



Smarter use of resources can add \$2 trillion annually to global economy

- Resource efficiency can bring annual economic benefits larger than Italy's GDP
- If current trends continue, annual resource use per capita will grow by over 70% by mid-century
- The 2050 level of resource use could be nearly 30% lower with resource efficiency measures

16 March 2017 – Smarter and more efficient use of the world's natural resources today means the next generation will reap annual economic benefits of \$2 trillion by 2050, while offsetting the costs of ambitious climate change action, new research released today by the International Resource Panel shows.

The global population is set to grow by 28 per cent and is predicted to use 71 per cent more resources per capita by 2050. Without urgent steps to increase efficiency, the global use of metals, biomass, minerals such as sand, and other materials, will increase from 85 to 186 billion tonnes per year by 2050.

The report, *Resource Efficiency: Potential and Economic Implications*, released at the G20 meeting in Berlin today, found that while investment in ambitious climate action would cause a 3.7 per cent fall in per capita Gross World Product by 2050, this cost to the economy could be offset by more efficient use of resources.

For example, between 2005 and 2010, a UK programme recycled or reused seven million tonnes of trash destined for the landfill. This move saved six million tonnes of carbon dioxide emissions, close to 10 million tonnes of virgin materials and 10 million tonnes of water. It also increased business sales by £176 million, reduced business costs by £156 million and created 8,700 jobs.

Globally, more sustainable use of materials and energy would not only cover the cost of keeping global warming below 2 degrees Celsius, but also add an extra \$2 trillion to the global economy by 2050.

"This is an environmental win-win," said Erik Solheim, Head of UN Environment. "By making better use of our planet's natural gifts, we will inject more money into the economy to create jobs and improve livelihoods. At the same time we will create the necessary funds to finance ambitious climate action."

The report analyzed four paths that countries could take over the next three decades, ranging from 'business as usual' to a scenario where countries adopt both ambitious climate policies and improve resource efficiency.

Other key findings:

- Increased resource efficiency is practically attainable.

- There are substantial areas of opportunity for greater resource efficiency.
- Resource efficiency can contribute to economic growth and job creation.
- Improving resource efficiency is indispensable for meeting the costs of climate change targets.

The report also found that economic gains of resource efficiency will be unevenly distributed. A slower resource extraction would reduce revenues and affect jobs in some industries, such as mining and quarrying.

But even with these considerations, countries stand to gain more by implementing compensation and transfer policies to ease the transition to more efficient practices, than by continuing to support inefficient activities, according to the report.

In addition to economic benefits, the analysis also shows that resource efficiency and climate action would reduce global resource use by around 28 per cent in 2050 compared to current trends.

For G7 countries, resource efficiency, coupled with ambitious climate action, would increase Gross Domestic Product by \$600 billion in 2050 (\$600 per person, or 1 per cent).

NOTES TO EDITORS

About the International Resource Panel

The International Resource Panel is a group of eminent experts in natural resource management hosted by UN Environment. The report, *Resource Efficiency: Potential and Economic Implications*, was commissioned in 2015 by the Group of Seven (G7) countries and released in Berlin at a workshop on resource efficiency for the Group of Twenty (G20) countries. www.resourcepanel.org

Modelling for the report was carried out for the International Resource Panel by Australia's Commonwealth Scientific and Industrial Research Organization (CSIRO) and Austria's International Institute for Applied Systems Analysis (IIASA). It used four scenarios: Existing Trends, Resource Efficiency (which does not include climate action), Ambitious Climate, and Efficiency Plus (which combines the Resource Efficiency and the Ambitious Climate scenarios).

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