Joint Ventures in Commodity Trading: Why the Right Talent Strategy Matters

September 2026

Joint Ventures in Commodity Trading: Why the Right Talent Strategy Matters

Over the past two years, a steady flow of commodity trading joint ventures has been announced or explored. Mercuria and Eni, TotalEnergies and Bapco Energies, Rio Tinto and Vitol, and a cluster of Indian ventures. The pattern is consistent: asset owners partnering with established traders to build commercial capability.

The Mercuria–Eni venture, based in Geneva, combines Mercuria's commercial capabilities with Eni's physical market presence across oil, gas, LNG, LPG and biofuels. TotalEnergies and Bapco Energies have launched BxT Trading in Bahrain, ADNOC Global Trading operates as a refined-products trading JV between ADNOC, Eni and OMV, and Rio Tinto is reportedly in talks with Vitol over a freight and logistics JV.

India has become one of the most active markets. Indian Oil is negotiating a Singapore-based trading JV with Vitol; state-owned ONGC plans to consolidate its group trading flows into a majority-owned venture, with an international trading firm expected as a minority equity partner; and Tata International has announced a multi-commodity trading JV with Mercuria spanning energy, metals and agricultural products.

McKinsey's 2026 commodity trading report estimates that JV and joint book models could unlock around $20 billion of additional value in oil and products alone. More broadly, the growth in partnership activity points to the same conclusion: companies are increasingly using JVs as a faster route to commercial capability, market access and value capture.

Key Findings

- Trading JVs are re-emerging as a faster route to commercial capability, market access and margin capture.
- The model has a long track record; in some cases, internalisation has signalled successful capability transfer rather than failure.
- Different JV archetypes require different talent models, from capability-transfer vehicles to enduring commercial platforms and execution-led structures.
- The biggest risks are rarely structural alone; they usually sit in unclear decision rights, misaligned incentives and cultural friction between the parent organisations.
- Talent strategy is central to execution: successful JVs need a full commercial ecosystem, not just a handful of senior traders.
- JVs offer the chance to build platforms as well as run books, creating opportunities across trading, origination, risk, operations, analytics and technology.
- The strongest JVs are those that align mandate, risk appetite, incentives and talent strategy from the outset

Partnerships as a proven route to trading capability

The JV model is not new. It has recurred in waves for more than three decades, and several of today's leading trading platforms have roots in structures of this kind.

In the 1990s, China's oil-sector restructuring created ChinaOil and Unipec as trading ventures that were later absorbed into their parents once the capability had taken root. Gaselys, formed by Gaz de France and Société Générale in 1999, became GDF Suez Trading and latterly Engie Global Markets, part of what is now Engie's Global Energy Management & Sales business (GEMS).

EDF Trading, created the same year with Louis Dreyfus, developed into one of Europe's major merchant energy traders and later helped seed JERA Global Markets.

The model proliferated through the 2000s. Entergy and Koch Industries combined power books, a pipeline and trading expertise in Entergy-Koch (2001). Marubeni and Itochu merged their steel-trading divisions into Marubeni-Itochu Steel (2001), and Mitsubishi Corporation and Sojitz did the same to create Metal One (2003) - two of the world's largest steel and ferrous traders, both born as joint ventures. Oman Oil and Vitol built Oman Trading International (2006), explicitly structured around a transfer of skills and later taken fully in-house as OQ Trading.

In 2008, Royal Bank of Scotland and Sempra formed RBS Sempra Commodities. And in agriculture, ADM and Wilmar established the edible-oils venture Olenex.

Not all of these ventures endured in their original form. Some JVs are unwound because they fail; others end because they have done their job. In the strongest cases, the asset owner has absorbed the trading capability and no longer needs the original partner in the same way.

Exhibit 1: Three decades of commodity-trading joint ventures

Year	Joint venture	Partners
2026	Mercuria–Eni	Mercuria + Eni
2026	Tata International–Mercuria	Tata International + Mercuria
2026	BxT Trading	TotalEnergies + Bapco Energies
2025	Indian Oil–Vitol (in negotiation)	Indian Oil + Vitol
2025	ONGC trading venture (in talks)	ONGC + international partner TBC
2020	ADNOC Global Trading	ADNOC + OMV + Eni
2017	JERA Global Markets	JERA + EDF Trading
2015	JERA	TEPCO + Chubu Electric
2008	RBS Sempra Commodities	RBS + Sempra
2006	Oman Trading (OTI)	Oman Oil + Vitol
2003	Metal One	Mitsubishi Corp + Sojitz
2001	Marubeni-Itochu Steel	Marubeni + Itochu
2001	Entergy-Koch	Entergy + Koch Industries
1999	EDF Trading	EDF + Louis Dreyfus
1999	Gaselys	Gaz de France + Société Générale
1996	DETM	Duke Energy + Mobil
1993	ChinaOil / Unipec	Sinochem + CNPC / Sinopec

Why the model is gaining traction

For many energy majors, NOCs, miners and asset-backed players today, the JV route offers an attractive middle ground. It is faster than organic build, less risky than acquisition, and more controlled than outsourcing. The asset owner contributes physical flows, production, refining capacity, customer channels, regional access and balance sheet strength. The trading partner brings market connectivity, analytics, risk management, systems, credit relationships, logistics expertise and commercial culture. At its best, the model creates genuine two-way value.

