



# Internasjonale nyheter Nr 25

## China's Exports of RACs to Europe increased by 11%:

The RAC market is beginning to weaken because the weather in most parts of Europe this summer is unseasonal, and the new demand brought by staying-at-home seems to have passed its peak. However, according to statistics from China Customs, RAC exports from China to Europe in the first half of this year increased by about 11% over the same period last year. Among importing countries, Russia has the largest increase in Europe, reaching 22%. The shortage of containers has caused depletion of RACs since the previous year. Therefore, major manufacturers are manufacturing full steam ahead in order to achieve replenishment.

## Frigoblock introduces the FK2 Refrigeration Unit for electric transport cooling and sustainable deliveries

Frigoblock, one of the leading manufacturers of transport refrigeration units in Europe and brand of Thermo King®, introduced in November the FK2, its new all-electric refrigeration unit. The design of the Frigoblock FK2 unit combines sustainability, reliability, and intelligent operation to empower the next generation of urban cold chains. "With the new FK2 unit, we are not just delivering 100 % electric cooling technology," said Eric Breddels, product management leader at Frigoblock. "Our ambition from the start was to extend this capability and optimise operations based on data insights. The new design of the unit leverages connectivity, operational insights and efficiencies needed to truly drive clean, low emission distribution practices in cities today, and in the future." Compared to diesel-powered units, the FK2 generates less noise and up to 50% emissions reduction depending on customer operation. When connected to a battery-powered electric vehicle, the FK2 creates a zero-emission transport refrigeration solution. These capabilities have become increasingly critical for customers to demonstrate their compliance with the growing range of sustainable legislation governing urban operations.



## Rising fuel costs accelerate the development of the inverter AC market:

The New York Times reported on November 10 that consumer prices surged at the fastest pace in more than three decades in October as fuel costs picked up, supply chains remained under pressure, and rents moved higher. Overall prices rose 6.2% over the past 12 months, the fastest pace since 1990, and inflation began to accelerate again every month.

With its advantages, the mini-split AC has achieved rapid development in the United States in recent years, and inverter mini-split models have secured a 99.1% share of the market. However, the proportion of inverter-driven unitary

systems is low, a mere 5.3%. As the advantages of heat pumps are gradually accepted in the US market, inverter technology will carve out a greater share of the market in the future.

## Growth acceleration in European heat pump category

Europe sees an inflection point in the European hydronic heat pump market, with growth rates anticipated to increase from 10 % to 20 %. This will lead to annual heat pump installations of 4 million heat pumps by 2030, up from 1 million in 2021. Daikin Europe is responding by investing in production and innovation capacity, warehousing and logistics and increased training for installers and service technicians across the EMEA region. Patrick Crombez, Daikin Europe: "Switching our heating systems to heat pumps represents a historical transformation to low-carbon heating, with benefits for climate change but also healthier living environments. We are proud to lead this transformation in Europe."

"For us 2021 has been a turning point for heat pumps", says Patrick Crombez. "Consumers and policy makers have never been more eager to decarbonize heating systems." Over the past decade, the European market for heat pumps has grown at a strong pace, with an annual growth rate of 10 % CAGR from 2011 to 2020, resulting in the expected installation of 1 million heat pumps in 2021. In the coming years, Daikin – in line with other industry experts - anticipates a sharp acceleration in heat pump adoption. By 2030, it expects 4 million heat pumps will be installed each year, representing an annual growth rate (CAGR) of 20 %. At that point, 1 out of 3 heating systems installed will be a heat pump, up from 1 out of 10 in 2020. While this represents steep growth compared to recent years, Daikin Europe considers this the minimum to ensure a move to a decarbonized residential heating market in Europe.

Patrick Crombez: "From all available data, it is clear that heat pump adoption is hitting an inflection point this year and the already robust growth of the category will only accelerate."

A key driver for heat pump growth has been the introduction of legislation governing new builds in many European countries, ranging from general regulations in France such as RT2012 (which sets a new minimum standard for thermal insulation of dwellings), to a ban on combustion boilers in the Netherlands. Additionally, incentives in France, Germany and Italy have successfully increased the appeal of heat pumps in the replacement and renovation market.

At the same time, heat pump technology has evolved to make heat pumps an attractive option: the arrival of 'high temperature' heat pumps means existing fossil fuel



boilers can be replaced without the need to update or modify existing radiators.

In the coming years market leader Daikin intends to more than triple its European heating production and expects their heating business to become one of the key pillars of Daikin's revenue by 2025. Today, 5 of 14 Daikin's EMEA factories are dedicated to heat pump production. All Daikin heat pumps sold in Europe are developed and produced in Europe, with main Daikin factories in Germany, Belgium and the Czech Republic. A recently announced investment plan for the next 5 years includes a sizable investment in the heat pump category.

