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Date  
2020-04-08

## **COVID-19 industry shutdown must exclude HVACR businesses**

**Consequences of industry shutdowns on life critical infrastructure in the health care, cold chain and data centre sector**

### **In a nutshell**

Several countries have ordered the shutdown of non-essential production in the wake of the COVID-19 pandemic to mitigate the spread of the virus among factory employees. While such measures are necessary and widely supported, Eurovent Middle East as the region's industry association of Heating, Ventilation, Air-conditioning and Refrigeration manufacturers warns of severe consequences prolonged and transregional shutdowns will have on crucial infrastructure in the health care, cold chain and data centre sectors.

### **Background**

Heating, ventilation, air conditioning, cooling and refrigeration are crucial in many applications in all sectors of the economy. From providing secure ambience in intensive care units and isolation rooms to maintaining correct temperatures for the production, transportation and storage of vital goods like pharmaceuticals and fresh produce and ensuring the safe operation of data centres. For all of these applications and many more, the industry needs to be able to provide sufficient service and maintenance, as well as spare parts and replacement units to guarantee the continuous functioning of life critical infrastructure.

### **Industry shutdowns and limitations**

Several countries around the world have shut down so called non-essential businesses until further notice. Among these countries are major producers like Italy, India or Malaysia and it is expected that more countries and regions will follow in the weeks to come. Shutdowns include the manufacturing of HVACR systems and components, which will lead to a shortage of supplies and services for critical infrastructure.

Data from Eurovent Market Intelligence indicates that Italian factories alone provide about 20% of all finished products to the European HVACR market. In the IT cooling segment, Italy's role is even more significant, with a share of production of almost 45% in the EMEA region. It is estimated that currently more than 50% of the HVACR production in Europe is directly affected by shutdowns, while a majority of the remainder are struggling with faltering supply chains and shortage of components.

For the Middle East, the shutdowns in other countries however will have a significant impact on local production due to shortages in the supply chain. An even more severe effect will be seen in those sectors where there is a high dependency on imports. This is specifically true for IT cooling equipment and refrigeration systems, where most of the products are manufactured in Europe.

### **Call for action**

The shutdown and interrupted supply chains will lead to severe shortages of crucial equipment in a very short space of time. The dependence on a global supply of components and the requirement for

product conformity and safety will not allow the industry to quickly re-organise or re-design products, systems, supplier and logistic chains.

In light of an escalating pandemic and increased demand for critical infrastructure, the Industry warns of a pending shortage of vital products for time critical applications. Perishable stocks of food and pharmaceutical systems depend on immediate availability of spare parts and replacements, as well as available service engineers and technicians.

To avoid these shortages, Eurovent Middle East strongly advises governments worldwide to include the HVACR industry, along with its supply chain, as well as the HVACR service industry in the list of essential businesses and allow its manufacturers to ensure a minimum of production to guarantee the availability of spares and replacements.

The dependency on the global supply chain requires governments to also call on other countries to follow this recommendation to ensure a worldwide supply of critical equipment, not least to developing regions in Africa and the Middle East.

### Conclusion

**Eurovent Middle East recommends classifying HVACR businesses, including manufacturing, distribution, installation, maintenance and repair as essential for the provision of critical equipment to health care, food chain and IT cooling. HVACR manufacturers must be allowed to ensure a minimum of production and guarantee the availability of spares and replacements.**

**Eurovent Middle East also recommends allowing HVACR service personnel to operate as essential services.**



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