

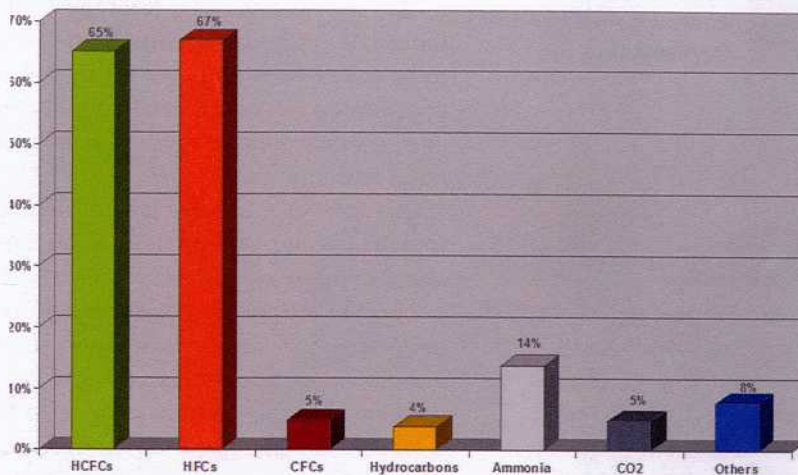
# Price of R22 to increase by up to 15 pc a quarter until phase-out

End-users have been warned to expect continued rises in the price of R22 refrigerant as the date for its phase-out nears.

Producers have announced significant rises and most are believed to have sold out their production, which has been capped by EC law. Ineos Fluor announced a 15 per cent rise from July 1 while Honeywell posted a 10 per cent rise from the same date.

With the use of virgin R22 banned from December 31 next year, industry sources warned that further increases would follow.

One said: "Ten to 15 per cent increases in price are likely to become the norm every quarter until December 2009. The market has so far accepted it, because they were expecting it. But there will come a point next year where both producers and refrigerant sellers will have to make decisions about stocks, because they don't want to have virgin R22 on their hands after the ban. That's when things will get interesting. There will probably be enough virgin R22 in the market to supply everyone, but there will come a point where people will have to look for it."



The DuPont survey across nine countries found surprisingly high levels of R22 in use less than 18 months from the EC phase-out deadline

The warning coincides with a survey from refrigerant producer DuPont that revealed 65 per cent of cooling installations in nine European countries are still using R22. DuPont said it raised questions about how prepared the market was for phase-out, especially since 17 per cent of respondents said they had no intention of complying with the ban.

DuPont said: "Although awareness of the legislation is high, the large banks of HCFCs that remain suggest this has not been coupled with a sense of urgency to ensure compliance."

The firm, which produces

the R22 replacement refrigerant Isceon range, found that 76 per cent of air conditioning respondents still use R22 in their systems, compared with 68 per cent in refrigeration and 57 per cent in process cooling.

DuPont noted that the estimated 130,000 tonnes of R22 in use would require tens of thousands of machines to be serviced every week, creating a "significant strain on contractor services."

Although recycled R22 is allowed to be used until 2015, DuPont said stocks might meet only 15 per cent of the required capacity. And refrigerant sources said that even major end-

users should not make assumptions about their recycled R22 supply. One said: "It should be remembered there is a massive amount of R22 in critical use applications outside of the commercial retail sector. Even major users like supermarkets could find themselves competing with petrochemical works and the like, where continued supply is essential and price of recycled material is not an issue."

The survey found that 67 per cent of installations were also using HFCs, 14 per cent were using ammonia, 4 per cent were running on hydrocarbons and 5 per cent on CO<sub>2</sub>.