



JCCP NEWS

Newsletter of Japan Cooperation Center, Petroleum

Topics

**No. 105
October 2009**

In this issue:

Topics

Visits to China, Saudi Arabia, and Bahrain by Mr. Sase	1
Completion Ceremony in UAE	6
Signing Ceremony in Saudi Arabia	9
FY2009 JCCP Program Seminar	11
Interviews with JCCP Counterparts	13

Personnel Exchange Programs

"Energy Saving in the Refinery" (TAKREER)	18
JCCP Regular Courses Completed April – July 2009	22
FY2010 JCCP Course Schedule	24

Technical Cooperation

The 9th Scientific Council Meeting with UAE University	25
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Tidings from the Middle East

"Life in the Middle East and the Local Oil Situation"	27
---	----

Reference

"The 27th JCCP International Symposium" Keynote and Special Speech Summaries	29
• Keynote Speech by Mr. Nasser D. Al Mahasher	29
• Special Lecture 1 by Mr. Vikram M. Sampat	31
• Special Lecture 2 by Mr. Fereidun Fesharaki	33
• Special Lecture 3 by Mr. Abubakr Amer Al-Saiari	34

Announcement

Personnel Changes	36
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Mr. Sase, Executive Director of JCCP, Visits China, Saudi Arabia, and Bahrain

Mr. Masataka Sase, Executive Director of JCCP, visited China, Saudi Arabia, and Bahrain in April and June 2009, to hold policy dialogues with the top management of national oil companies in those countries, as part of JCCP's effort to promote mutual exchanges, understanding, and cooperation with oil-producing countries.

1. China

Mr. Sase paid a call on SINOPEC's Head Office and Zhenhai Refining & Chemical Company, and the CNPC Head Office in April 2009. There he exchanged views on the latest topics in the oil industry with Mr. Wan Tianpu, President of SINOPEC, head office executives of CNPC, and the president and department directors of the Zhenhai Refining & Chemical Company under SINOPEC.



Mr. Wan Tianpu, President of SINOPEC (center)

(1) SINOPEC Head Office

Mr. Sase visited the SINOPEC Head Office in the morning of April 21 to meet with Mr. Wan, and received warm words of appreciation for his visit. Mr. Wan also said that Japan's assistance has played a large role in SINOPEC's growth, and expressly thanked JCCP for its many years of cooperation.

The two leaders then exchanged views on the future direction of SINOPEC and JCCP. In regard to future JCCP activities, they agreed that it is becoming increasingly necessary for JCCP to create new opportunities for exchanges of views and to address new needs in response to the times. Based on this awareness, they discussed issues relating to environmental conservation, energy saving, and enhancement of refinery performance, as topics of particular interest for the future.

Mr. Wan also gave a general overview of new challenges that SINOPEC is currently addressing, including the development of a new type of fuel (ethanol) from raw materials derived from cellulose, and the development of automotive fuel by coal liquefaction. As China is expected to accumulate an almost inexhaustible supply of unused resources, there is great meaning to utilizing them effectively as potential sources of energy. Mr. Wan acknowledged SINOPEC's strong interest in this new sector as an essential part of its future.

In his closing remarks, Mr. Wan expressed his hopes that JCCP and SINOPEC will continue to nurture and develop their cooperative relationship. He emphasized the importance of exploring new avenues of interaction and understanding by mutually identifying needs and requests, while at the same time maintaining the foundation of mutual exchange that the two organizations have established to date.

(2) CNPC Head Office

In the afternoon of April 21, Mr. Sase paid a call on the CNPC Head Office, and met with Ms. Pei Ying, Deputy Director General, Ms. Lu Ying, Director, International Cooperation, and Mr. Suo Zheng, International Cooperation.

Mr. Sase noted that interactions between CNPC and JCCP began with the establishment of JCCP,



At the CNPC Head Office

and JCCP has long supported mutual understanding between China and Japan. Given their close relationship, Mr. Sase congratulated CNPC on its significant growth within the strong and steady development of China's national oil industry.

