

Welcome on board, EEX Asia!

EEX Group has an established and long-term strategy to move into the Global Commodity Exchange space. Operating in Europe, North America and Asia, EEX knows that pushing into new regions opens up whole communities of potential new trading participants greatly increasing the network effect of the business and providing increased value for all connected clients. We spoke to Richard Heath, Business Development Expert for Global Commodities at EEX, about the most recent strategic milestone: the launch of EEX Asia.



Richard Heath, project lead for the launch of EEX Asia

Richard, can you give us the background to the launch of EEX Asia?

The acquisition of Cleartrade Exchange Pte (CLTX), first as a majority shareholder in 2014 and then as the 100 percent owner in April 2016, enabled EEX Group to achieve significant milestones in terms of its global strategy. This was EEX Group's first permanent foothold in Asia and a major step out of Europe. The growth of commodity trading in Asia means that this region must be a high priority for any organisation which wishes to become a global commodity business. Additionally, CLTX was active in a group of seaborne commodities which were almost entirely new to EEX Group and so the acquisition also added to the product diversification strategy.

Was the creation of EEX Asia always part of the business strategy?

Yes. It was clear from the time of the 100 percent acquisition of CLTX that the future of the business lay in becoming EEX Group's exchange in Asia and the gateway for clients from the wider region to access the products and services of EEX Group.

Once CLTX became a complete member of EEX Group, all the raw materials were in place to create a true Asia exchange for EEX. In order to make the best use of CLTX market position and assets, it was necessary to combine the Singaporean exchange license of the business with a cleared product offering in its core commodities from European Commodity Clearing (ECC).

Which steps were necessary for this?

A string of related and often interdependent projects were required to build the infrastructure necessary for a long-term business in Asia – ranging from getting the right team in place to building a product and service portfolio that delivered a competitive advantage for EEX Group to getting ECC recognised as clearing house with the Monetary Authority of Singapore to the technical project of linking the markets and systems of CLTX to ECC.

The final piece of the puzzle was to divide and re-brand the services delivered by CLTX in order to provide a very clear value proposition to the market. EEX Asia was chosen as this brand.

Considering EEX only acquired CLTX in 2016, it seems you have achieved a lot in a short space of time.

Indeed, a huge amount has been achieved in terms of setting up the Global Commodities business of EEX in the last two years. This has only been possible due to the belief and dedication of the team, working across locations and exchanges and all pushing for a common goal.

When board approval for the rebranding was secured in September, we had approximately five weeks to deliver the project until the set launch date on 1 November. Naturally, a change of this nature required a large amount of coordination across various teams within both EEX Asia and EEX and covered marketing, business development, sales, operations and legal. Everything from websites, to office branding, e-mail address and business cards to legal documents needed to be changed. Regulators, stakeholders and some clients needed to be informed beforehand and a press and branding campaign needed to be designed and executed. Finally, a number of client events and a launch party needed to be organised around the date of the launch to capitalise on its positive impact. All of this, and a lot more besides was achieved on time for the 1 November launch.

What's your ambition for EEX Asia?

My personal ambitions for this business mirror those of everyone working in and connected to it. This is only the beginning. If we continue to work hard and motivate each other, then with time the Global Commodities segment and EEX Asia particularly can expect to see great success in the future. I am incredibly proud of what the Global Commodities team has achieved in the last two years, and I look forward now to the next set of opportunities and milestones for this business segment.

Guest author Michael Mervyn-Jones conducted this interview.

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