

Circular Economy Can Generate US\$ 1 Trillion Annually by 2025

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- New report finds that a shift towards a circular economy can generate US\$ 500 million in material cost savings, 100,000 new jobs and prevent 100 million tonnes of waste globally within five years
- [Project Mainstream](#) initiative aims to accelerate cross-sector engagement towards a circular economy
- Explore the interactive report [Towards a Circular Economy](#)
- For more information about the Annual Meeting, visit <http://wef.ch/Davos>

Davos-Klosters, Switzerland, 24 January 2014 – Over US\$1 trillion a year could be generated by 2025 for the

global economy and 100,000 new jobs created within the next five years if companies focused on

encouraging the build-up of “circular” supply chains to increase the rate of recycling, reuse and

remanufacture. This would maximize the value of materials when products approach the end of their use,

according to a new [report](#) released today by the World Economic Forum, in collaboration with the Ellen MacArthur

Foundation at the Annual Meeting 2014 in Davos.

The report, [Towards the Circular Economy](#), analyses the economic benefits for businesses shifting towards a circular economy, which rethinks today’s consumption patterns of “take, make and dispose” to a more restorative process, where products are designed and marketed such that components and materials can be reused many times. The report also highlights a new Forum initiative, [Project Mainstream](#), which could help businesses to shift towards a circular economy and as a result save US\$ 500 million in materials and prevent 100 million tonnes of waste globally.

“ The circular economy is an opportunity industry can ’ t afford to miss, ” said Ian Cheshire, Group Chief Executive of Kingfisher. “ It can drive our next generation of innovation and business growth, cushion our business from price volatility, provide us with competitive advantage, and help us build better relationships with customers and suppliers. ”

With commodity prices almost tripling in the last 10 years, businesses and governments are now recognizing this as an opportunity to manage input cost volatility, as this approach decouples economic growth from finite supplies of primary resources. Manufacturing industries, in particular, could see their costs reduce significantly by adopting a circular business model. For example, material costs of smartphones could be reduced by more than 60% by entirely rethinking the way they are made and disposed. The report also shows the benefits of innovative business models such as Airbnb and Zip Car, and suggests improvements for profitability throughout the supply chain.

Project Mainstream is a World Economic Forum initiative in partnership with the Ellen MacArthur Foundation and supported by McKinsey & Co, which aims to work with companies to tackle ways to enable the circular economy through materials management, information technologies and business model innovation. There are already many industry leaders that have committed to be part of this effort, including Philips, Kingfisher, Veolia, DSM and Indorama.

“ Building on growing momentum around the circular economy, Project Mainstream will leverage the convening power of the World Economic Forum and bring together a group of business leaders capable of triggering widespread innovation and employment. It is about going beyond concept stage, it's about turning proven potential into an economic reality, ” said Ellen MacArthur, Founder of the Ellen MacArthur Foundation.

The 44th World Economic Forum Annual Meeting is taking place from 22 to 25 January 2014 under the theme The Reshaping of the World: Consequences for Society, Politics and Business. More than 2,500 participants from 100 countries are taking part in the Meeting. Participants include more than 30 heads of state or government and 1,500 business leaders from the Forum ’ s 1,000 Member companies, as well as Social Entrepreneurs, Global Shapers, Young Global Leaders and representatives from civil society, media, academia and the arts.

The Co-Chairs of the Annual Meeting 2014 are: Aliko Dangote, President and Chief Executive Officer, Dangote

Group, Nigeria; Kris Gopalakrishnan, President, Confederation of Indian Industry (CII); Vice-Chairman,

Infosys, India; Jiang Jianqing, Chairman of the Board, Industrial and Commercial Bank of China, People ’ s

Republic of China; Joseph Jimenez, Chief Executive Officer, Novartis, Switzerland; Christophe de Margerie

, Chairman and Chief Executive Officer, Total, France; Marissa Mayer, Chief Executive Officer, Yahoo, USA;

and Judith Rodin, President, Rockefeller Foundation, USA.

Notes to Editors

About the circular economy

Restorative by design, the circular economy is built on the principle that stocks and flows of resources are rebuilt as opposed to degraded. This results in lower, and less volatile, costs, and holds huge potential for innovation and job creation. The circular economy aims to decouple economic growth from resource consumption. Project Mainstream can help mobilize this interest into an avenue for cross-industry action capable of taking the circular economy to the tipping point.

Read the [Interactive report](#)

Download the [Full report](#)

Read more about [Project Mainstream](#)

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