

Heat pump manufacturer investments

REPowerEU foresees a significant increase in heat pump manufacturing and deployment. A potential lack of installer skills is widely discussed. What finds less interest is the consequences of this tremendous growth in manufacturing capacity both for the heat pump units and for components.

End users are less and less seeing fossil fuel as a bridging solution to a decarbonised heating sector and have also lost confidence in Russia as a reliable provider of energy. This leads to a sharp increase in end-user demand both for residential and commercial heat pumps as well as industrial and district heating.

European manufacturers are reacting to this change in policy recognition and end-user demand by investing in manufacturing capacity and logistics.

The table below is the result of the evaluation of press releases and social media announcements that have been published over the past 3 months.

The total announced investment – to be executed over the next 3 years – sums up to nearly 7 billion Euros.

Table 1: Announced investments of heat pump and component investments in Europe. Source: EHPA

Company	Main product	Capacity	Investment (EUR)	Target production volume (units)	Country taking place	Date of completion
AIT Group¹	Heat pumps	Double capacity	-	up to 300.000 units	Germany	2024-2025
BDR Thermea group²	Heat pumps and hybrid solutions	Scale up capacity by 50%	300 – 400 million	800.000	France, Turkey, Italy, Netherlands, and Spain	2023
Bosch³	Heat pumps	-	225 million (new factory in Poland), 100 million (new factory in Portugal) and 700 million for factory extensions	-	Europe	By the end of the decade
Clivet SpA / Midea Group⁴	Heat pumps	100.000 external and 200.000 internal units/year	60 million	100.000 external & 200.000 internal heat pumps	Italy	Q2 - 2024
Daikin Europe⁵	Heat pumps, digitalization, R&D and	Quadruple capacity	1.2 billion	Quadruple today's production capacity	Poland, Belgium, Germany,	2025

¹ (AIT Group, 2023)

² (GenieClimatic, 2022)

³ (Tagesschau, 2022), (Cooling Post, 2023)

⁴ (China Daily, 2022)

⁵ (Daikin, 2022)

Company	Main product	Capacity	Investment (EUR)	Target production volume (units)	Country taking place	Date of completion
	service capacity				Czech Republic	
Group Atlantic⁶	Heat Pumps		150 million		New plant in France	2025
Grundfos⁷	Heat pumps	-	20 million	-	Serbia	Completed 2021
Hoval⁸	Heat pumps	-	60 million	30.000	Liechtenstein, Slovakia	2023 – 2024
Ideal heating (Groupe Atlantic)⁹	Heat pumps	R&D, distribution, manufacturing, training	50 million GBP 2 million GBP in training center		Hull, UK	2024
Kensa (joint invest by L&G and Octopus)¹⁰	Heat pumps	Expand geothermal production capacity, reduce cost	70 million	50 000	UK	2024
Mitsubishi¹¹	Heat pumps and air conditioning	Expand annual capacity of A/W heat pumps	109 million	300.000	Turkey	2024
Midea Group	Heat pumps		60 million	300.000	Italy	2024
NIBE¹²	Heat pumps	-	460 million	-	Sweden	2025
Panasonic¹³	Heat pumps	Increased capacity in CZ for A/W units.	145 million	500.000	Czech Republic	2026
Stiebel Eltron¹⁴	Heat pumps	Triple capacity	600 million	240.000	Germany and Sweden	2025
Vargas Group (AIRA brand)¹⁵	Heat pumps	-	26 million (2022); 86 million 2023		Poland (conversion of Volvo factory)	2024
Vaillant¹⁶	Heat pumps and energy efficiency	Doubled production	130 million	150.000	EU and new factory in Slovakia and France	2022 - 2023
Viessmann¹⁷	Heat pumps and other green solutions	-	1 billion	-	Poland	2025
Wilo group¹⁸	Pump factory and new company	-	300 million	-	Germany	Completed 2021

⁶ (Cooling Post, 2023)

⁷ (Grundfos, 2022)

⁸ (Renewables Now, 2022)

⁹ (The Guardian, 2023)

¹⁰ Legel and General website, 16.5.2023

¹¹ (Mitsubishi Electric, 2022)

¹² (NIBE, 2022)

¹³ (Renewables Now, 2022)

¹⁴ (Energie und management, 2022)

¹⁵ Coolingpost, 2023

¹⁶ (EIB, 2022)

¹⁷ (Haustec, 2022)

¹⁸ (HVACinformed, 2021)

Company	Main product	Capacity	Investment (EUR)	Target production volume (units)	Country taking place	Date of completion
	headquarters					
ZIEHL-ABEGG SE¹⁹	Fans	-	10 million	-	Germany	Completed

In addition, other manufacturers have announced investments without providing further details:

- **Ariston Group:** enhanced capacity to roll out a wide range of heat pumps (HHP, HPWH, TDHP).
- **CAREL:** two new factories in Europe to deliver on the increasing demand.
- **Alfa Laval:** has built new heat exchanger production lines.
- **Rheinmetall** will invest 770 million for refrigerants compressors.

¹⁹ (Easy Engineering, 2020)