

What is Circular Economy

Circular economy is an economic model aiming at preserving and increasing the value of resources used to fulfill people's need, while reducing their impact on the environment, during the whole life cycle of the products.

The traditional model of economic growth – a linear economy (resource extraction – product making – waste disposal) – leads us to a multi-dimensional impasse:

- In 35 years, the volume of resources extracted increased by 65%... and over 50% of this volume are non-renewable resources (source: OECD)
- The European Union now imports over six times the amount of materials it exports (source: EEA)
- The generalization of the current European lifestyle would require between 2 and 3 planets
- The prices of raw materials have increased by almost 150% between 2002 and 2010; and provides, in 2030, 3 billion middle-class consumers (source : World Economic Forum)
- Strategic commodities (such as gold, silver, indium, iridium, tungsten, etc.) are becoming scarcer and most are usually found concentrated in a few countries: for example, 97% of rare earth elements, essential for wind turbines, low-energy light bulbs or hybrid vehicles, are found in China (source: Institute of urban Planning and Development / Île-de-France)
- In parallel with GDP growth, there has been a growth of waste, harmful emissions (including CO2), public debt, and ... poverty and social inequality.

The traditional model must therefore be replaced with a circular economy model aiming at closing the loop of resources and reducing the environmental impact of the product life cycle at all stages of the process (production, distribution, consumption).

The [Circular Europe Network guidelines](#) clarify the concept of circular economy and provide advice on the first steps need to develop circular economy strategies from the perspective of local and regional authorities.