In response, Ms. Pei thanked JCCP for its many years of cooperation, as well as articulated CNPC's future expectations of JCCP in relation to its latest challenges and initiatives. She also described some of the background to CNPC's recent business expansion. For example, she mentioned how activities in the upstream sector have increased with the reorganization of the company in 1988 (spin-off from SINOPEC), and how its scope of activities has expanded to include natural gas and renewable energies and has boosted CNPC into a diversified global company.

At the end of the meeting, Ms. Pei shared her thoughts on the shape of mutual cooperation between oil-producing and oil-consuming countries and international relationships within global society, saying that relationships between oil-producing and oil-consuming countries, the status of national oil companies, and the role of international oil majors are constantly changing as each player continues to pursue its business in the global arena. Also noting the fluctuation of crude oil prices and its heavy impact on the global market, she remarked that the cooperative relationship between CNPC and JCCP must also reflect such economic and environmental

changes. To this end, Ms. Pei strongly emphasized the need to hold frequent exchanges of views between the two organizations.

(3) SINOPEC Zhenhai Refining & Chemical Company

On April 22, Mr. Sase visited the SINOPEC Zhenhai Refining & Chemical Company, and was warmly welcomed by Mr. Jiang Zhenghong, President, Mr. Chen Jian, Vice President, JCCP graduates, and staff members.

Mr. Jiang opened the meeting with words of appreciation to JCCP for receiving many participants to JCCP courses over the years. Mr. Sase, after briefly describing his meeting with Mr. Wan Tianpu at the SINOPEC Head Office, expressed his gratitude for the opportunity to observe first-hand the site of Zhenhai Refining & Chemical Company, SINOPEC's largest refinery, and duly acknowledged the refinery's efforts to maintain steady growth and development into the future.



At the SINOPEC Zhenhai Refining & Chemical Company



Mr. Jiang Zhenghong, President of SINOPEC Zhenhai Refining & Chemical Company (center)

In summarizing the refinery's 34 years of accomplishment since its establishment, Mr. Jiang recited three achievements—the greatest crude oil throughput, highest level of technology, and lowest refining cost, in all of China. Last year, when Chinese Premier Wen Jiabao visited the refinery, he referred to these three achievements as the government's official view of the refinery. This acknowledgement has provided a source of pride to the refinery.

Before bringing the meeting to a close, Mr. Jiang once again expressed his appreciation for JCCP's 28 years of cooperation, and wished for the further growth of SINOPEC and JCCP through continued exchanges of views.

Mr. Sase's visit to China provided a timely opportunity to exchange views on the future of JCCP activities and other significant issues with the relevant departments of SINOPEC and CNPC, in advance of a summit-level conference between China and Japan that was scheduled to be held in Beijing the following week.

<by Shintaro Miyawaki, Training Dept.>

2. Saudi Arabia and Bahrain

Mr. Sase visited Saudi Arabia and Bahrain in early June 2009.

JCCP regularly encourages Saudi Arabia's active participation in JCCP regular courses and promotes requests for the implementation of customized programs. Based on a previously conducted survey of needs, JCCP organized a

Customized Program-Overseas (CPO seminar) on refinery safety management and TPM last year, and hopes to implement customized programs again this year and into the future. The objective of Mr. Sase's recent visit to Saudi Arabia was to exchange views with the Ras Tanura Refinery on its past relationship with JCCP and future expectations of

JCCP activities. Mr. Sase also paid a call on SHARQ (Eastern Petrochemical Co.), a lucrative joint venture company launched by Saudi Arabian and Japanese companies, and on the Japanese embassy in Bahrain, where the next GCC-Japan Environment Symposium is scheduled to be held.

(1) Saudi Aramco's Ras Tanura Refinery

In the morning of June 1, Mr. Sase visited Saudi Aramco's Ras Tanura Refinery, where he engaged in discussion with Mr. Mutleb K. Al Shammeri, General Manager, and other refinery executives.

Addressing all the key executives of the refinery attending the meeting, Mr. Sase firstly thanked Saudi Aramco for its generous cooperation and support of JCCP activities over many years. He then articulated JCCP's future policies aimed at promoting activities that reflect the rapid changes in the global economic environment, and addressed complicated issues concerning energy and the environment. Assuring an enhancement of activities, Mr. Sase asked Saudi Aramco, as one of JCCP's most important partners, for its support and cooperation in strengthening their mutual ties.

