, and when Unite became aware, of the closure? Has that time been used to usefully explore alternative options?

Bob MacGregor: We found out the day the press release came out. I was at another meeting and had a phone call to say what was happening at Mossmorran; I had no idea. The last meeting I would have had was on the site three or four weeks prior to that and it was talking about investment plans for 2026, ’27, and ’28, and how it was going to be done, what stages it would take, and what work it would create.

The news was a real shock, not only to us as a trade union but to the workforce. They were shell-shocked by the announcement because it came straight out of nowhere.

Q7 **Mr MacDonald:** When was the announcement?

Bob MacGregor: It was 18 November. Since then, I have to be honest, we have not had a lot of engagement. We have had one meeting facilitated by Fife council, we have had a meeting facilitated by the Deputy First Minister, and we have had two meetings at the Exxon site. We have asked Exxon a number of questions about supporting and retraining the workforce; I am talking not only about its workforce but the contractor population also. Some contractors on the repair and maintenance contract have been there for over 30 years; it is the only job they have ever had and losing it is a really scary thought for them.

Q8 **Mr MacDonald:** Do you think this has been imposed by Exxon in the United States, and that the local management of Exxon have not been in the know enough to be considering other opportunities for the parent company?

Bob MacGregor: I do not think local management knew this announcement was coming. At the meeting I was talking about, we were having robust conversations about the facility they were trying to put closer to the worksite and how that would look; we were having some really tough conversations about how the workers were being looked after. Those conversations would not have been so difficult had they known that the place was closing.

Q9 **Mr MacDonald:** I do not want to put words in your mouth, but do you therefore think that if Exxon put it on pause for, say, six months, that would allow the local management to be able to work on coming up with an alternative plan that would make the site a success?

Bob MacGregor: To be honest, I do not think the local management would have the autonomy to do that; it seems to be a corporate decision from the United States. But if Exxon does not want to run the plant, it might be a viable plant for another company, especially given the announcement at Grangemouth today and the investment the Government are willing to put into ethylene production; could it be an attractive option? That is why we want the pause.

The day that the closure was announced, the Scottish Government were approached by three different companies asking if they could have a look at the site to see if it would be a viable option for them. I do not know how far those talks have gone, but that is why we are looking for a pause: to give the site the best chance of having an industrial future and to make sure that the jobs that are there, stay there for the long term.

Q10 **Susan Murray:** Ms Stevenson, how is this going to impact the local community and local businesses?

Pamela Stevenson: I am sure everyone will be aware that it will impact them greatly. Our priority at the minute, working with Exxon and with national key agencies, is to support the immediate priorities of the workforce. Obviously, as Bob said, this decision will start to impact the contractors on site and then the wider supply chain too, so that is our main focus at the minute. We are having discussions around the community impact and how we can make sure that we keep communications open and transparent too. So yes, there will be a fairly big impact.

As Bob also said, 56% or so of the full-time staff, and probably around 40% of the contractors, are local. We do not have the data yet on the wider supply chain impact in terms of their locations, but I am sure we will have that in time. We are working closely with Exxon to get that data.

Q11 **Susan Murray:** Is there connectivity for people to travel from that area to work in other locations?

Pamela Stevenson: As part of the Team Scotland approach with the workforce, Fife will be working closely with national agencies such as PACE, which is our main Scottish redundancy service, to look at opportunities for re-interviewing, triage activity, workforce upskilling and—particularly with our local knowledge—redeployment across the area. For those who are not necessarily Fife-based, we will work with our other networks across Scotland to ensure we can redeploy staff effectively.

Q12 **Mr MacDonald:** The Scottish Affairs Committee did a trip to Babcock and Rosyth, and it was clear that employers faced difficulties in finding staff in that area, in the engineering sector in particular. Do you think there is a local demand for staff that the Mossmorran team could fit into? Or do you think this is a real problem, and that effectively they will not get other jobs?

Pamela Stevenson: That is a very good question. We are currently working with several large employers in Fife that will be looking for engineering, welding and various fabrication activities soon. The timing is not great for us, but we are working with Babcock, as you said, and other large employers in Fife to look at how we can redeploy some staff. Looking at the skillset in particular, we are working closely with Exxon to understand the job roles and how they fit into the likes of Babcock and so on. We are trying to see if we can find roles for the workers and deploy those who will not fit with these larger employers across other parts of Scotland. We are fairly confident that there is the capability, and the capacity, to move them into other roles.

Q13 **Douglas McAllister:** There are 180 employed directly at Mossmorran, as I understand it, and approximately 250 contractor roles linked to Mossmorran. What support have the UK and Scottish Governments offered to workers facing job losses?

Bob MacGregor: The Scottish Government are trying to arrange PACE events and they would like to have them on the site, but I do not think they are pushing on an open door with ExxonMobil. Other than that, I do not see any support that has been offered by either Government.

Q14 **Douglas McAllister:** No support at all from either Government?

Bob MacGregor: No, nothing that I can see. There are a lot of kind words and soundbites, but I do not see any real tangible evidence of practical or financial support.

Q15 **Douglas McAllister:** What type of interventions would you like to see both Governments offering? What type of support do you think they should be offering right now?

Bob MacGregor: They should be looking at skills updates; as I say, some people have worked on that site all their working life and it is all they know. To go out and find a job in the big, bad world, maybe with Babcock or Rosyth, they need to be retrained. That is the minimum we would ask them to do.

Pamela Stevenson: From my perspective, I see it in a slightly different way. I am working closely with the Scottish Government's PACE team to look at how, working with Exxon, we can first analyse the level of skills needs in terms of those who are furthest from new redeployment opportunities—those who have been on site for a long time and who may need some retraining and upskilling. Then we will look at those who have higher labour market skills and could move quite effectively into new roles.

Working with PACE, we have been in discussions with Exxon to get on site as soon as possible to meet with the main full-time staff and then separately with the contracted staff—the supply chain will come further down the line—to talk about interview techniques, job fairs, meeting other employers and looking at opportunities for upskilling. We are working with several colleges across the central belt, including Fife. Working with our PACE team, we are quite confident that we will be able to support the workforce with opportunities and help them to interpret the financial plans around their redundancy packages, any skills enhancements they may get from Exxon for reskilling, and obviously any packages for unemployment benefits. We are keen to get in the door, and that is our immediate priority before we can get them through to the next stage of redeployment.

Q16 **Douglas McAllister:** Do you see the UK Government's announcement today on Grangemouth being one of those opportunities?

Pamela Stevenson: I do not have any direct comment on that. I do not see any synergies there at the minute in terms of discussions with the workforce.

Q17 **Douglas McAllister:** Do you see no synergy between the two?

Pamela Stevenson: I see synergies, but I have not had any conversations back in my own office with colleagues. I will have to pick that up when I get back to Fife.

Q18 **Dave Doogan:** I want to explore your last point about the jobs that will be protected at Grangemouth. Is it too early to say whether there is any read across from the jobs that are at threat in Mossmorran? Is it too early to say whether there are opportunities there, given the recentness of the statement and the announcement on Grangemouth? Or is it the same answer to Mr McAllister's question; that it is just too early to say?

Pamela Stevenson: I would suspect so. This announcement came out this morning; our main priority and focus just now is trying to work with Exxon's team to understand the current workforce impact and the capability of how we can get them redeployed. What has come out this morning has obviously not had time to be digested.

Q19 **Harriet Cross:** Ms Stevenson, can we talk a wee bit more about the DWP and its involvement? You have mentioned the PACE side, but is there anything the DWP is doing, whether through the rapid response service or anything else, and are you working with it to help support workers, either at the moment or going forward?

Pamela Stevenson: Yes, absolutely. From a Fife Scottish perspective, as far as we are concerned, we are Team Scotland, we are Team Fife, and the DWP is integral to that PACE service. It is already at the table working closely with us on our weekly operational discussions about the workforce, and it has already had individuals coming to talk to it about opportunities, benefits and understanding redundancy. It is integral to the processing of benefits and in giving guidance to individuals.

Q20 **Harriet Cross:** How do you think this support is being received or understood by communities in Fife? Are they seeing that support is available going forward, and that there will be an opportunity for support? Has that been communicated at the moment?

Pamela Stevenson: I would probably say that we have to move more rapidly. We have had to turn things around fast over the last couple of weeks in bringing all the various key partners together. There have been several conversations through the Fife taskforce, including that wider governance tier, around going out to the stakeholders; that includes communities, the workforce directly and all our key employability partners. So that is something that is moving over the next week.

