

SUPPORTING INDONESIA IN DEVELOPING A NATIONAL CIRCULAR ECONOMY STRATEGY

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Indonesia host
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Indonesia Circular
Economy Forum

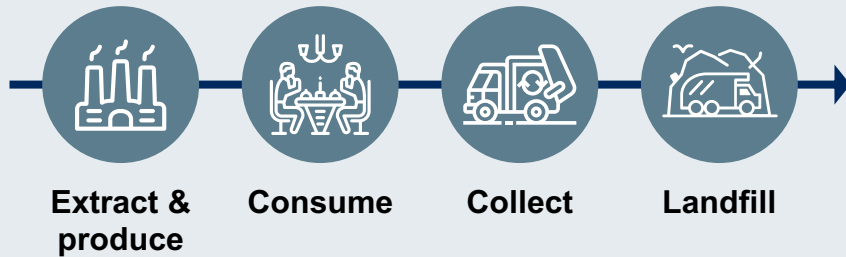
Objectives of this discussion

- 1 Discuss the opportunity of a circular economy in Indonesia
- 2 Discuss the roadmap for creating a circular economy in Indonesia
- 3 Highlight the barriers that need to be addressed



A circular economy is one that maintains the value of products, materials, and resources in the economy as long as possible

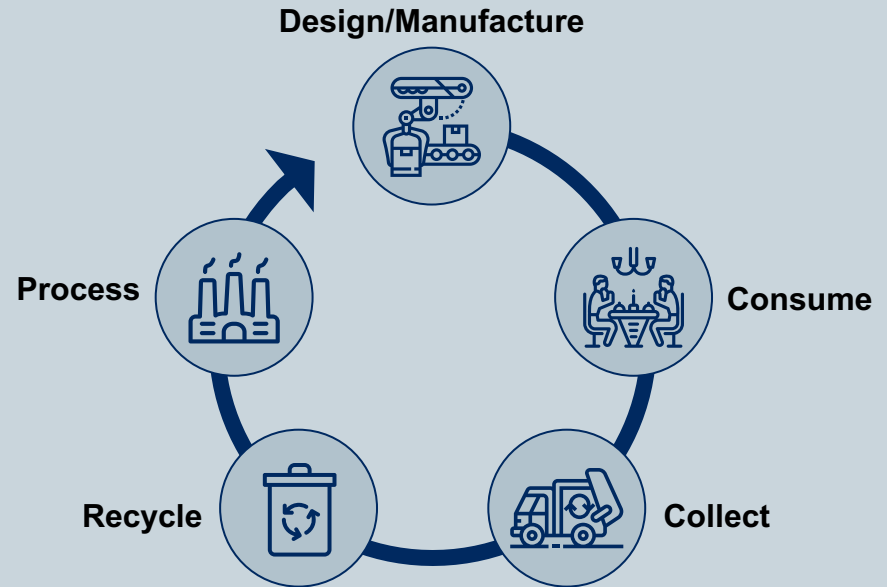
From LINEAR



Linear supply chains are costly, susceptible to volatility, and harmful to our environment



To CIRCULAR



Circular supply chains reduce costs, provide pricing stability, and protect our environment

A circular economy is an economic system of closed loops in which a) raw materials, components, and products retain their value as much as possible, b) renewable energy sources are used, and c) systems thinking is at the core

A range of companies in Indonesia are already adopting circular economy opportunities around the 5Rs

REDUCE



Bank Rakyat Indonesia is adopting cloud computing technologies, which reduces the need for physical servers and reduces e-waste generation at source

REUSE



Asani is one of Indonesia's first B2B electronic rental (PC, printers, monitors etc.) platform that encourages reuse of electronics

RECYCLE



Using the black soldier fly and its larvae, Magalarva converts organic waste, including food waste, into protein used for animal feed and pet food

REFURBISH



PT Sigin Interactive Indonesia provides repair and refurbishing services for used electronics and home appliances, dead-on-arrival products, and PCBs

RENEW



Evoware produces cups from farmed seaweed and designs food wrappings and sachets made out of edible seaweed-based material

