

Circular economy: Italy tops the rankings for circularity, but the costs of secondary raw materials are a cause for concern

At the Circular Economy Roundtable during the Connact Autumn Workshop (Brussels, 13 October 2026), the scenario prepared by the European Commission's Joint Research Centre on the clean transition as a driver of competitiveness.

Of every 100 kilograms of materials used in the European Union's economy, 12 come from recycling. In 2010, the figure stood at 10.7: the circularity rate – the proportion of materials sourced from recycling – rose by just 1.5%, according to an analysis of Eurostat data. Italy, on the other hand, is an exception: the figure now stands at 21.6%, almost ten percentage points above the European average of 12.2%. And there was a 10.3% increase compared with 2010, compared with +3.6% in Germany, +0.2% in France and -3% in Spain.

The cost of secondary raw materials. However, there are concerns about the cost of secondary raw materials – that is, recycled and recovered materials from waste streams and end-of-life products – which are reintroduced into production cycles to replace primary raw materials. For example, recycled polyester has an estimated average cost of around €2,480 per tonne, whereas the raw material imported from Asia costs no more than €950.

Secondary raw materials will be among the topics discussed at the Circular Economy Roundtable during Connact's Autumn Workshop, "Revitalising European Competitiveness", which will draw on the scenario developed by the European Commission's Joint Research Centre. The scenario was developed on the basis of the report "A pathway to Europe's Competitiveness: The clean transition". The underlying argument: the clean energy transition is not a cost to be borne but a strategy for competitiveness.

The cost of inaction. The report begins by examining the rising costs of climate change. The JRC estimates the economic impacts of droughts, floods, storms, and heatwaves on productivity, the proportion of the European population exposed to extreme events, and mortality linked to heat and cold by 2050, under global warming scenarios of 1.5, 2, and 3 degrees. Hence, the decision to combine the priorities of the clean transition (climate, energy, the circular economy, mobility, food, and biodiversity) with those of the 2024-2029 Competitiveness Compass: bridging the innovation gap, decarbonising the economy, and ensuring security of supply.

Eight enabling factors. The report identifies pathways across seven thematic areas and eight factors for ensuring their effectiveness: policy coherence, funding, education and skills, data systems, a just transition, a regenerative and circular economy, research and innovation, and adaptation. Among the priorities identified are mobilising private finance on a large scale using public funds to mitigate risk; addressing skills shortages in sectors such as energy, construction, and the circular economy; and reducing regulatory uncertainty to provide signals for long-term investment.

Opportunities and challenges of the circular economy. In the regenerative and circular economy, opportunities range from reducing food waste to utilising biomass, from bio-based innovations to climate-smart agriculture, and extending to the demand for recycled materials. However, obstacles remain: dependence on resources, pressure on biomass and forests, and the fact that circular practices are often less competitive than linear models.

The report concludes that European competitiveness does not hinge on any single policy: decarbonisation, innovation, and strategic autonomy must go hand in hand within a coordinated, predictable, and evidence-based policy framework.