

Grangemouth refinery in Scotland to close, with hundreds of jobs lost

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Petrochemical company Petroineos has confirmed its long-telegraphed plan to close the century-old Grangemouth oil refining operation. The move threatens 400 workers' jobs, over 80 percent of the current workforce, by early next year.

Workers in Scotland are posed with taking the struggle to defend their livelihoods out of the hands of the trade union apparatus, official and government bodies claiming to represent their interests.

Petroineos first announced its proposal to close down all processing operations and convert the site to an import depot for petrol, aviation fuel, kerosene and liquid petroleum gas, last year. Only 100 jobs will be retained by Petroineos, which is a joint venture run by PetroChina and UK based Ineos.

PetroChina is the world's fourth largest oil company, 80 percent owned by the state-owned China National Petroleum Corporation, and one of the world's largest and wealthiest corporations. It employs around 376,000 workers worldwide. Ineos, whose CEO is billionaire Jim Ratcliffe, employs 26,000 workers in 171 sites worldwide, many of which are joint operations with other companies.

Petroineos also owns the Lavera refinery near Marseilles, France, employing around 675 workers. Lavera is a site of similar vintage to Grangemouth, although the company appears for the moment to be committed to keeping the Lavera site open while parent company Ineos is investing in large operations nearby. Ineos is also investing hugely in a new ethane cracker facility, Project One, near its base in Antwerp, Belgium, hailed as the largest new petrochemical plant in Europe in the last 30 years.

The Grangemouth decision comes only a few years after Petroineos was handed a huge government loan package during the Covid-19 pandemic. At the time, Petroineos insisted the site was a "viable long-term business", while it shut down two smaller refining process at the cost of 200 jobs. Petroineos have clearly concluded that, in a global oil industry with nearly 700 refineries, many of which have much larger capacity than Grangemouth, and faced with the huge instabilities and price swings endemic in the industry,

the aging, investment-deprived Scottish facility is not making enough money for the shareholders.

The town of Grangemouth is a product of the earliest days of the industrial revolution, founded at the eastern end of the Forth and Clyde Canal as accommodation for workers digging out the canal. The port grew over the 19th century with the rapid industrial expansion in Scotland as a port for iron-based commodities exported worldwide. Oil refining was initiated in 1924 by the Anglo-Persian Oil Company, later BP, processing oil imported from the Middle East.

Over the decades, a complex of petrochemical manufacturing and processing operations developed around the refinery. These survived the closure and destruction of most of Scotland's industrial base since the 1970s, including the BMC commercial vehicle factory in nearby Bathgate, closed in 1986, and Motorola's plant in neighbouring Livingston which was shuttered in 2001. Grangemouth remains a highly concentrated location of industrial workers.

The closure will impact on what remains of the Grangemouth petrochemical complex which hosts a range of processing and storage operations and employs some 2,000 workers. It will also impact local small businesses who depend on wages from refinery workers for much of their trade.

The refinery currently produces most of the aviation fuel and much of the petrol and diesel used in Scotland, the North of England and Northern Ireland. Up to 150,000 barrels of crude oil, pumped from the North Sea via the Forties Pipeline System or from the Finnart Ocean Terminal on Loch Long 60 miles away, can be processed. Grangemouth is one of only six major oil refineries in the UK and the only one in Scotland.

Grangemouth workers, particularly in alliance with colleagues across the industry, have the potential industrial strength to bring transport and aviation to a rapid standstill across much of the UK and beyond in a fight to defend their jobs.

In 2008, 1,200 Grangemouth workers struck, with 98 percent support, against Ineos' decision to slash payments to

the final salary company pension scheme inherited when the refinery was bought from BP in 2005. Unable to entirely prevent the strike, Unite the Union limited action to two days and gave the company plenty of time to minimise the impact to fuel supplies. Even so, the strike, the first in 73 years, led to closure of the undersea pipe system feeding oil from the North Sea to the UK, and to a spike in world oil prices.

Ineos, rather than the unions, escalated the dispute to press for government action against refinery workers, but was forced to back down in the face of panic buying of petrol and widespread support for the striking workers.

In 2013, following an 81 percent strike vote, workers struck in defence of union convenor Stephen Deans, and in opposition to further attacks on pension rights. In the face of Ineos' threat to wreck the plant via a "cold shutdown", Unite officials backed down and allowed the plant to re-open on Ineos' terms which included a pay freeze and the end of the final salary scheme.

Then Unite leader, Len McCluskey said, "We have to say to the company that the survival plan is something we are prepared to embrace and go along with" and got the backing of the Scottish government, then led by Alex Salmond, and the UK government under Tory leader David Cameron. Unite imposed a three-year strike ban.

Eleven years of trade union alliance with Ineos management has resulted in the entire refinery facing closure. Preventing workers' taking meaningful action in defence of their livelihoods is viewed as critical by the UK Labour and devolved Scottish National Party governments and their allies in the trade union apparatus.

After calibrated expressions of outrage and threats to the Scottish and UK governments, the trade unions have made clear they will do nothing to defend Grangemouth workers.

Derek Thomson, Unite Scottish Secretary, postured, "The sole objective for Unite remains that the jobs at the refinery and thousands more in the supply chain are protected by any means." Any means except the mobilisation of the working class. Unite have not called a strike vote, nor even a time-wasting consultative vote for fear of revealing an overwhelming willingness to fight.

Unite General Secretary Sharon Graham complained that "this dedicated workforce has been let down by PetroIneos and by the politicians in Westminster and Holyrood who have failed to guarantee production until alternative jobs are in place." She continued by absurdly suggesting the Labour government might help workers: "This is now the last chance for this Labour government to show whether it's really on the side of workers and communities. The road to net zero cannot be paid for with workers' jobs."

Unite, the GMB union and the Scottish TUC have joined

the Grangemouth Future Industry Board which comprises the Scottish and UK governments, enterprise boards and local authorities, Ineos, PetroIneos and other Grangemouth petrochemical and distribution employers. The group's purpose appears to be to cover the closure of the refinery in greenwash about a "just transition" to "net zero".

The same day as the closure was confirmed, the Scottish and UK governments announced a £100 million Falkirk and Grangemouth Growth Deal. Billed as offering support for "the community and its workers", the package appears to offer handouts to locally based energy companies, potentially including PetroIneos, if they can come up with a "sustainable" investment project.

Projects include a proposed "bioeconomy plant" using waste from whisky and food production, low-carbon hydrogen production and "sustainable" aviation fuels. Tax breaks for what might become a corporate bonanza if any of these schemes come to fruition are available through the "Forth Green Freeport" which incorporates Grangemouth, also a container port, Leith and Burntisland.

Workers, on the other hand, will get "career support" and "tailored advice"—euphemisms for drilling them into taking whatever low-paying jobs are on offer.

No illusions should be placed in the pro-company trade unions whether or not they adhere to "net zero" targets. Nor should workers accept their jobs and living standards being destroyed in pursuit of the utopia of a capitalist-controlled transition to sustainable production. Capitalism is based in the nation state and on the maximisation of private profit, regardless of the social and environmental cost. It is incapable of the urgently necessary, globally organised, democratically discussed and scientifically verified planning necessary to stabilise the planetary climate.

Independent rank-and-file committees are required in every workplace, including those at Grangemouth. These must fight to link the day-to-day struggle in defence of workers' rights, wages and condition—based on the broadest possible mobilisation of workers in the energy industry, the local community and internationally—with the struggle for world socialism. Contact the SEP today to open a discussion on these urgent questions.



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