"The two-way street" JV value exchange		
Physical flows Assets and infrastructure Regional access Customer channels Balance sheet strength	Optimisation Optionality Capability transfer Margin capture	Market access Systems and analytics Risk management Logistics expertise Trading talent
NOC/Asset Owner Contribution	**JV Value Creation**	**Trading House Contribution**

The JV Archetypes

Not all trading JVs are created equal. Some are built to transfer capability; the asset owner learns to trade over a defined period, then takes the business in-house. Oman Trading became OQ Trading this way. Others are built to last: standing businesses that optimise shared flows and capture margin year after year, like JERA Global Markets, and as Mercuria–Eni intends. Some JVs are deliberately narrow e.g. logistics, freight or offtake execution around a defined flow. Standalone examples are rare (Rio Tinto's talks with Vitol are the most visible), and this scope more often sits inside bigger deals.

Each model requires clarity on mandate, decision rights, economics and risk appetite from the outset. The choice of model is critical because confusing one model for another is costly. Hiring proprietary traders into what is really an execution platform, or building a light operating team around what is meant to become a full commercial business, can create tensions quickly. The talent model needs to follow the JV's actual purpose, not the generic language of "trading capability".

Archetype	Capability-transfer vehicle	Enduring commercial platform
Purpose	Build the asset owner's trading capability over a defined period, then internalise	Jointly optimise shared flows and capture margin as a standing business
Examples	Oman Trading → OQ; EDF Trading; ChinaOil / Unipec	JERA Global Markets; Engie GEM (ex-Gaselys); Mercuria–Eni
Talent	Embedded senior traders and trainers; a leader who can institutionalise disciplines; retention through the buyout	A full desk — traders, originators, structurers, risk, analytics; platform-builders

Why JVs Can Underperform

Trading JVs are difficult structures to execute. Common failure points include unclear decision rights, mismatched incentives, cultural friction and disputes over where value is created: with the asset owner, the trading partner, or the platform between them. Talent is often where these tensions appear first. A JV cannot rely on a handful of senior traders and expect a trading platform to form around them. It requires a full commercial ecosystem: physical traders, charterers, originators, analysts, structurers, operators, credit specialists, market risk managers, finance professionals, compliance teams and technology support.

The Criticality of the Right Leadership Profile

The leadership profile is equally important. Effective JV leaders need to operate between cultures. Trading houses are often fast-moving, decentralised and opportunity-led, while majors, miners and NOCs tend to be more structured, process-led and consensus-driven.

The strongest JV heads can translate between those worlds. These leaders understand the economics of physical flows and the expectations of asset owners. They can build teams, define risk appetite, install systems, secure bank lines, manage counterparties and create compensation models capable of retaining commercial talent.

What This Means for Talent

For the talent market, this creates a distinctive opportunity. Independent traders will remain attractive employers, but trading JVs offer something different: the chance to build platforms as well as run books. For commercially minded executives inside producers or NOCs, they offer a route into trading while staying close to the asset base. For risk, compliance, analytics and technology specialists, they create demand for people who can institutionalise trading disciplines in organisations that may not yet have them at scale.

Conclusion

The direction of travel is clear. Producers want more of the margin between production and consumption. Traders want deeper access to physical flows, infrastructure and long-term strategic partnerships. Volatile markets have made both sides more willing to collaborate.

The JVs best placed to succeed will be those that are explicit about the archetype they are building, align mandate and risk appetite from the outset, and treat talent strategy as central to the commercial model rather than a downstream hiring exercise.

The model is difficult to get right, but it has repeatedly been made to work. The lesson from three decades of precedent is not that every JV should last forever. It is that the best ones are designed around a clear purpose, a realistic operating model and the people capable of turning strategic intent into a functioning trading business.

What makes a trading JV successful

A clear commercial platform where mandate, risk, people and operating model are aligned from the outset.

✓ Clear mandate Defined purpose, scope and decision rights for what the JV is expected to do.	**✓ Aligned risk appetite** Shared understanding of permitted activities, exposure limits and risk ownership.
✓ Independent governance Enough autonomy to operate commercially, with appropriate oversight from parent organisations.	**✓ Talent model** The right mix of traders, originators, risk, finance, operations, analytics and technology capability.
✓ Systems and data Trading, risk, credit, logistics and reporting infrastructure fit for the JV’s mandate.	**✓ Incentives** Compensation and performance measures that support value creation and retention.

Footnotes:

[1] McKinsey & Company, At the Threshold of a New Era in Commodity Trading.

About HC Talent Intelligence

Our dedicated Talent Intelligence function empowers organisations to make data-driven decisions, optimise talent resources, and drive strategic workforce planning for long-term success.

HC Group is a global executive search and talent intelligence consultancy with over 20 years of experience advising clients across the commodity and energy trading markets. Our Talent Intelligence division delivers highly customised research, compensation benchmarking, and organisational structuring advice to some of the most competitive firms in the industry.

Our expertise enables us to provide not only quantitative benchmarks (e.g., base, bonus, total compensation by role and region) but also qualitative insight into how firms are evolving incentive models in response to shifting performance expectations, risk appetite, and organisational design.

HC Group's deep connectivity across both physical and proprietary trading houses, combined with our specialisation in commodity-specific talent strategy, ensures this analysis reflects the most current, nuanced view of market practices.

All HC's talent intelligence products are bespoke to fit the needs of our clients, and no two projects are the same. Our product offering includes the following:

- Compensation Benchmarking & Analysis
- Compensation Design & Bonus Methodologies
- Competitor Analysis
- Skills & Competencies Framework
- Skills Shortage & Talent Gap Assessment

Contact Us

Mimi Chahal
Head of Talent Intelligence
achahal@hcgroup.global

Shanez Fernando
Director, Talent Intelligence
sfernando@hcgroup.global

Abi Savory
Consultant
asavory@hcgroup.global

Bruno Santos
Data Analyst
bsantos@hcgroup.global

GROUP

TALENT INTELLIGENCE