A buyer's market

Establishinga new equilibrium in the global helium business

An interview with PhilKornbluth, President of Kornbluth Helium Consulting

Thereare few individuals in the global helium businessas informed and well-versed in its past, present and future, as Phil Kornbluth.

Kornbluth is recognised asone of the industry's leading independent commercial experts and hasbeen employed by several leading industrial gascompanies over the last 44 years, including The BOCGroup plc (BOC)and the Matheson Gas subsidiary of Nippon SansoHoldings (NSHD).While at both BOC and TNSC(now NSHD),Kornbluth held executive positions that included general management and P&Lresponsibility for their global helium businesses.

Today, Kornbluth is the founder and Presidentof Kornbluth Helium Consulting, LLC,ahelium-focused consultancy that advises clients on all commercial aspectsof the global helium business,a role he hasfulfilled for almost adecade.

Despite all of these decadesof helium market growth and evolution, this isarguably one of the most interesting and simultaneously polarising times Kornbluth has experienced in the industry – with tariffs, trade and sanctions, and a reappraisal of the competitive landscapeall going into a relatively fluid and uncertain market mix. One of the biggest shifts Kornbluth seesis the movement to a buyer's market over the last yearor so.

As the global helium businessstrives to establish a new sense of equilibrium, Kornbluth will himself by flying into Utrecht, the Netherlands to provide a keynote talk – plus Q&A – at the European Specialty GasesSummit 2025. Here in this exclusive interview ahead of the event, he shareshis thoughts on helium in 2025 and where the key inflection points are.

Thanksfor taking time out with gasworld. What are we interrupting in your scheduletoday?

Kornbluth Helium Consulting is a one-man consultancy, and I do my billing on the last day of the month.That's how I spent my morning and, thisafternoon, I will be spending time updating my Helium BusinessOverviewreport and responding to an ad-hoc request from a client.

You'll be flying into this SpecialtyGasesSummitin Utrecht to provide a keynote talk on the helium businesstoday, what are you looking forward to from the event?

Most of the conferencesthat I attend these days are focused on the helium business,so I tend to seea lot of the samepeople and present to similar audiencesat those events. While I'm sure that I will know some of the attendeesat Utrecht, I am looking forward to meeting new people and presenting to a different audience.

And with that in mind, what isyour take on the helium business today and what it meansfor the Europeanmarket?

After an 18-yearperiod of recurring shortages, the helium businesshasbeen experiencing plentiful supply sincethe start of 2024. The market hasflipped from a'seller's market' to a'buyer's market' and it is still trying to establish a new equilibrium. Thewar in Ukraine and resulting sanctions, including the ban of Russian helium from the EU,has also caused some major changes to the helium businessthat will havelong-term implicationsfor the structure of the business.

> "I'm also keeping a close eye on tariffs, but the situation remains very fluid and it is hard to say where things will eventually shake out..."

Fullagenda

See the full event programme, correct at the time of writing,on page 24.

Where do you see the big challenges and opportunities in helium today?

When there is over-supply in the market, and prices are softening, it is always challenging to minimise the erosion of profit margins. The business has also become more competitive in recent years as more Tier 2 gas companies have secured direct access to supply. Some of these Tier 2 gas companies will capitalise on the opportunity to obtain direct supply from producers and develop solid businesses independent of the helium majors.

There are also opportunities for some of the more well-managed and well-financed helium exploration start-ups to establish themselves in the business.

And what are the other big talking tracks in helium today, or the stories going under the radar a little that we should think about?

I don't know about 'under the radar' but the sanctions on Russia are dividing what had previously been a very global helium business into companies who are able to buy Russian helium at prices that are discounted compared to non-Russian sources, and companies who are not allowed to buy from Russia. This is having a significant impact on the competitive dynamics of the business.

The sanctions regime has also been the catalyst for accelerated development of what I refer to as the 'Chinese Helium Ecosystem'. China has been developing new domestic helium sources, as well as the capabilities to manufacture equipment that supports the helium business, such as 11,000 gallon ISO containers and helium purification and liquefaction technology. I'm also keeping a close eye on tariffs, but the situation remains very fluid and it is hard to say where things will eventually shake out.

Electronics and semiconductor applications are a huge growth driver for helium demand today, and this space is a core part of this Specialty Gases Summit – so what message would you leave our semiconductor audience or readers with when it comes to helium?

Although it is very difficult to obtain hard data, semiconductor chip manufacturing has likely surpassed MRI as the leading application for helium and it is hoped that demand growth will accelerate in the next few years to help to absorb the excess supply in the market.

While there can always be surprises due to geopolitical events or major plant outages, the era of grinding shortages and supply allocations should be behind us and helium supply going forward should be much more reliable that it was between 2006-2023. gw