(CAGR er en sammensatt årlig vekstrate som måler avkastningen for en investering)

## **China's RAC market plummeted by 40%**

According to the survey statistics published in China's "Electric Appliances" magazine, the RAC retail sales experienced a decline of nearly 40% compared with August 2019. Major manufacturers and distributors are complaining that demand is far lower than expected, regardless of the updated demand in the primary and secondary markets, or the new demand in the tertiary and fourth-tier markets. Since the pandemic, the economy has weakened, and the real estate market has been constrained, and these are the main reasons underlying the market shrinkage. The decline in the population will lessen the strong impetus to the long-term development of the future market. According to data from the National Bureau of Statistics, the number of newly married couples in 2020 is 8.131 million, a year-on-year decrease of 12.2%. It is estimated that as the domestic market shrinks, Chinese manufacturers will focus their strategies on overseas markets.

## **EPA issues new rule on HFC phasedown by 85 % by 2036**

In September 021, the U.S. Environmental Protection Agency (EPA) released a new rule, based on its proposal released last May, to reduce the use of hydrofluorocarbons (HFCs) in the United States by 85% by 2036. The rule was authorized by the U.S. Congress as part of the American Innovation and Manufacturing (AIM) Act, which gives the EPA new power to regulate HFCs.

## **Turkish HVAC&R industry**

### **Aims to achieve exports worth US\$ 6 billion in 2021**

Ayk Serdar Didonyan, chairman of İSKİD, the Turkish air conditioning and refrigeration manufacturers' association, talked about the promising features of the Turkish heating, ventilation, air conditioning, and refrigeration (HVAC&R) industry. According to iSKiD, Turkish HVAC&R exports during the period spanning January to August 2021 reached US\$ 4 billion, up from US\$ 2.8 billion over the same period of last year. Moreover, it is expected to reach US\$ 6 billion by the end of the year. 3. Sales of Air Purifiers Continue to Soar in US

Sales of air purification systems in the United States saw soaring year-on-year growth of 57% in 2020 due in large part to rising ventilation needs from concerns over the spread of COVID-19. This robust growth is continuing in 2021 and Sales of air purification systems are projected to grow by 21% in 2021, according to research and consulting firm Verify Markets.

Nyhetsbrev 25 Internasjonal

## **The global R32 AC market - Europe**

In 2020, the penetration of R32 units is estimated to have reached about 80 % in the split-type RAC market and about 60 % in the PAC market in the EU region. Sales of R32 split units is increasing particularly in Germany and Southern Europe including France, Italy, and Spain. In Northern Europe as well as Central and Eastern Europe (CEE), the penetration of R32 units is estimated to have reached 70 to 80 % in the split-type RAC market, although the market scale is rather small in each country due to cold climate conditions.

## **Sales of air purifiers continue to soar in US**

Sales of air purification systems in the United States saw soaring year-on-year growth of 57 % in 2020 due in large part to rising ventilation needs from concerns over the spread of COVID-19. This robust growth is continuing in 2021 and Sales of air purification systems are projected to grow by 21% in 2021, according to research and consulting firm Verify Markets.

## **Energy Valve™ and Thermal Energy Meter for transparent thermal energy management**

The unity of the certified Belimo Thermal Energy Meter™ and the enhanced Belimo Energy Valve™ allows for transparent thermal energy management. The two worlds of "energy control" and "certified energy measurement and billing" are now being united. Accurately measure and monitor thermal flows and energy consumption in heating and cooling systems with direct IoT-based cost accounting using a single device. The new MID-approved Thermal Energy Meters assure high accuracy and reliability, allowing for easy and efficient billing. But measuring reliably is only the beginning. The Belimo Energy Valve™ instantly controls the thermal flow and optimises the energy supply to the user. With this important combination Belimo is stepping into a new era of integrated thermal energy management and is bringing together what belongs together. [www.belimo.com](http://www.belimo.com)



## **Japan**

### **RAC demand fell by 3.7 % due dip in staying-at-home demand**

Data recently released by JRAIA show that shipments of room air conditioners (RAC) from January to September of this year decreased by 3.7 % compared with the previous year. Japan's RAC demand has shown negative growth for four consecutive months since June of this year. The demand for the entire home appliance market, including RACs, is much lower than last year. Besides summer weather that was not very hot, the home consumption demand has begun to weaken.

However, many manufacturers indicate that the fresh air and **air purification functions have become the focus of consumption**. It is estimated that the Christmas business war will drive new demand for RACs.