

Efficiency Standards for Visi Coolers in Pakistan

1st Workshop - Meeting with Major Buyers

9th November 2021

Meeting Hall, WWF Lahore Hosted by CLASP & WWF



Background

Work on developing MEPS & Labels for Visi Coolers in Pakistan is being carried out by CLASP under the CRUX program.

Additionally, as part of the efforts under the CCC project to address the National Determined Contributions (NDC) submitted in COP26; WWF & Clasp/Hima^Verte with NEECA are undertaking a range of actions seeking to reduce carbon emissions by efficient technologies across the economy with a special focus on cooling products. One of the actions is the revision of efficiency standards for Visi coolers, and the potential parallel introduction of product efficiency labelling.

With the support of WWF a workshop was held at the WWF office in Lahore. Representatives from the three major buyers for Visi Coolers who collectively form more than 85% of the buyers attended the meeting.

Objectives

The main objective of the meeting was as following:

- Brief buyers about MEPS & labelling as a concept and how it works around the world and the work being done in this area in Pakistan.
- Initial onboarding of the key stakeholders and to brief them about the project and discuss the overarching goals, mainly MEPS of Visi Coolers.
- Understand their concerns if any, and get them to agree that improving efficiency standards for Visi Coolers is the way forward even if it means slightly higher cost to them as buyers; as it will result in benefits for shopkeepers and Pakistan in general; in addition to reducing indirect carbon emissions.
- Share and reconfirm the initial scoping number of sales, stock and energy consumption.

Agenda

The following agenda was followed at the consultative meeting.

**CLASP & WWF cordially invites you to
A meeting on Efficiency Standards for Visi Coolers in Pakistan
Hosted by: CLASP & WWF**

Venue: Meeting Hall WWF, Lahore

Time: 1:00 pm to 3.00 pm.

Date: 9th November, 2021

TIME	AGENDA ITEM
1.00 – 1.10 pm	Round of Introductions
1.10 – 1.25 pm	Welcome note <i>Mr Masood Arshad, Senior Manager, WWF</i>
1.25 – 1.45 pm	Introductory brief of CLASP and Meeting Objectives <i>Stuart Jeffcot, Team Leader, CLASP</i>
1.45 – 2.20 pm	<i>Presentation on MEPS & Labelling</i> <i>Estimates of Visi sales and stock/suppliers/buyers/afterlife market</i> <i>Muhahmmad Salman Zaffar, Technical Lead, CLASP</i>
2.20 – 2.45 pm	Q and A session
2.45 – 3.00 pm	Tea and informal chat

Proceedings:

The meeting kicked off with a round of introductions. Dr. Masood Arshad welcomed all the participants and spoke about HIMA[^]Verte and CLASP's work on KCEP/CCC and MEPS development. Stuart Jeffcott spoke briefly giving context to the meeting before proceeding forward. Stuart explained to the participants about Energy efficiency and our focus being on the MEPS of Visi coolers at the moment.

Mr. Muhammad Salman Zaffar – Technical Lead, CLASP

Salman Zaffar gave the main presentation in the meeting. He started his presentation with brief introduction of Clasp's on going and previous projects. Salman spoke about some Standard and labelling regimes across the world and explained the concept. He gave examples of USA, China, and other countries where CLASP has been working on standardization and labelling. He told the audience about the benefits of the labelling regime and gave the example of a 3-star NEECA Pakistan Energy Label for fans. Mr Salman in his presentation tried to cover all the objectives listed above and discussion was generated on all key points.

Discussion

Market Share:

- Mr Abid of PEPSICO mentioned that the big three has almost 95% market share in case of visi coolers.
- As a general statement the room agreed that the big 03's buying share is definitely in excess of 85%.

Installed Stock:

- Mr. Badr e Munir of Coca Cola validated the installed stock figure that we had in our presentation and said it is somewhere between 1.2 million and 1.6 million.