Mr. Al Shammeri thanked JCCP in turn for its many contributions over the years, and reported that Saudi Aramco's active participation in JCCP courses since last year has increased an awareness of the significance and benefits of JCCP courses. He also said he wishes to actively and systematically send participants to JCCP courses as an effective means of human resource development.

After the meeting, Mr. Sase toured the refinery site.



At the Ras Tanura Refinery

(2) SHARQ

In the morning of June 2, Mr. Sase paid a call on SHARQ (Eastern Petrochemical Co.), located in Al-Jubail Industrial City, to hold a meeting with Mr. Mohammad M. Al-Jabri, President of Eastern Petrochemical Co.

SHARQ is a joint venture between SABIC (Saudi Basic Industries Corporation) and SPDC Ltd. in Japan. It specializes in producing polyethylene and ethylene glycol using ethylene supplied by Saudi Aramco. It is also one of the largest companies within the massive Al-Jubail Industrial City, and is well known as a successful Saudi-Japan joint venture displaying remarkable growth.

On the day of the meeting, Mr. Sase first received a summary of SHARQ's present operating status from Mr. Kazuhiko Kato, an employee of Mitsubishi Corporation who is stationed in Saudi Arabia. After conferring with Mr. Kato, Mr. Sase met with Mr. Al-Jabri and discussed the relationship between JCCP and Saudi Aramco and details concerning JCCP activities. Mr. Al-Jabri, on the other hand, shared the following information:

- (1) SHARQ was established in 1981 as a joint venture between SABIC and Saudi Petrochemicals Development Co., Ltd. (now known as SPDC Ltd.). Under the Saudi-Japan cooperative framework, it has enjoyed robust growth and success in the areas of training of Saudi operation staff, plant construction, test operation, technical assistance, and product sales. Mr. Al-Jabri himself has received training in Japan when SHARQ was first established, and continues to apply his Japanese training experience to his management of SHARQ today.
- (2) SHARQ's corporate motto is "safety, quality, and teamwork." With "Safety first" as a catchphrase, the company had achieved a no-accident record of 20 million man-hours by 2007. It has also directed a great deal of effort to employee training, with the result that 97% of all employees today are Saudi Arabians.
- (3) Future challenges of the company lie in transferring frontline technologies to young engineers, and in passing on the spirit and



At SHARQ

expertise of the first generation (those who know Japan and the launching of the company) to the next generation.

(3) Japanese Embassy in Bahrain

In the morning of June 3, Mr. Sase visited the Japanese embassy in Bahrain and met with H.E. Ambassador Takeshi Kondo.

To begin, Mr. Sase gave a brief summary of the objectives of his recent trip and the status of JCCP activities. He then exchanged views mainly on the GCC-Japan Environment Symposium, which is slated to be held next in Bahrain from February 8 to 10, 2010, and received an affirmative response from the ambassador to his request for cooperation.

Ambassador Kondo, on his part, informed Mr. Sase about a project that is being planned by the Bahrain Ministry of Oil and Gas for the establishment of an “energy conservation center,” and revealed that the ministry has requested Japanese cooperation in the project.

On his recent visit to the Ras Tanura Refinery, Mr. Sase engaged in fruitful discussions with major executives of the refinery in a relaxed and friendly

atmosphere, and learned that there is a growing awareness of the significance of JCCP courses within Saudi Aramco. Of particular interest was Saudi Aramco’s urgent need to address future issues, such as the development of human resources in response to new capital investments being made in the construction and addition of facilities in the petrochemical sector, and the mass retirement of the baby-boomer generation. As in Japan, workers of that generation will hereafter be retiring en masse, and by 2013, it is expected that workers with less than five years of experience will account for 30% of all employees at Saudi Aramco. The issue of generational change also came up in the meeting at SHARQ, bringing to light an awareness that the transfer of technology from the old generation to the new is regarded as a priority issue that is indispensable to the survival and growth of the company.

Through his visits to Saudi Arabia and Bahrain, Mr. Sase reconfirmed the friendly relationship between JCCP and the two countries, and has gained a new perspective on future issues.

<by Yoshiaki Ueno, Training Dept.>



At the Japanese Embassy in Bahrain