



Circular Economy 2-pager, 2nd November 2022

POLICY LANDSCAPE

The UK is a former member of the European Union, leaving the EU in 2020. This 'Brexit' had great consequences for international collaboration with the UK, but circular economy offers ground for new cooperation.

National circular economy related ambitions

Although the UK has withdrawn from the European Green Deal when leaving the EU, they kept up their ambitions by introducing the **Ten Point Plan** to increase national resource efficiency and minimise impacts on climate change. Also, they implemented their legally binding target for net-zero emissions by 2050, early on.

Other relevant CE policies include:

- **Circular Economy Package (CEP)**: the overarching legislative framework focusing on resource efficiency linked to waste management.
- **The Environment Act**: the updated framework for environmental protection with a wide range of legally binding measures, e.g. on recycling rates, suspension of waste exporting, circular design requirements, and strong extended producer responsibility schemes.
- **Build Back Better: Our plan for growth**: a governmental strategy for investments in infrastructure, skills and innovation focusing on sustainable growth and CE.

REGIONAL LEVEL

Each country has additionally determined its own pathway towards circularity. England designed a **Green Future Plan** and the **Resource and Waste Strategy (RWS)**, providing business opportunities in the retrofitting and construction sectors. Wales offers business potential in plastics and new materials. Their **"Beyond recycling": CE strategy (2021)** guides their efforts towards their 2050 zero-waste and net-zero targets. Scotland determined their CE strategy **'Making things last'** focusing on the manufacturing industry and offering opportunities for oil & gas divestment. Under the umbrella of the CEP, Northern Ireland is prioritising the reduction of household waste by increasing municipal recycling capacity within the upcoming 'Environment Strategy for Northern Ireland'.

Extended Producer Responsibility (EPR)

Current producer responsibility regulations in the UK cover electrical and electronic equipment (EEE), batteries, and end-of-life vehicles (ELVs), while textiles, furniture, and mattresses are planned to be included starting from 2024. In addition, coming into effect 1st of January 2023, UK packaging businesses with a turnover of £1m and a minimum packaging volume of

25 tons annually will need to follow a list of mandatory activities regarding their business processes. These include the collection and submission of data on the packaging handled and supplies, payment of a waste management fee, and the purchase of packaging waste recycling notes or packaging waste export recycling notes. More details on [UK gov page](https://www.gov.uk).

FACTS & FIGURES

ECONOMIC INDICATORS

- Population (2021): 67,4 million
- Nominal GDP + Ranking (2020): \$ 2,71 trillion, 5th
- Purchasing power (2019): \$ 42.416
- Export from the NL (2019): EUR 39,8 million
- Economic growth (2020): 9.85 %
- Ease of doing business (2020): 8/190
- Corruption Perception Index: score 77/100, rank 11/180
- Unemployment rate (2020): 4.5%
- Currency: Pound Sterling
- Time difference with NL: -1hrs

CE INDICATORS

- Innovation Index Rank (2020): 4th
- Recycling rate (2018): 45%
- Renewable energy: 42.8% of total consumption
- £22,5 million invested in 5 CE centres focusing on waste, textiles & construction sectors

SELECTED PRIORITY AREAS

WASTE MANAGEMENT

This sector totals £9 billion annual turnover in the UK. Current recycling rates are between 44% in England and 56% in Wales, with the aim to reach 65% municipal recycling and reduce landfill by 10%. A combination of Anaerobic digestion (AD), incineration, EfW, Material Recovery (MRF), chemical and mechanical sorting, and landfill is applied. The government actively supports low-carbon technologies including infrastructure to use waste as an energy source. The leading waste management firms in the UK are Biffa, Veolia, FCC Environment, Suez, Viridor, and Renewi.

PLASTICS

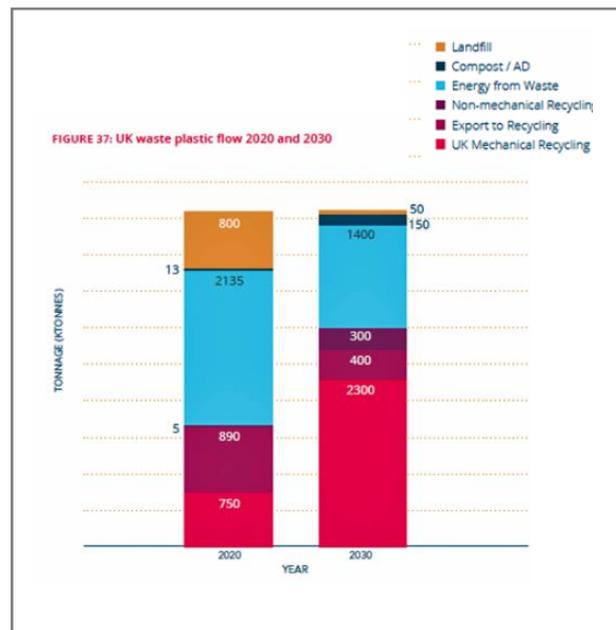
Annually around 5 million tons of plastic are consumed in the UK, of which almost 50% accounts for packaging waste. The UK targets the elimination of all avoidable plastic waste by 2042, amongst others via a plastic packaging tax effective since 2022. Crucial elements for a circular plastics sector are the **UK Plastic Pact** and the **Plastic Industry Recycling Action Plan** working on a value chain approach to increase recycling volumes by means of purposeful design and improved collection, and both sorting systems. Recycling services will need to be expanded to meet such targets, which offers attractive business opportunities for Dutch chemical and mechanical recycling companies. As the development of end markets to line up the plastic chain remains critical, Dutch business models focused on upcycling plastic waste can be of inspiration for UK counterparts.

CONSTRUCTION & BUILT ENVIRONMENT

Although the UK has thus far been risk-averse and slow to innovate in this sector, recent resource scarcity and rising prices are fostering the development of CE. The built environment accounts for 40% of the UK's carbon footprint. **The Green Construction Board** thus aims at 50% emissions reduction by 2050 and improved resource efficiency. The UK thus seeks for expert inputs to achieve these goals and announced an investment of £650 billions within the next decade in smart and sustainable buildings and infrastructure. This provides opportunities for Dutch businesses working at city and regional levels to offer smart solutions for innovative building technologies and materials. Dutch entrepreneurs can contribute ideas on how to integrate nature into construction and share experiences on value chain collaborations for resource flows optimisation and on the role of the public sector in supporting the transition into a circular built environment.

LINKS & REPORTS

- The Construction Index: Top 100 UK construction firms
- London Energy Transformation Initiative
- UK Heat & Building Strategy (2021)
- Circular Online
- National Infrastructure Strategy



Business Networks

Aldersgate Group, ASBP, KTN, UKMSN, Doing Business in the United Kingdom, UK Green Building Council, Construction Leadership Council, Circular Construction in Regenerative Cities, Make UK – Manufacturing Association, RSA – Royal Society of Arts, Chartered Institute of Waste Management, UK Research and Innovation (Innovate UK), Innovate UK Edge, Cambridge Cleantech

Embassies & Related Organisations

- British Embassy in the Hague
- Netherlands Embassy in London
- NL Innovation & Business in the UK