

Mixing It Up with Air

Rising Helium Prices Force the Balloon Industry to Get Creative

By Kathi Leiden, Zephyr Solutions

Helium is used in many industries including medical, welding, high tech manufacturing, spacecraft, and retail balloons. A recent report in the *Star Telegram* (Fort Worth, TX) noted that one third of the world's helium comes from the US Government Federal Helium Reserve's 450 mile pipeline. The Bureau of Land Management (BLM) expects these helium reserves to be depleted by 2020. This diminishing supply has affected helium users worldwide, including the balloon industry. Recent supply cutbacks combined with a helium separation plant going off-line for repairs has many people worried that we could see another drastic shortage similar to the one experienced in 2006.

All over the world helium filled balloons are the decoration of choice for parties and special events. People within the balloon industry, however, were not celebrating when helium supply shortages were announced in July and August of 2011. This time, gas suppliers seemed more prepared for the shortages than in 2006, and many alerted their customers to the fact that they would be put on allocations. This move prevented helium hoarding or stockpiling and seemed to keep the situation manageable. "Although allocations made sense and we could continue to supply our existing customers, it was frustrating to have to turn away new business," reports Molly Cummings, Chain Account Manager for Zephyr Solutions helium division.



The West Coast Event & Balloon Arts Convention in Orange County, CA. Photo: WCEBAC

While the current situation is expected to stabilize this month (October), the future of helium supply looks dim and resulting price increases seem inevitable. Air Products (www.airproducts.com), an industrial helium supplier located in Allentown, PA, raised prices by 15 percent beginning September 1, 2011, for liquid and bulk helium gases in North America (*see Industry New, p. 3*) and warned, "It is expected that demand will exceed supply for the next two to three years, thus creating ongoing shortages in the market."

Consensus among gas industry associates is that other gas companies will follow suit and helium prices will increase across the board. To offset these price increases, some retailers have added helium-air mixers to their balloon inflation counter. The mixers pull 60 percent helium from the tanks and mix it with 40 percent air from the atmosphere. Float time for latex balloons is not adversely affected by this solution.

Balloon Manufacturers and Distributors are also scrambling for design ideas for air filled balloons to keep sales strong. US Balloon, located in New York City, is one of the largest balloon distributors in the world, serving an international customer base. Its CEO, Michael Isaacs, says, "Because of the recent helium shortages, the balloon industry has had to learn to do more with less helium. The new air filled Arch & Column Kits are a great way to save on helium costs because the balloons are air-inflated and attached directly onto an arch-cord, allowing for beautiful designs at a fraction of the cost. We also encourage our customers to use electric air inflators for large jobs, or hand pumps for smaller jobs, both of which allow for savings on helium and electricity. We are also excited about the air-filled centerpieces now available from Anagram, which include everything you need to make a great looking centerpiece for any event. If our customers are using helium, we encourage them to use HI-FLOAT so their balloon



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designs and décor last longer than just using helium alone."

Balloon decorators are on the lookout for products and techniques to keep their businesses thriving. In June the largest Balloon Art Festival in the world was held in Malaysia. Although there was an abundance of helium filled balloons at the event, competitions this year focused on intricate balloon sculptures made with air filled balloons.

In July, the West Coast Event & Balloon Arts Convention (WCEBAC) held a three day educational trade show in Orange County, CA, at which 75 percent of the balloon décor classes dealt with inflating with air. According to Amanda Armstrong, Executive Producer of the event, "All the competition pieces and all the balloon sculptures were air filled. Attendees commented that they liked design options with air because the cost of helium continues to rise."

Helium shortages also affected Central and South America, areas that already have much higher prices for helium than the US. Gas companies in that region are focused on supplying limited helium resources to hospitals and medical facilities. This has led to the dangerous practice of filling the balloons with hydrogen, which is more readily available but is also combustible and dangerous.

Gas companies, engineers, and the science community are exploring solutions to the helium supply shortage including the creation of new production plants, helium recycling, and prospecting for helium in other geographic locations and even on other planets. In the meantime balloon manufacturers, distributors, and decorators will be challenged to find innovative ways to keep balloons and balloon sales soaring. ■

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