

# GERMANY

CIRCULAR ECONOMY 2-PAGER (edition September 2020)

## POLICY LANDSCAPE

### EU LEVEL

In 2015 European Commission adopted the **Circular Economy Action Plan**, which included comprehensive measures addressing waste management. The EU laws set minimum recycling, landfilling, material recovering and renewable energy consumption targets. Among other initiatives introduced in the plan is the plastics strategy which aims to ban and reduce consumption of certain types of single-use plastic. Germany performs well in attaining EU CE legislation targets. The **New Circular Economy Action Plan** adopted in March 2020 will aim among others to facilitate circularity in textile industry and production of electronic equipment.

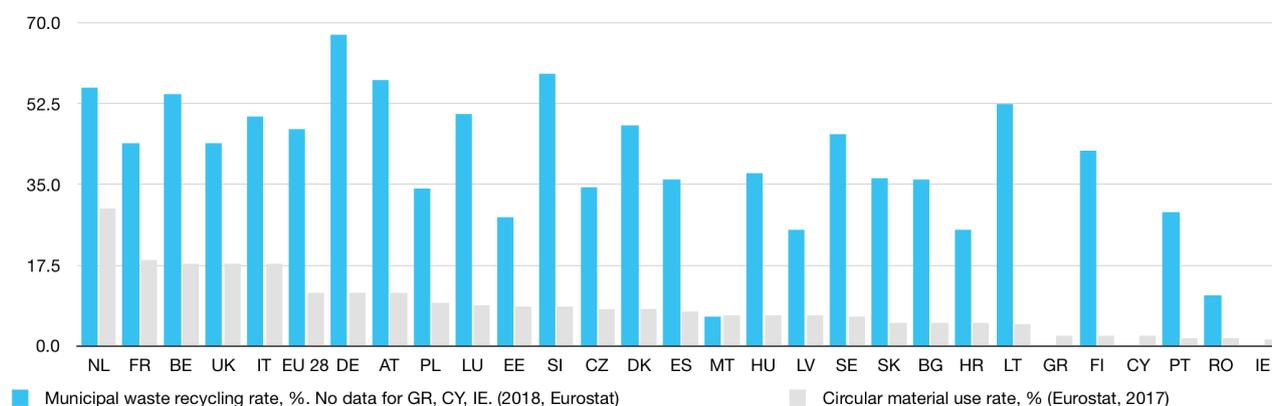
### CURRENTLY MAIN EU TARGETS INCLUDE:

- min. 65% of municipal waste to be recycled by 2035
- min. 70% of all packaging waste to be recycled by 2030
- max. 10% of municipal waste to be landfilled by 2035
- certain types of single use plastic products will be prohibited to place on market as of July 2021
- min. 32% of the Union's gross final consumption of energy to originate from renewable sources by 2030

### NATIONAL LEVEL

Germany is recognized as a global leader in waste management. However, there is no overall policy on CE as it is the case in the Netherlands. On a federal level several strategies for resource efficiency have been initiated. The first national 4-year Resource Efficiency Program (ProgRess) was launched in 2012; in 2020 the 3rd generation, **ProgRess III**, will be launched. The strategy considers entire value chains and is expected to consist of more than 100 measures addressing sectors like chemical industry, logistics, product design, recycling, public transport as well as the role of digitalization should in the transition to resource efficiency. The **Renewable Energy Act** not only boosts domestic generation of renewable energies, wind power, and photovoltaics in particular, but also fosters innovation in renewable energy industries.

The basis of the German federal waste legislation is the European Directive from 2008 on waste. In 2012 the German Bundestag adopted the Act Reorganizing the Law on Closed Cycle Management and Waste (**Kreislaufwirtschaftsgesetz**) and to implement the European directives. The German Closed Substance Cycle and Waste Management Act of 1994 increases the responsibility of producers by holding them responsible for coordinating handling and utilization of own-produced waste. However, it should be noted that since Germany is a federal republic, regional authorities have autonomy in defining CE priorities and on Länder level. Therefore, CE trends and developments differ considerably per federal state.



## FACTS & FIGURES

### ECONOMIC INDICATORS

- POPULATION (2019): 83 MLN
- NOMINAL GDP (2019): €3.435.210 MLN, WORLD RANK: 4TH
- PURCHASING POWER (2018): €42.423
- IMPORT FROM THE NL (2018): €113,2 MILLIARD
- ECONOMIC GROWTH (2018): 1,5%
- EASE OF DOING BUSINESS RANK (2020): 22/190
- CORRUPTION INDEX (2019): 9/198
- UNEMPLOYMENT RATE (2019): 3,2%
- CURRENCY: EURO
- TIME DIFFERENCE NL: +0.00 HRS

### CE INDICATORS

- GLOBAL INNOVATION INDEX (2019): 9/129
- MUNICIPAL WASTE RECYCLING RATE (2018): 67,3%
- CIRCULAR MATERIAL USE RATE (2017): 11,6%

## MAJOR UPCOMING EVENTS

July-December 2020 [Germany EU presidency](#)  
 9 September 2020 [Trilateral Strategy High-level meeting](#)  
 November 8-11 2020 [5th Green & Sustainable Chemistry Conference](#)  
 30 November-1 December 2020 [Internationale PFAS Konferenz](#)

