

THE 8TH RUSSIAN-CHINESE ENERGY BUSINESS FORUM

Subject of the Forum:

Three decades of strategic partnership – the foundation
for strengthening the long-term and deep
Russian-Chinese energy cooperation

SPEECH

by Executive Secretary
of the Presidential Commission
for Strategic Development of the Fuel and Energy Sector
and Environmental Safety

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1. INTRODUCTION

Dear participants and guests of the Forum!

First of all I would like to express my deep **gratitude to the President of the Russian Federation Vladimir Vladimirovich Putin and President of People's Republic of China Xi Jinping** for their support and continued personal attention to the development of bilateral energy cooperation.

I would like to thank our Chinese friends and **personally Vice Premier Ding Xuexiang** for participating in our today's event and welcome our esteemed guests, the members of the Chinese delegation:

- **Wang Hongzhi**, Head of the National Energy Administration of the PRC;
- **Dai Houliang**, Chairman of the Board of Directors of China National Petroleum Corporation.

I would also like to welcome:

- **China National Offshore Oil Corporation, China National Pipeline Corporation, Kezhui Group, Shandong Yulong Petrochemical Company, China Shipping, Logistics & Industry Corporation, Shanghai Electric, China National Nuclear Corporation, State Grid Corporation of China, China National Coal Group, and representatives of the Chinese banking sector, including the China Development Bank.**

Welcome to the Russian delegation chaired by Deputy Prime Minister of the Russian Federation **Alexander Valentinovich Novak**, and those who are present here today:

- **Sergei Evgenievich Tsivilev**, Minister of Energy of the Russian Federation;
- **our esteemed Russian colleagues Vagit Yusufovich Alekperov, shareholder of LUKOIL; Alexander Valerievich Dyukov, Chairman of the Management Board of Gazprom Neft; Nail Ulfatovich Maganov, CEO of Tatneft; Andrey Leonidovich**

Kostin, President and Chairman of the Management Board of VTB Bank; Oleg Valentinovich Belozerov, CEO and Chairman of the Management Board of Russian Railways; Oleg Vladimirovich Deripaska, founder of Rusal, and other leaders of Russian and Chinese companies, as well as representatives of the expert, academic and media communities.

The industrial and infrastructure companies gathered at our Forum generate approximately **two trillion dollars in annual sales** and services. **Every seventh ton of oil, every fifth cubic meter of gas and every third kilowatt-hour worldwide** are produced by the companies attending this Forum.

Russia and China generate **one-third of all energy produced globally**. In oil equivalent, this volume is equal to 4.3 billion tonnes. I **invite you to contemplate these striking figures. Present in this hall are the regulator of the global energy market and the guarantor of world energy security.**

2. TRADE TURNOVER AND SUPPLY OF RUSSIAN ENERGY RESOURCES TO CHINA

Slide. Over 30 years, the trade turnover between Russia and China has increased more than 50-fold

This year marks the **30th anniversary of the establishment of a strategic partnership between Russia and China and the 25th anniversary of the signing of the Russian-Chinese Treaty of Good-Neighborliness, Friendship, and Cooperation.**

As Russian President Vladimir Vladimirovich Putin noted, “at present, Russia-China relations have reached a truly unprecedented level. The special nature of Russia-China relations is reflected in the atmosphere of mutual understanding and trust, a commitment to pursuing win-win and equitable cooperation, conducting respectful dialogue, and supporting

each other on matters affecting the core interests of both countries, including protection of sovereignty and state unity”.¹

The trade dynamics between Russia and China confirm the special status of our relations. Over the last 30 years, trade turnover between our countries has grown more than 50-fold and currently is way above \$200 billion.

Slide. Russia is one of China's top five foreign trade partners

China is Russia's **largest trade partner** (34% of trade turnover in 2025). **Russia**, in turn, **consistently ranks among China's top five** foreign trade partners.

Our Forum is taking place at a historical stage characterized by the **breakdown of generally accepted business norms and the contractual system, and the dominance of political decisions over the rule of law.** The events in Venezuela, the Middle East, and the Strait of Hormuz clearly demonstrate that no one is immune to the consequences of reckless, unilateral political decisions of the hegemon.

Thanks to changes in its energy landscape, China was able, like an icebreaker, to navigate the crisis with virtually no losses and emerge even stronger. Russia made the greatest contribution to this. Well-timed decisions to build energy infrastructure (the East Siberia–Pacific Ocean pipeline system and high-voltage power lines), to use national currency systems, along with strict adherence to contractual obligations allowed us to **scale up cooperation during this period of turbulence.**

Slide. Energy resources account for over 60% of Russia's exports to China

In the first seven months of this year, trade turnover grew by 26% year-on-year. Much of this growth was driven by Russian energy supplies, which account for over 60% of exports to China. This covers not just oil and gas, but also petroleum products, coal, and electricity. Our country has yet again reaffirmed its status as the largest supplier of energy resources to China with a 22% share.

