

# Petroleum Product Landed Cost and Price Harmonization Training Course

3 – 7 October 2027
Zanzibar

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Training Center

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## Overview

Petroleum Product Landed Cost and Price Harmonization Training Course is a one-week intermediate course for downstream pricing, commercial, regulatory, finance, supply, logistics, and policy functions who leave with a Petroleum Pricing Workbook. Participants build petroleum landed cost models, import parity pricing structures, and location price equalization methods for petroleum product price harmonization across ports, depots, grades, and markets. The course connects source data, controlled assumptions, sensitivity analysis, reconciliation, and pricing governance. Agile Leaders Training Center presents petroleum product landed cost and price harmonization.

## Who Should Attend

- Downstream pricing functions responsible for price build-ups, updates, and supporting evidence
- Oil-marketing commercial functions responsible for margins, product grades, and market-price decisions
- Regulatory and policy functions responsible for transparent formulas and price-review governance
- Finance functions responsible for exchange rates, taxes, working capital, and reconciliations
- Supply and logistics functions responsible for freight, losses, terminals, depots, and inland distribution
- Assurance functions responsible for source records, controls, audit trails, and model review

The course assumes participants already work with petroleum supply, commercial, finance, logistics, pricing, or policy data, and it leaves out crude-trading strategies, derivatives, refinery-process engineering, and jurisdiction-specific legal advice.

## Departments and Industries

The course supports departments and industries that calculate, review, govern, or use petroleum-product price structures.

- Oil marketing, refined-product import, and wholesale distribution
- Downstream commercial, pricing, economics, and planning
- Ports, terminals, depots, marine logistics, and inland transport
- Public policy, market oversight, and price-administration functions
- Finance, taxation, treasury, risk, and internal audit
- Aviation, transport, power, mining, and industrial fuel users

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## Learning Objectives

By the end of this course, participants will be able to:

- Build a controlled petroleum landed cost model
- Apply import parity and cost-plus pricing structures
- Analyze benchmark, quality, freight, tax, and currency effects
- Compare location costs and equalize depot price differences
- Evaluate reconciliations, sensitivities, margins, and data quality
- Prioritize pricing governance and audit-trail improvements

## Course Agenda

## Day 1: Define the Pricing Basis

- Petroleum Product Grade and Specification Basis Sheet
- International Benchmark and Pricing-Window Selection Method
- FOB, CFR, and CIF Commercial-Term Mapping
- Unit, Density, Temperature, and Currency Conversion Register
- Source-Data Hierarchy and Assumption-Control Log

## Day 2: Build the Landed Cost

- Benchmark Premium, Discount, and Quality Adjustment Schedule
- Freight, Insurance, Demurrage, and Marine Loss Build-Up
- Port, Inspection, Handling, and Terminal Charge Matrix
- Customs Value, Duty, Levy, and Tax Treatment Map
- Exchange-Rate, Financing, Inventory, and Timing Cost Calculator

## Day 3: Structure the Product Price

- Import Parity Price Build-Up Template
- Cost-Plus and Reference-Price Comparison Model
- Wholesale, Distribution, Retail, and Allowed-Margin Bridge
- Product-Cross-Supply and Local-Production Treatment Rules
- Price-Smoothing and Pass-Through Scenario Framework

## Day 4: Harmonize and Govern Prices

- Receiving-Port Landed-Cost Equalization Method
- Depot, Zone, and Inland-Freight Differential Matrix
- Product-Grade and Market Price Harmonization Rules
- Actual-to-Formula Cost Reconciliation Statement
- Pricing Approval, Version Control, and Audit-Trail Checklist

## Day 5: Practice the Pricing Cycle

- Suggested Exercise: Validate a Petroleum Pricing Data Pack
- Suggested Exercise: Build a Multi-Product Landed Cost Model
- Suggested Exercise: Equalize Port and Depot Cost Differences
- Suggested Exercise: Test Currency, Freight, and Tax Sensitivities
- Capstone Exercise: Complete the Petroleum Pricing Workbook

## Practical Exercises

The course uses suggested activities to turn pricing evidence into controlled calculations and review decisions.

- Suggested activity: normalize benchmark, product, unit, currency, freight, insurance, and terminal data into one controlled input pack.
- Suggested activity: calculate import parity prices for gasoline, diesel, jet fuel, LPG, and fuel oil under changing assumptions.
- Suggested activity: reconcile formula costs against actual invoices and investigate material variances by cost component.
- Suggested activity: present harmonized prices, sensitivities, controls, and approvals through a traceable pricing workbook.

## FAQs

### Who suits petroleum product landed cost and price harmonization training, and what does it assume?

Petroleum product landed cost and price harmonization training suits downstream pricing, commercial, finance, supply, logistics, regulatory, policy, and assurance functions. It assumes practical exposure to petroleum-product data, price build-ups, supply costs, or commercial analysis.

### What is included in a petroleum landed cost model?

A petroleum landed cost model combines the product benchmark and quality adjustment with freight, insurance, losses, port and terminal charges, customs treatment, taxes, currency effects, financing, and other costs incurred up to the defined delivery point.

### How does petroleum product price harmonization differ from crude-oil trading training?

Petroleum product price harmonization focuses on downstream refined-product cost build-ups, import parity, location equalization, pricing formulas, and governance. Crude-oil trading training centers on crude grades, physical trading, market exposure, contracts, and trading-risk decisions.

## Why is location price equalization used for petroleum products?

Location price equalization allocates or adjusts cost differences among receiving ports, depots, or zones under an approved method. It can support consistent price treatment while preserving visibility of freight, terminal, loss, and inland-distribution differences.

## How should an import parity pricing model be controlled?

An import parity pricing model should use approved sources, defined cut-off periods, controlled conversions, documented assumptions, version history, independent review, reconciliations, sensitivity tests, and an audit trail linking each price component to evidence.

## Conclusion

Participants take back a Petroleum Pricing Workbook containing source controls, landed-cost calculations, price-build-up formulas, location equalization, reconciliations, sensitivities, approvals, and an audit trail. The workbook creates a repeatable route from market and supply evidence to a reviewed petroleum-product price. It supports clearer commercial decisions, transparent governance, and faster investigation of pricing differences.