

A pathway to
Europe's Competitiveness:
The clean transition

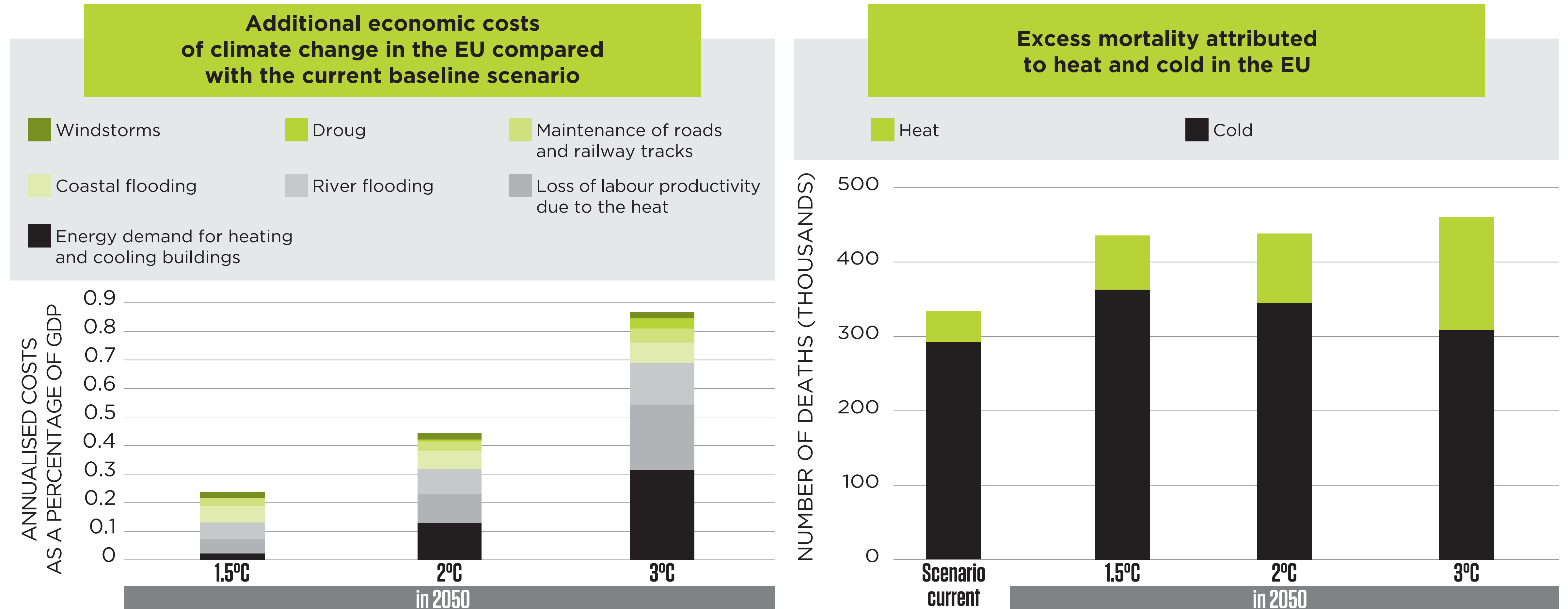
2026

CIRCULAR ECONOMY PANEL

**Pathways to European competitiveness:
the clean transition**

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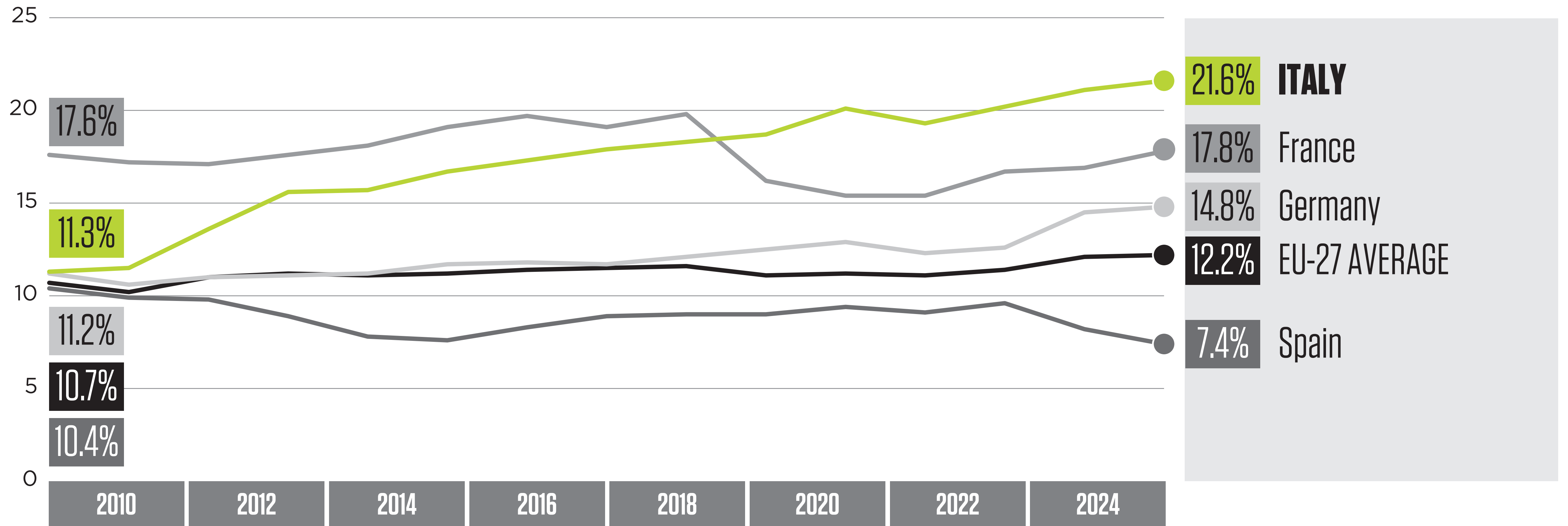
Estimated overall effects of climate change in the EU in 2050 compared with the current baseline scenario and various global warming scenarios