Q21 **Harriet Cross:** Do you see that as a key role for Fife council?

Pamela Stevenson: It is a key role for us all, but it has to be a consistent tripartite approach.

Q22 **Dave Doogan:** Ms Stevenson, can we go back to the dynamic between the UK Government and the Scottish Government? When you spoke in response to Mr McAllister you highlighted what is being achieved, or what has been sought to be achieved, through Fife council working alongside PACE in support of affected staff. I am sure that the UK Government will have a view on their role to support affected workers at Mossmorran. Is it too early to expect that response from the UK Government? Has there been a response from the UK Government in terms of support for the workforce to date?

Pamela Stevenson: There has been engagement, and we have had conversations over the last couple of weeks through our leader at Fife council, but it is too early to state what that support will look like. We have asked for engagement and some response to what the taskforce will look like, and obviously the financial capabilities too, but it is early days yet in that respect.

Q23 **Dave Doogan:** Can you remind us who makes up the joint taskforce that is being led by Fife council?

Pamela Stevenson: We have put forward a proposition to the UK and Scottish Governments of a three-tiered approach so that we can showcase that we are working together. We have asked for a weekly operational group that can bring all the key agencies together—Fife council, Scottish Enterprise, the DWP, the PACE team, SDS and so on—so that we can support the immediate priorities of the workforce.

Then, led by Fife council's leader, Councillor David Ross, we have what we are calling the taskforce leadership group. Overarching that will be an external stakeholder forum that will include the UK and Scottish Governments, the colleges, Scottish Enterprise, and other key agencies. That proposal is currently sitting with the Governments for sign-off so that we can start to move on the governance structure and have clear, autonomous, but auditable processes in place.

Q24 **Chair:** Can I just follow up on that? Clearly things have moved very quickly. Are you confident that the taskforce is going to be able to react as quickly? These things take time to bed in, but are you confident that it is going to be able to be there and actually make a difference on the ground?

Pamela Stevenson: I absolutely agree with your comments. We have tried to move fast in the several weeks we have had to get things up and running in terms of what our governance terms of reference would look like, and in bringing the operational groups together across Scotland. Fife council, together with our key agencies across Scotland, Scottish Enterprise, SDS and PACE, has been involved in Longannet and Tullis Russell over the years, and I am fairly confident that we have the skillsets and the capability to make this work.

Chair: That is good to know. Before he asks the next question, Angus MacDonald wants to make a slightly belated register of interests declaration.

Q25 **Mr MacDonald:** I have a stake in a company called Edwards, which is an engineering company and it has a business called Narvida which is in Dunfermline; that is my confession.

Is ExxonMobil providing for the workers facing redundancy? We have had a bit about that already, and a bit about the chances of finding new jobs in the area. Because of what I have just disclosed, I can tell you that we have real problems finding staff. Pamela, you have given us your view on that; Mr MacGregor, could you comment on your opinion of the workers finding employment in the area?

Bob MacGregor: You are saying there are opportunities in the place that you have an interest in, so there are opportunities in the area, and we have talked about Babcock, but there would need to be reskilling to allow that to happen.

The trade unions worry that there will be a skills drain because those directly employed by Exxon have a certain skillset; there is only one other plant in Scotland that does the same job, and it is fully staffed. There has been a really great announcement for that plant today—it has a future, and they will be relieved to hear that, as are we. We are happy to hear that those jobs are secure for the long term, but the opportunities locally for the Exxon direct staff are limited. They have great skillsets, but are those needed in Scotland? I am not sure. Babcock has made it clear that it would happily take as many of them as it could accommodate, but they have to have certain skillsets.

For the contractor workforce, there are a lot of big contracts down in England, and these guys will move where the money is. Our fear is that Scotland will be left with a skills shortage. We would rather see the site continue in whatever form, under whatever ownership, and to have these guys still working on the site, being productive for Fife and living in the local community.

Q26 **Mr MacDonald:** I imagine that the terms and conditions of the employees, and their pension contributions for example, would probably be exceptionally good and very hard to replicate in today's market. I do not know if that is true, but I suspect it is the case.

Bob MacGregor: Certainly, within ExxonMobil they will have good pensions; they will have secure pensions for the future. I do not know if that is the case for the contractor workforce; they have a pension scheme like every employee does, but it is not as good and they will need to work until later in life.

The income to Fife is huge from that site, circa £35 million a year, which benefits the Fife economy. To see that lost would have a ripple effect across the whole economy in Fife, local shops, everything. The best outcome for this site would be for it to remain employing people and for that income to remain in Fife.

Q27 **Chair:** Mr MacGregor, I accept entirely that you would rather the plant stayed open—we all would—and that workers would prefer to stay where they have worked for many years and invested their time and energies. Given that Babcock seems to be looking for additional staff in the engineering trades and that the metal shipyard is now secure, would the workers, albeit with the reskilling that you talk about, not prefer to stay in Fife? If that were me, my preference would be to stay where I have lived and where I have maybe brought up a family and invested in the community. I just wondered what your thinking would be on that.

Bob MacGregor: Many of them would prefer to remain local and stay close to their families. As I say, a lot of them live in the area. But it is a bit of an ask to expect an insulator to retrain as a welder at 40 or 50 years old. Yes, young people might retrain—they will engage in that process and maybe even change trades—but for more established people who are in the last 10 to 15 years of their career as a joiner or an electrician, they are not going to want or need to stay in the area; they will follow the work, and most of that is down in England.

Q28 **Chair:** Presuming that the site does close as it is projected to—notwithstanding that some of the workforce might be older and might not want to change their skills—would one of your key asks be that reskilling should be provided, and that there should be training for people who want to take advantage of it?

Bob MacGregor: Absolutely. That is going to be one of the key asks, but our focus at the minute is to try to keep the site open. If that cannot happen and there are no viable options for that site in the future, then of course we will be calling for reskilling packages—financially supported by the Governments and Exxon—to reskill the workforce for the local industries, yourselves and Babcock and all that good stuff, because it is their decision that has created this situation.

Q29 **Mr MacDonald:** Let us say that we—the collective political world—persuaded Exxon to stay open for a further six months. Do you think there would be a haemorrhaging of staff in that period? That is question one; if it did come up with a plan at the end of those six months, would we actually have a team of people to run the business?

The second question is about something you said, almost in the first line of this inquiry, which I would like to ask a little further about. I got the impression from what you were saying that Exxon would effectively have to demolish the site. Does it have an obligation to return it back to, say, a brownfield site, or not?

Bob MacGregor: I am not sure about its legal obligation, but it has indicated that it would be willing to put it back to a greenfield site. That is what it has said it would do. It would take a number of years to decarbonise, decommission, demolish, and then put it back to greenfield. I believe there used to be a village there, but I do not think it is going to rebuild the village. Exxon will be in the next session so you could ask it then.

Q30 **Harriet Cross:** I do not like the phrase carbon intensive because it diminishes the output other than carbon that comes out of these industries, but we know that carbon-intensive industries are under a huge amount of pressure at the moment. Mossmorran is not alone; we have already spoken about Grangemouth. There will be other closures to come because we know that is where the world is going.

What do you think is driving this, and how do you think we can stop or stem the flow of closures? Because we will have more closures, we will have more job losses, and we must actually arrest that if we are going to stop being in this position over and over again.

Bob MacGregor: You are correct, Harriet: there is a future for carbon-heavy industries, but that future needs to be focused on decarbonising them, making them less polluting, and less damaging to the environment. As I say, that is what we were working on for the Mossmorran plant. Government policies have not helped the acceleration that we have seen in the closure of these types of industries. By preventing new exploration licences, they are effectively turning off the tap from the North sea; employers in the North sea do not see a future. These employers are all about what is in their five, 10, 15, or 20-year plan and how they are going to make money for that sustained amount of time. We have tried to engage with the UK Government, but the Unite campaign for "No ban without a plan" has no traction because they have banned it. They have banned new exploration, which has accelerated the decline in the offshore oil and gas industry, and we are seeing hundreds of redundances announced each week in the North sea.

Q31 **Harriet Cross:** As a union body, how do you feel about that? I feel like I am hitting my head against the wall a lot of the time with this; I know that you, coming from a worker's point of view, must feel that it makes no difference what you say or what evidence you provide. Do you think there is something that we can say or do to make the difference, or is it going to take more and more job losses from more and more closures to actually get that message home to the Government?

