

5 October 2026

## Strengthening the Resilience of the LNG Market

— Insights from a Roundtable Held as a Side Event of  
the LNG Producer-Consumer Conference—

**Takafumi Yanagisawa, Hiroshi Hashimoto, Satoshi Kihara, Kazuki Takeda**

Energy Security Unit  
The Institute of Energy Economics, Japan

On 11 September 2026, IEEJ hosted a roundtable entitled "Future of the LNG Market in the Wake of the Middle East Crisis" as a side event of the 15th LNG Producer-Consumer Conference, which was co-hosted by the Ministry of Economy, Trade and Industry (METI) and the International Energy Agency (IEA). A total of 20 government and industry representatives from around the world participated, in a frank exchange of views under the Chatham House Rules, whereby neither identity nor affiliation of participants, nor comments attributable to individual participants may be disclosed. The following section summarizes the key points raised during the discussion, followed by IEEJ's assessment based on those exchanges.

### <Key Points Raised During the Discussions>

#### "Middle East Crisis and Its Impact on the LNG Market"

- ✓ Global LNG trade accounts for about 3% of natural gas consumption, including domestically produced and consumed gas as well as pipeline trade. Nevertheless, LNG has developed into a global market and has made significant contributions to global energy security.
- ✓ Following the outbreak of the recent Middle East crisis, LNG exports from Qatar and the UAE, which together account for around 20% of the global LNG trade, have become difficult, creating considerable disruption in the LNG market, particularly in Asia.
- ✓ The disruption caused by the Middle East crisis should be recognized not merely as a risk of temporary price increases, but also as a structural risk arising from the concentration of low-cost LNG supply in the Middle East.

#### "The Importance of Strengthening Resilience in the LNG Market"

- ✓ Even amid the Middle East crisis, East Asian countries with extensive long-term LNG contracts and diversified portfolios of LNG procurement and energy resources have demonstrated relatively strong resilience. This may serve as a useful "best practice" example for other Asian countries that rely heavily on the spot LNG market and remain vulnerable to supply disruptions.
- ✓ Dialogues between exporting and importing countries, such as through the LNG Producer-

Consumer Conferences, as well as multilateral frameworks within international organizations including the IEA, play an important role in strengthening resilience in the LNG market. In addition to supporting infrastructure development such as LNG receiving terminals, it is also important to expand financial support mechanisms, including credit enhancement measures.

"The Need to Continue Investment in LNG Projects"

- ✓ From the perspective of maintaining an adequate "reserve margin," which is essential for the stability of the global LNG market, continued investment in LNG projects worldwide remains necessary.
- ✓ It will also be important to further enhance flexibility within the LNG market.
- ✓ On the other hand, even if LNG supply expansion and market flexibility are promoted, it will be difficult to fully offset the impact of a disruption to LNG supplies from the Middle East. Therefore, stabilization of the situation in the Middle East remains crucial to the stability of the global LNG market.

"Points to Note for Future LNG Procurement"

- ✓ Long-term contracts provide the stability necessary for investment and financing on the LNG exporters' side, while offering volume and cost stability to LNG importers. At the same time, spot procurement remains necessary to accommodate fluctuations in supply and demand. It is therefore important to combine long-term and short-term contracts, stagger contract maturities, and secure sufficient destination and resale flexibility.
- ✓ Regarding diversification of supply sources, it is important not only to procure LNG from different countries and regions, but also to source LNG from different projects even within the same country.
- ✓ LNG importers may increasingly shift their focus from securing the "cheapest supply source" to securing the "most reliable source." Moreover, the definition of "reliability may evolve" from considerations such as "price, production capacity, and contractual terms" toward "resilience of production and supply during periods of disruption."

"The Need for a Predictable Investment Environment"

- ✓ As the LNG business is based on long-term investment, a predictable investment environment is crucial. While the importance of policies relating to domestic gas supply and methane emission regulations should not be overlooked, such policies must be implemented in a manner that does not undermine market mechanisms or energy security.
- ✓ The role of government is to maintain a predictable licensing process, facilitate the development of necessary infrastructure, and ensure freedom of navigation. Decisions regarding individual contracts and suppliers, however, should remain the responsibility of companies, based on commercial viability and risk considerations.

**<IEEJ's Summary>**

- ✓ Amid the current Middle East crisis, which has disrupted LNG suppliers from Qatar and the UAE and driven sharp increase in spot prices, the importance of maintaining and expanding LNG supply through continued investment has been reaffirmed. At the same time, the value of enhancing market flexibility alongside the continued use of long-term contracts and diversification of procurement sources, has become increasingly evident.
- ✓ To strengthen resilience and contribute to stabilization of the LNG market, it is important to promote dialogue among LNG producers and consumers, as well as among governments and companies, and to bring and translate such dialogue into practical measures tailored to individual circumstances. This includes discussions aimed at ensuring a predictable investment environment and expanding investment and financial support for infrastructure such as LNG receiving terminals.
- ✓ Furthermore, to strengthen such resilience on a sustainable basis, it is necessary to move beyond short-term measures focusing solely on energy security. Efforts should also encompass greenhouse gas emissions reduction across the LNG supply chain, including methane emission management, while giving due consideration to appropriate risk-sharing among governments and companies, and between LNG producers and consumers.

Contact: [report@tky.iej.or.jp](mailto:report@tky.iej.or.jp)