

Brussels, 11 April 2017

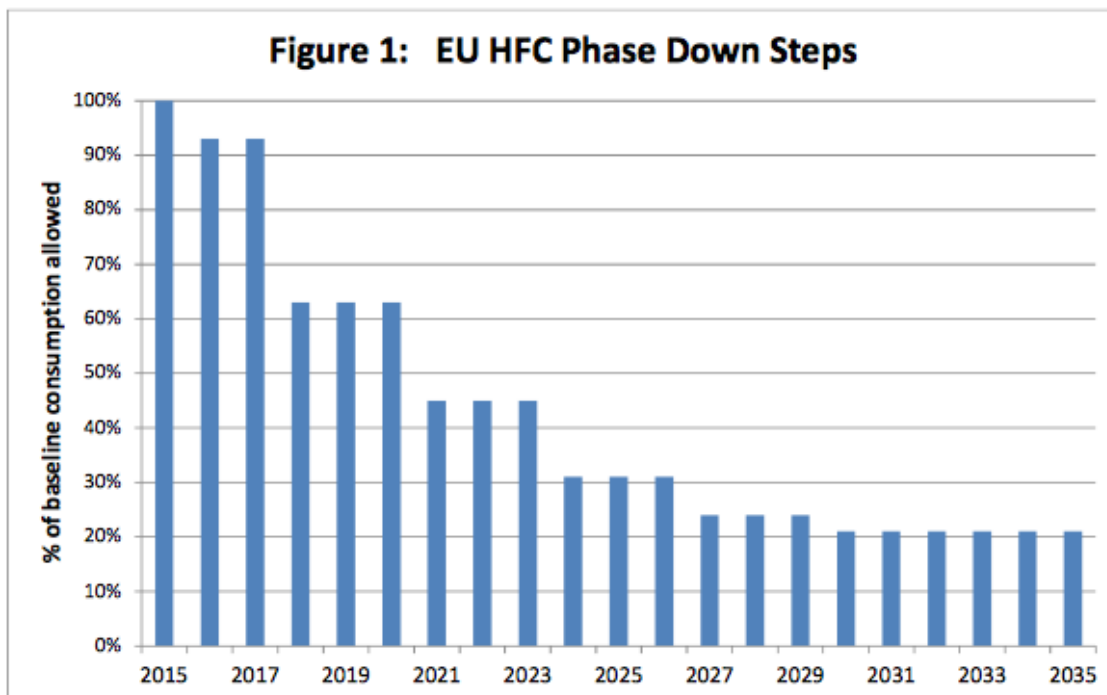
## Honeywell will stop selling R404A and R507 as from 2018

### Background

Following the terms set out in the F Gas Regulation, Europe is now only a little more than 6 months away from the F-gas phase-down “cliff” in 2018 which will see a **37% cut of the baseline**.

In practical terms this means the European industry will have to make do on a maximum of 115Mt CO2 equivalent – a little over two-thirds of the 168Mt CO2 equivalent consumed in 2015.

Prices of R404A and R507 from all manufacturers and suppliers have risen dramatically this year in anticipation of the 37% cut in CO2 equivalent required next year under the F-Gas regulation. *Chemours* recently announced consecutive monthly [price rises of 25% and 30% on these high GWP gases](#), and warned of shortages next year, but *Honeywell* is the first manufacturer to announce that it will [stop selling R404A and R507 in 2018](#).



- As illustrated in the figure above, the F-Gas Regulation stipulates a very big cut of 37 % in 2018 of the amount of allowed consumption of refrigerants above 2500 GWP
- However, in the calculation of the phase down, the pre-charged imports must be taken into account – this makes the cut equivalent to 48%
- By 2024 the cut is nearly 70% and from 2030 onwards the cut is 79%

- R404A, with its GWP of 3922, along with all other refrigerants with a GWP above 2500, will be **banned in new stationary refrigeration equipment from 2020**.
- 2020 will also be marked by the introduction of a **service ban** being applied to all systems with a charge size of more than 40 tons CO<sub>2</sub> equivalent (around 10kg). Refrigerants R507 and R422D will also be impacted by this service ban.

With R404A equipment still being produced, there are **fears** that similar warnings of refrigerant scarcity and redundant equipment during the R22 phase-out and, before that, the CFC phase-out, have meant **that end users are ignoring the concerns**.

### Refrigerant Producers warn of shortages starting 2018

Representatives from the chemical industry have been warning that come 2018 the biggest issue for end-users will not be the dramatically increased prices but the fact that high GWP refrigerants will be very hard to come by at all.

Refrigerant producer *Chemours*, which along with *Honeywell* has the largest EU quota, said: “We all get cut next year – significantly. We are having to be very careful with our quota month by month. Prices are on the increase and we can see early supply issues.”

And now *Honeywell* has announced that it will stop to sell R404A and R507 altogether come 2018.

Honeywell says it will work with its network of authorised distributors to help customers and partners to adopt the next generation refrigerants that best meet their **needs but warns that significantly reduced amounts of R404A and R507 will be made available to bridge shortfalls in the transitional period**.

### What are the alternatives?

With quotas based on CO<sub>2</sub> equivalents, no manufacturer wants to continue selling high GWP gases like R404A. These companies have heavily invested in developing retrofit gases which, due to their lower GWPs, they would be able to sell 3x as much of compared to R404A.

*Honeywell* points to its own lower GWP alternatives such as R407F and R407A, along with newer alternatives such as R448A and R449A.

Others like *Chemours* and, more recently, *Daikin*, also have lower GWP alternatives.

Although currently more expensive than R404A and R507, the producers claim that the price difference of the replacements is rapidly decreasing; also all of the alternatives are said to offer improved energy performance.