Bob MacGregor: I actually do not know what it is going to take. The evidence is clear. I was reading the last report from this Committee, and it showed that oil and gas demand was going up, but the decline in offshore is like a cliff edge.

The UK Government talk about fuel security; how has this given us fuel security? It is very frustrating, Harriet, that we raise these things, we ask them to just take their time, to let us look at this, to work with us to make a plan. There will be a decline in oil and gas, we all know that, but we need a plan that creates jobs in upcoming sectors like renewables so that these people can smoothly transition. There has been no transition.

I was at SSE yesterday speaking to people who are working in the newer industries; some of them came from the likes of Grangemouth, or oil and gas offshore. I asked them, "Did the just transition stuff help you?" They said, "We've never seen anything about just transition. Nobody's helping anybody in offshore oil and gas to find new roles in the renewables sector." It is just a myth, to be honest.

Q32 **Dave Doogan:** Mr MacGregor, what do your members think when they hear the UK Government talk about the future of North sea oil and gas running out in 10, 20, or 30 years in the same breath as they say there is a ban on new exploration licences? Are they concerned that the UK Government do not actually understand that in order to operate today, the North sea—or any industry actually—needs to have a future coming down the line? Without a future, today's operations are going to come to an untimely end.

Chair: Let us look at this specifically in the context of Mossmorran.

Bob MacGregor: You are right, UK Government policies have made a very difficult environment for companies to make a profit and survive. Companies are leaving the industry and closing their assets in Aberdeen and surrounding areas, and our members cannot see what the Government are doing. They do not understand why nothing is getting done, other than an acceleration and decline of the industry. That affects Mossmorran because the less that is being produced, the more expensive it becomes. Turning off that tap and restricting the profits means that companies are not so interested in making it any more, which has accelerated the decline and increased the costs.

In the Government's announcement on Grangemouth today I noticed that there is something called the British industrial competitiveness scheme. I had never heard of that before. It is designed to support industries that use a lot of energy, like Grangemouth or Mossmorran, so again, if that is a new thing and something that the UK Government have introduced that might help Mossmorran to be a more viable site, we need time to investigate and interrogate that to see if it is going to make a marked difference to the viability of the site. From the announcement that was made today, it sounds like it is making Grangemouth a much more attractive, viable-looking option, so why can they not do that for Mossmorran as well?

Q33 **Chair:** Mr MacGregor, I realise you do not represent the workers at Grangemouth and we are talking today about Mossmorran, but Unite did say it had a plan for Grangemouth that it promised to give to this Committee. We have written to it three times asking for a copy of that plan and have never received it, as you will have read in our report. Do you think it is important that the trade unions work with the owners of these companies and with the two Governments to make sure that everyone is working for the good of the workers and for the good of the communities across Scotland who are affected by the transition, whether it is just or otherwise? Would you share my disappointment that your colleagues were not able to give us a copy of that plan?

Bob MacGregor: I cannot comment on what my colleagues in Grangemouth are doing or not doing, but I agree that we all need to work together and to pull in the same direction, because trade unions obviously represent members and workers. I always say to companies, "We want to work with you to make your business viable for a long-term, secure future for our members and their families." That is what we should all aim for, including the UK and Scottish Governments.

Q34 **Mr MacDonald:** The following question could be taken in two ways. We know that ethylene has high emissions; do you think that Governments, whether they are at Holyrood or Westminster, should be in the business of keeping heavily emitting carbon fuel businesses afloat now, even though it is bad for the climate? Do you think we should artificially subsidise carbon fuel businesses?

Bob MacGregor: Every business and their workers should be supported. Of course, the heavily emitting industries that you are referring to should get investment; some investment is going to be used to lessen their impact, which is the right thing to do. That is what we were trying to work on with the two owners at Mossmorran: what can a lower-carbon future or a net zero future look like for these sites? That was what the whole aim was, and we wanted to engage in that. We wanted to work with them because with the skills on the site they can do many things, including changing it to become a lower-carbon, lower-emitting site.

Q35 **Mr MacDonald:** Pamela, do you have anything to add to that?

Pamela Stevenson: I am not going to get into discussions about private-public investment, but I think there is a role for everybody to work together to support adaptation and diversification, particularly around efficient energy consumption, where we all work together to bring the skills to the table to help that capability.

Q36 **Chair:** Mr MacGregor, do you think that ExxonMobil was serious in its intent to move towards net zero, or as close to net zero as it could get?

Bob MacGregor: As a business it really had to be, and as I say, the investment it put in during the last five years helped with that. It put in new flares to lessen the impact on the local community and the environment. So I believe it was serious; as I said, it is more of a corporate American decision to pull out of the UK, or certainly Scotland, rather than trying to make the site more friendly to the environment.

Q37 **Chair:** I understand that it is pulling out of Scotland, France and Singapore, so it would seem that it is not interested in that part of the business as a whole.

Bob MacGregor: I would not say that. It still has ethylene plants in America that it is running, and happy to run. It is saying that it has been marketing the site. We cannot find any evidence of that, and I am a bit sceptical about it. That is why we are asking for the pause: to give an opportunity for other companies to look at the site. Whether it would want to sell it as an ethylene plant and create a competitor for itself is another thing, but it should not matter. It should try to give the plant a viable future if it can, and a legacy for the community, even if it is walking away. That is our opinion, and that is what we want to happen.

Q38 **Susan Murray:** Ms Stevenson, what lessons can be learned from the closure of Mossmorran at this early stage? Is there anything particular that you would suggest could have been anticipated?

Pamela Stevenson: Both Bob and I found out the news on the morning of the press release, but through our council leader, we engaged directly with Exxon, which responded effectively and met with us on the same day. If we had known there were conversations happening in advance, our leader would have liked to have been involved in those so that we could have been ahead of the game and engaged more effectively with the Scottish and UK Governments. It is very unfortunate, but we are where we are.

Now we are effectively at the table working with the company and with our national partners to make sure that we are here to support the immediate effects on the workforce. As Angus said, part of the wider economic recovery is in making sure that there is a taskforce at the table to oversee the dismantling of the site and the use of the modern industrial capabilities of the site for green and innovative transition, so that it can have a sustainable legacy moving forward.

Q39 **Susan Murray:** Do you think the UK Government are learning a lesson from this experience?

Pamela Stevenson: I cannot comment on that; I am not sure. Obviously, I can talk about our engagements with Longannet and Tullis Russell over the years with the Scottish Government. We always had very good engagements and processes in place.

Q40 **Susan Murray:** Earlier, we touched on skills training and reskilling. Do you think the Scottish Government are investing enough in the capacity of the area to reskill and upskill workers?

Pamela Stevenson: In general, do you mean?

Susan Murray: Yes, that as well, because we know there is a general shortage of industrial trades and skills in Scotland. But now that there is potentially an additional number of people who will need to be retrained, do the Scottish Government recognise that there need to be the facilities and resources to do that?

Pamela Stevenson: There are two parts to this. I personally think, from my many years of experience, that there are not enough upskilling capabilities for our workforces. The more we can upskill our workforce, the more that gives us an opportunity for pipelining those furthest from the labour market into new jobs and moving people through.

Secondly, and specifically for Mossmorran, through the operational part of the taskforce governance we are absolutely looking into and working through the needs of the workforce in terms of upskilling requirements. We are working with the colleges, working with Exxon, and working with our PACE partners. So yes—fundamentally, working on that process is important. But in terms of upskilling and wider skills gaps, we need to do more across Scotland.

Q41 **Susan Murray:** Do you think the closure of Mossmorran will have a negative effect on the training places that are there for that wider need?

Pamela Stevenson: In the first instance I would like to say no because I am starting to see data coming from our colleagues in Exxon around some higher-level job grades that are coming, so they will be redeployed fairly effectively. Some skillsets on site are high skills, but some wider contractor roles, because they have been on site a long, long time, will probably need more adaptation and diversification skills and support from triage and interviews and so on. Other than that, I am not very concerned about individuals per se.

Chair: Thank you both for your time and for sharing with us your thoughts about what is happening and what might happen in the future. It has been very useful and we are very grateful to you.

Examination of witnesses

Witnesses: Paul Greenwood and Simon Marsh.

Q42 **Chair:** We resume this session of the Scottish Affairs Committee's inquiry into the closure of Mossmorran in Fife. Welcome to our next two witnesses. Could I ask you both to introduce yourselves, please, briefly?

Paul Greenwood: Certainly. I am Paul Greewood, the UK chair of ExxonMobil.

Simon Marsh: I am Simon Marsh, from the Chemical Industries Association.

