

# Regular Course on Finance and Accounting Management (IT-2-14)

## 1. Introduction

The regular course on “Finance and Accounting Management” was implemented for the third time this year, from September 16 to 26, with the attendance of 18 selected participants from among corporate officers in charge of finance and accounting and personnel with equivalent qualification. The group included a female participant who wore the black *hijab* at all times that shrouded her entire body. Even within the devout, conservative culture that she represents, there is growing recognition of the importance of women’s participation in society. JCCP will continue to make thorough preparations to promote and receive women’s active participation in its programs.



*JX Nippon Oil & Energy Staging Terminal Corporation,  
Kiire Terminal*

specialists, this is rather difficult to understand, but all of the participants made serious efforts at understanding this difficult concept.

## 2. Content

### (1) Lecture and Workshops at JCCP

#### 1) *Japan’s oil industry*

With the exclusion of pipeline imports that are low in substitutability, Japan, as a commercial market for oil, surpasses the United States, which is reducing its crude oil imports due to the shale revolution, and is a large market on par with China and the EU. This fact seemed to come as a novel revelation to the participants.

#### 2) *Workshop on “negotiation” and “financial accounting”*

This workshop was designed to allow participants to arrive at the objective of their study by themselves, by engaging in hands-on activities in consultation with each other, and was accompanied by much fun and excitement.

#### 3) *Workshop on “procurement”*

Marketing competitiveness among outlets is based on the buildup of costs, and is indispensable to management executives who must maintain business competitiveness.

#### 4) *Workshop on “risk management”*

Today, oil marketing and trading cannot stand alone apart from derivative transactions. To those who are not

### (2) Site Visits

#### 1) *Taiyo Oil Co., Ltd., Shikoku Office*

Amid a trend in which many companies are downsizing their crude distillation facilities or closing their refineries in order to conform to the Sophisticated Methods of Energy Supply Structures regulation, Taiyo Oil has gone against the trend and installed a new RFCC (residue fluid catalytic cracking) unit. At the Shikoku Office, lectures were provided on the realities of the oil industry in Japan, including the above-mentioned regulation, as well on oil refining processes, product shipment and physical distribution.

#### 2) *JX Nippon Oil & Energy Staging Terminal Corporation, Kiire Terminal*

As the world’s largest crude-oil transshipment terminal, Kiire Terminal provided an overview of the transshipment of crude oil, from the unloading of crude oil from an ocean-going tanker and placing it in storage, to transporting it to refineries via coastal shipping. The opportunity to inspect the crude-oil handling facilities from an offshore ferry and witness the loading/unloading of crude oil from a large tanker seemed to leave a deep impression on the participants.

### 3. Summary Review

#### *Background and Objective of the Course / Reflecting on the Course's Intent*

*"The meaning of coming to Japan, as opposed to a Western country, to exchange information"*

This course was newly established as a result of the Course Renewal Committee's review of the 2011 course program in response to the requests and views of participating oil-producing countries. Taking the occasion of successfully implementing the course for the third time, below we review the intent and implementation status of the course.

#### *Japan's status as seen from oil-producing countries*

(1) In oil-producing countries, various sectors are still necessarily dependent on Western companies in many ways. To these countries, Japan and other non-Western countries are, regrettably, second string to the Western countries, or a card that is played to gain leverage in negotiations with those countries.

#### *Needs in Japan and JCCP's mission*

(2) As Japan is dependent on crude oil imports and especially on those from the Middle East, it must establish and strengthen personal and emotional ties as an essentially important measure for ensuring a stable supply of crude oil. This, precisely, is the goal of JCCP's activities.

#### *Development needs in oil-producing countries*

(3) On the other hand, from the standpoint of major oil-producing countries, the largest challenge they face today is in preventing instability in their monarchy by securing employment for the increasing ratio of youths in the population of their countries. To this end, they are pursuing a policy of placing nationals in positions formerly filled by foreign employees.

#### *Development needs (1)*

(4) One of the goals of employing nationals is to have them eventually assume executive positions, which require specialized knowledge such as of finance, trading and oil derivatives, and some of which are still filled by Westerners. The transfer of

such specialized technologies and positions would become possible only after raising the awareness that such transfers should and could be achieved in Japan. This is a value that cannot be demanded of the Western countries, and can only be provided by Japan.

#### *Development needs (2)*

The other goal of employing nationals is to replace migrant employees. However, any failure in achieving this goal could create a large disparity among nationals, and is accompanied by the risk of generating social dissatisfaction. Europe and the United States cannot serve as a model, since Europe harbors potential conflicts between the social classes, and the United States is a nation of immigrants with a wide wealth gap among its people. Japan's industries are almost completely composed of Japanese nationals, and the country itself similarly maintains an affluent and competitive constitutional monarchy. This is the precise model that the GCC oil-producing countries can only seek from Japan.

In response to the above needs, the course program has been established under the following policies.

To provide highly specialized and difficult knowledge among various knowledge and skills required of executives of state-run oil companies

To provide exposure to examples of organizations and social operations that are composed solely of national citizens, from top to bottom, through visits to sites of oil businesses, such as refineries and terminals, and various locations in Japan

The program level is set at post-MBA-level, and the program itself is centered on an examination of case studies in the form of a hands-on workshop. The study material is a collection of original case examples that are all based on actual business experience, and are almost wholly discussed in relation to the Japanese people and Japan.

During these past three years, the course has been implemented in line with its original objectives through repeated improvements, owing to the earnest cooperation of all participants. Ongoing efforts will be made to offer an even more fulfilling course in the future.

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