

Chapter **1**

Introduction

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CHAPTER 1

Introduction

1.1. Background and Objective

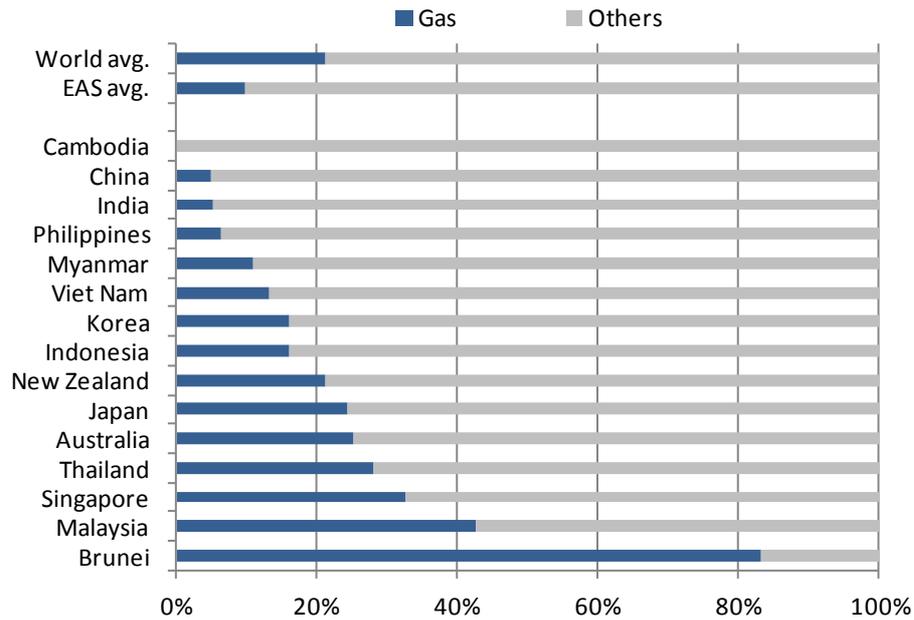
The potential to use natural gas can be increased in the East Asia Summit (EAS) region where energy demand is continuously increasing, and countries are urged to address pollution and climate challenges. Its increased use has three main advantages in the region:

- Abundant resource potential, including unconventional gas;
- Less geopolitical risk as resource distribution is more geographically diverse compared to oil; and
- Lowest emission, including carbon dioxide, among all fossil fuels.

However, in reality, the natural gas utilization rate is not high outside of countries that produce natural gas themselves and some countries that have promoted the use of natural gas through government policy. EAS' average share of natural gas consumption is lower than the world average. This is due to a variety of factors. Therefore, in EAS countries, the advantages of natural gas are not being adequately exploited, and there is a potential for further expansion in the future. EAS countries may also have elements that hinder the increase in the use of natural gas. If this is the case, then policymakers in EAS countries should promote efforts to reduce and eliminate those impediments in their countries as well as in the international LNG market.

This research will propose who should do what among the key stakeholders to expand natural gas utilization in the EAS region.

Figure 1-1. Share of Natural Gas in Total Primary Energy Supply



Avg. = average.

Source: International Energy Agency (2016).

1.2. Study Method and Work Stream

(A) Analysis of elements that hinder LNG use and necessary actions

Literature survey was conducted to analyse elements that hinder LNG use in EAS countries. It then identified necessary actions for different stakeholders to promote LNG demand in the region.

(B) Expert meetings

Multilateral expert meetings were organized to discuss the issues. Each expert provided their views and/or suggestions on the issues. Discussions then took place. Possible issues/questions discussed were:

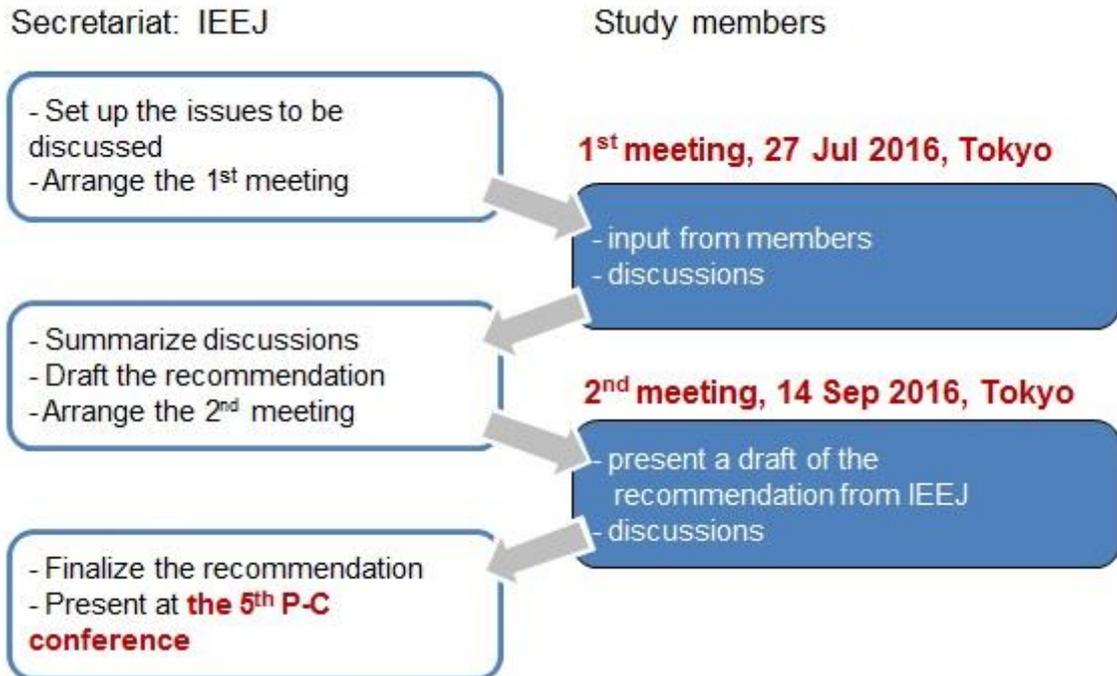
- What elements in the region hinder the promotion LNG demand?
- What actions need to be taken by whom to address the challenges?

(C) Policy recommendations

Based on the literature survey and the working group discussions, the study derived policy recommendations for promoting LNG use in the region. The study's aim was to formulate a policy message for the global society and policymakers at the 5th LNG Producer-Consumer Conference

held in Tokyo in autumn 2016. The study result was successfully presented at the conference and key policy recommendations have been adopted by the conference (Appendix 1).

Figure 1-2. Study Process



IEEJ = The Institute of Energy Economics, Japan.

Note: The 5th P-C Conference is the 5th LNG Producer–Consumer Conference.

Source: Author.