Q43 **Chair:** Thank you both very much for coming along this morning. We really appreciate that you are both busy and that you have other things you probably want to be getting on with. Mr Greenwood, obviously ExxonMobil has announced that the Mossmorran plant will close in February. Can you advise the Committee as to why ExxonMobil has taken that decision?

Paul Greenwood: Absolutely, and thank you very much for inviting me here. It is a privilege to be here. It comes down fundamentally to the fact that the plant is economically unviable. I am happy to talk you through the discussions that we had with the Government to see whether there was any way in which policy could be amended to make it more viable, but let me just talk through the key drivers of that. First, we have to talk about the market. Put simply, the price of ethylene—the price that we would sell at—is extremely low. It has been low for a very long period of time, and it is forecast by most people to continue at a very low level. The market is fundamentally very challenging.

You have to add into that some things, though, that are driven more by policy, right? The Fife ethylene plant was built where it was built in order to benefit from a supply of ethane from the North sea. Because of the nature of that—it is obviously a mature basin—volume has been declining for a period of time. Subsequent Governments have put on taxes such as the EPL, which has meant that that whole basin has become less economic to drill and develop new prospects. Therefore, production has declined, with natural gas production declining, oil production declining and, therefore, ethane production declining. In effect, the main feedstock that we use to make ethylene has been dwindling and has become more and more expensive.

Then you turn to the actual plant itself. It is taking in an expensive feedstock. It is also now unfortunately burdened with very high energy costs. Our energy costs are significantly higher than other parts of the world, and we have CO_2 taxes that have been imposed upon the Fife ethylene plant. If you take those CO_2 taxes, that is £20 million a year at the current time. That is forecast to increase to about £40 million a year by 2030. If you put all that together, you can turn around and say that it is clearly an extremely challenging environment that we are working in, and we have had certain Government policies that have undermined our ability to compete. Bear in mind when I talk about CO_2 taxes that our international competition has no CO_2 taxes at all. That is a cost that we bear that others do not. That is a very significant part of it.

What have we done in order to try to make this plant be successful? Over the past five years we have invested £270 million into this facility in order to improve its performance and to try to return it to something that was profitable. During that same period of time, by operating this plant we have lost £300 million. I would like to call out our employees. It is not just my company that has continued to be incredibly consistent and incredibly meaningful in terms of trying to turn this plant around; our employees have done so too. They have stepped up to the plate and really worked hard to make incremental decisions and worked as hard as they possibly could to increase the efficiency of this plant and return it back to profitability. It has been an all-in effort by everybody involved, but unfortunately, we have come to the point now where it is not economically viable to continue.

Q44 **Chair:** My understanding is that earlier this year—I think it was March—the local MP for the area visited the plant and was told by management there that they expected the demand for ethylene to grow by some 73%. Was that taken into your calculations?

Paul Greenwood: Yes. Clearly, our market forecast was absolutely taken into the calculation around this. That is not enough to turn it around. There are also market forecasts around increasing demand, and we have to look at the supply side, the pricing levels, those things. We look at that very, very seriously. Clearly, we would not want to shut a plant. It is far better to continue operating that plant if we can do it profitably, and it is far better to sell it if we could sell it. Neither of those options were available.

Q45 **Chair:** You have other sites in the UK, but particularly from this Committee's point of view, the St Fergus site would be in our concerns. Are you concerned about the operation of those? Is St Fergus safe? As far as safe can ever be guaranteed.

Paul Greenwood: Yes, we have no concerns around our other assets in Scotland. This is solely around the Fife ethylene plant.

Q46 **Douglas McAllister:** If you have no concerns about your other plants, is it just then the ethylene production operation that has the challenging environmental and economic challenges that you have described?

Paul Greenwood: No. I would say it is important to understand that things like CO_2 taxes, high energy costs and high labour costs are impacting, I would say, all industry in the UK; in particular the energy intensive industries. What I am saying to you now is that we have no particular concerns around those assets that I wish to communicate in any way at this point in time. But please bear in mind the environment is very difficult to operate in in the UK at the moment, given these burdens that we have.

Q47 **Douglas McAllister:** Would today's UK Government announcement in Grangemouth not then fly in the face of that? That announcement today would appear to have protected 500 high-value jobs, securing the supply chain, and preserving that industrial capability. In Scotland, it is a £120 million investment, and as I understand it, that is ethylene production operation at Grangemouth. Jim Ratcliffe and others are experiencing the same environment that you describe.

Paul Greenwood: They are. I would say, though, if you stand back and you look at the facts, you would turn around and say, "Prax refinery has shut, Grangemouth refinery has shut, the Fife ethylene plant has shut, and the Government have now, in effect, had to inject some money and capital into another chemical plant in order to keep it operating." Those are signs of an industry that is struggling, not signs that the industry is thriving.

Q48 **Douglas McAllister:** You are in the industry and I am not, but I guess that would have taken months and months of discussions, meetings and negotiations involving the Minister, Johnny Reynolds, Jim Ratcliffe and others—I am guessing—to allow them to reach the stage where they made that announcement today.

Paul Greenwood: I do not know what discussions have gone on. I am happy to share what discussions went on between our company—

Q49 **Douglas McAllister:** We might be asking you that, because you have been in discussions with the UK Government since April, have you not?

Paul Greenwood: Yes.

Q50 **Dave Doogan:** I want to explore more widely, Mr Greenwood, the headwinds that you say you are experiencing from the UK's policy environment. Is it the highest energy costs of any developed economy? Is it the green levies that are applied to your industry here? Is it the increase that you have had to sustain on your national insurance contributions for your employees, which are just about to go up again with your pension contributions? Is it the energy profits levy in the North sea? Is it the ban on no new licences within the North sea? Which of these UK policies is problematic for you?

Paul Greenwood: Let me stop and take each one of those in turn. I would say that the national insurance contribution on companies has not been a major factor in this at all. We are clearly an employer of 180 people at the Fife ethylene plant, but it is not the thousands and thousands that other companies have.

If you look at the energy profits levy and the fact that you are not allowed to have any new licences in the North sea, we would clearly be looking for a source of ethane in the future in order to back out the ethane that we currently have, because we are connected through pipelines to the North sea. If you look at that, those things will suggest you are going to drive a rapid decline in the North sea, which means we are very unlikely to get any ethane to support our plant. Clearly, it was built there in order to benefit from the North sea production. Those are clearly factors that we would take into account in terms of a decision to shut the plant.

Clearly, the CO_2 taxes are a major one. Our international competition does not have CO_2 taxes in the way that we do. That is a direct impact to our business and renders us less competitive compared with those international competitors.

Q51 **Chair:** Can I then ask, what are the reasons for the closure of your plant in France and the proposed closure of your plant in Singapore?

Paul Greenwood: Yes. It is the closure of a cracker in Singapore, it is not the closure of a whole plant. Like all corporations, we will look at all the opportunities that we have around the world in order to effectively generate the products that people need, to have the lowest possible CO_2 emissions as we are doing that, and clearly, to make the best returns that we can around the world. Clearly, that is what all corporations aim to do.

As we look around the world, we have turned around and looked in particular at Europe and the UK, and it is a particularly challenging fiscal environment, right? The regulatory environment and the costs that are imposed upon us—the regulatory burden—mean that it is less attractive to invest there than other places around the world. You are seeing us act very rationally, turning around and saying, "I'm going to put less into markets and areas where we are not being incentivised to do so and more into areas where we are."

ExxonMobil is leading the way, for example, in carbon sequestration. We have five, six, seven projects that we have committed to where we will capture CO_2 from a third-party plant, take that CO_2 to the Gulf of Mexico, and sequester it. They are real projects that we are investing in massively in order to help the world reduce its carbon emissions. Those same incentives do not exist for us in the UK in a meaningful way that we can exploit here, so we will do that in the US. CO_2 is a global emission, it does not really matter where you capture it, right? In effect, that is what is happening.

Chair, when you said that we were moving out of that business, that is not true. I understand why you said it, but what is true is we are looking at each asset, as we will continue to do, and turning around and asking, "Where does it make sense for us to invest, and where does it not make sense for us to invest?"

Q52 **Chair:** The plant in France, as I understand it, is an ethylene-producing plant.

Paul Greenwood: Yes, there are multiple plants in France. We had a couple of refineries and a chemical processor, and we have been selling out of that over the past few years.

