

Refrigerant pricing to rise rapidly worldwide

2011 started with significant price rises for refrigerants. This trend is expected to continue through the year with talk of increases by as much as 50% or more. The causes are complex. All manufacturers and wholesale outlets are affected worldwide.

These price hikes are a result of increased raw material costs, higher demand and limited production of key components. Demand is exceeding product availability for many refrigerants. At present stock availability from the manufacturers is only given at the time of ordering. Standing or forward orders are generally not being accepted. Bulk pricing is only given at time of acceptance of an

anticipated recovery of the A/C manufacturing after the GFC

- R134a usage higher than forecast
- R22 import quotas and a gross reduction in manufactured volume
- Raw material costs increasing (e.g. chloroform)

Such a broad array of issues has resulted in most common refrigerants being affected. There is no chance of an early recovery from this situation and the prognosis is that prices will continue to rise in 2011 and availability will remain very tight.

R125 production affects most R400 refrigerants. This includes R402A,



order. R404A, R407C, R408A, and R410A. It also affects R507. All of these refrigerants contain some R125 in their blend.

Add to this R22 and R134a (due to manufacturing constraints) and rising raw material costs implies all common refrigerants will be affected.

The consequences of all of these factors has lead to a worldwide instability

Key causes are:

- R125 production does not meet global demand
- Demand for HFC refrigerants is much higher than expected
- Due to European F-Gas regulation preventing R22 usage
- Due to U.S usage replacing R22 at higher than forecast rates
- Due to faster than

in pricing and availability of refrigerants

Actrol has the advantage of bulk storage and solid relationships with the world's biggest manufacturers to help ensure product availability for Actrol customers and minimise pricing spikes. The end result however is an expectation that

from the world's biggest and best manufacturers. Complimenting this are the filling stations which are all equipped with vacuum extraction to reclaim the fill head during cylinder filling to result in zero emissions. Capable of doing 600 cylinders per shift, these stations will fill Actrol's huge 60,000 FlexiTrak



pricing will continue to climb at a steady rate.

Most importantly we advise all Actrol customers to take this news into account whenever quoting for future work. Long term fixed pricing is definitely not recommended. ARP Industries, a division of Actrol Parts, huge new refrigerant storage and decanting business is now commissioned and in full production. It is one of the biggest in the southern hemisphere. Actrol is the only Australian wholesaler to have such a dedicated bulk refrigerant storage and decanting facility.

Built on a 13,000M², using 12 major storage tanks having a total capacity of 350 tonnes of high pressure refrigerant, ARP is able to handle a full range of refrigerant gases. The excess capacity also allows for strategic stock holding. In uncertain times of fluctuating pricing and worldwide shortages, this excess capacity helps ensure continuity of supply. ARP imports refrigerant in bulk directly

cylinder fleet. All these cylinders are independently tagged and tracked using Actrol's proven FlexiTrak system.

The entire facility is operated using the very latest computer technologies, with portable scanning and wireless connections to hand held computer 'pads'.

ARP has also designed and is building a new reclaim facility to further improve the turnaround time for reclaim refrigerant received from customers.

ARP's multimillion dollar, purpose built state of the art refrigerant plant will further enhance Actrol's abilities to best service its customers. Actrol has total control of refrigerant from the manufacturer to our customer. This is why Actrol continues to be the leading refrigerant supplier in Australia.