8 trends are supporting a shift to a circular economy approach

Trends



**Degradation of
natural resources**



**Increasing price
volatility and
supply chain risk**



**Advancement in
new technologies**



**Increasing
consumer
acceptance**



**Shifts in the
labor market**



**Supportive
regulatory shifts**

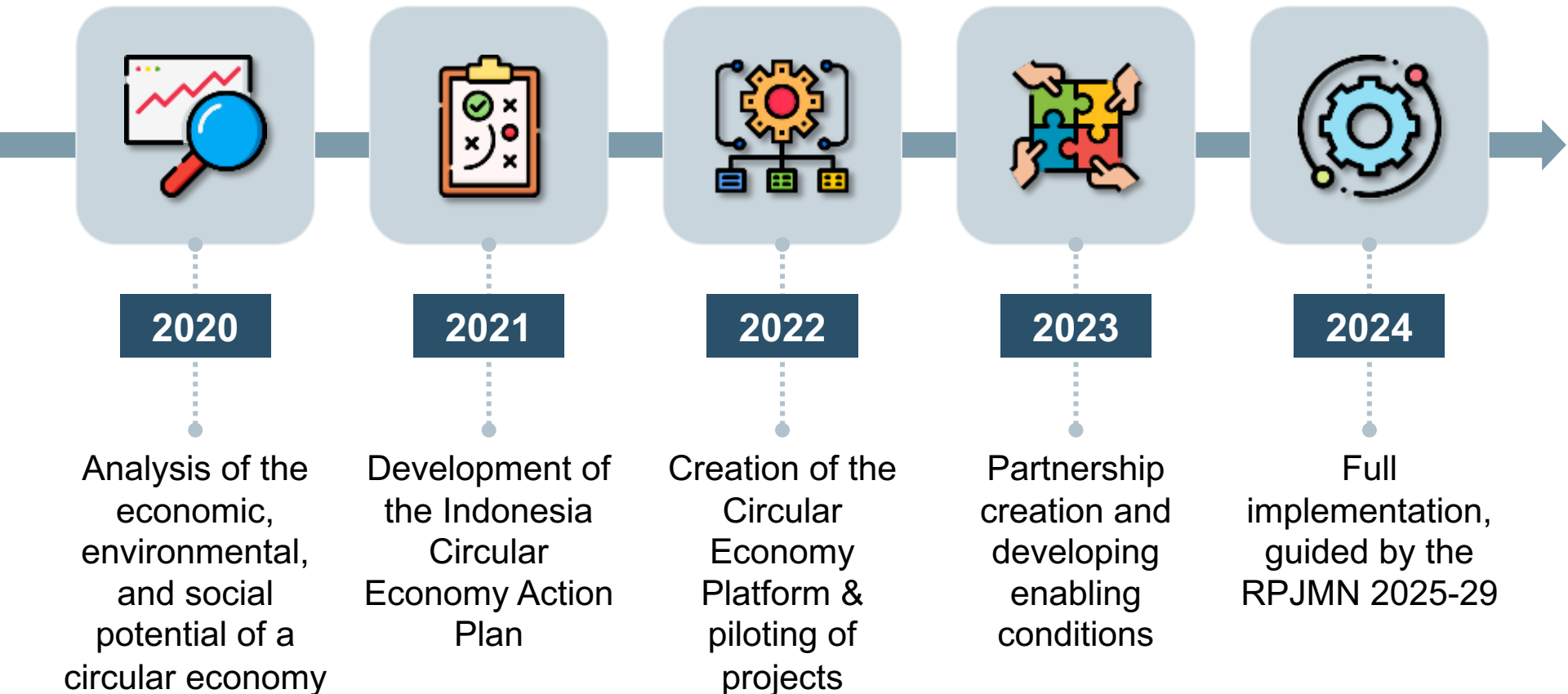


**Availability of new
capital to support
investment**



**Greater
collaboration due
to urbanisation**

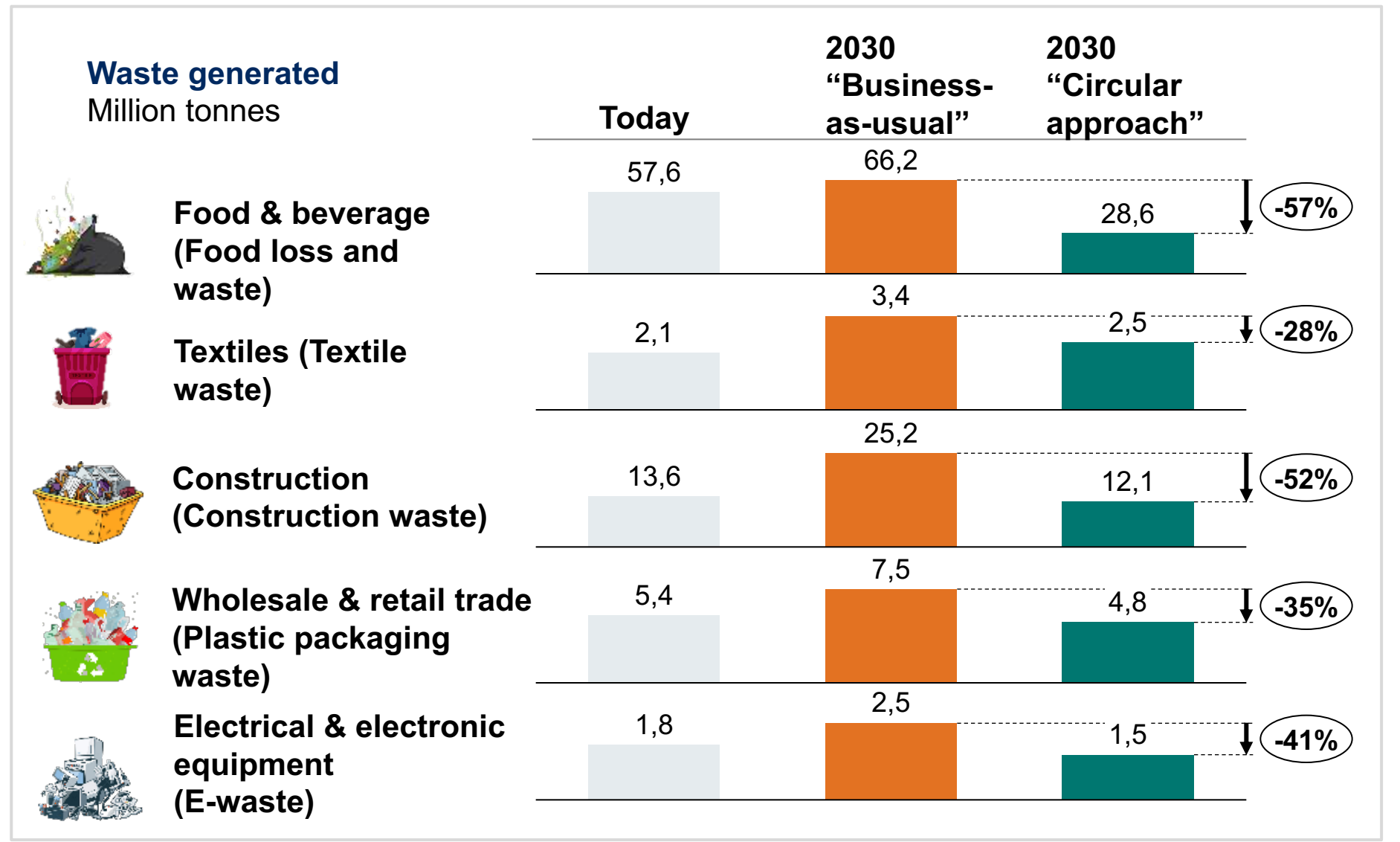
Indonesia's National Circular Economy Roadmap aims to create a clear strategy to help capture the benefits of a circular economy



