

House of Commons: Written Statement (HCWS1190)

Department for Business and Trade

Written Statement made by: **Parliamentary Under-Secretary of State (Minister for Industry) (Chris McDonald)** on 17 Dec 2025.

Government support for Ineos Chemicals Grangemouth

The Government has agreed a landmark partnership with INEOS to secure the strategically important ethylene cracker in Grangemouth, Scotland. This agreement ensures that the future of this vital site is protected and demonstrates the Government's commitment to support workers and their communities in Scotland and across the rest of the UK.

The plant, like many across Europe, has faced challenging market conditions. Three quarters of the plant's output is used domestically by our downstream manufacturing sectors. This includes supporting our Industrial Strategy growth sectors who depend on ethylene supply, and downstream uses ranging from advanced polymers for defence, medical grade plastics in our life science sectors, to advanced manufacturing sectors such as automotive. The Grangemouth plant is crucially important to our critical national infrastructure given the interconnected assets operated by Ineos (the Ethylene Pipeline System and the Forties Pipeline System). This is why we have acted decisively and stepped in to ensure that it is secured.

The agreement consists of more than £120 million in UK Government support and at least £30m of investment from INEOS. This package will save jobs, reduce emissions and increase productivity, helping to secure the site's continued operations and long-term competitiveness. It will reinforce the hundreds of millions of pounds of investment that INEOS has already made over the last few years in maintaining operations at the site. We are also creating the conditions for Grangemouth's long-term future. Through Project Willow, up to £200 million from the National Wealth Fund will support new jobs and projects subject to meeting usual assessment criteria.

This agreement strengthens the resilience of our foundational sectors and their supply chains within the UK, which underpins our Industrial Strategy. It will ensure that the site remains operational for the foreseeable future and continues to support the commercial strength of the Grangemouth cluster.

Funding for this intervention will be covered by existing budgets that have been agreed as a part of the departmental Spending Review settlements. The Government sets a very high bar for interventions of this kind. This includes assessing the viability of the business, the economic and social impacts of potential public support, and the contributions of the private sector - including shareholders. Where the Government does intervene, it sets clear, strict conditions on how the money is used. We are taking bold action today to support this site, recognising its strategic importance.

We are also backing the wider chemicals sector through the Industrial Strategy with targeted support to bring down energy costs, including through the British Industrial Competitiveness Scheme – which will slash costs for businesses in sectors including chemicals by up to 25% - and

the British Industrial Supercharger, which will save Britain's most energy-intensive firms money on their electricity costs.