¹ Interfax, [Putin: Russian-Chinese relations have reached a truly unprecedented level](#), May 19, 2026

I would like to thank everyone who has contributed to this work, including those who are in this room. This pace of growth reflect the **productivity of our dialogue, which has fostered an atmosphere of trust and mutual support.**

3. CHINA'S INDUSTRIAL ACHIEVEMENTS

SLIDE: China established itself as the world's largest manufacturing powerhouse

Today, **China** is the world's only **industrial superpower**, which controls about 30% of the world's industrial output – almost twice as much as the United States and the European Union.² It accounts for **54% of steel production**³, **85-90% of rare earth metal processing**⁴, over **70% of the production capacity** for renewable energy equipment, and over **80%** of all new ship building orders worldwide.⁵

According to McKinsey, the value of all production assets in China is almost twice its GDP, representing a significant boost to further economic development. By comparison, the value of production assets in the US equals the country's GDP, while in Germany it is even lower.⁶ **Maintenance and development of China's production capabilities require reliable energy supplies.**

4. DEVELOPMENT OF POWER GENERATION IN CHINA

SLIDE: China's installed electricity generation capacity is three times higher than that of the United States

The energy sector fuels the entire economy of China – from heavy engineering industry to high technology. China is increasingly being referred to as an electrostate: last year, the country's total energy consumption exceeded 10 trillion kilowatt-hours for the first time. That is

² J.P.Morgan Asset Management, Global Markets Strategy, , Battle after Battle, 8 June 2026.

³ World Steel Association.

⁴ IEA, Critical Minerals.

⁵ Global Times, [China's shipbuilding industry sees stellar growth in first 6 months, with new orders growing 173.1%](#), July 23, 2026.

⁶ McKinsey Global Institute, The global balance sheet 2026, July 2026. Production assets include infrastructure, equipment, and intellectual property.

40% more than the combined consumption of the US and the European Union

China's installed generation capacity, the largest in the world, this June exceeded **four thousand gigawatts**, more than three times that of the United States. Last year alone, China added more than 500 gigawatts of generating capacity, equivalent to half the installed capacity of the European Union or the entire capacity of India.

SLIDE: Russian supplies account for about 20% of Chinese coal imports

Conventional power generation remains the backbone of China's energy sector. Last year alone, 78 gigawatts of coal-fired power generation capacity were commissioned. Targets include new projects to a total capacity of over 160 gigawatts.⁷ China is not rushing to replace coal: over the next 10 years, the share of this energy source in China's total power consumption will remain at 40%.⁸

Russia's supplies cover about 20% of China's coal imports. Last year, the deliveries amounted to nearly 90 million tons.

SLIDE: China is a leader in nuclear power construction

China is also implementing the largest nuclear power development program: currently, the country operates 64 nuclear reactors (15% of all reactors operated in the world) and is building 37 reactors, about half of all reactors under construction worldwide.

SLIDE: Cooperation of Russia and China in nuclear power industry

Russia with its expertise across the entire technological chain of the nuclear fuel cycle, from uranium mining to nuclear fuel disposal, is an active participant in cooperation in the field of nuclear power generation. Four power units of the **Tianwan Nuclear Power Plant** were built in China with participation of our country. The work is in full swing to build the new power units of the **Tianwan and Xudapu Nuclear Power**

⁷ Global Energy Monitor, [Built to peak: Coal power expansion runs out of room in China](#), April, 2026.

⁸ China Energy Outlook 2060 by China Energy Corporation.

Plants, which will be equipped with Russian nuclear reactors (*each will have two 1,200 MW power units*).

A demonstration **fast-neutron** nuclear reactor has been built in China with Russia's participation (*CFR-600, China Fast Reactor 600*).

Russia is the main supplier of enriched uranium to China, accounting for up to 90% of its purchases. In 2025, the volume of supplies increased by 40%.⁹

One of the promising areas of the 15th Five-Year Plan is controlled thermonuclear fusion. A recent achievement by Chinese physicists working on a fusion reactor project was the completion of tests of the **world's largest superconducting magnet** (*21 meters long and weighing 582 tons*) as part of the CRAFT project.

Let me remind you that **our compatriots Igor Tamm, Andrei Sakharov, and others were at the forefront of research into thermonuclear energy.**¹⁰ Today, new fusion facilities are being designed and built in Russia, along with development of key components for the international ITER project, the world's largest tokamak under construction, in which our country participates.

SLIDE: China's renewable energy generation increased tenfold in 2015–2025

China is a global leader in renewable energy. Over the past 10 years, electricity generation from renewable sources in China has increased tenfold, and their share in total generation made up 25% in 2025. The target is to increase this indicator to 30% by 2030.

