



ExxonMobil


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ExxonMobil to shut chemicals plant in Fife with loss of up to 450 jobs

US oil firm blames UK government policy and supply costs for closure of site near Cowdenbeath

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ExxonMobil is to close a chemicals plant in Scotland that employs hundreds of workers within months, blaming the decision on the UK government's "economic and policy environment".

Workers at Fife Ethylene Plant were told on Tuesday that the oil company would shut the 40-year-old facility near Cowdenbeath by February next year owing to the difficult policy and market conditions in the UK.

About 200 workers and 250 contractors were told that talks between the company and Westminster had failed to secure a lifeline for the plant because it lacked a "competitive future".

In a statement, Exxon said it had "tested the market" for a potential buyer, but said the UK's "current economic and policy environment combined with market conditions, high supply costs and plant efficiency" meant it had been unable to secure the site's future.

The company also accused the government of creating a policy environment that was "accelerating the exit of vital industries, domestic manufacturing and the high-value jobs they provide".

The UK government said officials had "explored every reasonable avenue to support the site" but that Exxon faced "significant global challenges".

In an emergency statement to the House of Commons on Tuesday night, the industry minister, Chris McDonald, said: "This decision is of course extremely worrying news for those employed by Exxon as well as contractors who work at the plant.

“This afternoon I spoke with Paul Greenwood, the chair of Exxon. He assured me that Exxon are not suggesting that this closure was due to a lack of action or will on behalf of the government. It was a commercial decision made where the numbers simply didn’t add up.”

An estimated £1bn of investment was needed to make the ageing plant commercially viable, McDonald said. Despite regular meetings between Exxon and the government since August, the support required was deemed too great.

“We have stepped in to support businesses in the steel, shipbuilding and chemicals industries,” McDonald said. “But in all cases there was a sound business proposition underpinning our investment and sadly here this was not the case.”

He said Exxon had reassured him that workers would be supported to find other jobs, including at the company’s Fawley refinery in Southampton, nearly 500 miles from Fife.

McDonald added: “This is not the end of Fife’s industrial story. As Exxon gradually decommissions the site, we are committed to working with the local authority and the Scottish government to promote the benefits of this location for future industrial investment.”

The decision has provoked anger within the SNP-led Scottish government. The deputy first minister, Kate Forbes, said she was “extremely disappointed” and promised to establish a Scottish government taskforce.

“The news of the expected closure of the Fife Ethylene Plant and the loss of such high-value jobs is a very significant blow to Scotland’s economy,” Forbes said.

“I have met with the business on a number of occasions and expressed my deep concern about the impact this announcement will have on the dedicated workforce, as well as the contractors and supply chain companies whose employment relies on the site.”

Melanie Ward, Labour’s MP for Cowdenbeath and Kirkcaldy, said on Tuesday: “I’m furious that contract workers appear to have been locked out of the site this morning.

“News reaching me suggests that Exxon staff, many of whom have decades of service, have been told they will lose their jobs but have no idea of the redundancy package they will receive.

“Constituents who are in need of support should contact my office and we will do all we can to assist.”

Exxon said in a statement: “We understand and regret the impact this will have on our loyal and valued workforce, contractors and local communities. Our priorities are now to support our people through this challenging period, while ensuring continued safe operations through to end of production.”

The closure emerged months after Exxon set out plans for a global restructuring of its business, including the loss of 2,000 workers, particularly in Canada and across the EU.

Exxon said in February that about 1,200 roles would be cut in Norway and the EU by the end of 2027, but there would be no planned job cuts in the US.
