

Foreword

Fast-growing economies of the ASEAN and East Asia are at a critical juncture today, needing more energy and other material resources to continue their rapid economic growth while facing the challenges of developing a consumption pattern in a more sustainable manner than it is now. This daunting task of balancing energy security and resource use is compounded by the region's increasingly affluent population, higher commodity prices, and more market volatility. We need to conceive an economy that operates within the physical boundaries of limited resources, which are declining due to rapid consumption. Such economy is possible by increasing the share of renewables and recyclables while reducing the consumption of raw materials and energy at the same time cutting emissions and material losses.

The circular economy aims to eradicate wasteful use of raw materials and energy from the manufacturing process as well as systematically throughout the various life cycles, and to reuse the by-products. It replaces the linear consumption pattern of take-make-dump with a closed loop cycle of production and consumption. The transition to a circular economy is a unique opportunity for our economies and companies to be resource efficient, competitive, and innovative. However, it is our choice how best and how fast we can manage this inevitable transition. Good policy frameworks offer short-term economic incentives and long-term social and environmental benefits. But the ultimate success depends on the private sector's ability to adopt and profitably develop relevant corporate models. Indeed, this region is already demonstrating certain elements of circular economy transition as seen from the growing number of waste-to-energy projects.

However, the current knowledge base on circular economy is rather fragmented or evolving. Better insights are needed into various aspects of policy dynamics and corporate functions that trigger circular economy. This book investigates the complex challenges and extraordinary opportunities of how countries and corporations can strike a better balance between economic growth and resource efficiency in the context of the emerging paradigm on circular economy policy. With case study analysis, this book highlights immediate and relatively easy-to-implement circular thinking based on current policy approaches and market trends. Through compiling and interpreting, it touches on the key dimensions of circular economy: the concepts and benefits; enabling factors and transition approaches; a framework for measuring progress; and other contextual issues that require attention from policy, business, and research communities.

Current government guarantee systems enable the banking sector to finance innovative waste-to-energy projects that are relevant for circular economy. Expanding the spectrum and



creation of innovative financing mechanisms for enhanced social impact would allow the emergence of a broader range of projects under community–corporate partnerships. In view of circular economy’s systematic nature and its overarching importance to emerging Asia’s sustainable growth, the creation of an ASEAN-wide circular economy platform bringing together the ASEAN Social Cultural Community and ASEAN Economic Community merits further investigation for mobilising the effect for the private sector. Such platform could play an important role in supporting the systematic transition that is needed to make the circular economy reality.

As you read this book, I urge you to consider where and how you can contribute to further understanding and implementation of the circular economy concepts that will bring prosperity to all.

A handwritten signature in black ink that reads "H. Nishimura".

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