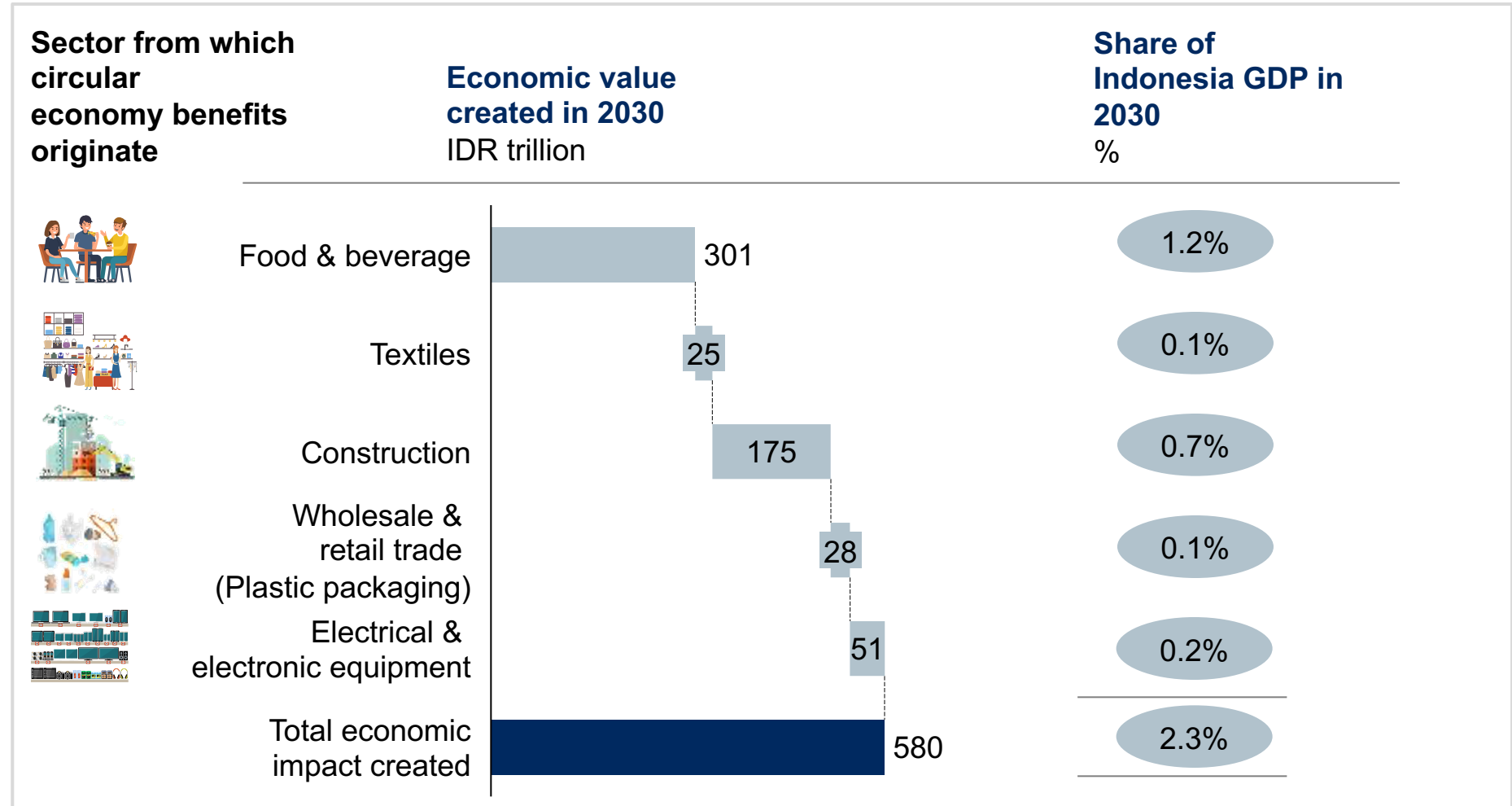
We focus on 5 key areas of the Indonesian economy with high potential for circularity that can solve many of Indonesia's problems

Sector	Problems that circularity can solve
Food and beverage (Food loss and waste)	 <ul style="list-style-type: none">Over 300 kg of food loss and waste is generated in Indonesia per person every year
Textiles (Textile waste)	 <ul style="list-style-type: none">~470,000 tonnes of textile is lost during the production process in Indonesia
Construction (Construction waste)	 <ul style="list-style-type: none">Indonesia aims to cut its emissions by 29-41% by 2030 (vs BAU). 11% of global carbon emissions are associated with materials and construction processes used in buildings
Wholesale & retail trade (Plastic packaging waste)	 <ul style="list-style-type: none">~71% of plastic packaging waste in Indonesia is either burnt, dumped on land, sent to dumpsites, or leaks into the ocean
Electrical and electronic equipment (E-waste)	 <ul style="list-style-type: none">Indonesia generates 6.7 kg of e-waste per capita, two to four times the amount generated by the Philippines, Vietnam, Laos, or Cambodia

