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## Statement of API President and CEO Red Cavaney

### At the Opening Ceremony of the API Beijing Representative Office

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Distinguished guests, colleagues and friends; I am honored to participate in this opening ceremony for the API Beijing Representative Office. This sales, marketing and customer service office will facilitate cooperation and the exchange of information between the U.S. and Chinese oil and natural gas industries. It will help API promote its activities and better serve its existing and expanding customer base here in China.

API and its members wish to express our appreciation to the Ministry of Commerce of the People's Republic of China for its approval in enabling us to open this office. I have great confidence it will strengthen the ties of friendship and cooperation between our two nations.

The API office would not be opening today were it not for the strong commitment and outstanding work of our many Chinese friends and colleagues and their organizations represented here today. We are very pleased that representatives of the Chinese oil and

natural gas industry could join us, along with those of Chinese manufacturing companies, many of whom are API customers. Working closely with you in recent years, we have learned much about China, its oil and natural gas industry, and the significant role China is playing in the global oil market.

The opening of this important office has benefited from the strong support of U.S. Ambassador Clark Randt, Jr. and his Embassy staff -- support for which we are very appreciative. We also want to thank the American Chamber of Commerce for all it has done to help bring about this special day and are grateful for the work done by the Paul-Hastings law firm. And, importantly, I am delighted that representatives of a number of API member companies could be with us today, as well as representatives of the China Standards and Conformity Assessment Consortium.

The Beijing office is API's first facility outside the United States. The markets for API's programs are increasingly global, with nearly 80 percent of our business located outside our country. Moreover, of the 57 nations where API has customers, China ranks first. The opening of our Beijing office reflects both the global breadth of the oil and natural gas industry and the emergence of a robust energy sector that is fueling China's growth.

Having a permanent presence in Beijing will enable API to get to know and work with key government officials and nongovernmental bodies involved in Chinese oil and natural gas operations. The office will promote cooperation between our industries and

will offer API's services and support to help meet the Chinese oil and natural gas industry's needs.

By maintaining an office in Beijing, API will be able to showcase our programs in China and demonstrate our commitment to working with Chinese government agencies.

Hopefully, the API office will help reduce barriers to the acceptance of U.S. equipment and operations and facilitate our nation's trade and commerce with China. We will continue to work closely with the American Chamber of Commerce, the U.S.

Department of Commerce's Foreign Commercial Service, and the U.S. Embassy to build relationships with Chinese regulators and high-level government and industry entities.

Such relationships are vital to our industry's success in China.

One of the most important benefits of the Beijing office will be improved customer service. With nearly a thousand API customers in China, providing local and timely service is crucial. API's office is here not only to serve customers and help them solve problems, but to learn as well from customers' experiences and to bring that learning back to API to develop new or better services.

From the perspective of the U.S. oil and natural gas industry, this is an effort from which everyone benefits:

- Chinese consumers will benefit from a productive and efficient Chinese oil and natural gas industry that benefits from API's products and services in the full range of its operations;

- The U.S. oil and natural gas industry will benefit from new lines of communication with the Chinese government, facilitating its access to Chinese markets and making it more responsive to Chinese consumers; and
- Chinese manufacturers will benefit from use of API programs that help to ensure the quality, compatibility and interchangeability of their equipment and services used both in China and worldwide.

We are very pleased by the welcome extended by our Chinese friends toward our new undertaking. In recent years, API has markedly increased its activities in China. Two years ago, we joined with other members of the China Standards and Conformity Assessment Consortium to open an office here in Beijing. We welcome additional Chinese participation in API and an even closer relationship in the years to come.

In closing, let me express the hope that today's ceremony will mark a turning point in the relationship between China and the U.S. oil and natural gas industry. We, in the industry, are committed to working with you in China to do all we can to facilitate your use of API's products and services. In today's global oil market, we cannot afford to go our separate ways. I think the motto we have for today's event says it all: Uniting the Industry - Fueling Prosperity!

Thank you.