Source: JRC (Joint Research Centre of the European Commission)

Circular utilisation rate of materials

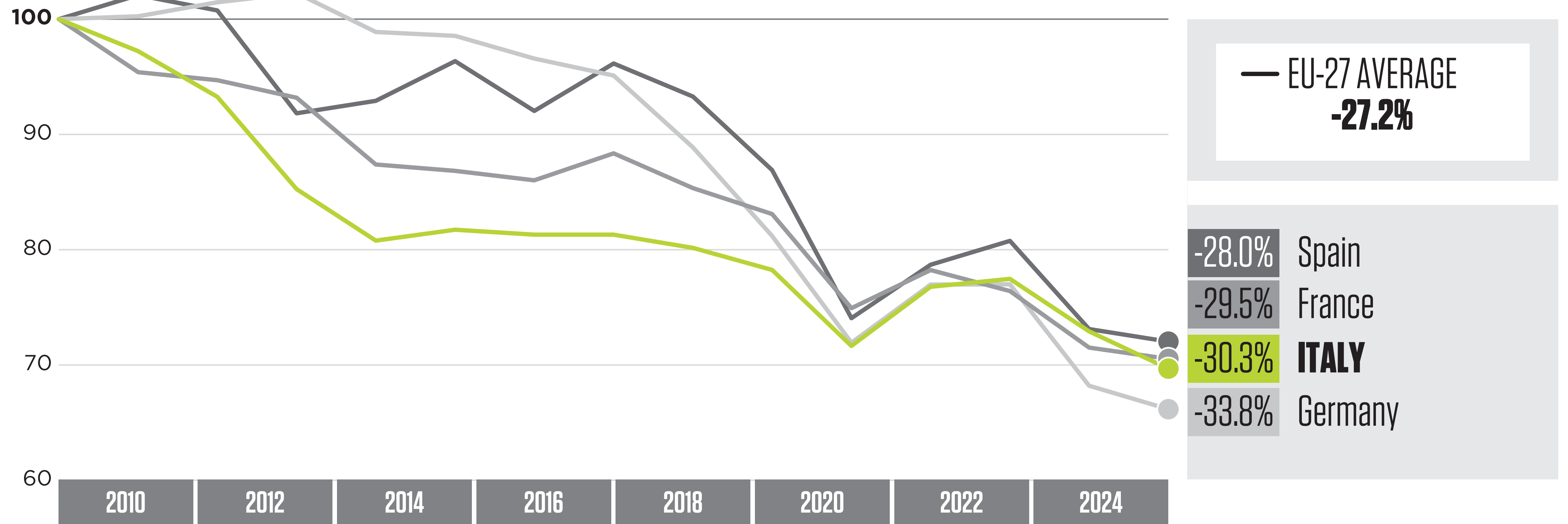
Proportion of recycled materials out of total consumption, as a percentage. Years 2010-2024



Source: JRC (Joint Research Centre of the European Commission)

Greenhouse gas emissions from manufacturing activities

Kilograms per capita, 2010 index = 100. Years 2010-2024



Source: Eurostat (cei_gsr011), updated on 07 August 2026. Change in 2024 compared with 2010

Why this report? Combining priorities

The EU's clean transition

Climate action, energy, the circular economy,
mobility, food, biodiversity,
a clean environment