Q53 **Harriet Cross:** Dave went through quite a lot of where I was going to go, with the policy and economic difficulties. Let us just focus on the energy intensive industries support scheme, which the Government have announced. How would, or might, this help to support your businesses? What else would you like to see the Government do that would genuinely help to bring down either electricity or carbon costs?

Simon Marsh: Forgive me, is this the British industrial competitiveness scheme, the BICS scheme?

Harriet Cross: Is it BICS? I have EII, if that helps, the energy intensive industries scheme. It supports through cutting electricity costs.

Simon Marsh: Yes. Every announcement is welcome, but there are consultations on this and there are delays, and it needs to happen now. That is the problem we have, which Paul has outlined. It is the urgency of these things. That is what we are up against at the moment. There are great long-term visions, but what we need is support right now.

Paul Greenwood: I would add to that the primary energy source that you use in a plant like the Fife ethylene plant is natural gas; the EII is very much focused on electricity. Therefore, there are whole sectors that will look at that, and there will be a very, very small benefit from that regulatory change versus the very significant cost disadvantage we have.

Q54 **Harriet Cross:** Do you think that is a point that is missed more often than it should be in policymaking—that a huge amount of our energy does not come from electricity still, so helping with electricity is not the same as helping with energy bills?

Paul Greenwood: That is exactly right. Clearly, gas prices have gone up because they have had the burden—as you mentioned, Mr Doogan—of levies and those kinds of things that have gone on. In effect, yes, there is a very significant impact that we are clearly feeling, which has driven refineries to the point of closing in the past 12 months, and now there is impact on Fife.

Q55 **Mr MacDonald:** Mr Greenwood, UK Government Ministers have said you assured them that this closure was not due to a lack of action or will on the Government's part, but you have just made a very good case for why it is.

Paul Greenwood: Let me perhaps go through exactly the conversations and discussions that we had. Mr McAllister also mentioned it. We reached out to the Government back in April, and we have had meetings since then with the Secretary of State for DESNZ and the Secretary of State for the Scottish Office, Ian Murray, Douglas Alexander, Peter Kyle, Johnny Reynolds. We have also met Sarah Jones on several occasions. What we wanted to do was turn around and say, "This is the situation in which we find ourselves. We have a plan, which is economically not viable, and we wish to share with you the scale of the challenge that we are facing."

We had a very open, transparent and collaborative discussion, then discussions multiple times with officials, weekly meetings, updating each other on where we were. We explained to them that a very significant amount of change would have to happen on the policy front, in particular looking at CO_2 costs and some way in which, in effect, we could guarantee lower energy prices or lower ethane prices; the price that we were selling our ethylene at just made no sense at all versus the cost that we were having to bear. At no point in time did the Government indicate that they were able to support us. We understood that, and we accepted that, understanding that the Government are in a certain fiscal situation at the moment. That was the outcome of those discussions.

We also in those discussions looked at whether there was a possibility for the Government to help us with investment. We looked at whether to increase the amount of US ethane that would be imported as opposed to North sea ethane. We take a small amount of ethane from the US at the moment, but we are constrained because there is only a certain amount we can take through our jetty. You would need to invest in your jetty, in tanks and in ships to bring the ethane across from the US. We are talking round about £1 billion all in, in order to do that. Clearly, that level of investment for a plant that is making a loss for other reasons is going to be just a bridge too far. There is no way in which that would work.

We even looked at things like other technology solutions, like converting the boilers from gas to electricity. That technology is highly experimental and highly expensive. No, we did not believe there was any way to go there. We looked at a whole range of different options.

But let me come back to the point around US ethane because it is very illustrative of the point that Harriet was making. If you think about that, we take US ethane in now, and they do in INEOS. You have to take an ethane stream in the US, you have to cool it to about minus 100 degrees, ship it all the way across the Atlantic, then take it into Scotland. That is preferable than the ethane that we are producing in the North sea now, in terms of cost. That represents the challenge and the fact that you do not have a level playing field. That is what UK industries in this sector are suffering from.

Q56 **Dave Doogan:** I am just digesting that for a minute. There is a concern that the £1 billion that Mossmorran needs is actually backlog maintenance that should have been getting done anyway, but from your answer just there the £1 billion that could be invested in Mossmorran—if there was a business case for that—is to facilitate the wholesale importation of US ethane via ship. That is where the £1 billion would go. The actual cracker, the production facilities and all the rest of it at Mossmorran is in tip-top shape, good to go, not a problem there at all; your problem is with the affordability of domestic feedstock, versus the accessibility of the volume of US ethane that you would need to keep the plant running.

Paul Greenwood: I would say, and I hope I have laid this out in the past, that there are four things that you need: you need to have a cheap and abundant feedstock of ethane; you need to have a market price of ethylene that supports your business; you need to have an operating cost that is viable; and then you need to have a brilliant workforce, which have the competencies, capabilities and technical drive to make all that work.

As we look at it now, only one of those is in place, which is the workforce. I have the best workforce that I could possibly imagine and hope for. My heart goes out to those individuals. Here I agree with Mr MacGregor, who talked about how there are individuals at the plant who have worked there almost since it was built 40 years ago. There are multiple generations of the same family who work at that plant who are facing a very, very difficult future and some difficult times. We are doing everything that we can to support them and to help them.

But in effect, that is the situation we have: out of the four things that you need to be successful, only one is in place, which is the workforce. The kit itself is fine; there is nothing wrong with that. We have invested £270 million in the Fife ethylene plant over the past five years. That is a very significant amount of money. We have been committed to try to turn this around—we have and the employees have—but it is just not viable given the three things that work against us: the market price, which is nobody’s fault; the fact that we have much, much higher operating costs than international competitors; and the fact that when I look at the North sea, I cannot guarantee I can get the cheap and abundant ethane I need in the future.

Q57 **Douglas McAllister:** Mr Greenwood, as I understand it, ExxonMobil began discussing Mossmorran’s future with the UK Government in April, and you have explained to the Committee the nature of those discussions. The Scottish Government were reportedly not informed until November of this year, according to the Scottish Government. Can I ask, why did your approach to the two Governments differ in this way?

Paul Greenwood: Because the UK Government have the levers that would be required to actually be able to change the cost base of this plant. It is the UK Government who set CO_2 taxation policy, and it is the UK Government who would be able to implement something like a CfD for ethane or something like that that would help us. Clearly, there are lots of entities and people you can go and talk to about this kind of challenge, but we wanted to limit the conversations and have confidential conversations with those entities that were able to support us.

We reached out to the Scottish Government several weeks before we informed the employees. We had meetings with the Deputy First Minister. I found those meetings to be very constructive and very open, and we are now obviously assisting the Scottish Government, and Fife council as it works through its taskforce, to look at how we can support the employees in the future. It was a difficult decision, but you have to be careful about who you talk to because you want to make sure that you are not distracting the employee base, bearing in mind this is an operation that needs to be very, very focused. You want to make sure that those employees hear the actual facts when the decision is made, in the right way.

Q58 **Douglas McAllister:** Was the view formed, therefore, that the discussions had to be with the UK Government because it was about presenting the scale of the challenge, and you saw that the discussion should be about Government policy? What about a just transition plan, then, either presenting that to the UK Government over the six months or to the Scottish Government, who made announcements about a just transition plan for Mossmorran?

Paul Greenwood: We have been in touch with the Scottish Government I think going back to 2024 about the just transition plan. We continue to clearly work that with them, and now we will continue to work that because we are going through a transition. Clearly, we have been very open with the Government around the critical thing about the transition, which is if you continue to have policies that undermine energy intensive industries, then you are going to be transitioning very quickly, and you are going to do it in a way that is not controlled, and you are going to have significant loss of employment through that process. We have been extremely clear with the Government around that, and extremely clear with the Government about all our sites in the UK, about the policy that is hurting those sites and how we need to make sure that we are focusing on supporting those sites and not hurting them.

Q59 **Douglas McAllister:** Were you part of the co-development of the just transition plan for Mossmorran that the Scottish Government announced in April 2024?

Paul Greenwood: Yes. We were talking with the Scottish Government at that time around just transition plans.

Q60 **Douglas McAllister:** Was a just transition plan produced?

Paul Greenwood: You would have to talk to the Scottish Government about exactly where they are in terms of that just transition plan.

Q61 **Douglas McAllister:** You were part of those discussions?

Paul Greenwood: Yes, they are still ongoing.

Q62 **Douglas McAllister:** The Cabinet Secretary, who was then Màiri McAllan, announced in April 2024 that they were working on that, and it would be co-produced, presumably with you. Well, that was a year and a half ago.

