

## Global Refrigerants Supply Update 7th February 2011

2010 saw a great deal of volatility within the Fluorochemicals industry which has had a significant impact in the pricing and availability of HFC refrigerants. The aim of this flyer is to explain some of the issues we expect the industry to face in 2011

### Availability and costs of primary raw material

- The costs of fluorspar and sulphur have dramatically increased. We have also seen a reduction in mining capabilities and export restrictions within China
- The global capacity of Chlorocarbons (used in the production of HFCs) has decreased in recent years by around 50%, costs have therefore risen as availability has become tight
- The prices of Fluorochemicals have risen due to a short supply and an increase in costs of raw materials

### Growing demand for HFCs

- Demand for HFCs in growing economies, such as, China continues to rise
- Legislation banning or restricting use of HCFCs has further increased demand

### Specific situation of R125

- Global inventories of R125 were low at the beginning of 2010, leading to tight supply. Lack of raw materials and high capacity utilisation ratios have seen market prices double, prices look likely to triple this year as a result
- Global market demand has grown dramatically, especially in Asia where government stimulus packages and energy programs have resulted in greater usage of R410A
- Demand for HFC refrigerants has increased post the EU virgin HCFC use ban

### Specific situation of R134a

- Global inventories and supply of R134a have been tight during 2010, with market prices more than doubling due to an increase in raw material costs and high capacity utilisation
- The industry has struggled to rebuild inventories in the “low season”

**These critically high capacity utilisation and high costs are expected to continue throughout 2011, we hope this flyer helps your understanding of the volatile situation we find ourselves in, rest assured A-Gas will be working closely with its suppliers and customers during this time to keep you informed**