

EU-Indonesia Business Dialogue 2018: Indonesia stands to gain from adopting the circular economy

- **EU-Indonesia Business Dialogue (EIBD) 2018 focuses on promoting the Circular Economy: maximizing sustainable growth while minimizing resource input and waste.**
- **Circular economy will add US\$4.5 trillion to global economy through efficient use of natural resources. Both developed economies and developing countries can gain the benefits of circular economy.**
- **Karmenu Vella, European Commissioner for the Environment, Maritime Affairs and Fisheries, joins senior EU and Indonesian officials and some 200 business leaders from groups including EUROCHAM, EIBN, KADIN and APIN to share policy experiences and business opportunities.**
- **For the first time, about 200 youths have been invited to participate, reflecting the next generation's important stake in Indonesia's future.**
- **About 80 EU and Indonesian businesses will participate in a B2B matchmaking exercise to explore new business models around such themes as chemicals, resource efficiency and preventing marine litter, an environmental disaster and major impediment to the growth of eco-tourism.**

Jakarta – October 25, 2018 – A Circular Economy was the focal point at EU-Indonesia Business Dialogue (EIBD) 2018 as businesses and government officials from the EU and Indonesia explore ways to maximize economic growth through more sustainable practices. The Circular Economy model could potentially add US\$4.5 trillion¹ over the next decade to the global economy while better protecting our increasingly vulnerable environment.

A Circular Economy is a broad set of policies and economic approaches meant to minimize resource input and waste, greenhouse-gas emissions and energy leakage by keeping the value of products and materials in the economy for as long as possible and minimizing waste generation. This can be achieved through a combination of long-lasting design, maintenance, repair, reuse, remanufacturing, refurbishing and recycling.

EU Commissioner Karmenu Vella shared the EU experience in moving towards a more sustainable circular economy model, highlighting its benefits not only for the environment, but also for our prosperity and resilience as a society and for the economy.

—Indonesia is an essential ally for the EU to make the next step change toward a global circular economy. The circular economy model is a tremendous opportunity for business, but also for our societies and planet. The EU is leading by example in the transition to a resource-efficient, circular and low -carbon future. But we cannot thrive alone. The EU stands ready to work with Indonesia to support this transition. It is good for business, for the environment and for climate protection,” said Commissioner Vella.

The visit to Indonesia is part of EU —Circular Economy Missions|| – high-level political and business meetings to promote sustainable development in a global context, highlighting the applicability of circular economy concept in both developed and developing countries. The idea is to inspire countries around the world to contribute to economic growth and generate new jobs and business opportunities through sustainable practices, in line with international commitments under 2030 Agenda for Sustainable Development.

The importance of citizen and household contributions was also on the agenda at the forum, highlighting the need for a universal mindset of environmentally friendly behaviours and sustainable consumption. The European Parliamentary Research Service (EPRS) reporting that eco-design saves consumers €332 each year in energy costs.

The Minister of Environment and Forestry of the Republic of Indonesia, H.E. Siti Nurbaya Bakar, welcomes to have a cooperation with the EU in terms of promoting resources efficiency, circular economy and low carbon future of solid waste management. The Minister believes that multi-stakeholder collaboration and community movements are important to ensure good implementation of circular economy.

Indonesian government notices that waste issue is crucial and urgent. Thus, Indonesia welcomes the EU commitment to support Indonesia in accelerating the implementation of circular economy. The implementation of circular economy in Indonesia has begun since 2012 through waste bank in segregating solid waste management as an illustration of resource

¹ Study Accenture: —Waste to Wealth: The Circular Economy Advantage||, 2015.

efficiency for raw material in recycling industry. This is a good opportunity for business expansion, environmental and social considerations.

As one of the regions farthest along in implementing a circular economy, the EU and European business community are willing to support and collaborate with the government and Indonesian business leaders to accelerate the adoption in Indonesia, who often criticized as the world's second largest producers of plastic waste. Indonesia is committed to a 30% reduction of solid waste generation by 2025 and 70% waste handling (compared to business as usual), meaning zero unplanned leakage in the environment, compared to 28% (18.5 million tons) in 2017.

As a collaboration between European Chambers of Commerce in Indonesia (EuroCham), Indonesian Business Chambers of Commerce and Industry (KADIN Indonesia) and the Indonesian Employers' Association (APINDO), EIBD 2018 represents business commitments in supporting circular economy implementation.

—There is potential for inclusive and sustainable growth in emerging and developing countries as well. However, we need to scale up the circular approaches and turning them into a comprehensive development opportunity that will benefit business with sustainable practices,|| said KADIN Vice Chairman Shinta Widjaja Kamdani.

—We believe it is crucial for businesses to work hand-in-hand in raising awareness on circular economy in Indonesia, particularly its opportunities and costs to Indonesian businesses, and EIBD 2018 is a great platform for us to start,|| APINDO Chairman Hariyadi Sukamdani added.

Mark Magee, Chairman of EuroCham Indonesia, said businesses need to anticipate and adapt to the possible impact of a global shift toward a circular economy through the redesign, reuse and recycling of products and materials. Consumer priorities are changing, and technological developments have facilitated the proliferation of the sharing economy and collaborative consumption, he noted.

—We have witnessed many businesses in EU have shifted their business model to be more circular. As the developing countries are becoming more involved in global value chain, the need to embrace sustainable business model has become more important than ever,|| explained Mark.

By 2025, 75% of the global workforce will be millennials who are more receptive to the concept of accessing a service rather than owning a product. A Nielsen study found that most millennials would be willing to pay more to use goods that are produced in a sustainable way.

Mark also added that the youths are the agents of change in shaping the world of circular economy. This year, about 200 youths joined the EIBD forum, which began in 2009 as an initiative of the European Union (EU) and Government of Indonesia. It is the first year that EIBD involved youth groups—a recognition that the younger generation has an important stake in Indonesia's future. Ideas and key discussion points generated from the session with youths in the first half of EIBD 2018 were going then to the Business Dialogue.