Paul Greenwood: Yes, but it is the Scottish Government who are leading that process.

Q63 **Douglas McAllister:** I want to know what is happening with it, because they have been working with you since April 2024.

Paul Greenwood: Yes, and we are continuing to work with them, and we are continuing to work that through. If you wish to get more of an update from the Scottish Government—

Q64 **Douglas McAllister:** Can you tell the Committee this morning what is happening with it?

Paul Greenwood: Well, what is happening with that is we are continuing to work with them.

Q65 **Douglas McAllister:** What does that mean?

Paul Greenwood: It means that we are having discussions with them around how they can help our employees and help others who need to go down a path where we are going to have to reduce emissions. Clearly, it is a very challenging thing to do.

Q66 **Douglas McAllister:** This is a plan specifically about Mossmorran that you have been working on for a year and a half.

Paul Greenwood: Yes.

Q67 **Douglas McAllister:** When will it be produced then?

Paul Greenwood: You have to ask the Scottish Government that.

Q68 **Douglas McAllister:** Do you have any idea?

Paul Greenwood: No, I do not have any idea.

Q69 **Douglas McAllister:** No idea at all?

Paul Greenwood: You have to ask the Scottish Government that.

Q70 **Douglas McAllister:** So it is not really being co-produced then, is it?

Paul Greenwood: Well, no, we are collaborating with them, but they, in effect, own the pen of that just transition plan, and that is something you will have to ask them. I cannot speak on behalf of the Scottish Government.

Q71 **Susan Murray:** Mr Greenwood, what alternative uses for the site have you investigated?

Paul Greenwood: Clearly, as an industrial site, it has some advantages. Those advantages are it has very good power connections, it clearly has pipeline connections, and as we have been through the process of marketing the site, we have had entities come forward and talk about what interest they may have in the site. There was absolutely nobody who was able to take on the site as a going concern as an ethylene production plant. We spent a long period of time looking at that potential.

What is left therefore needs to be worked out in terms of post cessation of operations, as you go through the process of demolishing and cleaning up the land—what purpose could we use for that? We are open to discussions on that. With the benefit of Fife council, the Scottish Government, the UK Government, and everybody else involved in the taskforce, we look forward to going through those options to understand how people could use this land. What would those options be? We are very happy to be part of that taskforce process and very happy to be included in that, so we can work out what the best options are.

Q72 **Susan Murray:** In your opinion, what is the reason for you not being able to find a buyer, or somebody who can see a viable use for the site going forward?

Paul Greenwood: It is exactly because of the reasons I have laid out, which are that you have a very high-cost base, you have a very low market price, and you have a regulatory framework that is, in effect, undermining the capability to be profitable. It is in no way surprising, given that we have, in effect, lost £300 million operating this site for the past five years, that there is nobody else who wishes to come and buy it. That would seem to me to be completely consistent and rational.

Q73 **Harriet Cross**: Briefly, if another buyer, or user, were to be found who could use the existing infrastructure but, for example, there was a need for timescales or Government feasibility funding, what sort of timescales do you either need or want to work to, or would you be pretty open if there were to be potential to find someone to come in?

Paul Greenwood: It is a very good question. The most important thing is around the cessation of operations. There is nobody who wishes to run this as an ethylene plant, nobody who sees that as being economically viable, therefore we will shut this plant, and we will do that in February. You then have a period, which can be up to about two years, to demolish the site and return the land back to a greenfield basis.

During all that period, if there is anybody who wishes to come and talk to us and the taskforce about whatever it may be, about potential use of that site, potential ways in which they can take over ownership of that and do something, then we are open to all that. I do not have anything to talk about now. There is no concrete offer that has been put in place, but clearly, we—along with everybody else—would like to see this site continue, be valuable, and provide economic value to the community.

Again, I would like to talk about my employees, just a little: 40 years is a long time. They are part of the fabric of society; this site is part of the fabric of society. We really wish to do everything that we can to, first, be very transparent with those employees and, secondly, to support them as they either take up opportunities within other ExxonMobil sites—we have made it very clear that there are other opportunities that people could take up and we really hope they do—or transition to other employers. I would say if there are any employees out there, I would really urge them to think very seriously about ExxonMobil employees. They are the best of the best, and they would do very well to offer employment to our folks, and clearly, a lot of them are going to be available from spring of next year onwards.

Q74 **Chair:** Mr Greenwood, in our previous panel, Mr MacGregor seemed to have some doubts as to whether ExxonMobil had been actively marketing Mossmorran for sale. Now, I do not expect that you put a notice in the local real estate office, but can you assure the Committee, just to clarify that point, that you have been actively looking for a buyer?

Paul Greenwood: Yes. We have had informal and formal processes. There was a process where we were advised by investment banks, as well as obviously understanding the market and the entities in it. We worked that for multiple months. We did not find anybody who was able to make us a viable offer of taking it over. We would obviously sell the plant if we could; it is clearly a much better option for everybody involved, including us, than shutting the plant down. We worked that extremely hard. It is disappointing to hear that people are casting aspersions on that just because they are not involved in that process; clearly, it does not mean it has not happened. It is not normal that you would ever include anybody in that process. It is a private, confidential matter.

Q75 **Dave Doogan:** Not to cast aspersions, Mr Greenwood, but we know to our cost at Mossmorran that the ethylene market is a global market, and you are going to remain in that global market. Just from pure business terms, if you have reduced the global capacity by closing Mossmorran, is that not advantageous to the rest of your output globally from your other sites?

Paul Greenwood: That was not a factor in our conversation at all. The discussion was that we actively sought a buyer, and there was no buyer available.

Q76 **Chair:** Mr Greenwood, media reports suggest some 400 job losses as a result of the decision. Is that an accurate figure? When will we start seeing those job losses coming through?

Paul Greenwood: Yes. There are 180 ExxonMobil employees at the site—179 exactly—and there are around about 250 contractors who are pretty much permanently employed with the site activities. We are clearly going through the consultation process now, but our objective is to cease operations at the plant in February. We have the ongoing demolition work, so there will be some employees who would be retained for a period of time in order to carry out that work, which would take place over a couple of years. We imagine something north of 100 people—around 110 people—would, in effect, be made redundant within the spring timeframe, and then the rest within two years after that. That is of our 180 employees.

Q77 **Chair:** The remaining number to make up the 400 would be contractors?

Paul Greenwood: That is of the 180. It is 110 out of our 180, and we will then retain 60 or 70 of those folks to go through and complete the demolition work over a couple of years. Regarding the contractors, we would have to talk to the contracted companies because they may well have the ability to move those contractors to other places. I do not know.

Q78 **Chair:** What support packages and redundancy are you offering to workers?

Paul Greenwood: It is a very attractive redundancy package. It is very significantly above statutory. That is the policy that we have had in place as we have been forced to make people redundant in Surrey as well, where we shut an office down for similar reasons around the economic climate. It is a very significant package. We also have incremental support for training and those kinds of things.

Q79 **Chair:** Could you elaborate a little more on the training angle?

Paul Greenwood: Yes, there is around about £2,000—I think it is just north of that; £2,500 per person—that we are giving to support them to carry on and get some training support.

Q80 **Chair:** Are you co-operating with the taskforce to try to make this as painless as something like this can ever be?

Paul Greenwood: Yes, absolutely. We have been very open and clearly making ourselves available for all those taskforce meetings and processes.

Q81 **Dave Doogan:** Mr Greenwood, I thought it was a slip of the tongue when somebody said you were restoring it to a greenfield site rather than a brownfield site. That is obviously hugely expensive, and while green fields are lovely, they do not offer employment, and I do not suppose anybody is going to want to live on top of what was Mossmorran going forward.

I do not know if you are familiar with the way that Michelin vacated its site in Dundee, where it created essentially an employment opportunity a million miles away from making tyres, and all its tyre manufacturing equipment was removed to somewhere else. Nevertheless, there are employment opportunities that are going to be put to good use in that site in Dundee.

I am sorry—I am not familiar with Mossmorran's intimate architecture, but I am sure there are generic-type economic buildings on the site that may be useful for incubator units or something else, if we get to the position where the site is closed, which it sounds likely that we will. Has it been considered whether the greenfield option, which is obviously going to be hugely expensive for Exxon—I salute your responsibility to the environment—is actually the right thing to do?