*The rising costs
of inaction*

State of the art

*Enabling factors
for effective
implementation*

Combining priorities

The opportunities of a clean,
sustainable transition

**THE CLEAN
TRANSITION:
ENSURING
THE EU'S
COMPETITIVENESS**

The Competitiveness Compass

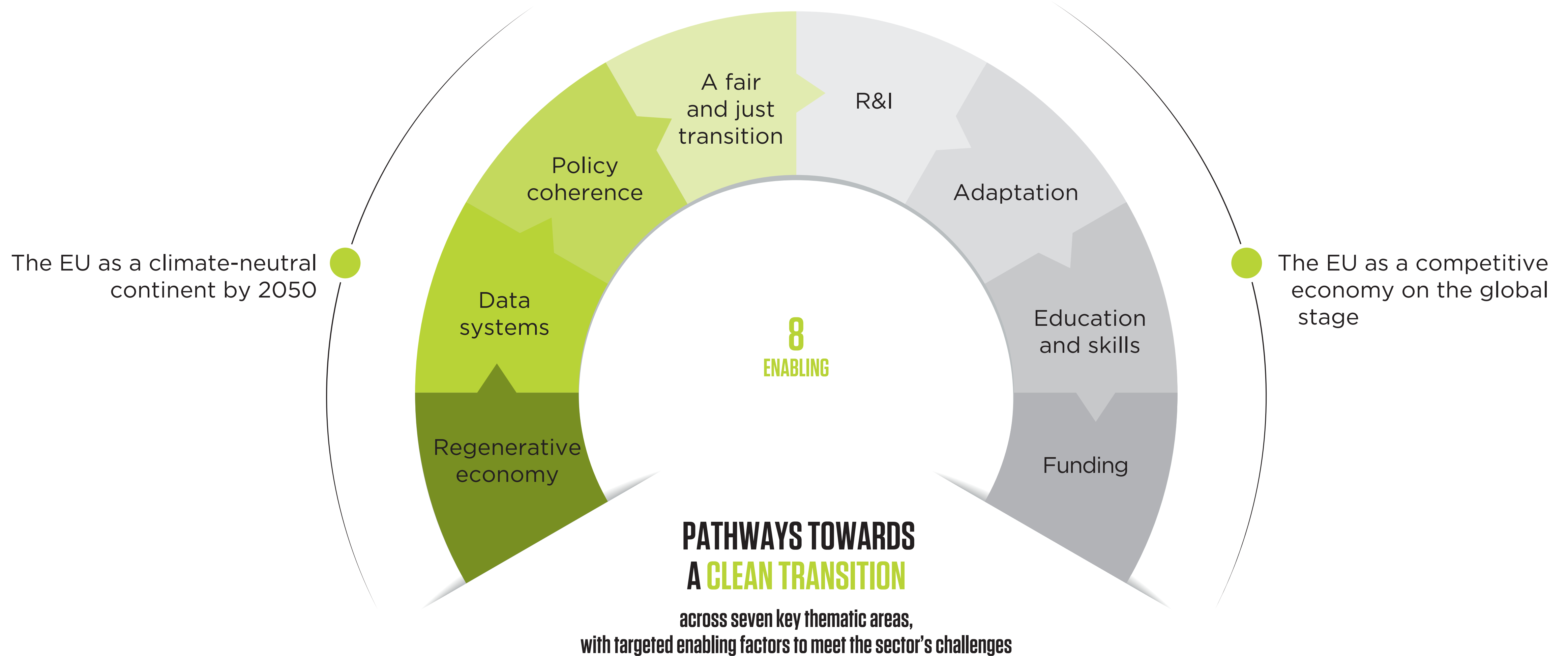
Cross-cutting priority
2024-2029

Innovation gap

*Decarbonising
our economy*

Security of supply

Clean transition and competitiveness



Why are these enabling factors important?



Policy
coherence

Reduce uncertainty, speed up implementation, and send signals for long-term investment



Funding
the transition

Mobilise private finance on a large scale, using public funds to reduce risk, improve coordination, and channel capital towards priority areas



Education
and skills

Reorganise the labour market, address skills shortages (e.g. energy, construction, circular economy), prepare the next generations



Data, monitoring,
and communication

Improve data harmonisation and interoperability, promote co-creation processes and stakeholder engagement

Why are these enabling factors important?



