

FUELLING FUTURE GROWTH

SINGAPORE 1000
SINGAPORE SME 1000
INTERNATIONAL 100

BH Mining & Petroleum is acquiring the capabilities it requires to continue on its expansion track.

COMMODITIES trading company BH Mining & Petroleum (BHMP) has been expanding its product range and growing its supply chain capabilities in recent years to better support its suppliers and customers.

Set up in Singapore in 2011, BHMP is engaged in the trading of industrial metals, as well as energy and agriculture products. In particular, it is focused on the physical and derivatives trading of products such as LME (London Metal Exchange) metals, fuel oil, middle distillates and crude oil. In response to rising demand from customers in China, BHMP has also recently expanded its range of products to include chemicals, petrochemicals, liquid petroleum gas, liquefied natural gas and condensates.

The company buys its metals from suppliers around the world before selling them to customers in Asian markets such as China, Korea, Japan, Taiwan and India. Similarly, its energy products like crude oil and other middle distillates are sourced from global suppliers and sold to buyers in the region, primarily in Singapore and Malaysia.

More recently, BHMP, through its Singapore-based trading platform BH Agri-Land, set up a frozen food business based in Dubai, which exports shrimp from the region to China, while importing vegetables from the Mainland to Middle East markets. Core to this business is a cold storage facility that it established in Dubai that is manned by over 200 staff.

In the next few years, the company intends to expand its energy business across Asia, including at its branches in China, Taiwan, Japan, Dubai and Malaysia. "We are currently looking to expand in these respective regions and we are confident that these centres can add value to our existing energy business model," said Rebecca Liang, managing director of BHMP.

"Our business partners consist of oil majors and many other trading companies. We will be working towards expanding our customer base across the region with emphasis on the Middle East as our needs expand," she added.

In recognition of its consistent growth, BHMP received the Singapore 1000 Award in 2018. It was also given Global Trader Programme status this year by International Enterprise (IE) Singapore (now



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Rebecca Liang (above), managing director of BHMP

Enterprise Singapore). The company's turnover topped US\$2.8 billion in its last financial year.

Ken Zhang, BHMP's Chief Operation Officer, said that the company's revenue is expected to increase by around 5 per cent in the current financial year, and grow even faster when its oil storage facility is fully utilised in about a year's time.

"We are working hard to achieve a higher level this year. We are confident of achieving it with the addition of new products and businesses and will work towards establishing a strong and rewarding relationship with all our business partners," he said.

DEVELOPING COMPETITIVE ADVANTAGES

BHMP's ability to acquire top talent has been one of its key advantages. The company has beefed up its team in recent years to ensure it has the in-house capabilities to grow the business. These include experienced commodities traders and mineral exploration professionals. "Over the years, the company has placed great value on human capital as part of our long term strategy. We have maintained and developed a young and energetic team capable of handling their own areas of business," said Ms Liang.

"Our vibrant culture is driven by sincerity and an entrepreneurial spirit. We have selected bright, ambitious, self-motivated individuals and nurtured the right people to join our company."

The firm has over the years also secured a number of major end-users for metals which are either listed or big national companies, another important competitive advantage. This has helped BHMP to capitalise on the growing demand for non-ferrous metals in Mainland China as the economy expands.

In a recent report, Moody's said that it expects Chinese demand for commodities like copper, cobalt and aluminium to remain strong. These non-ferrous metals are widely used to produce cars, home electronics and transport that are likely to benefit from rising Chinese incomes.

In the energy sector, meanwhile, BHMP has expanded into the production and trading of bio-fuel oil – a high-quality, green energy product, with an extremely low sulfur content. "The product specification meets the Chinese Government's emission control and we see great future potential even under foreseen stringent environmental protection standards. We also look into feedstock requirements for major refineries in China," said Ms Liang.

Reflecting China's transition to more environmentally-friendly fuel sources, clean energy generation and installed capacity exceeded 50 per cent of all power generation in 2017 in the five southern provinces of Guangdong, Guangxi, Yunnan, Guizhou and Hainan, which is home to around 215 million people.

ENHANCING ITS ROLE IN THE SUPPLY CHAIN

Beyond its suite of products, BHMP is also working to improve its supply chain offerings. This has involved establishing storage facilities to bring raw materials closer to end-users, helping their customers gain a competitive advantage in the process.



LEFT AND BELOW: BHMP will take over the management of an oil storage terminal in China this year.



For instance, the company will soon be able to offer its oil suppliers the ability to store their product closer to the end-customer when it takes over the management of an oil storage terminal facility in China later this year. The facility is the only one on the Mainland owned by a joint-venture company, revealed Ms Liang.

"With this storage facility, we can invite our suppliers to store their product with us and it will be easier for them to get bank financing. This consolidation of upstream, logistics, and financing will enable us to stay competitive in the market," she said.

She noted that BHMP needs to continue to evolve to remain relevant in a fast-changing world. To help it on its expansion journey, the company has put in place proper corporate governance and internal controls. It has also implemented risk and compliance policies that guide the company on how it operates in new business areas.

Said Ms Liang: "Staying a traditional trading company is hardly the way to survive in today's dynamic world. Over the past few years, BHMP has built strong foundations for the future growth of the company."



ABOVE: Managing director Rebecca Liang (fourth from left), Chief Operation Officer Ken Zhang (third from right) and their team of BHMP.