Overview
The gas markets are changing very rapidly in the recent years. The change is apparent from the geography of gas supplies and changing weight of the key players; the increase of the interregional linking role of LNG; and ultimately, the paradigm change in gas markets in the form of decisive liberalisation in some regions. Added to all these changes inherent to the market, the geopolitics starts to play the central role again. Future Russian supplies might be seriously affected not only by the situations on external energy markets, but ultimately by the new divide between itself and the West. The overall purpose of our current research is to see whether there is 1) basis for the integration of the global gas market by enhanced interrelation of price levels between regional markets; 2) what role does the pricing mechanism plays in this; 3) what consequences would the geopolitical standoff have, and whether the geopolitical factors are likely to accelerate or impede the process of gas market integration on a global level.

Currently there are two possibilities for the global gas market development: on the one hand, and this was mostly the dynamic characteristic for the mid-2000s, the increased share of LNG trade and the increase in the share of competitive pricing mechanisms for internationally traded gas created the preconditions for the globalisation of the gas market. On the contrary, the shale gas revolution and complete reversal of the potential role of North America in the gas supply patterns created conditions for greater divergence between the regional levels of prices, which in turn signal about the limited capability of these markets for integration. The proposed paper focuses on the gas price formation on a regional level and analyse the ways this mechanisms can influence the process of global gas market integration, and to what extent the geopolitical factors may affect the economic realities.

Methods
The methodology used in the proposed paper is looking at pricing mechanisms and interrelation of the mechanisms with gas market integration. As a basis, we review several concepts of gas market integration, including the IGU GMI model, which, among other factors, accounts for political processes and geopolitical factors. The overall approach of the proposed paper is an institutional approach and evaluation of transaction costs for the participating agents. The institutional approach provides a coherent framework for analysing how diverse agents behave in the context of specific institutional constraints and incentives. Institutional analysis allows for an understanding that energy relations differ in time and space. Hence, macro-regional institutional specificities must be analysed in order to have a comprehensive view of gas trade relations in each of them. Interactions between the states, between states and market agents, and between market agents themselves have a strong impact on contractual and regulatory practices. Subsequently, regional institutional specificities emerge (different regions experience uneven impact of the trend towards an internationalisation of the gas markets).

Results
The outcomes include an interdisciplinary account of gas market integration. The novelty of the proposed paper is analysis of the interlinkage between gas pricing mechanism as an economic concept with geopolitical processes. Our conclusion is that the global market integration is postponed; and this is reassured by the current geopolitical situation.

Conclusions
There exists a basis for the integration of the global gas market. The key factors in this include the development of transportation options and decreasing costs, as well as availability of a wider number of sources for the international market. However, the enhanced interrelation of price levels between regional markets is something that does not happen. One of the core reasons is the different pricing mechanisms used in the respective regions. Whether the pricing mechanisms will develop in the same direction depends on the supply and demand outlook for each respective region, but importantly, the process of liberalisation which is can be seen as the core justification for moving toward a more similar pricing mechanism (i.e. hub-based pricing and link to them in the long-term contracts.
via the gas-on-gas competition principle and a respective indexation formula) is not a likely development for the largest and the fastest growing of the Asian Pacific gas market, not least due to the geopolitical reasoning. Ultimately, although the factors for global gas market integration are in place, the pricing mechanism is something that would not allow for a full-scale integration.

References