## LINKS

[The Netherlands Enterprise Agency \(RVO\)](#)  
[Subsidies of the Netherlands Enterprise Agency](#)  
[German cities on NLinBusiness](#)  
[Trilateral Chemical Region](#)  
[KVK Export Nieuwe Markten Tool](#)  
[Netherlands Enterprise Agency mobile app NL exporteert](#)  
[Germany's energy transition at a crossroads](#)

## SELECTED PRIORITY AREAS

### PLASTICS & CHEMICAL RECYCLING

In Germany and the Netherlands about 50% of plastic packaging waste is mechanically recycled at present. Very unique in the chemical sector is the Trilateral Strategy initiated by and between The Netherlands, Flanders (BE) and Germany's North Rhine-Westphalia (NRW) with the goal to transform towards a sustainable chemical industry. Due to proximity of productions sites, the cooperation not only helps to optimize the use of raw materials by transforming waste and by-products into new or secondary raw materials but is also a supplier to virtually every other industry and a central player in enabling the CE throughout all value chain processes in its downstream industries, as well as opening new market opportunities. Collaboration and adoption of chemical recycling technologies could therefore be a key element to reach the target of developing a sustainable chemical industry whilst improving its competitiveness within the global market.

### TEXTILES

The transition towards a circular textile industry in Germany is still in its infancy due to a wide range of socio-economic, environmental and legal barriers which create path dependencies and inhibit the adoption of circular solutions on a broader scale. Still, Germany is among frontrunners of post-consumer textile collection in Europe. Most volumes are reused or recycled; however, a considerable share is still incinerated and the consumption rank is among the highest across all European countries. In the presence of globalized, interconnected and highly complex textile supply chains, there is a need for more intense international cooperation to implement joint processes, which foster a shift towards a circular textile sector. Among others, sharing of information and best practices between Dutch and German knowledge institutes, business and public actors is perceived as particularly important in order to advance circular practices in the textile industry.

### THE AUTOMOTIVE INDUSTRY

The German automotive industry is one of the largest in the world. With growing concerns about climate change and environmental degradation, sustainability has become a strategic priority for most of the German automotive companies. Incorporating circular economy has the potential to offer big economic benefits and make electric vehicles more sustainable, improve design and introduce new business models that support longer lifetimes of products and services. The Dutch market offers attractive opportunities for many types of companies active in e-mobility: electric vehicle manufacturers charging infrastructure companies, battery makers and auxiliary power unit producers. Cooperation with the Dutch automotive industry, which is characterized by a dynamic mix of innovative approach and component suppliers could support German automotive industry in a faster transition towards a circular economy.

### CIRCULAR WINDFARMS

The planned transition towards a low-carbon, nuclear-free economy 'Energiewende' is high on the agenda in Germany. Renewable energy should make up 60% of the gross final consumption of energy and 80% of the gross electricity consumption by 2050. Another objective is a significant increase in energy efficiency. To achieve these targets Germany relies on international cooperation, particularly with the Netherlands. In October 2019, the countries signed a **joint declaration**, intending to intensify close cooperation as the energy transition progresses. Both Germany and the Netherlands see a great potential in the development of offshore wind projects and infrastructure in the North Sea region to accelerate the deployment of renewable energy.

The massive expansion of offshore wind power in recent years will create an equally large demand for decommissioning capacity in the near future. Developing new circular or modular offshore windfarms designed for reuse or remanufacturing and recycling solutions for composites might not only increase sustainability of the sector but also open up a huge export market for the Netherlands.

### REPORTS

- [The CE in Southern Germany: opportunities and obstacles for Dutch entrepreneurs in the infrastructure and construction sectors](#)
- [Market analysis DECOM Tools](#)
- [Wind Energy in Europe: Outlook to 2023](#)
- [Stakeholder analysis DECOM Tools](#)
- [Circular Economy in the Textile Sector](#)
- [ACEA Position Paper on Circular Economy](#)
- [Chemical plastics recycling – potentials and development prospects](#)

## RELEVANT NETWORKS

### CE THINK TANKS & RESEARCH INSTITUTES

[Systemiq](#)  
[National Academy of Science and Engineering](#)  
[Wuppertal Institute for Climate, Environment and Energy](#)  
[Hamburgische Welt Wirtschafts Institut \(HWWI\)](#)  
[Agora Energiewende](#)  
[Fraunhofer Cluster Circular Plastics Economy](#)  
[CLIB](#)  
[Fraunhofer Institute for Molecular Biology and Applied Ecology](#)  
[IKV Institute for Plastics Processing](#)  
[Deutsche Textilforschungszentrum Nord-West e.V](#)

### BUSINESS NETWORKS

[Duits-Nederlandse Handelskamer in Den Haag](#)  
[Partnership for Sustainable Textile](#)  
[Kunststoffland NRW](#)  
[Chemie NRW](#)

### EMBASSIES

[German Embassy and the Consulate General in the Hague](#)  
[Dutch Embassy in Berlin](#)  
[Dutch Consulate General in Düsseldorf](#)  
[Dutch Consulate General in Munich](#)

