Fears of helium ‘tsunami’ but market holds up for now

By Molly Burgess on Mar 23, 2026
Translate

Most helium customers haven’t yet felt the impact of tightening supply from the ongoing Middle East conflict, but that is likely to change in the coming weeks.

Industry experts are warning of the delayed effects. Phil Kornbluth of Kornbluth Helium Consulting compared the situation to a tsunami: “the tsunami is out there, we know it’s coming, but it’s still sunny on the beach.”

Early concerns around tightening supply have since firmed, with Reuters on Thursday (19 March) reporting that attacks by Iran on Qatar facilities have damaged infrastructure accounting for around 17% of QatarEnergy's liquefied natural gas (LNG) export capacity.

As helium is predominantly produced as a by-product of LNG processing in Qatar, the loss of this capacity will impact the global helium supply.

Two of Qatar's 14 LNG trains and one of its two gas-to-liquids (GTL) facilities were damaged in the strikes, with repairs expected to sideline up to 12.8 million tonnes per year of LNG capacity for between three and five years.

The state-owned producer may also be forced to declare force majeure on long-term LNG contracts for up to five years, affecting supplies to key markets including Italy, Belgium, South Korea and China.

The impact

The long-term loss of 17% of Qatar's LNG capacity (and 14% of helium capacity) would reduce global helium supply by about 5% until the damaged LNG trains can be repaired, according to Kornbluth Helium Consulting. And while significant, the market's pre-crisis surplus should be enough to cover this shortfall three times over once the remainder of Ras Laffan's capacity has been restarted.

Qatar accounts for approximately 33% of the world's helium capacity, and over 80% of Qatar's output is produced as a by-product of LNG production from its Helium 1 and Helium 2 facilities in Ras Laffan Industrial City.

Before the conflict, the helium market was in a state of oversupply, with recent supply additions expected from projects including Gazprom's second plant in Russia and several start-ups.

That said, the loss of support from Qatar – 33% or 27%, depending on whether Qatar3 (which is not linked to LNG production) is included – does not directly translate into a 27% or 33% supply deficit.

"Once the supply chain has been reconfigured until Ras Laffan's production is restored, the helium shortage will likely be around 10-15%. That is certainly significant, but we've experienced worse during past shortages," Kornbluth told **gas**world.

However, the situation also carries longer-term implications for customers, particularly those heavily reliant on Qatar supply.

Richard Brook, helium consultant at Garrison Ventures, said there could be lasting impacts if disruption continues.

“There are long-term ramifications for many of their customers, especially those reliant on Qatar for their sourcing,” he said. “Furthermore, this may not be the end of the destruction. More of the capacity is at risk so long as the area is subject to kinetic attacks from Iran.”

Pricing

When helium is oversupplied, prices fall, putting pressure on all producers, from the industrial gas majors down. Conversely, during shortages, prices climb, making helium sales more attractive.

Early market signals point to rising prices, but reported spikes in the spot market may overstate the broader impact. Kornbluth explains, “Spot prices have spiked, but spot sales are only 2% of the market in normal times and maybe 4% now.”

The bulk of helium is sold under long-term contracts, meaning price increases will filter through more gradually.

“Contract prices will move up over a longer period and more gradually, as contracts allow,” Kornbluth added.

Some producers have already introduced allocations and surcharges, though these adjustments remain well below the magnitude of recent spot price movements.