

**Welcoming Remarks by
Jeffrey Jarrett
Assistant Secretary, Fossil Energy
Department of Energy
At the
Reception and Forum Opening Ceremony
7th Oil and Gas Industry Forum
Hangzhou, People's Republic of China
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- Thank you and good evening.
- It's a great pleasure to be here in Hangzhou -- and a great honor to be leading the U.S. Group as we continue the series of U.S.-China Oil and Gas Forums begun in 1998.
- I want to take this opportunity at the outset to thank the National Development and Reform Commission, and in particular Director General Ma Xin and Vice Chairman Zhang GuoBao and Vice Chairman Chen Deming for organizing and hosting this important forum.
- I also want to thank Zhejiang Province's Governor Lu ZuShan and the people of Zhejiang for their gracious hospitality.
- I know I speak for all the members of the U.S. Group when I say that we have been looking forward to this visit to your great country, and to continuing to work together with you to meet our common oil and gas energy goals. As you know, those goals include assisting your country's efforts to secure reliable and economical sources of oil and natural gas while facilitating investment by our industry.

- The United States and China began the Oil and Gas Forum in 1998 because we realized that it was important for the world's number one and number two energy consumers -- the nation with the world's largest economy, and the nation with the world's fastest growing economy — to work together to ensure our nations' and the world's energy and economic health, with all that means for a future of peace and prosperity.
- A secure energy supply to meet growing energy demand is the foundation of a modern economy, and to attain that supply we must have advanced technology for discovering, producing and transporting oil and natural gas – both domestic and imported – and for using energy more efficiently.
- In addition, with each passing year international trade in oil and natural gas becomes more important to meeting our two country's energy requirements.
- For that reason, a smoothly functioning, fully transparent international market in oil and gas is in the best interests of all energy traders.
- It is clear that international cooperation is the surest way of tackling these energy issues and of achieving energy security.
- All of these issues will be addressed in our discussions over the next two days.
- Much has changed in the oil and gas world since our first meeting in 1998.
 - The technological challenges to producing domestic reserves of oil and natural gas have grown;
 - Markets have become more volatile;

- Prices for oil and natural gas have risen to near-historic highs, and
- An international market in natural gas in the form of Liquefied Natural Gas has grown to become a significant factor in the energy equation for our countries.
- These changes have only served to make the Oil and Gas Forum's work more important.
- As in past years, our exchanges of ideas on industry developments in the United States and China, and our exploration of opportunities for greater commercial cooperation and for investment in China, will help our two countries to meet the energy challenges we face.
- On behalf of the U.S. Group, I want to thank you for an enjoyable opening day for this year's forum. This afternoon's cruise was a perfect way to mark the end of a long journey from the United States and the beginning of the stimulating and productive discussions you have scheduled for the days ahead.

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