

## **FOREWORD**

While liquefied natural gas (LNG) is playing an increasingly important role in the East Asia Summit (EAS) region, the Asian LNG market and its pricing system face various problems. One typical example is the presence of premiums in Asian LNG prices, which are emphasised when oil prices remain high. This is unique to Asia, where the regional LNG market, the world's largest LNG consuming market, has yet to develop fully and where LNG prices are not determined by supply and demand.

This problem seems to have subsided since 2014 due to lower oil prices, which, however, are not a fundamental solution with the underlying cause remaining. A lot has still to be done to ensure the sustainable use of LNG.

This study involved various discussions among economic experts from EAS countries and LNG exporting and importing countries, the results of which are expected to contribute to the development of the EAS region.

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