

Press release

The Hague, May 2015

Business frontrunners call for strengthened Circular Economy Package with economic incentives

Today a coalition of business associations, representing thousands of businesses, called for a strengthened Circular Economy Package, based on political leadership and ambitious policies on waste prevention. The [broadly supported manifesto](#) serves as input from a frontrunners' business perspective on the renewed Circular Economy Package, based on the obstacles for circular business as experienced by companies. The circular economy holds the promise of 2 million new jobs, estimated net savings EU-wide for businesses up to 600 billions of euros, and hundreds of millions of tonnes of avoided waste.

Leadership

Strong government policies to mainstream circular business are crucial to reap the benefits of a circular economy. This requires leadership and investments in circular innovation beyond traditional measures. The manifesto calls for the EU and member states to act as launching customer by widespread implementation of green public procurement. In addition, the coalition calls for targets for maintenance, repair, reuse, refurbishment and cascading next to the existing ones for landfill and recycling, as well as flexible competition policy and the foundation of a European Institute for Circular Economy. Finally, the manifesto recommends a Circular Frontrunners Programme as well as sectoral and cross-sectoral programmes.

Economic incentives

In order to reach the targets, we ask for economic incentives to create framework conditions for companies to implement circular business models. Fiscal incentives are important to stimulate this. One way to achieve this is by adjusting European VAT regulations to allow for VAT rate differentiation on the basis of circularity. This is important to stimulate consumers to buy circular products and services. In addition, improved extended producer responsibility schemes can reward producers of circular products with lower costs, while providing considerable funds for investing in improved waste management. The manifesto also recommends tax breaks for externally audited integrated reporting.

Expand existing measures

The coalition is in favour of expanding the Ecodesign Directive into a directive for Circular Design. In addition, the manifesto calls for continuing calls for proposals in the field of circular economy in Horizon 2020 and the Eco-Innovation Programme, including calls for economic mechanism design.

Broad support

The manifesto of the Dutch Sustainable Business Association *De Groene Zaak*, MVO Nederland and Circle Economy has been signed by, Entreprenure Vert, EcoPreneur, Green Alliance, GreenBudgetEurope, INDR, the Institut de l'Economie Circulaire, Plan C and

UnternehmensGrün, which together represent thousands of frontrunning businesses throughout Europe. It also contains supportive statements from the European Environmental Bureau (EEB), ACR+ and the Dutch Society for the Protection of Nature and Environment (Natuur & Milieu) and quotes from several businesses.

The manifesto can be downloaded at <http://degroenezaak.com/wp-content/uploads/2015/06/Circular-Economy-Package-Manifesto-20-5-2015.pdf>

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