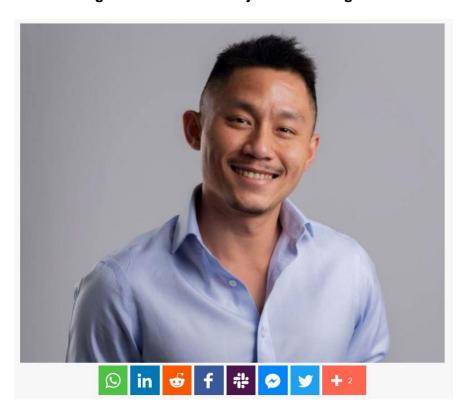
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Headline: Biofuels origination: the new hot job on the fringes of finance

Biofuels origination: the new hot job on the fringes of finance



Daniel Koh didn't set out to work with biofuels. It just kind of happened that way. As a student at Singapore Management University, Koh says he applied for 40 jobs in banking and only one in commodities trading. He got the commodities trading job and his career pivoted in a totally unexpected direction.

"Working in commodities has completely changed my perspective on life," says Koh. "Commodities are linked to everything from geopolitics to agriculture, climate and politics."

Having joined the trader development program at BP in 2012, Kohn switched into biofuels origination in 2018. Unlike fossil fuels, biofuels are anything produced by contemporary plants, he explains. They include ethanol, tallow, palm waste, or biodiesel made from used cooking oil. As a biofuels originator, Koh is all about the supply chain: he sources biofuels for BP and helps to move them around the world.

"I help develop our trading business," explains Koh. "My job is to go to out there and to build relationships and talk to suppliers about why it's best to work with bp. I'm responsible for sourcing the cargos and moving them to our processing sites. I'm building and optimizing our biofuels supply chain."

The suppliers Koh speaks to include people collecting used cooking oil from restaurants in Singapore. "They are actively speaking to restaurants and collecting the oil," he says. "I talk to them to understand supply and to ensure they are collecting good quality sustainably sourced oil. I also talk to my customers to understand what their needs and demands are."

Commodities trading and origination is about dealing with physical products, says Koh. "We might buy a huge cargo of used cooking oil, find a vessel for it, find a plant that can make it into biodiesel and then bring it to a market like Europe where there's more of an incentive to use it."

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When he was a student, Koh says he was interested in macroeconomics and considered becoming a macro trader. In fact, he says commodities are more interesting because they're all-encompassing and that biofuels in particular are interesting within commodities because they're at the forefront of the energy transition. "Biofuels create around an 80% saving in fossil fuel use," he says.

As an originator, Koh says his job is far more people-focused than that of traders who are primarily focused on numbers.

"On a daily basis I am out there, speaking to my contacts and finding out what people are doing in the markets. I usually have 5-6 coffee chats a day (and by the end of the day I'm usually shaking from too much caffeine!). You need to enjoy meeting people."

People who work in biofuels need to be interested in geopolitics and contemporary events and to understand global dynamics, says Koh. This is more important than a detailed understanding of science and technology. "Macro trading can be very policy driven, but here we're looking at more than financial policy. It's weather, agriculture, and human nature in terms of when farmers sow crops - it's very connected with daily life. It's an opportunity to work in commodities, but with a broader mission."