Adoption of the identified circular economy opportunities could reduce waste generation in each sector by anywhere from 28-57% by 2030

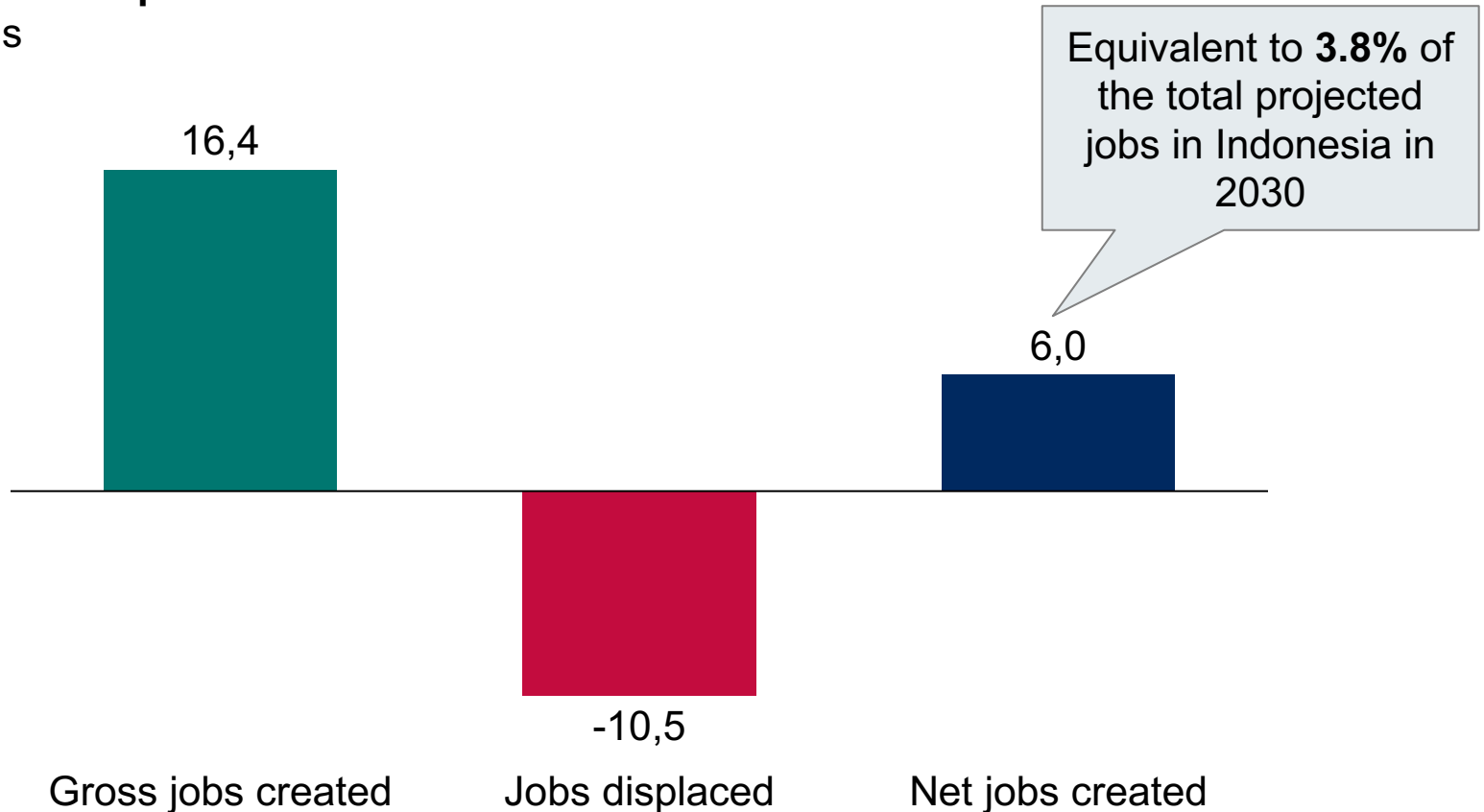


Circular economy benefits from the 5 key sectors could contribute IDR580 trillion (USD40.7 billion) in economic value in 2030 – equivalent to 2.3% of Indonesia's GDP in 2030



