

Promoting High-Quality Development with Circular Economy



Focus

- We analyzed high-quality circular economy pathways, including international and Chinese best practices, policies, and specific insights from the textiles and chemicals sectors.
- We analyzed circular economy policy progress and key indicators across China, the European Union, Germany, and globally, drawing lessons to further advance resource efficiency and the circular transformation in China.
- We explored ways to overcome technical, regulatory, and financial barriers to a circular model in textiles (e.g., fast fashion, recycling limitations) and the chemicals industry (e.g., fossil fuel dependency, high energy and resource consumption).



Findings

- The transition to a circular economy is crucial for achieving global and national climate and environmental goals. It reduces the use of primary resources, greenhouse gas emissions, and pressure on ecosystems and biodiversity.
- The circular economy is central to China's high-quality, low-carbon development and aligns with its dual carbon strategy. Strong governance and top-level design are crucial for its implementation.
- Despite achievements, scaling up the circular economy remains a challenge. Key industries, such as textiles and chemicals, face technical, market, infrastructure, and regulatory barriers that hinder a circular transformation. Additionally, capital investments, digital traceability, and technical innovations are not leveraged enough, while consumer demand for circular products is limited.
- International cooperation, harmonized standards, and investments are needed for effective adoption.
- Integrating gender perspectives is essential for creating more inclusive, resilient, and effective transitions to a circular economy.

Recommendations



Strengthen top-level planning of the circular economy, including aligning it with China's dual carbon strategy during its 15th Five-Year Plan (2026–2030) and setting mandatory quantitative circular economy targets (e.g., indicators for raw material consumption, recycling rates, secondary raw material shares).



Accelerate the development of national and local standards and assessment systems for circular economy technologies and products.



Enhance international cooperation to advance circular economy development as a core pillar of the global green transition.



Promote a high-quality circular transformation in key industries, following the waste hierarchy to drive sustainable economic growth.



Foster green finance innovation in support of circular economy business models.