Paul Greenwood: We are open to any suggestions as we go through, and that is clearly a role that the taskforce is going to play. If there are entities—be that the Scottish Government, the UK Government or anybody—that are able to turn around and say, "Actually we might like to use the land in order to do this or that," then we would absolutely be open to those discussions and be happy to partake in them. We have no particular strategic desire to make this greenfield, brownfield or whatever. We want to focus on what is going to provide the most value for the community, jobs and those kinds of things. We are clearly open to suggestions.

Q82 **Chair:** Just to follow up on Mr Doogan's point, would that include remediation of the land if that were necessary?

Paul Greenwood: Yes.

Q83 **Harriet Cross:** This is directed to either or both witnesses, so it is up to you who goes first. The UK Government say that they are committed to a fair, just, orderly transition. The way they are going about it might be more up for discussion, but what is your assessment of how this is progressing? Then if we look away from the firm policy side and more to the narrative side, and the sentiment that the Government are giving both your sectors—all your industries—how is this actually feeding through to decision-making on the ground, and business decisions?

Simon Marsh: Again, the intention is absolutely right. Everybody gets that. The narrative, the dialogue, it is what we want to see, but as I was saying earlier on the EII question, the problem is that things are needed urgently. We have just heard fantastically explained a timeline of things that happen and business decisions. In Scotland, you still have a high-value sector: £3 billion gross value added, strong R&D, major players like

INEOS, GlaxoSmithKline and Syngenta. I know INEOS is getting the news at the moment. We have others. We have just lost the real jewel in the crown, ExxonMobil, in among that.

Now, we can go on for ever doing these things and talking about these things, but before we get there, we need this urgent policy help. We have operating costs at the moment that are adding—forgive me, I have the number here—billions now to the cost of businesses across the country. We do not need those, because the global companies do not have those in other sites, and they are competing for investment.

Sorry, I am avoiding the question, but they are competing for investment with other countries. Nobody is saying we have to lower our standards. It is not about that. It is about saying, "Right, we want to get there, just transition sounds great, but before we do, can we just have a look at the operational costs that have been placed on businesses?" Let me give you an example: UK ETS, the emissions trading scheme, has generated £3.5 billion in revenue for the UK Government in 2024 alone, yet there is no support scheme, just transition or otherwise, that recognises a green premium to decarbonise, leaving no clear energy or decarbonisation plan. That would be my view on what has happened—our view as a sector.

Harriet Cross: It is just not joined up.

Simon Marsh: No, it is not.

Paul Greenwood: Let me give you another example: if I move to the refining sector, clearly Scotland has lost Grangemouth as a refinery already, but we have a very large refinery petrochemical complex on the south coast. We have been extremely clear with the Government that it is a massive disappointment that the refining sector is not included in CBAM, the carbon border adjustment mechanism.

Let me take a quick minute to explain what that is. As Simon laid out, we have very, very burdensome CO_2 taxes imposed upon us; our international competition does not. The UK is importing diesel, jet fuel and lots of different products. Those are generally coming from the US, India and Saudi Arabia—from places where they have no CO_2 tax at all. Our competitors do not have that cost; we do. They are bringing those products into the UK, which the UK needs because, clearly, we need diesel, gasoline and jet fuel. We have had two refineries shut, which means that those jobs and the value that was created making those products here in the UK have gone.

One of the justifications for CO_2 tax is that you wish to mitigate CO_2 emissions, but clearly you do not know what the CO_2 emissions are of the production of gasoline, diesel and jet fuel in Saudi Arabia, India and the US. They are still clearly emitting. They are also emitting incremental CO_2 because they have to ship those products over here. On net, what the UK is doing by not having the refining sector in the carbon border adjustment mechanism—CBAM—is turning around and saying, "We're okay to put a burden on UK refineries that may lead to them shutting, and that may lead to higher emissions." That is where we are.

The Government have realised that that is the wrong pathway. Here is where my frustration is, and I am sure it is for Simon too: it is just slow. It is slow for people to turn around and say, "Okay, we recognise that this is wrong; we need to do something about it." It is just taking far too long to turn around and say, "You need to accept that refining needs to be in the carbon border adjustment mechanism, or you risk losing even more refineries in the UK, and that is something that will be enormously damaging to the UK."

Q84 **Harriet Cross:** It is really interesting because time is precious. Time in business is money, but it is also jobs, opportunity and forgone investment, which will go overseas if we do not have any certainty here. That seems to be what we are losing time and again—someone just grasping an opportunity and making a decision, and not worrying too much about what the optics of it are, or how it fits into the wider message, as far as this is what an industry is very clearly, bluntly saying is needed. This is the evidence for it. There is very little saying this should not happen, but why are we waiting so long in order to make that decision, to a point where quite often the terminal decision has already been made, so we are then playing catch-up?

What you are both saying is a lot of it comes back to how we account otherwise for carbon leakage. In effect, your businesses are paying the cost via a carbon tax in order to ignore that carbon leakage. That is something else that we need to make sure that we are accounting for properly in all this.

Chair: Was that a question?

Harriet Cross: It was more, is that a correct understanding of what is being said?

Simon Marsh: I will just give an example of that. According to DEFRA and its own figures, between 1996 and 2022 emissions related to UK production reduced from 407 to 211 MTE. That is almost halved, while emissions related to imports increased from 259 to 404 MTE. We are achieving decarbonisation through deindustrialisation, and that is our concern. Nobody is saying, "We don't want to do this." We want to do it, but there has to be a recognition of the impacts because in a year's time or even less, we could be sitting here—if you have us back, that is—alongside another company that is giving the story. That is what our worry is.

Q85 **Mr MacDonald:** Can I just clarify? I am sorry—I will not get the terminology right because I do not quite understand it, but if we take gas into St Fergus from the North sea, we pay CO_2 tax. What is it called? It is not called CO_2 tax.

Paul Greenwood: Do you mean ETS?

Mr MacDonald: Yes, sorry. But if we take gas via Norway into Britain, that tax is not chargeable. Is that right?

Paul Greenwood: No. The tax is at the point of combustion, in effect. Wherever we will take natural gas from, anything you combust, you will pay a CO_2 tax on that. The issue with the North sea is the EPL, the energy profits levy, which is, in effect, incremental tax, which was originally put on—not by this Administration but the previous Administration—due to windfall profits because of the Russian invasion of Ukraine, when prices spiked. It is interesting to note that that EPL is still in place in the UK, despite the fact that crude is now below $60. In real terms, that is a very low crude price, and justifying a windfall profit tax on that seems extremely bizarre.

There were windfall profit taxes put in place across Europe at the same time that we did it in the UK. None of those exist any more. They were for a short duration of time and were meant to actually hit the windfall. This is now a permanent tax, which has been placed on a basin that is mature, it is absolutely not profitable, and it has basically killed any investment in that sector dead.

Q86 **Dave Doogan:** Mr Marsh, I want to get back to a comment you made a second ago about how we are achieving decarbonisation by deindustrialisation. It is very apposite to have made that observation. I would expect in your line of work that is what you would do. Should the alarm bells in the Department for Energy Security and Net Zero and the Treasury now be ringing off the walls after Grangemouth, and of course Lindsey in England? I am guessing in terms of scale, compared with the other four huge refineries in England, they were the smaller, more vulnerable ones, but they are the indication of what is coming down the track as the move to importing fuel rather than crude accelerates. Is that a reasonable assessment I am making?

Simon Marsh: Yes, 100%. We have been making these noises to Government as well as businesses on their own.

Q87 **Dave Doogan:** Is anyone listening?

Simon Marsh: Well, that is for them. We are not seeing any change in policy, but we are currently paying £1.35 billion in environmental taxes, which is not happening in other parts of the world. We have been saying to this Administration and to its predecessors for a long time, "If you go down this route, this is what's going to happen." Those bells must have had hundreds of battery replacements because of the activity. People are increasingly understanding it, as Paul said, but whether they are now doing anything quickly enough is—

Paul Greenwood: If I can add, they are understanding that the situation is becoming critical. They are also understanding that they do not wish to lose any more refineries. However, some policies that are a massive burden on the refining sector are still there. If you want to compare the chemicals of the ethylene business with the refinery, there is one very clear difference, which is the refinery crack, which means that the margin between the price of crude and the price of gasoline and diesel that you sell is actually quite healthy. The market is quite supportive of refining at the moment.

It is interesting to note that in that environment, however, we still had some refineries that became insolvent, right? It is normal in commodity cycles. What you want is to have companies with strong balance sheets, really good sites and good technical capability, to be able to ride through a commodity cycle, live with the ups and live with the downs, and survive through that period. The way in which you do that is by having a policy environment that is supportive. My worry is that the Government need to really move on and do things like put refining in CBAM, before you end up in a situation where the market is actually challenging and you end up with problems, right?