5. DEVELOPMENT OF CHINA'S ENERGY INFRASTRUCTURE

SLIDE: China leads in deployment of battery energy storage systems

Energy storage plays a crucial role in ensuring power grid flexibility. Last year, China commissioned 162 gigawatt-hours of new

⁹ The Vedomosti newspaper, [The volume of enriched uranium supplies to China reached a record high in 2025](#), 21 January 2026

¹⁰ Kurchatov Institute, [Tokamak-10. How Nuclear Fusion Works](#), 29 June 2022.

battery energy storage capacity. This accounts for about half of the global volume and is three and a half times the capacity added by the US. This volume is sufficient to charge three million electric vehicles at one go.

SLIDE: China is a leading investor in power grids

China actively develops its power grid infrastructure, investing around \$100 billion annually, which accounts for one-fifth of global investment. According to IEA, China's main transmission lines span 1.6 million kilometers, outstripping the combined total of the US, EU, and India.

China takes a rational approach to the **distribution of energy resources and compute capacity**. For example, there is a plan to locate data centers in regions abundant in resources of new energy. Multi-year contracts are encouraged for purchasing electricity by data centers to optimize the investment burden on power generation.¹¹ Therefore, in case of a need **to build additional generating capacity, such issue is resolved at the expense of the data centers themselves rather than the consumers.**

6. CHINA'S LEADING POSITION IN METAL MINING AND PRODUCTION

SLIDE: China remains dominant in almost all critical metals

Access to critical metals and minerals is the foundation for the development of new energy. Today, China holds a leading position in the global extraction and processing of a wide range of metals. This is largely the result of the state-led Belt and Road Initiative, to which the Russian Federation is a key partner.

About 90% of the world's rare earth element processing capacity, essential for the development of modern technologies, is concentrated

¹¹ China Energy Administration, Action plan for promoting mutual development and integration of artificial intelligence and energy, April 2026.

specifically in China.¹² Russia holds **10%** of the world's reserves of this group of metals.¹³

It is worth focusing separately on copper, a key element in the development of a new type of energy system. The United States has launched a global copper race by imposing export tariffs and getting down to rapid stockpiling of copper, which has led to an increase in prices for this metal to record levels. Against this background, **Russia doubled its supplies of copper concentrate and copper to China last year.** In the first seven months of this year, the supply of copper ore and concentrate also doubled.

7. THE HORMUZ CRISIS EMPHASIZED THE IMPORTANCE OF ALTERNATIVE LOGISTICS ROUTES

SLIDE: The Northern Sea Route is a vital logistics route

The Hormuz crisis became a moment of truth for the global energy system, emphasizing the importance of alternative logistics routes. Given the current environment, the most important of them is the Northern Sea Route that enables us to reduce time required to deliver cargo to our trading partners by 1.5-2 times and cut costs by one third.¹⁴

Thanks to the special relationship that has developed between our countries, **China has an opportunity to secure a priority access to the use of this route.**

8. DELIVERY OF THE FOUR ENERGY REVOLUTIONS STRATEGY

SLIDE: In China and Russia, a balanced energy system keeps electricity prices low

China has overcome the Hormuz crisis thanks to its timely creation of stockpiles, large-scale electrification and partnership with Russia. This strategy is based on a balanced approach to energy security,

¹² Resources for the future, [The strategic game of rare earths: why China may only be in favor of temporary export restrictions](#), 7 October 2025.

¹³ The Energy Institute (UK), Statistical Review of World Energy 2024.

¹⁴ The International Affairs, [Northern Sea Route Is a New transit route for the One Belt – One Road Initiative](#), January 2018.

which was implemented under the **Four Energy Revolutions Strategy, announced by** Chinese President Xi Jinping in 2014. I am confident that this strategy will be part of the 15th Five-Year Plan focused on ensuring “security through self-sufficiency”.

To date, China has built an integrated energy planning system based on the coordination of development across all its components: **from power generation to equipment production and data center construction.** That is exactly why the early creation of low-cost transport infrastructure enabled motor fuel consumers to use affordable alternatives such as electric cars, electric buses, gas-powered trucks, metro, electric trains, and electric taxis after a sharp decline in oil supplies from the Persian Gulf.

In May of this year, electricity sales through public charging infrastructure in China increased by more than 60% year-on-year.¹⁵ Active transport electrification has already reduced a demand for motor fuels by one million barrels per day.¹⁶ **In fact, the transition from hydrocarbon molecules to electrons has begun in China.**

China's key competitive advantage, which is low electricity prices, plays a huge role in this process. In China, electricity costs are around 9 cents per kilowatt-hour for industry (72% lower than in Germany and 59% lower than in France) and less than 8 cents per kilowatt-hour for households (58% lower than in the US).¹⁷ Only Russia stands at a similar level.

