DG CLIMA support contract no. CLIMA.A2/SER/2020/0009MV

European Commission

Excerpt for participants:

Monitoring of refrigerant prices against the background of Regulation (EU) No 517/2014

Q2 & Q3/2021

CITEPA

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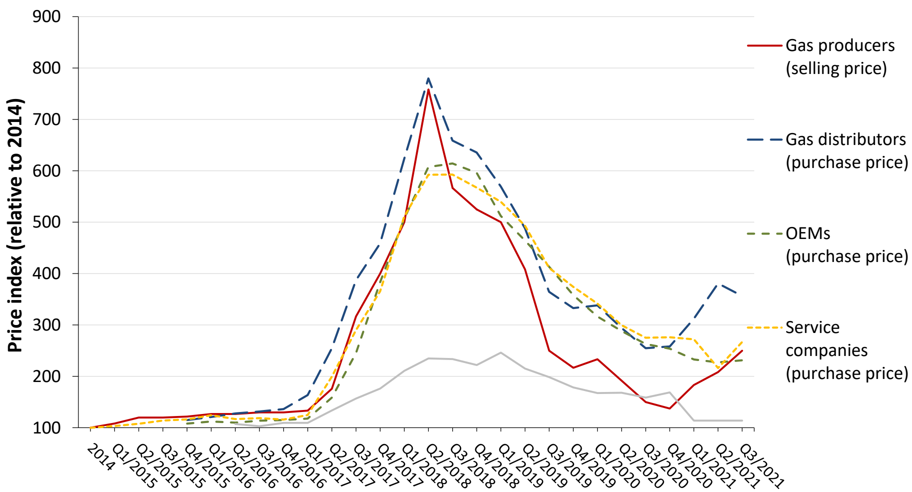
In Q3/2021, 61 companies from 10 EU Member States (main respondents from France, Germany, Italy and Poland) and all supply chain levels (3 gas producers, 13 gas distributors, 24 OEMs, 18 service companies, 1 end-user and 2 others) reported purchase and/or selling prices for HFCs and lower GWP alternatives either in absolute terms (€/kg) or as price index (with 2014 as baseline year). Please note that companies do not report prices for all refrigerants but only for the ones relevant to them.

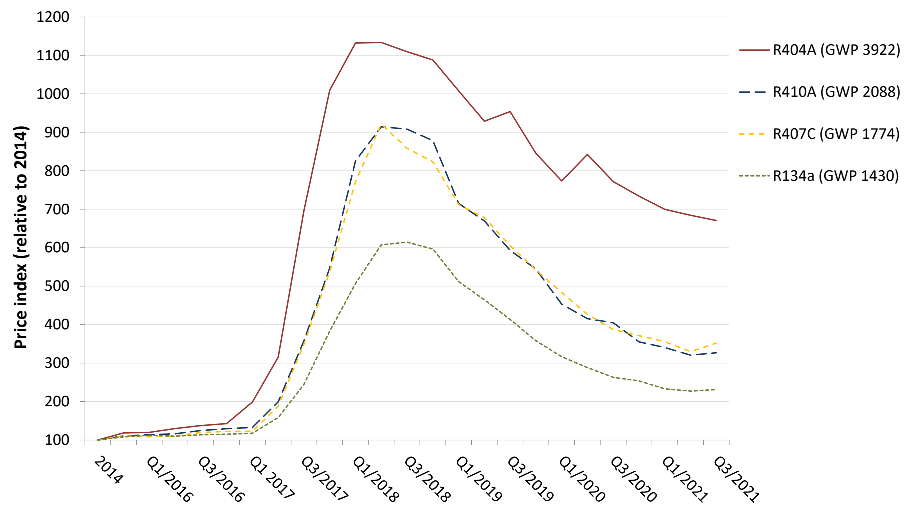
Along the supply chain

Figure 1 shows the **price developments for R134a** (GWP 1430) at all levels of the supply chain. For R134a, prices observed for Q3 significantly increased at the level of gas producers compared to Q2 and significantly increased for service companies' purchase prices on the market. Data presented include prices reported by three gas producers, two gas distributors, 15 OEMs, and 16 service companies.



OEM level

Figure 2 shows the **development of average HFC purchase prices** reported by all OEMs that participate in the survey. At the OEM level, prices for R410A, R407C and R134a increased (on average up by 3 %) while the R404A price slightly decreased by 2 %. Prices at OEM level are usually determined by longer term fixed price agreements.



Findings for Q3/2021:

- Observed price increases observed in Q3/2021 are reported to be due to a variety of factors on top of the 2021 phase-down step reducing the quota supply further. Refrigerant production volumes by non-EU suppliers appear to have been reduced, inter alia due to shortages in the supply of raw materials, which has led to strong price fluctuations on the market and increases in production costs. Further, significant freight and transport problems due to combined effects of the blockade of the Suez Canal and Covid-19 measures led to significant cost increases, bottlenecks in transport capacity and delivery delays, with the entire supply chain affected.
- The R404A price increased at gas producer level, remained stable for gas distributors and decreased at OEM level.
- Prices of alternatives such as HFC/HFO blend solutions remained mostly stable, with some slight increases in gas distributor purchase prices.
- Indicated prices for quota authorisations remained at low level (2.5 to 6 with an average of 3 €/t CO_2e).
- There were no indications with respect to limited availability of any refrigerant, with the exception of one French OEM who reported that the price for HFO-1234ze was too high.