Sales:

- Mr Badr e Munir mentioned that Coca Cola, Pepsi and Nestle buy around 100,000 units/year.
- They mentioned that due to covid the sales of visi coolers have reduced in 2020 and 2021

Life time:

- Mr. Badr e munir commented that the life of visi cooler is around 4 to 5 years.
- Mr Haseeb from Nestle mentioned that we replace the visi coolers after 5 years.
- The participants jointly agreed that average life of visi cooler in industry is around 7 years.

At this point there was a discussion initiated by Stuart stating that the numbers do not quite add up. Even if the life was up to 10 years and with an influx of 100,000; the installed stock cannot be around the 1.5 million mark.

Through discussion it was revealed that this was due to two reasons:

- I. There is a big number that gets refurbished and gets back into the system but is not included in the 100,000 annual sales figure.
- II. There are odd bumper years every 3 years or so where there may be 200,000 sales.

Refurbishing:

- Mr Akhtar Hussain of PEPSICO said they have around 7 plants in Pakistan and have 4 lab facilities of global standards. They refurbish their visi cooler in their own facilities. Usually, a visi cooler comes back for refurbishing after 4 to 5 years and the sent back to the field. The lifetime of visi cooler is nearly 10 years with 2 refurbishments at an average.
- The cost of refurbishing varies on the nature of damage. Sometimes it's just the door glass or the compressor. On an average, the cost of refurbishing the Visi cooler is less than 60% of the cost of the new one.
- Coke has a similar facility; however Nestle claimed to not refurbishing their coolers at the moment.

Refrigerant:

- All the corporations are already working on the transition of refrigerants. PEPSICO said that they will completely shift on R290/R600 by 2030.
- The participants mentioned some pain points regarding the refrigerant transition:
 - The after sales services for R290 is difficult at the moment since there are not enough well-trained maintenance personnel at the moment. In order to make the transit these companies need to be sure that the coolers they get into the market are well serviced and trained mechanics are available across the length and breadth of the country. They also asked to request the government to provide some concessions in duties for environment friendly refrigerant.
- Mr Haseeb of Nestle mentioned that they want to use R600 in their appliances but the manufactures are not yet capable of making the shift.
- Mr Badr Munir suggested that using the R290 compressor will result in energy efficiency since they use less energy. He also mentioned that using the Energy Management device in the Visi cooler will help to reduce the consumption by 40%

Regulations:

Overall, the participants were fine with the idea of enhancing energy efficiency of Visi Coolers in Pakistan. They realized that this could mean higher procurement cost for them; but generally said that their organisations were committed to carbon emissions reduction and would welcome such steps if they were implemented across the board.

The CLASP team informed the audience how the government is focusing on developing MEPS and Labeling for various products and that the policy drafting work for Visi Coolers will be completed before the end of this year.

Key Takeaways:

Broad agreement was reached on the following:

- Participants showed their agreement in developing efficiency standards / MEPS for visi coolers.
- They will be part of this whole process in developing MEPS and provide current specifications and Test standards in one-on-one meeting.
- They are willing to buy the efficient appliance once they are available in the market assuming all competitors faced the same requirement.
- Participants said that a refrigerant transit should not be made mandatory as that has some logistical and training issues in the short to medium term; however they are committed to move in that direction.

Annex 1: List of participants

Sr No.	Organization	Name	Designation
1	Coca Cola	Zuneria Mobashir	CSR & Sustainability
2	Coca Cola	Badr e Munir	Technical Manager
3	PepsiCo	Akhtar Hussain	Franchise Manager
4	PepsiCo	Abid Ameen	Supply & Chain
5	Nestle	Atekah Mir Khan	Public Affairs & Sustainability Manager
6	Nestle	M. Haseen Ali	Industrial Service Manager
7	WWF	Dr Masood	Senior Manager
8	WWF	Nazifa Butt	Senior Program Officer
9	WWF	Abdul Moiz Rafay	Project Officer
10	CLASP	Stuart Jeffcott	Team Leader
11	CLASP/HIMA^Verte	Salman Zaffar	Technical Lead
12	CLASP/HIMA^Verte	Amna Shahab	Consultant
13	CLASP/HIMA^Verte	Abdul Rehman	Assistant Manager