

# Universities provide new blood for sector

## Qualifications

### Emiko Terazono asks if degrees can match on-the-job training schemes

There is a long list of executives in the commodities world who started their careers at leading resource groups and trading companies. Among them are Ian Taylor, chief executive of oil trader Vitol, who started at Shell; Glencore boss Ivan Glasenberg, who started in the trading house's traffic department in Johannesburg; and Marco Dunand, Mercuria co-founder, who worked at Cargill after graduating from the University of Geneva.

Commodities trading has traditionally been something learnt on the job and, until the 1990s, the large companies took in dozens of interns and trainees a year, teaching them the basics. Many oil and energy traders learnt their skills at BP and Shell, while Cargill taught its large trainee intake how to trade grains and other agricultural commodities.

However, those numbers of interns have shrunk and resource companies are only taking in a handful of graduates each year. The question is whether universities offering various courses in commodities trading and trade finance can fill the gap.

Most companies say they cast their net far and wide when recruiting, and do not limit themselves to graduates with specialist qualifications in commodities. However, technical knowledge adds an edge to highly motivated candidates with a strong academic background, say those who have been on the courses.

Cass Business School in London offers one-year masters courses in shipping, trade and finance, and energy, trade and finance, while Paris Dauphine University has a masters course on financial

markets, commodity markets and risk management.

"We try to open students' minds," says Philippe Chalmin, who teaches economic history at Paris Dauphine. In order to succeed in commodities, "you need to be flexible", he adds.

The Singapore Management University set up its International Trading Institute in 2007, providing finance and commodities trading courses at the undergraduate level as well as for executives and professionals.

SMU's launch of commodities trading courses has been part of Singapore's push to establish itself as a hub for commodities in an effort to rival that of Geneva. The courses add to the available pool of talent for the commodities trading groups, as well as for the companies which service the industry.

The University of Geneva and the Geneva Trading and Shipping Association (GTSA), which represents trading companies and banks active in commodities, created a master's degree in international trading, commodity finance and shipping in 2008.

Students need to be hired on a part-time basis by a trading house, shipping company, specialised commodity finance bank, or a commodities services company based in the Lake Geneva region to enrol in the 18-month course.

Geert Descheemaeker, secretary-general of the GTSA, which was set up in 2006, says: "We felt we needed to do something about training young people to interest them to go into our business."

He adds that there was a need for the industry to engage with local talent in their 20s, who were otherwise interested in finding jobs only at the UN or in investment banks in Switzerland.

About two-thirds of the students on the course are from Switzerland and neighbouring France, while the rest come from as far as China, as well as Russia and Bulgaria.

The course distinguishes itself from other university degrees by having the industry finance the training of the students by making part-time employment in the commodities sec-

tor mandatory while they study. Mr Descheemaeker says 95 per cent of those who go through the course stay with the companies and banks who backed them.

When the course was launched, the University of Geneva struggled to gain recognition from both students and business, and the course started with 16 students in the first year. How-

ever, as word spread, there has been a rise in applications, and last year, the number of students totalled 34. Companies that have sponsored students in the past include Cargill, Mercuria, Louis Dreyfus, Vitol, Trafigura, Coca-Cola, Bunge and BNP Paribas, which has a large commodities trade finance operation in Geneva.

SGS, the inspection com-

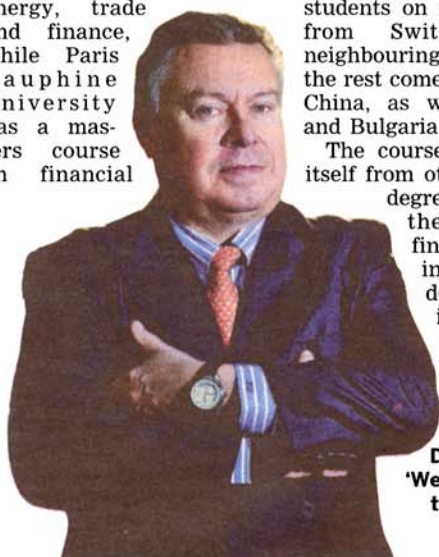
pany, and auditors Ernst & Young have also been supporters of students in the programme.

The recent downturn in the commodities markets and the global economic outlook may, however, have had an effect on the ability of companies to offer positions to students.

Eliane Palivoda Herren, programme co-ordinator for the masters course at the

University of Geneva says that some of the companies that have supported the course in the past are unsure about whether they can hire staff during the coming academic year.

However, says Mr Descheemaeker, many of the GTSA members realise the importance of maintaining their support to keep the programme going. "It's really the future," he says.



**Geert Descheemaeker:** "We felt we needed to do something about training"

David Wagni