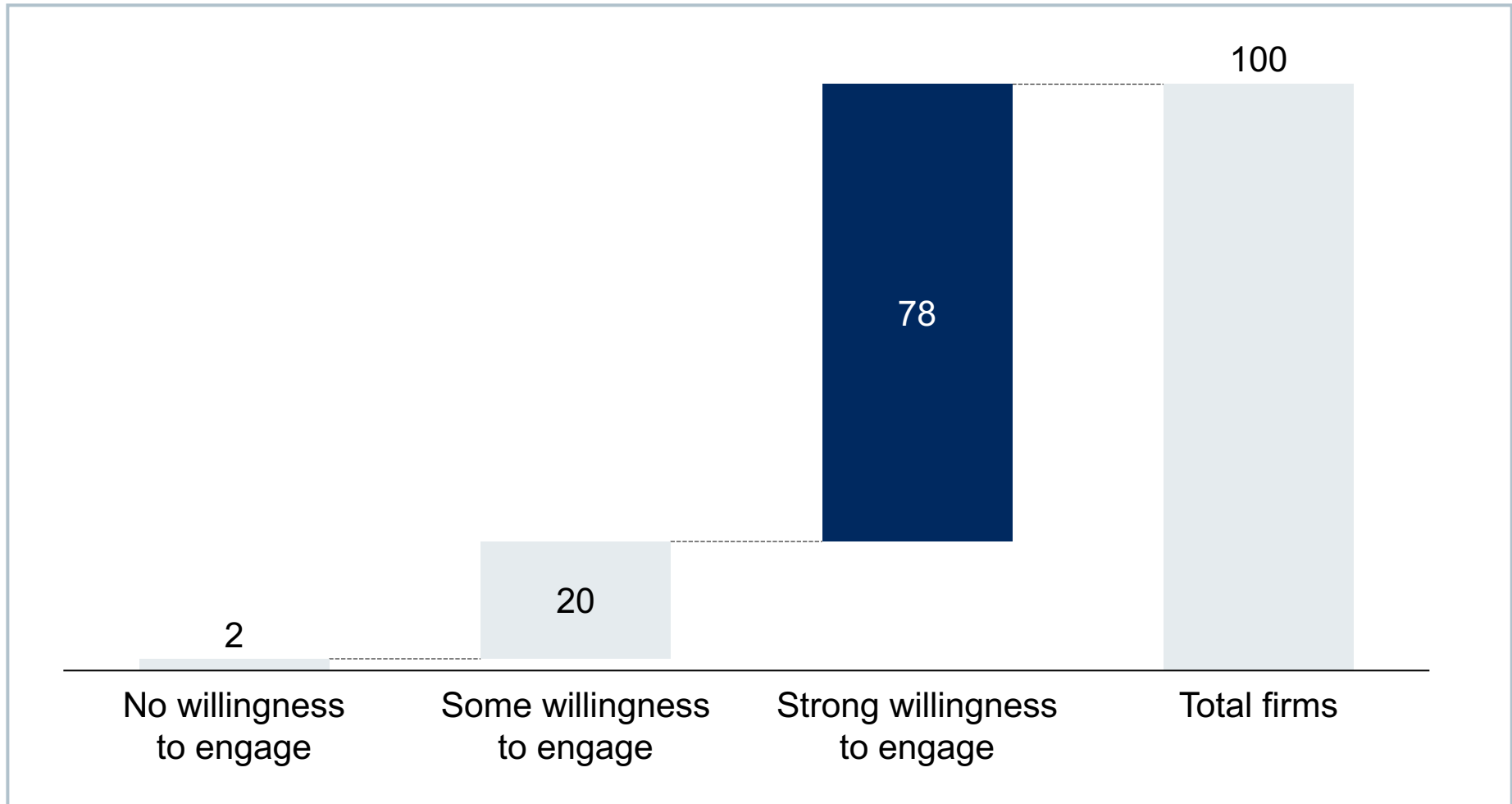
The circular economy could create net ~6 million jobs or 3.8% of the total projected jobs by 2030

