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For immediate release

Blockbuster Flow Research Studies Find \$1.3 Billion Worldwide Gas Flow Measurement Market

Wakefield, Massachusetts (October 18, 2011) — An unprecedented series of studies from Flow Research finds that the fast-growing worldwide market for gas flowmeters totaled \$1.3 billion in 2010. Of that, shipments of new-technology gas flowmeters totaled \$498 million and are projected to increase with a CAGR of 10.1 percent through 2015. Traditional technology flowmeters totaled \$792 million, with a projected CAGR of 3.3 percent.

Although differential pressure flow transmitters are the most prevalent technology, the ultrasonic flowmeter market is the fastest-growing, with thermal mass flowmeters close behind. The growth rate for DP transmitters used for flow includes the fast-growing market for multivariable DP transmitters, which are often used for mass flow measurement. Emissions monitoring applications are prompting the thermal flowmeter market to grow a lot faster than expected.

Surprisingly, traditional flowmeter technologies are holding on more tenaciously than expected, due to their large installed base and the fact that suppliers are improving products to meet the rigorous demands of the gas world. The traditional technology

market is expanding slowly, however, as the technology can't really compete with ultrasonic flowmeters except in highly specialized applications such as calibration facilities.

Three flowmeter types dominate the market for custody transfer of natural gas: differential pressure (DP), turbine, and ultrasonic. Flow Research found that suppliers are making significant technological improvements to meet escalating fiscal transfer requirements. Enhanced product developments center around achieving greater accuracy and reliability, especially in new technology flowmeters.

The 2000+ page series features a core study and five standalone studies:

- The World Market for Gas Flow Measurement
- Module A: An Analysis of the Regional Gas Flowmeter and Natural Gas Markets
- Module B: A Strategic Approach to Doing Business in the Gas Flowmeter and Natural Gas Markets in Mideast/Africa
- Module C: The World Market for Custody Transfer of Natural Gas
- Module D: Strategies, Industries, & Applications
- Module E: The World Market for Multiphase Flowmeters

Together they provide an in-depth look at the natural gas markets and flowmeter usage around the world, by regions and countries, plus analysis of what all of it means to control and instrumentation suppliers. The study shows where growth is occurring – and where it is not – and where to expect the highest returns.

According to Dr. Jesse Yoder, president of Flow Research, the gas market holds significant opportunities for suppliers:

“The gas flow market is larger than we anticipated, and appears to be growing faster than either the liquid or steam markets. Certain regions are experiencing economic growth so remarkable that the production of dry natural gas continued to rise even during the recession. In China, for instance, production grew 66 percent from 2005 to 2009. Natural gas is a longterm bridge to renewable, and is

becoming a cleaner alternative to oil in many countries. North America, the Mideast, and Russia are hotbeds of various types of natural gas. All of this is great news for control and instrumentation manufacturers.”

The production of natural gas is rising substantially to meet growing demands for energy. The world population and standards of living continue to rise, and the use of natural gas as an energy source is rising at the same time. The recent recession caused a drop in overall global energy demand and thus reduced production levels in 2009 for natural gas and other energy sources. However, for the period 2005-2008, worldwide dry natural gas production rose more than 10 percent. The U.S., Russia, Algeria, Canada, and Iran, in that order, were the leading natural gas producers in 2009, the last year complete data was available for all countries. Russia, Iran, Qatar, the U.S., and Saudi Arabia, also in that order, were the top world proved natural gas reserves holders.

The discovery of shale gas and feasible technologies to extract it have thrown a wild card into the reserves figures, since much of the currently existing shale gas deposits do not fall under the category of “proved reserves,” yet these deposits have the potential of yielding vast amounts of natural gas. China and Canada have the largest reserves of technically recoverable shale gas.

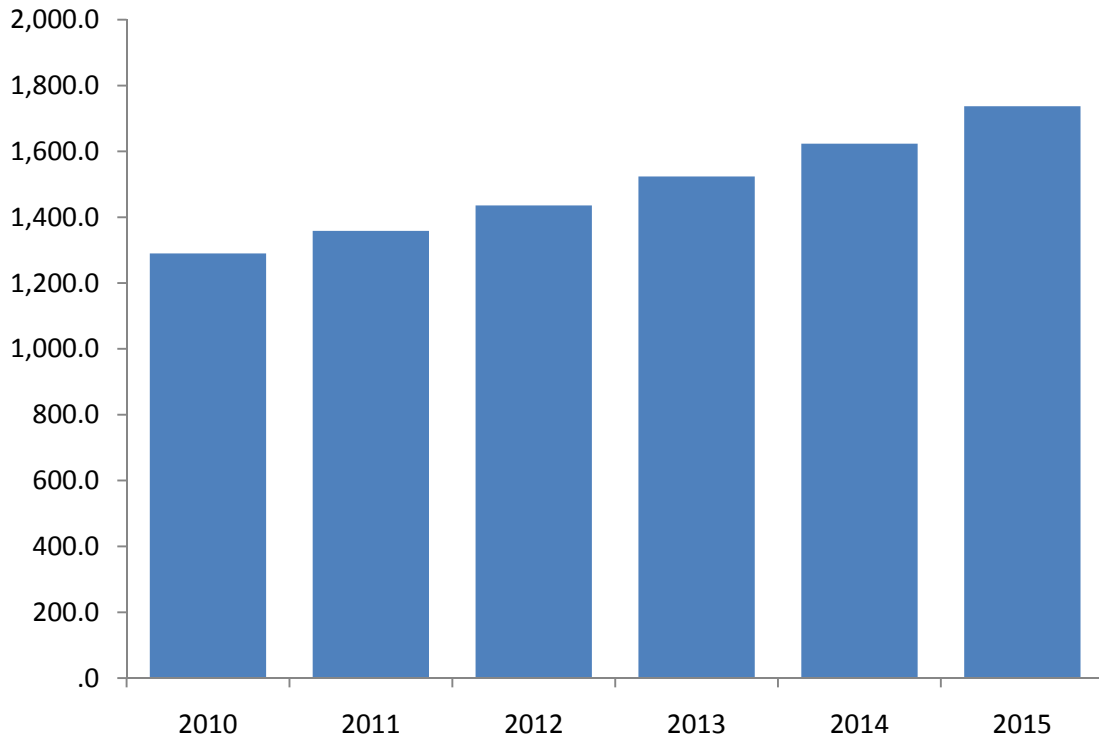
The studies are based on two years of research, including three trips to the Mideast to interview natural gas suppliers about their instrumentation use.

The figure shows total shipments of gas flowmeters worldwide in millions of dollars from 2010 to 2015.

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Flow Research provides research on flowmeters and other process control instrumentation. Recent market studies include the world market for flowmeters as well as individual studies on magnetic, thermal, and vortex flowmeters. Flow Research also publishes quarterly reports on the flowmeter and energy markets as part of the Worldflow Monitoring Service (www.worldflow.com).

**Total Shipments of All Gas Flowmeters Worldwide
(Millions of Dollars)**



Compound Annual Growth Rate (CAGR) = 6.1 percent