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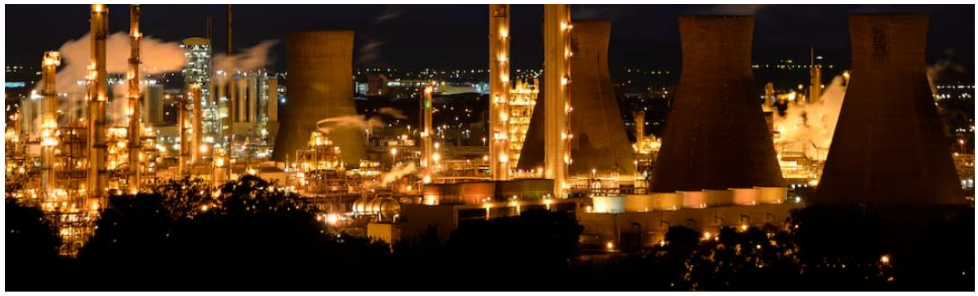
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Crude processing ends at Scotland's Grangemouth oil refinery, redundancies start

By **Robert Harvey**

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A general view of the Grangemouth oil refinery in east Scotland October 23, 2013. REUTERS/Russell Cheyne/File Photo Purchase Licensing Rights

LONDON, April 29 (Reuters) - Scotland's only oil refinery ceased crude oil processing as of Tuesday, operator Petroineos said in a statement, as the site transitions to an import terminal.

Petroineos - a joint venture between Ineos, founded by British billionaire Jim Ratcliffe, and Chinese state-owned PetroChina - confirmed in September that the Grangemouth refinery would stop production in the second quarter of 2025.

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"From today, we will be importing all the products necessary to meet Scotland's demand for transport fuels," said Iain Hardie, region head of legal and external affairs at Petroineos, adding that the firm had invested 50 million pounds ($67.06 million) in the transition to an import terminal.

Petroineos said it was closing the refinery because it was losing around $500,000 per day and had become uncompetitive against larger and more modern sites in the Middle East, Africa and Asia. Grangemouth was Britain's oldest oil refinery.

The closure comes against a backdrop of falling refining capacity in Europe as firms look to close or convert oil refining assets. Shell (SHEL.L) is also shutting down its German Wesseling refinery this year.

The first wave of redundancies at Grangemouth has begun, the Unite union said. As part of the closure, the number of employees at Grangemouth was set to drop from 475 to just 75, Petroineos said in September.

"Highly skilled, well-paid workers are being thrown on an industrial scrapheap," said Unite's General Secretary Sharon Graham.

"Our colleagues have shown incredible commitment, dignity and resilience during months of uncertainty regarding the future of this facility, through the consultation period, phased shutdown and the start of refinery decommissioning," Petroineos' Hardie said.

The UK government had set aside 200 million pounds ($268.2 million) and conducted a study into exploring a longer-term, low-carbon future for Grangemouth, though Unite said it did not do enough to protect jobs at the refinery near-term.

The Grangemouth refinery mainly processed crude oil from the North Sea, to which it is connected via the Forties Pipeline System.

It also imports seaborne crude oil to the Finnart terminal, where the final shipment arrived on March 7 from Algeria, according to global real-time data and analytics provider Kpler.

($1 = 0.7457 pounds)

Reporting by Robert Harvey; Editing by Emelia Sithole-Matarise, David Evans and Jan Harvey