DOWNSTREAM ECONOMICS AND MANAGEMENT



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TRAINING CENTER

GENTEX Training Center LLC | Orlando - FL, USA
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Introduction

Downstream Economics and Management Training Course builds the commercial and analytical capability that refining, trading, and marketing professionals need to run the downstream segment profitably. The downstream business converts crude oil into finished products and moves them to market. Its economics depend on crack spreads, refinery utilisation, logistics costs, and retail margins, all of which move quickly. Weak management there produces unreliable margin forecasts, poor optimisation decisions, and unmanaged inventory exposure. This course develops the discipline that prevents those outcomes. It covers value chain structure, refining economics, and product markets. Furthermore, it applies margin analysis, supply optimisation, and trading practice. In addition, it develops planning, risk management, and performance measurement. As a result, participants manage downstream economics with confidence.

Downstream Economics and Management Course Objectives

- Explain the downstream value chain from crude to consumer.
- Analyse refinery configuration, complexity, and utilisation economics.
- Apply gross refining margin, netback, and crack spread analysis.
- Evaluate product market structure and demand drivers.
- Apply supply, distribution, and logistics cost optimisation.
- Apply trading and hedging concepts to product price risk.
- Plan refinery operations and product slate optimisation.
- Apply inventory management and working capital control.
- Assess retail network economics and fuel marketing performance.
- Measure downstream performance using unit margin and KPI frameworks.

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Course Methodology

- Interactive lectures with real refining and product marketing cases.
- Margin, netback, and crack spread analysis workshops.
- Supply optimisation and logistics cost exercises.
- Trading, hedging, and performance measurement practice.
- Structured peer review with facilitator feedback on downstream positions.

Who Should Take This Course

- Refining and marketing professionals.
- Supply, trading, and optimisation analysts.
- Downstream planners and economists.
- Commercial and business development managers.
- Cost controllers in refining operations.
- Consultants and analysts covering the oil and gas value chain.

Downstream Economics and Management Course Outlines

Day 1: Downstream Value Chain and Refining Economics

- Downstream value chain from crude supply to end consumer.
- Refinery types, configuration, and complexity indicators.
- Nelson complexity index and its commercial meaning.

- Refinery utilisation, throughput, and turnaround planning.
- Crude selection, assay evaluation, and yield optimisation.
- Refinery cost structure and fixed versus variable cost.
- Case study: assessing a refinery's economic position.

Day 2: Margins, Pricing, and Product Markets

- Gross refining margin and netback calculation.
- Crack spread analysis across regions and product slates.
- Product price benchmarks and pricing formulas.
- Product market structure, demand drivers, and seasonality.
- Product specifications and quality cost implications.
- Biofuels, blends, and specification compliance.
- Workshop: calculating refining margins across product slates.

Day 3: Supply, Distribution, and Logistics Optimisation

- Supply network design and terminal infrastructure.
- Pipeline, marine, and road transport cost analysis.
- Distribution economics and secondary logistics.
- Inventory positioning and safety stock planning.
- Export economics, freight rates, and destination selection.
- Supply chain optimisation modelling approaches.
- Workshop: optimising a product distribution network.

Day 4: Trading, Risk, and Hedging

- Physical and paper trading fundamentals.

- Futures, swaps, and options on refined products.
- Hedging price risk and locking margins.
- Price risk exposure and position management.
- Counterparty and credit risk in trading.
- Working capital and credit line management.
- Workshop: designing a hedging strategy for a product portfolio.

Day 5: Planning, Performance, and Retail Economics

- Downstream planning cycles and LP modelling basics.
- Product slate optimisation and blend planning.
- Retail network economics and site profitability.
- Fuel marketing, convenience retail, and non-fuel income.
- KPI frameworks: unit margin, utilisation, and cost per barrel.
- Performance reporting, benchmarking, and improvement plans.
- Course review, assessment, and action planning.

Conclusion

By successfully completing Downstream Economics and Management, participants will gain a thorough understanding of downstream value chain and refining economics, margins, pricing and product markets, supply, distribution and logistics optimisation, trading and risk management, and planning, performance and retail economics. They will also acquire practical skills in downstream value chain and refining economics analysis, refining margin and product pricing analysis, supply, distribution and logistics optimisation, and downstream trading, hedging and performance management. In addition, the course prepares them to protect downstream margins with disciplined commercial and analytical decisions. Gentex Training Center delivers this programme with a strong focus on applied downstream practice and decision-ready analysis.

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FAQs for Downstream Economics and Management course

Q1 What is the "Downstream Economics and Management" course about?

It is a five-day programme on the commercial and financial management of the downstream oil business. It covers value chain and refining economics, margins, pricing and product markets, supply, distribution and logistics, trading and risk, and planning, performance and retail economics.

Q2 What are the key benefits of the "Downstream Economics and Management" course?

Participants manage downstream economics with stronger analysis. The course improves refinery configuration and crude selection assessment, sharpens margin, netback and crack spread analysis, strengthens distribution and logistics optimisation, improves hedging and price risk management, and raises KPI and retail performance reporting quality.

Q3 What skills will I gain from the "Downstream Economics and Management" course?

Participants gain downstream value chain and refining economics analysis, refining margin and product pricing analysis, supply, distribution and logistics optimisation, and downstream trading, hedging and performance management. These four skills cover the practical core of downstream economics and management.

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Q4 What tools, methods, or standards are covered in the "Downstream Economics and Management" course?

The course covers downstream value chain mapping, refinery configuration and complexity indicators, the Nelson complexity index, utilisation and turnaround planning, crude assay evaluation and yield optimisation, refinery cost structure analysis, gross refining margin and netback calculation, crack spread analysis, product price benchmarks and pricing formulas, demand driver and seasonality analysis, product specification and quality cost analysis, biofuels and blend compliance, supply network and terminal design, pipeline, marine and road transport cost analysis, secondary logistics economics, inventory positioning and safety stock planning, export economics and freight rate analysis, supply chain optimisation modelling, physical and paper trading, futures, swaps and options on refined products, hedging and margin locking strategies, position and price risk management, counterparty and credit risk assessment, working capital and credit line management, linear programming modelling basics, product slate and blend optimisation, retail network and site profitability analysis, non-fuel income analysis, and KPI frameworks covering unit margin, utilisation and cost per barrel.

Q5 How is the "Downstream Economics and Management" course applied in real-world practice?

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Participants apply the methods to real and simulated downstream businesses. They assess refinery configuration and crude selection, calculate gross refining margin and netback, analyse crack spreads across product slates, evaluate product market demand, optimise distribution and logistics costs, plan inventory and safety stock, structure hedges for price risk, evaluate export and destination economics, optimise product slates, assess retail site profitability, and build KPI and benchmarking reports. Many leave with a margin analysis workbook, a distribution optimisation model, and a downstream KPI dashboard structure ready to use.