Employment equivalents
in millions



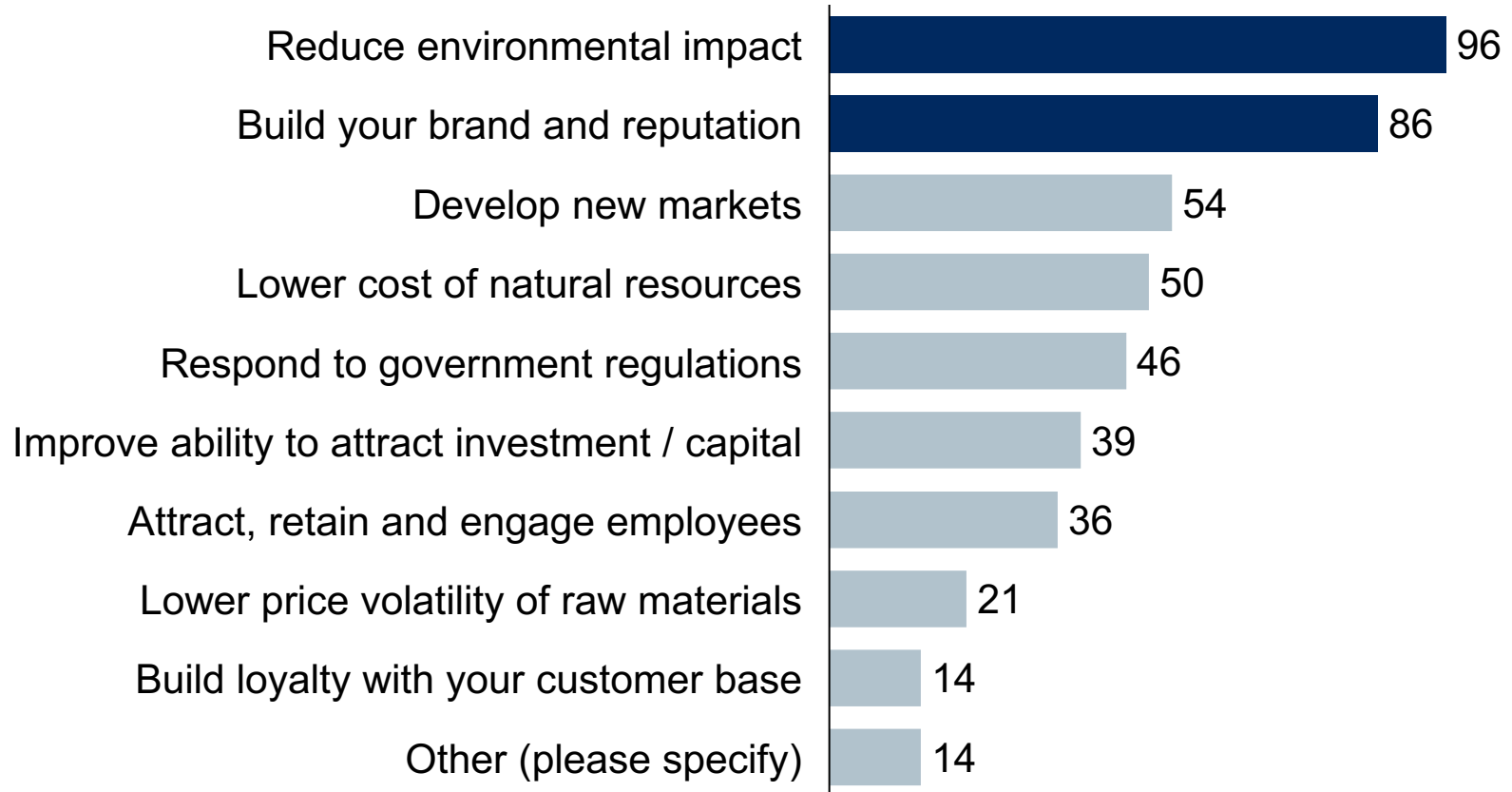
Most firms in Indonesia are interested in understanding more about circularity

Q. What is your company's willingness to engage during the development of this national circular economy strategy? % of firms



