Oil Market Editor
Energy Markets Europe

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Exxon to Shut Chemicals Plant in UK as Downturn Deepens (1)
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By Rachel Graham
(Bloomberg) -- Exxon Mobil Corp. plans to close its Mossmorran chemicals plant in south Scotland, citing a UK economic and policy environment that makes the operation uncompetitive.

Exxon, which already shuttered chemicals capacity in France last year, plans to shut down the unit in February, according to a statement. The plant makes ethylene, widely used in the production of plastics.

“The UK’s current economic and policy environment combined with market conditions, high supply costs and plant efficiency do not create a competitive future for the site,” Exxon said in the statement.

European chemicals producers have been struggling with high energy and carbon costs that make it hard to vie with other regions like the US and China. Major producers including Ineos, LyondellBasell Industries NV, Dow Inc. and TotalEnergies SE have all idled capacity or announced closures in the region this year.

“Europe is facing a real threat of de-industrialization if major policy changes aren’t made quickly,” said Paul Hodges, who spent 17 years at Imperial Chemical Industries — once one of the UK’s biggest employers — and is now chairman of New Normal Consulting.

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Mossmorran is linked by pipeline to other facilities in the UK, including the giant Grangemouth complex owned by billionaire Jim Ratcliffe’s Ineos, which has warned that the country’s entire chemicals industry is at risk.

“This news and the potential loss of hundreds of highly-skilled jobs is severely concerning,” Scottish First Minister John Swinney said in a social media post.

John Swinney
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