Additional days of temporary unemployment at Daikin’s Ostend heat pump factory

**Brussels, 22 January 2024 – Daikin Europe N.V. announces 18 days of additional temporary technical unemployment[[1]](#endnote-2) between January and March 2024 for all operators at its heat pump factory in Ostend, Belgium. The decision underscores that demand for residential heat pumps throughout the continent continues to fall short of the initial projections for 2024.**

**Reducing production capacity for heat pumps**

Daikin has decided to introduce 18 days of further temporary technical unemployment for its factory operators in Ostend, Belgium. The measure is intended to cap the production of heat pumps to newly forecasted levels. Since the spring of 2023, the residential heat pump heating market has been going through a slowdown in demand. Previously in September 2023, Daikin had already announced for its Ostend manufacturing site not to prolong its temporary contracts and had installed 12 days of temporary unemployment until the end of 2023 for factory operators with a permanent contract.

**Lower demand for heat pump heating in Europe**

Based on the current market situation and analysis of economic indicators, Daikin does not expect a significant demand increase in 2024. Heat pumps are low-carbon alternatives for gas heating. They are an important solution to achieve the EU Green Deal’s carbon neutrality ambitions. Though the market for heat pumps grew tremendously in previous years, in recent months several converging factors have put a stop on the growth in demand in Europe:

* Traditional heating with fossil fuel has regained financial attractiveness due to sharp drop in gas prices.
* Several European governments have scaled back supportive measures for heat pumps in 2023.
* The European Commission postponed its heat pump action plan until after the 2024 elections.
* High inflation and higher interest rates result in current and prospective homeowners delaying their investments.

**Importance of heat pumps and a level playing field for the technology**

In response to the positive policy recognition of the heat pump technology and the rapidly growing demand in 2022 and prior years, Daikin invested in its European heat pump capacity, and is investing 300 million euro in a new residential heat pump factory in Łódź, Poland. The site is currently under construction and is set to open in the autumn of 2024. Daikin calls on all actors to continue to address barriers that slow down the transition to low carbon heating, such as the price ratio of gas versus electricity. A level playing field for the technology is needed to phase out fossil fuel heating.

“The clean energy transition is an effort, we as society must make, one way or another. It will benefit society as a whole, create sustainable jobs and reduce dependency on fossil fuels. Even if today we go through a slowdown in demand, we believe in heat pumps as key technology for low carbon heating and cooling of buildings, and remain ambitious for the future,” says Toshitaka Tsubouchi, President of Daikin Europe N.V.

**About Daikin**

**Daikin Europe N.V.**

Daikin Europe N.V. is a subsidiary of the global group Daikin Industries, and the leading provider of heating, cooling, ventilation, air purification and refrigeration (HVAC&R) technology in Europe, Middle East and Africa. Daikin designs, manufactures, and brings to market a broad portfolio of products, maintenance services as well as turnkey solutions for residential, commercial, and industrial purposes. To date Daikin Europe has over 13,700 employees across more than 57 consolidated subsidiaries. It has 14 manufacturing facilities based in Belgium, the Czech Republic, Germany, Italy, Spain, Austria, the United Kingdom, Turkey, the United Arab Emirates, and the Kingdom of Saudi Arabia. The headquarters of the Daikin Europe group are in Ostend, Belgium. The company was established in 1972, production in Europe started in 1973.

**About Daikin Industries Ltd.**

Daikin Industries was founded in 1924, in Osaka, Japan. The global group employs over 96,000 people worldwide and is the market leader for heat pump and air conditioning systems, as well as air filtration. It is the only manufacturer in the world that develops and manufactures heating, ventilation, air conditioning and refrigeration equipment, as well as refrigerants in-house. The company achieved € 28.2 billion sales turnover in fiscal year 2022 (1 April 2022 – 31 March 2023).

Read more on [www.daikin.eu](http://www.daikin.eu) and [www.daikin.com](http://www.daikin.com).

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1. Temporary unemployment allows Belgian employers to temporarily adjust the pace of work (for reasons beyond the employer’s control). The employees receive an allowance from the government, with additional compensation from the employer to miminise salary loss for the time of temporary unemployment. [↑](#endnote-ref-2)