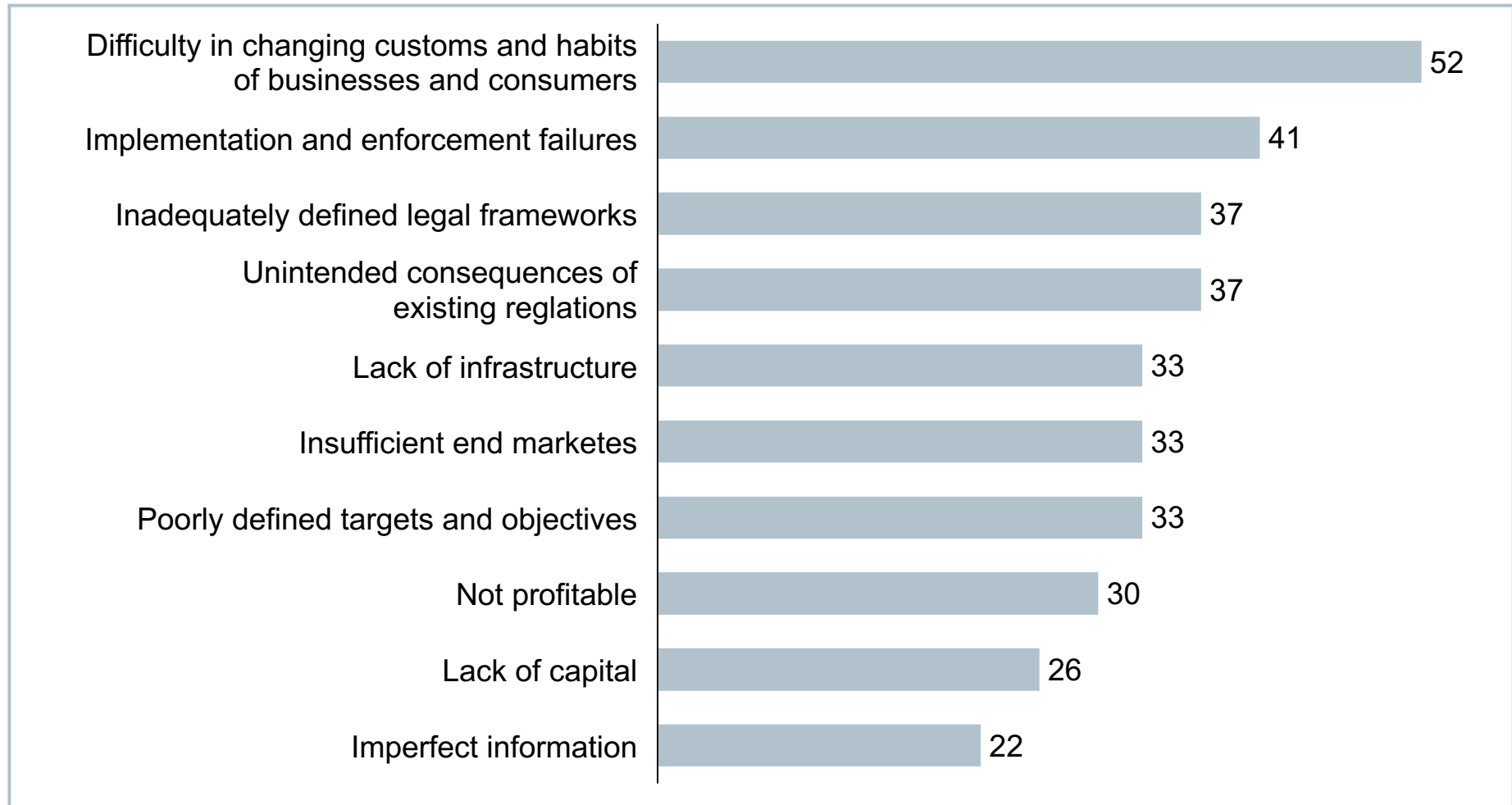
Firms in Indonesia are most motivated by reducing environmental impact and building their brand and reputation in adopting circular actions

Q. What is the main motivation for you in implementing circular economy opportunities?
(tick all that apply) % of firms



A number of barriers need to be addressed to capture the circular economy opportunities

Share of firms highlighting barrier as somewhat or very relevant
(tick all that apply) % of firms



Developing a multi-stakeholder approach to address those barriers and capture the opportunities is the next step!

Some examples

