

CPO Seminar on World Energy Situation Held at ADNOC

A Customized Program-Overseas (CPO) on World Energy Situation was held over a four-day period, from September 17 to 20, 2012, in UAE.

1. Background

When JCCP members visited Abu Dhabi National Oil Company (ADNOC) under the Training Cooperation Program (TC) in February 2010, an executive officer of ADNOC's marketing department requested the implementation of a customized program in Japan. In response to this request, an 11-day Customized Program-Japan (CPJ) on Petroleum Marketing and Physical Distribution was implemented in October 2010.

In a working-level meeting held thereafter, ADNOC and JCCP agreed to send Japanese experts to UAE to hold a CPO on World Energy Situation, intended for young middle-level employees who engage in business in ADNOC's international marketing department.



Opening speech from ADNOC

2. Content

(1) Day 1: The Energy Situation and Oil Industry in Japan

The first part of the lecture on Japan's energy situation discussed the Japanese government's energy policies and future energy trends with a main focus on the electricity situation and nuclear trends that have become serious concerns in Japan since the March 11, 2011 earthquake disaster.

The second part of the lecture on Japan's oil industry

covered such topics as the history of deregulation in the oil industry, the reality of excessive competition seen in today's liberalized oil market, the historical background and present state of oil stockpiling, and the importance of the stable supply of oil, all from the perspective of an oil-consuming country.

The lecture also shed light on future trends, including the structural decline in oil demand that is expected hereafter given the aging society and decreasing population in Japan, and Japan's initiatives to prevent global warming and promote renewable energies.

(2) Day 2: World Energy Situation

(Lecturer: Mr. Mitsuyuki Maeda, Energy & Innovation Institute)

This lecture discussed the environment and factors affecting the world oil industry with a focus on trends seen in the OPEC and non-OPEC countries. In addition to providing information that directly pertains to business and the economies of oil-producing countries, such as trends in the cost of crude oil and natural gas, the lecture also provided an understanding of the financial crisis in Europe, the mechanism of the banking crisis precipitated by the subprime loan problem in the United States and the ensuing Lehman shock, and trends and forecasts regarding Western economies.

Particularly in regard to global issues, such as about the world's crude oil reserves, which are issues of major concern to oil-producing countries, as well as production forecasts and trends in global-scale climate



Lecture by Mr. Mitsuyuki Maeda, Energy & Innovation Institute

change, satellite photos and other visual aids were used to facilitate understanding.

Discussions on the present state and forecast of Japan's nuclear power generation since the March 11 earthquake elicited active questions and answers and exchanges of views.

(3) Day 3: Present State and Outlook of Renewable (Alternative) Energies

This lecture primarily focused on solar power generation as an issue of highest concern that is being addressed in UAE and other countries in the Middle East. It also provided specific explanations and case examples of the development status of solar, wind, bio and geothermal power generation by countries around the world, as well as their mechanism, economic efficiency, investment status, and problem areas.

The part of the lecture on the shift toward renewable energies and nuclear power that is already underway in the GCC countries captured the participants' strong interest and engaged them in a heated Q&A.

(4) Day 4: Trends in the Asian and Global Oil

Markets

(Lecturer: Mr. Nagata)

This lecture provided an overall knowledge of the crude oil market in Asia, which is ADNOC's main export destination, as well as of the global crude oil market. From a global perspective, it discussed the price mechanism in the crude oil market; the characteristics of benchmark crude oils such as WTI, Brent and Dubai crude; and movements toward the reorganization of the crude oil futures market in Europe and the United States.

The participants engaged in serious exchange of Q&A with the lecturer, because the flow of speculative money to the financial market and crude oil futures market greatly affects crude oil prices and is a major concern



Lecture by Mr. Yasuhiko Nagata, The Institute of Energy Economics, Japan



Participants engaging in discussion in a workshop

to the economies of oil-producing countries.

In studying the future trends of crude oil prices and alternative energies, the participants were divided into small groups for discussion and presentations. They held extremely active exchanges of views and gave impressive group presentations, in a testament to their constant and serious consideration of the issues.

3. Summary

The participants were a small group of 14 members, including 13 from the ADNOC head office and one from TAKREER's Abu Dhabi Refinery. However, the size of the group was optimal for the seminar, as it provided ample time for mutual interaction between the participants and lecturers instead of limiting their experience to one-way receiving of information from lecturers. All members of the group of young, mid-level employees attended the lectures every day with keen interest and took part in active questions and answers and exchanges of views with the lecturers, thus making the seminar highly meaningful.

The group included five female employees, illustrating the increasing ratio of female employees at ADNOC as well as at state-run oil companies in other Middle East countries, and underscored the significance of employing female employees, particularly in head office departments.

The questions and answers and exchanges of views unexpectedly revealed how seriously many of the participants are thinking about the coming post-oil era. Their future role and performance is something to look forward to.

The seminar was originally requested by ADNOC's marketing department, but the participants from the department demonstrated that the company has strong

interest not only in oil and gas, but also in other energy sources such as nuclear power and renewable energies.

In the evaluation form completed by the participants, almost all expressed their desire to participate in a training program in Japan, much to the lecturers' honor, and indicated anew ADNOC's strong interest in JCCP training.

Among the oil-producing countries in the Middle East, Japan's relationship with UAE particularly goes back a long way. Thus UAE is a friend and important partner to Japan. We hope JCCP training will continue to increase the number of Japanophiles in UAE and further deepen bonds between the two countries.

<by Kazuo Kojima, Training Dept.>



Commemorative photo taken after completion of the seminar