



China Partnership of Greater Philadelphia

Shale Gas & Port-related Investment Program

The China Partnership of Greater Philadelphia, supported by U.S. Government agencies, has been developing a significant opportunity between Greater Philadelphia and the northeast region of China (anchored by the industrial concentration of Tianjin, Philadelphia's Sister City). This program promotes the strategic opportunity for foreign direct investment (FDI) by a Chinese oil & gas manufacturer headquartered in northern-eastern China into the Greater Philadelphia region in order to secure access to inexpensive energy feed-stocks proximate to the Marcellus Shale. The first stage of this investment would likely focus on "wet gas" and involve local processing of ethylene chain intermediate products for export through Philadelphia regional ports back to China. The second stage of this opportunity could potentially involve eventual shipment of compressed "dry" gas but for that that stage to take place, U.S. government approvals and LNG transshipment facilities, neither of which is currently in place, would be required.



The initial stage of this China-outbound FDI opportunity fits hand-in-glove well with a related opportunity for Greater Philadelphia-area port expansion supported by China's central government through the agency of Chinese shipping companies. With the long-term goal of fostering strategic relationships with ports worldwide at a scale to support the import/export needs of its rapidly growing middle-class, China has already invested in building expanded capabilities with Long Beach and Seattle on the West Coast and with Boston on the East Coast. China is looking to build additional port relationships in the U.S. and particularly on the East Coast. The U.S. Department of Commerce has shown interest in the possibility of a significant FDI investment in production for re-export to China of ethylene chain intermediate products by any of the potential investors identified by CPGP can be a "hook" for strategic discussions with a major Chinese shipping company for a similar port expansion program.