A fair and inclusive transition

Ensure a fair distribution of benefits and maintain public support in the long term



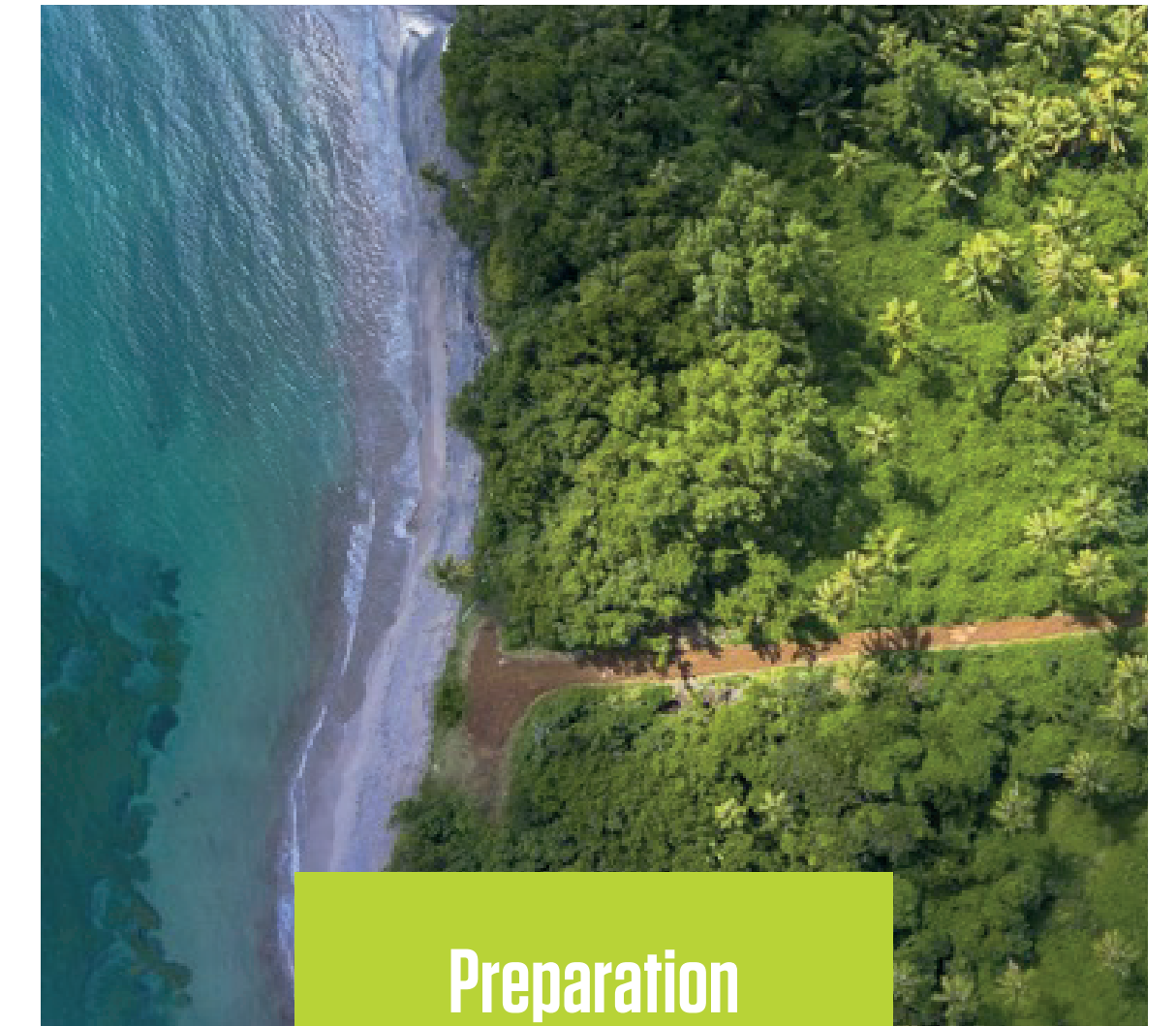
Regenerative and circular economy

Reduce dependence on resources and strengthen resilient value chains, regenerate natural ecosystems



Research and innovation

Bridge the gap between research and the market and strengthen the EU's industrial leadership, promote experimentation



Preparation and adaptation

Integrate climate adaptation into policies, invest in nature-based solutions and early-warning systems

Regenerative and circular economy

Key opportunities

Reduce food loss
and waste

Biomass valorisation
and nutrient circularity

Sustainable bio-based innovations
and their uptake in leading markets

Climate-smart agriculture
and agroecology

Demand for recycled materials
and leading circular markets

Main obstacles

Resource dependence

Pressure on biomass
and forests

Circular and regenerative
practices often less competitive
than linear models



A clean transition is a strategy for competitiveness



Decarbonisation, innovation, and strategic autonomy must go hand in hand



Finance, skills, innovation, data, and policy coherence are among the key enabling factors of transformation



A coordinated, predictable, and evidence-based policy framework is essential to speed up implementation

Europe's competitiveness does not hinge on any single policy, but on tackling the enabling financial, institutional, technological, environmental, and social factors simultaneously