

## Circular economy: definition, importance and benefits



### Repair, re-use and recycle!

<https://www.europartv.europa.eu/en/programme/others/repair-reuse-and-recycle>

**The circular economy: find out what it means, how it benefits you, the environment and our economy thanks to our video and infographic.**

The European Union produces more than **2.5 billion tonnes of waste every year**. It is currently updating its **legislation on waste management** to promote a shift to a more sustainable model known as the circular economy.

But what exactly does the circular economy mean? And what would be the benefits?

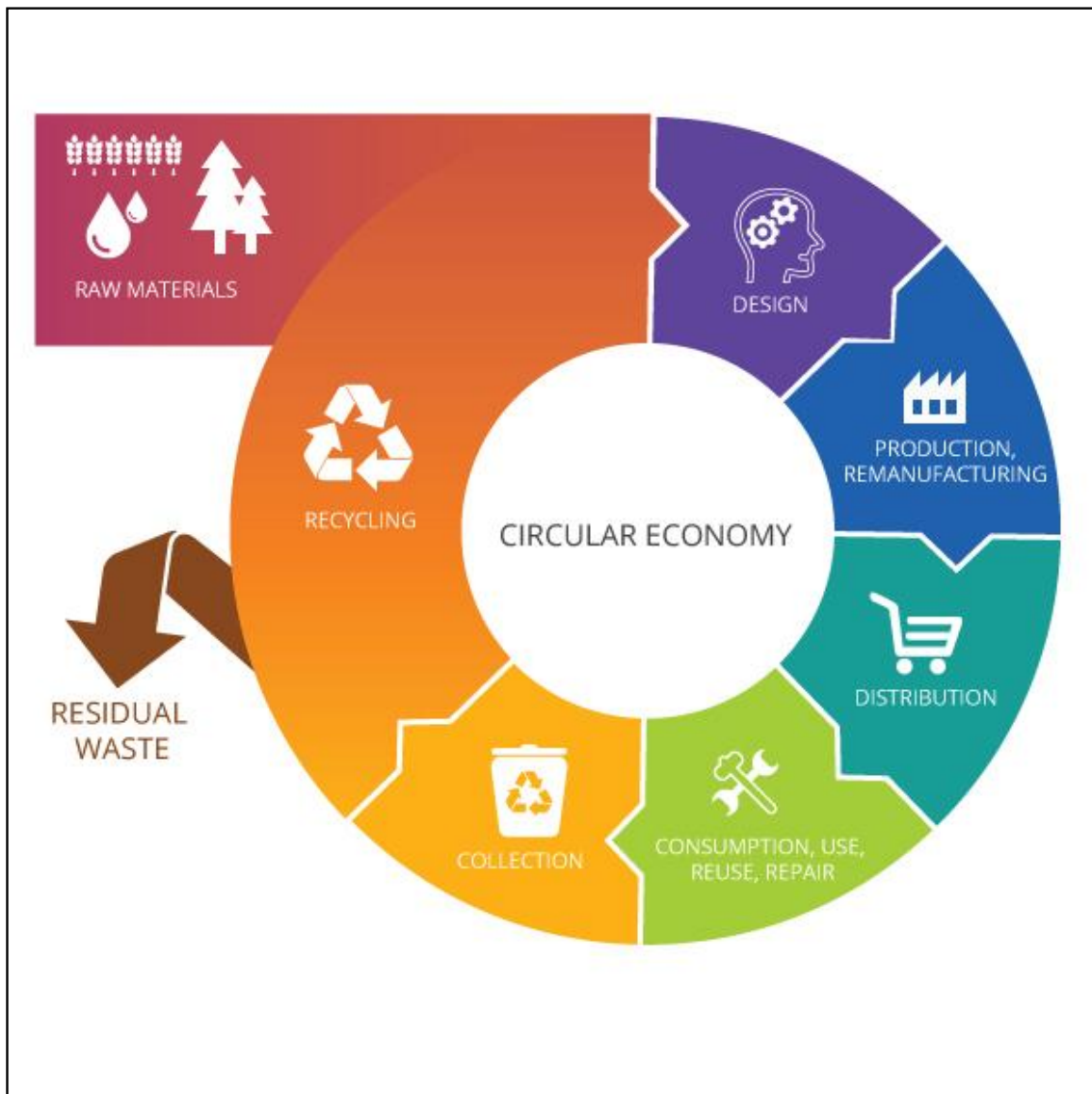
### What is the circular economy?

The circular economy is a **model of production and consumption**, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible. In this way, the **life cycle of products is extended**.

In practice, it implies **reducing waste** to a minimum. When a product reaches the end of its life, its materials are kept within the economy wherever possible. These can be productively used again and again, thereby **creating further value**.

This is a departure from the traditional, *linear* economic model, which is based on a take-make-consume-throw away pattern. This model relies on large quantities of cheap, easily accessible materials and energy.

Also part of this model is [planned obsolescence](#), when a product has been designed to have a limited lifespan to encourage consumers to buy it again. The European Parliament has called for measures to tackle this practice.



Circular economy: click on the image above for a larger version

## Why do we need to switch to a circular economy?

The world's population is growing and with it the demand for raw materials. However, the supply of crucial raw materials is limited.

Finite supplies also means some EU countries are dependent on other countries for their raw materials.

In addition extracting and using raw materials has a major impact on the environment. It also increases energy consumption and CO2 emissions. However, a smarter use of raw materials can [lower CO2 emissions](#).

## What are the benefits?

Measures such as waste prevention, [ecodesign](#) and re-use could save EU companies money while also [reducing total annual greenhouse gas emissions](#). Currently, the production of materials we use every day account for 45% of the CO2 emissions.

Moving towards a more circular economy could deliver benefits such as reducing pressure on the environment, improving the security of the supply of raw materials, increasing competitiveness, stimulating innovation, boosting economic growth (an additional 0.5% of gross domestic product), creating jobs ([700,000 jobs in the EU alone by 2030](#)).

Consumers will also be provided with more durable and innovative products that will increase the quality of life and save them money in the long term.

What is the EU doing to become a circular economy?

In March 2020, the European Commission presented [the circular economy action plan](#), which aims to promote more sustainable product design, reduce waste and empower consumers, for

example by creating a [right to repair](#)). There is a focus on resource intensive sectors, such as [electronics and ICT](#), [plastics](#), [textiles](#) and construction.

In February 2021, the Parliament adopted a resolution on the [new circular economy action plan](#) demanding additional measures to achieve a carbon-neutral, environmentally sustainable, toxic-free and fully circular economy by 2050, including tighter recycling rules and [binding targets for materials use and consumption](#) by 2030.

In March 2022, the Commission released the [first package of measures](#) to speed up the transition towards a circular economy, as part of the circular economy action plan. The proposals include boosting sustainable products, empowering consumers for the green transition, reviewing construction product regulation, and creating a strategy on sustainable textiles.

## Find out more

[Circular economy action plan:](#)

[Infographic on the circular economy](#)

[Facebook interview with lead MEP Jan Huitema](#)