It is really important to go back and remember 2022—I am sure you do—back in the September timeframe, when we had a massive fuel issue, actually predominantly caused by a lack of tanker drivers. I certainly remember what it was like when the fuel ran out in petrol stations around the UK because you had panic buying; it cleared out. Our industry was the No. 1 item on the news night after night for weeks and months. It is critical national infrastructure or critical projects that allow people to get to work and get their kids to school, for hospitals to run, and so on. That is infrastructure that we wish to maintain in the UK.

Q88 **Dave Doogan:** I know you are obviously not INEOS and you will not speak for PetroINEOS, but that CBAM issue you are talking about, was that a material consideration for the owners of Grangemouth as they tried to reconcile their operating costs versus their revenue stream? CBAM must have been a central element of that.

Paul Greenwood: Yes. The chemicals sector is not in CBAM, and therefore this is a way in which competitors do not have the CO_2 costs that we do, and they can compete in our markets, directly competing against us when we have those costs. I certainly cannot speak for INEOS, but there is no doubt it has that cost as well.

Q89 **Chair:** Yes, it is interesting, Mr Greenwood, that notwithstanding that they have the same tax regime and the same environmental levies, there seems to be a way forward for part of INEOS's plan for Grangemouth now.

Paul Greenwood: I do not know the details behind that negotiation. What I know is the conversations we had with the Government. We were very clear around the challenges that we had. We were very clear around the kind of policy change and support that would be required to maintain operations at Fife, and it was decided that was not going to be forthcoming. That is what I know.

I also know what I read in the papers today around the investment in Grangemouth. I would say the scale of that is certainly not the level of support that we would have needed at Fife, but I am personally very pleased that some jobs are going to be saved in Grangemouth. What I would have liked is not to have short-term bailouts and those kinds of things, but actually a policy framework that is supportive of these industries because that is how you get growth. You get growth by companies turning around and saying, "I can work in this environment. I can manage the market ups and downs. I am happy to invest in this space." When all you can do is really go through regulatory burden that is going to undermine that capability, then clearly it is a very challenging environment to invest in.

Chair: Clearly, INEOS has decided to invest.

Q90 **Douglas McAllister:** The line you seem to be adopting this morning very much is that this is all the UK Government's fault in relation to their policy, rather than any bad decisions on the part of ExxonMobil. I have noticed that you said that you invested up to £270 million of capital on the site, but you are still operating at a loss of £300 million. Can I ask you what ExxonMobil's UK overall profits were this year? Not Mossmorran, your overall profits this year?

Paul Greenwood: We have not published our profits for this year, but last year—

Douglas McAllister: Last year's then, sorry.

Paul Greenwood: Last year we made a loss.

Q91 **Douglas McAllister:** Sorry, what was the figure last year?

Paul Greenwood: Oh, I do not have that figure off the top of my head.

Q92 **Douglas McAllister:** You do not have the figure?

Paul Greenwood: No, I do not have that figure off the top of my head.

Q93 **Douglas McAllister:** What is your position at ExxonMobil?

Paul Greenwood: I am the UK chair of ExxonMobil.

Q94 **Douglas McAllister:** You are the UK chair, and you cannot give me the figure?

Paul Greenwood: I do not have that figure off the top of my head now.

Q95 **Douglas McAllister:** You do not have the figure for last year?

Paul Greenwood: No, because I am here talking about the Fife ethylene plant and the fact that we closed it, and you have clearly tried to find an area that I am not able to answer. I am sorry, we are obviously happy to provide that information, but no, I do not have that information off the top of my head. I do not want to mislead this Committee in any way at all.

Q96 **Douglas McAllister:** No, no, okay. I just wondered what the profit margins were over the last few years across ExxonMobil that would allow you to maintain operations at the Mossmorran site, given the fact that you spoke very well about how good the workers are there and the jobs that you want to save. Surely, some profits could be used for saving it and postponing that decision, particularly given the fact that Christmas is coming up. You are on the board. I imagine that you and the board are extremely well paid, as are all the top executives across ExxonMobil. Surely, it is not just about UK Government policy. Surely, you as a company can do more to save that site at Mossmorran.

Paul Greenwood: Let me answer that piece by piece. First, I dispute what you are saying in several ways. I have made it absolutely clear it is not just about Government policy; it is about the market environment in which we are working and Government policy. If you wish industry to be successful, you need to make sure you have the policy in place in order for it to be successful. That is clearly the message that I have gone over today.

Secondly, in terms of the ExxonMobil Corporation supporting the Fife ethylene plant, I would turn around and quite simply say that £300 million of losses over the past five years, while investing £270 million in that site, is an incredible commitment towards that plant and an incredible support of the employees. I would say that the employees have stepped up and should be incredibly proud of what they have done for that period of time to actually try to be successful.

Let us talk about the future. What I know about the future, Mr McAllister, is that this Government have a tax in place that means we will be spending more in CO_2 taxes over the future years, not less. That is a significant policy hurdle that has impacted our business.

Q97 **Douglas McAllister:** Yes. You are the UK chair of that business, and you cannot tell us anything about your figures, but you can talk about the UK Government policy and figures.

Paul Greenwood: I can, but what I cannot give you is the exact number that we earned last year, no, because I do not have that number to mind. I am sorry—there are lots of numbers that I do not necessarily have in my mind.

Douglas McAllister: I find that extraordinary.

Paul Greenwood: I find it extraordinary that it is a matter of significant concern for you.

Q98 **Chair:** Well, that is for Members to decide whether it is of significant concern. Obviously, Mr McAllister thinks it is. Mr Greenwood, I am not sure whether it is the global figure you are not aware of or whether it is the UK figure you are not aware of?

Paul Greenwood: I am being asked about the UK figure.

Q99 **Douglas McAllister:** You can give us both if you want.

Paul Greenwood: Yes, it is around $30 billion that we made globally last year.

Chair: It is $33 billion, I believe, and I think $36 billion went to shareholders, just for the record.

Q100 **Susan Murray:** I was really interested to hear you say that when we close our refineries, the imports that we bring in are going to have higher emissions associated with them. You have clearly laid out your view of the policies and the necessary requirements to keep operating in the UK compared with other countries. If there had been a different outcome from your discussions with Government, would your policy internally in the company have been to invest more in sequestration in the UK? You mentioned that you do sequestration in, I think you said the Gulf of Mexico, for American or US production. Before you got to the position where CBAM and the EPL and things were impacting profits, would increasing carbon sequestration have been part of the plans?

Paul Greenwood: They are very different things. Clearly, whether we had received policy change to do with the Fife ethylene plant would not necessarily have led to any sequestration. They are completely separate. But let me talk to you about a significant project that we worked hard related to our petro refinery complex down on the south coast. This was called the Solent Cluster. It was a potential investment of around $5 billion, which would have created a hydrogen plant, and would therefore have backed out the consumption of natural gas at the refinery and placed it with hydrogen in our individual boilers. It would have had a carbon capture and storage projects with sequestration point within the English channel, actually in the Solent. We were also going to then make some sustainable aviation fuel from waste.

In effect, we have put that project down, and we will not be progressing it because there is no track three—there is no pathway forwards that the Government are laying out to be able to support that investment carrying on. That was something that we looked at very hard in the UK, but the policy environment, the fiscal environment was just not there to be able to support that level of investment.

Q101 **Susan Murray:** What you are saying is that we are potentially missing an opportunity to lower global carbon emissions by some Government policy that is in operation at the moment.

Paul Greenwood: There is no doubt that where policy is in place that can support these investments, you will see individual companies doing it. ExxonMobil is one of those companies in the US that is moving forward and sequestering CO_2.

Q102 **Chair:** Mr Greenwood, just for the record because I do not think we actually asked you this, which is remiss of us: when did ExxonMobil take the decision to close the factory at Mossmorran?

Paul Greenwood: We obviously were considering this for a long period of time, and the actual board decision was made a few days before we communicated that to the employees.

Q103 **Chair:** When did you begin to look at it?

Paul Greenwood: Well, obviously before we started engaging with the Government back in April of this year.

Q104 **Chair:** Right, okay, so some time earlier in the year.

Paul Greenwood: Yes.

Chair: Okay, that is lovely. Thank you both very much for your evidence this morning. It has been helpful to us. Thank you very much for your time and for being with us today. We are grateful.