Unlike Western countries, China is successfully addressing the task of restraining electricity price growth, also through ramping up power generation and developing the power grid infrastructure.

9. CHINA'S ENERGY NEEDS

SLIDE: China has powerful leverage over the global oil market

China has successfully accomplished its transformation from a major consumer and importer of energy to an active market leader.

¹⁵ SIA Energy data.

¹⁶ Financial Times, [China's energy strategy vindicated by Iran war](#), August, 2026.

¹⁷ Average prices in 2025.

This has been made possible largely by the accumulation of significant oil inventories—the largest in the world. Currently, they are estimated at 1.4 billion barrels. These inventories, along with developed electric power infrastructure, provide China with a **powerful leverage over the global oil market**.

SLIDE: Record petroleum stocks guarantee China's energy independence and fuel self-sufficiency

This year **China in fact seized the initiative from OPEC and without entering any cartels managed to stabilize the global oil market** by cutting oil imports by 5.5 million barrels per day.¹⁸ Experts estimate that without these measures oil prices could have risen by \$30 per barrel additionally.¹⁹

The 15th Five-Year Plan pays particular attention to the fossil fuel reservation theme. I believe that **further growth of Chinese stocks will strengthen China's role in the energy market amid declining influence and shrinking membership of OPEC**.

China's energy policy is based on the principle formulated by Chinese President Xi Jinping: “**Be mindful of dangers in the midst of peace**”.²⁰ The philosophy of this approach is rooted in centuries-old Chinese tradition. Confucius back in his time, when commenting on the Book of Changes, wrote: “**One should be mindful of possible danger in times of peace, downfall in times of survival, and chaos in times of stability**”.²¹

10. RUSSIA – THE GUARANTOR OF ENERGY SECURITY

SLIDE: Russia has the largest natural resource base

The position of Russia and China in the global economy and energy sector creates a fundamental basis for synergy between the two countries. The key role here belongs to the unique resource base of Russia which possesses the world's largest oil and gas reserves,

¹⁸ From February to June 2026.

¹⁹ The Economist, [China is now the world's great oil power](#), August 9, 2026.

²⁰ 居安思危。

²¹ 安而不忘危，存而不忘亡，治而不忘乱。

amounting to roughly **60 bln tons of oil equivalent**, which equals **14% of global reserves**. Russia also ranks second in the world in terms of proven coal reserves.

SLIDE: Russia has been China's largest oil supplier for four years in a row

As the country enjoys **developed production capabilities**, Russia accounts for **12%** of global hydrocarbon exports.²²

Our country has been China's largest oil exporter for the past four years, with annual supplies exceeding 100 million tons. In the first seven months of this year our country supplied 67 million tons of oil, reaching a record 23% of China's total imports.

Thanks to the higher efficiency of Russian oil purchases compared to the Middle Eastern alternative, we assess **that starting from 2022** the total **economic benefit for China amounts to \$27 billion**.

In 2024, Russia also became the **largest gas supplier to China** (*ahead of Turkmenistan, Australia, and Qatar*) and continues to increase supplies. By the end of 2025 Russia **accounted for almost a third (30%)** of China's **natural gas supplies** (*including 47% of pipeline gas import and 14% of liquefied natural gas import*).

11. SETTLEMENTS ARE NOW HANDLED IN NATIONAL CURRENCIES

Slide. The yuan's share in China's foreign trade steadily exceeds 50%

The process of diversifying international payment instruments is in full swing. The share of the yuan in China's international payment transactions has grown from 2% to 53% over the last 15 years.

Mutual settlements between our two countries are already handled almost entirely in rubles and yuans. To consolidate the use of national currencies, **it is required to fine-tune the relevant infrastructure and instruments** supporting clearing operations and open

²² 2025 data provided by the Energy Institute (UK).

the correspondent accounts. We continue to count on the assistance of the Bank of Russia and People's Bank of China in this matter.

12. CLOSING REMARKS

Slide. Photo of Xi Jinping and Vladimir Putin

In our day-to-day work we will have to pay **special attention to the management of risks**, which **will be building up** amidst ever-new unilateral reckless undertakings and unjustified political schemes. Such threats include tariff wars, US dollar volatility, increase of government debt in Western countries, destruction of the international law system.

And **only by working together can we achieve the results and reach our goals** in the face of threats. All the more valuable is our trusting and mutually supplementing partnership. They say in China “**A single string cannot make music, and a single tree does not make a forest**”.²³

The conditions for the further development of our strategic partnership have already been created, so they need maintaining and strengthening. In this race, **we must win**. Its outcome will determine the fate of our peoples. As they say in China, “**The east wind prevails over the west wind**”.²⁴

I congratulate you on the opening of the 8-th Russian-Chinese Energy Business Forum and wish you productive work.

Thank you for your attention!

²³ 单弦不成音，独木不成林

²⁴ 东风压倒西风