

## ***FEAD calls for circular economy financing from the European Competitiveness Fund***

**Brussels, 29 January 2025** – FEAD, the European Waste Management Association, welcomes the publication of the European Commission’s [Competitiveness Compass](#), a strategic tool that will guide the work in the coming years and aims to strengthen the European Union’s competitive edge in a rapidly changing global economy.

FEAD fully supports the need for financial incentives to achieve the shared priorities outlined in the Competitiveness Compass, particularly through the proposed Competitiveness Fund. **Financial incentives are crucial to drive investments in innovation and sustainable practices and this must include the circular economy objective of the new Commission.**

While the new Circular Economy Act should *serve to catalyse investment in recycling capacity and encourage the EU industry to effectively substitute virgin materials*, financial support will be needed to push this transition. As identified by [Mario Draghi](#), we are parting from a reality in which virgin raw materials are cheaper than recycled raw materials, at the cost of the environment and climate. For [Enrico Letta](#), the future of our single market includes a Circular Single Market, whose foundation ‘lies in ensuring a level playing field for circular materials, products, and services’.

To achieve this level playing field and turn over the current reality without making products more expensive for consumers, a strong political signal and concrete measures will be needed. The European recycling sector is suffering a crisis that paradoxically coincides with the recent adoption of ambitious legislation to support the circular economy. The fact is that the European Commission has [identified](#) an investment gap of 27 billion euro for the circular economy. That is why FEAD strongly advocates for a Circular Economy Fund, in addition to other policy measures, to support the transition away from primary raw materials, ensuring that Europe’s strategic autonomy is reinforced, while contributing to the EU’s green and digital transition.

**The circular economy is a crucial part of the EU’s competitiveness agenda to achieve decarbonisation and material autonomy, and this must be backed by actions, including a dedicated budget line from the future European Competitiveness Fund: the Circular Economy Fund.**

*‘FEAD stands ready to work closely with the European Commission to translate the Competitiveness Compass into actionable measures that support a competitive, sustainable, and circular European Single Market’*, said Claudia Mensi, President of FEAD.

We look forward to seeing how this roadmap will shape the competitiveness of the EU and are committed to contributing our expertise to achieve these goals. This is why, in the coming days, FEAD will publish its vision on a Circular Single Market Strategy for the EU.

**For more information, please contact:** [info@fead.be](mailto:info@fead.be)

*FEAD is the European Waste Management Association, representing the private waste and resource management industry across Europe, including 20 national waste management federations and 3,000 waste management companies. Private waste management companies operate in 60% of municipal waste markets in Europe and in 75% of industrial and commercial waste. This means more than 320,000 local jobs, fuelling €5 billion of investments into the economy every year.*