Businesses need to appreciate the economic case for recycling, reusing and remanufacturing materials so that the circular economy can take off in Europe, according to **Jyrki Katainen**, European Commission Vice-President responsible for jobs, growth, investment and competitiveness.

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"We must enable businesses to see a profit if they move to the circular economy model," he said in a 'Conversation with' Friends of Europe on 25 January . "The market economy is the best friend of the circular economy."

The discussion focused on the Circular Economy Package, released by the Commission in December, which aims to make Europe a global centre for sustainable and environmentally-friendly industries, reduce dependence on raw materials and create new jobs. Measures such as waste prevention, Ecodesign and re-use could enable EU businesses to make net savings of €600bn and reduce greenhouse gas emissions by up to 4%, the Commission has said. The initiative will be supported by an array of EU financing tools, ranging from the Horizon 2020 budget to structural and strategic investment funds.

"If we get this right in Europe, we could be leading the world in it," said moderator **Tamsin Rose** , Non-Resident Fellow at Friends of Europe.

The Commission's proposals start with ambitious targets to reduce waste. By 2030, 65% of municipal waste and 75% of packaging waste is to be recycled across the EU, with a maximum

of 10% of all waste disposed of by landfill.

One proposal is to ban landfilling waste divided for separate collection, as is frequent with plastic and materials left over from demolition. "This is the case with most packaging materials, so the packaging sector is probably an issue where we can go further the fastest," Katainen said. "The biggest challenge is often how to organise separate collection. But in some member states, glass recycling is nearly 100%, so why put any glass in landfill? Member states could share best practices."

Click here to download the full report , which discusses the benefits of ecodesign, where funding should come from, and the public sector's role.

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