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For Immediate Release

New Flow Research Study: Traditional Technology Gas Flowmeters Hold Their Own in a Volatile Market

Wakefield, Massachusetts; April 20, 2016 — A new research study from Flow Research finds substantial growth in the gas flow measurement market. According to this new study, *The World Market for Gas Flow Measurement, 3rd Edition*, by Flow Research (www.flowresearch.com), the worldwide market exceeded $1.7 billion in 2014. New-technology gas flowmeters made up $788 million of this total, while traditional technology gas flowmeters revenues were $930 million. The differential pressure (DP) and primary elements markets are the largest flowmeter markets within the traditional technology gas flowmeter market.

Traditional technology gas flowmeters include differential pressure transmitter and primary elements, positive displacement, turbine, and variable area. Some of these flowmeter types have been around for more than 100 years, and they have become very entrenched in the worldwide flowmeter market. As a result, they have developed a large installed base that is helping them retain market share in a changing flowmeter environment. Though as a whole, the traditional technology flowmeter market is growing slower than the new-tech flowmeter market, the size of its installed base is helping it remain competitive today.

Familiarity and Installed Base Provide Support

While the explanations vary with the type of meter, there are several themes that run throughout. One answer is familiarity. End-users like having a technology they are familiar with and can understand. DP, positive displacement, and turbine meters especially are very well known and

understood technologies. There is a comfort level among users with these technologies that is less likely to exist with the newer technologies such as Coriolis and vortex. In case more meters need to be added in a plant, users often stick with what they have rather than selecting a different type of meter.

A second reason is installed base. Some flowmeters such as DP and positive displacement have been around for over 100 years. Once these meters are installed, customers find in many cases that it is easier to replace them with meters of the same kind than to switch to another technology. Once a technology is in place, backup parts are readily available, any potential problems are usually known, and the path for replacement is clear. All these are reasons to stick with an existing technology.

Another reason is approvals by standards organizations. Both DP and turbine meters were approved for custody transfer of natural gas by the American Gas Association (AGA) long before ultrasonic meters received this approval in 1998. DP and turbine meters are also more studied and better understood than ultrasonic meters. These factors still work to the benefit of DP and turbine meters when it comes to custody transfer gas applications.

Changing Technologies Can Be Expensive

While end-users are not averse to changing technologies, they are not likely to do so unless they have a specific reason to make this change. One reason is having a problem with the flowmeter. Another is being bought out and having to go with the technology from a new company. Still another is budget requirements that dictate going to a less expensive meter. But changing technologies is not without cost. It usually means taking time to learn a new technology, finding a new supplier, and stocking a different set of backup parts. All these cost time and/or money.

This study, *The World Market for Gas Flow Measurement, 3rd Edition*, (http://www.gasflows.com) analyzes the world market for all types of flowmeters used for gas flow measurement. It includes a technology analysis, 2014 market size and market share data, market growth projections through 2019, and provides in-depth segmentation of the market by various product and geographic categories.

According to Dr. Jesse Yoder, president of Flow Research:

"Traditional technology gas flowmeters are showing tenacity despite competition from new-technology meters such as Coriolis and ultrasonic. Suppliers are developing technology improvements for some of these meters, such as higher precision components, more durable bearings, and smaller, lighter types of meters. And end-users are often selecting them to replace meters that fail instead of switching to new-technology meters. Turbine meters especially are a bright spot among traditional technology gas meters. Companies such as Honeywell Elster have been very innovative in introducing more compact turbine meters and gas turbine flowmeters with improved self-diagnostic capabilities. Traditional technology gas meters will be a major force in the market for many years to come."

About Flow Research

Flow Research, with headquarters in Wakefield, Massachusetts, is the only independent market research company whose primary mission is to research flowmeters and other instrumentation products and markets worldwide. Flow Research has years of experience in doing both off-the-shelf studies and custom work. Published studies can be purchased by anyone interested in the topics. These studies are developed through interviews with suppliers, distributors, and end-users, and are presented in a clear and consistent manner. Topics include all of the flowmeter technologies – both new and traditional – as well as temperature sensors, temperature transmitters, level products, and pressure transmitters.

A growing area of interest – especially related to custody transfer – is flowmeter calibration. Flow Research has recently completed two studies, one on gas and one on liquid, of flow calibration facilities and markets. This series is called *Worldwide Flowmeter Calibration Facilities and Markets* (http://www.flowcalibration.org).

The company also focuses on the energy industries, especially on oil and gas production and measurement. Special topics include custody transfer, multiphase measurement, and liquefied natural gas (LNG). A series of quarterly reports called the *Worldflow Monitoring Service* (http://www.worldflow.com).provides regular updates on both the flowmeter markets and the energy industries

For more information, visit Flow Research at http://www.flowresearch.com or call +1 781-245-3200.