



Li Shaolin

EDITORS' NOTE Since its beginning, Li has built PCIA from only four employees in 2004 to over 140 employees in 2015, and led a double-digit growth in both the business revenue and profit for the last eight years. Li started his career in 1989 at the Dushanzi Refinery in Xianjiang, China, where in 1997 he was appointed as General Manager of the Import Export Division. In 2000, he was promoted to President of the PetroChina International Northwest China Corporation. Li holds an Executive M.B.A. from the National University of Singapore. Shaolin is also a the Vice Chairman of China General Chamber of Commerce—U.S.A., and the Chairman of CGCC's Houston Chapter.

COMPANY BRIEF PetroChina International (America), Inc. (PCIA) is part of PetroChina Co. Ltd., one of the world's largest publicly traded international Oil and Gas Companies. PCIA is actively exploring international markets, developing value-added trading, extending the value chain, innovating in trading models, and enhancing trading methods in the Americas region. The business includes trading, blending and storage, transportation, and wholesale. PCIA is dedicated to build an "oil and gas operating hub" in the Americas and to become the biggest energy community trading company by 2020.

Would you provide an overview of PetroChina International America's business?

PetroChina International America (PCIA) was registered in November of 2003 in Jersey City, New Jersey. Over the past 11 years, the business has grown exponentially, both in trading volume and in profit that has enjoyed double-digit growth. With the majority of its trading desks in Houston, PCIA has become a full-spectrum energy commodity trading company with three branch offices in Venezuela, Canada, and Brazil. With more than 140 employees across North and South America, PCIA has set up crude oil, refined products, natural

Energy Opportunities

**An Interview with Li Shaolin,
President, PetroChina International (America), Inc. (PCIA)**

gas and power, and petrochemical trading teams, and the trading volume was around 1.9 million barrel per day in 2014.

What do you see as the key growth opportunities for PetroChina in America?

To expand our market presence in natural gas trading; to source crude supply to Asia, including mainland China from Latin American countries; to participate in condensate and LNG exports; to establish power trading and gas storage; and to leverage Far East supply for chemical markets.

Given the shale oil and gas boom in recent years, we see great growth potential in the Americas region, especially in the U.S. Increased production of crude oil, natural gas, and natural gas liquids provide many trading opportunities. PCIA is poised to get more involved with key trading related assets either through long-term commercial commitment or M&As. These assets either move resources to the market or refine raw feedstock into finished products, including terminaling, storage, and refining types. Eventually, we will build an oil and gas hub with four functions including trading, manufacturing, storage, and logistics to cover the entire Americas.

What international growth opportunities do you see for PetroChina International America?

We have offices in Calgary as well as Rio, which provide coverage to Canada as well as Latin America. Our current trading presence includes roughly two-thirds of the countries in the Americas, with heavy emphasis on the U.S., Canada, and resource-rich countries in the Latin region. Going forward, one of our key strategies is to build new business to develop the Latin countries, from both the resource capacity and the local market penetration. The goal is to cover each and every country in the entire Americas over the next two to three years.

The population growth in those regions, as well as increasing energy intensity in their economies, provide our company with an ever growing series of opportunities such as supplying crude oil to locally based refineries, importing refined products to supplement local supply, and supplying Far East-sourced petrochemicals into those markets.

PetroChina International America has achieved strong results in America. What has been the key to your success?

We are very fortunate to have great support from headquarters, both on the trading side and on the functional side of business. Localization is another important factor. We were able to give employees enough authorization and incentive to set up and expand business for the company. One

strategy we had was to put people first and foremost. As a trading company, the core asset for our company is people. The best trader creates the best profit. We put our employees first and we create a family environment and encourage our employees to stay with us until they retire. Also, our employees come from a variety of cultural backgrounds, so we respect the differences and encourage cross-cultural communication.

You have said that one of your key priorities is to strengthen your trading team. Have you been happy with your progress in this regard?

I am happy with the current progress because we have built strong trading teams for different commodities in a pretty short period of time, and we have grown our trading teams tremendously over the past three to five years. I am glad PCIA has become a player in the North American oil & gas market. Also, in the past, when we hired people, we wanted someone who could immediately start trading. Now, we hire more traders to conduct research for decision-making, marketing expansion in terms of new products and new customers, and developing new business models. About 30 percent of our trading team is assigned to research and analysis.

I am unhappy because we haven't become as strong a player as I would like to be.

How important is it for PetroChina International America to invest in a refinery?

Participation in the refining space is absolutely critical for us. As a trading company, we would like to have the opportunity to optimize our crude oil supply and refined product marketing. As part of our global asset strategy, we are constantly seeking the right asset and the right time to enter, but more importantly, we are always looking for the right local partner to grow together. Given our core business model of trading crude oil and refined products, either having a supply relationship with a refinery or a joint venture would further strengthen our position in this regions.

What are your key priorities for PetroChina International America as you look to the future?

We will keep building a strong local trading team and increase our profitability, trading volume, and sustainability. We are also pushing forward the paper trading strategy, which is a tremendous supplement to our physical trading system.

We will also strategically invest in waterborne terminal assets as well as assets to support new business, such as natural gas liquids, condensates, petrochemicals, and other segments. ●