

MAY 2021 | ATHENS CIRCULAR FORUM II

The role of consumer trends and SMEs in the Circular Transition

Evidence from Greece

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The circular economy

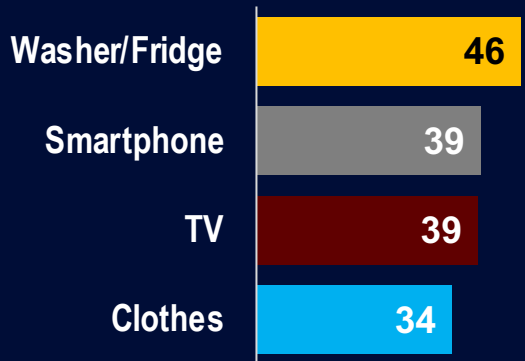
- Electric car sharing in Amsterdam, 2011
- Introduced 350 cars into the city
 - used 10,000 times weekly
 - 25,000 subscribers
- 1 % of users each year sell their cars and switch to this service, permanently
- Behavioral science
- Cost-efficiency
 - Consumers
 - Firms



Consumer trends

- Guide what kinds of products are made
- Measures of consumers' CE engagement
 - Durability – how long products remain in use
 - Repairability – ease of getting a product repaired
 - Recyclability
- **Durability** valued at an all-time high

% who consider **Durability** very important when purchasing...:



willingness to pay more for durable products

59%

Ages 17 to 39	
Durability (avg.)	CSR (avg.)
~37%	~29%

Which of the following statements express your attitudes towards purchasing products these days?



“Products that last longer and are easier to repair or recycle may save you money over time”

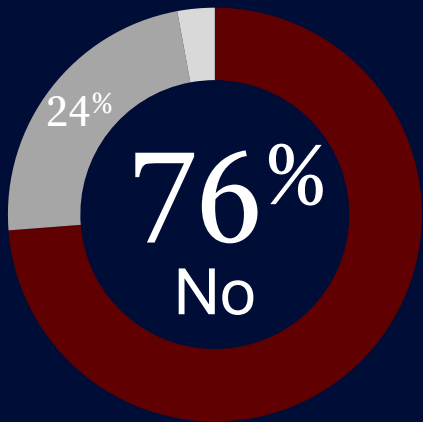
The challenge for SMEs (1/2)

9 out of **10**

Greek SMEs innovate in their production process to **reduce operation costs**



Does your firm at present use technology that helps in **minimizing its waste and/or water consumption?**



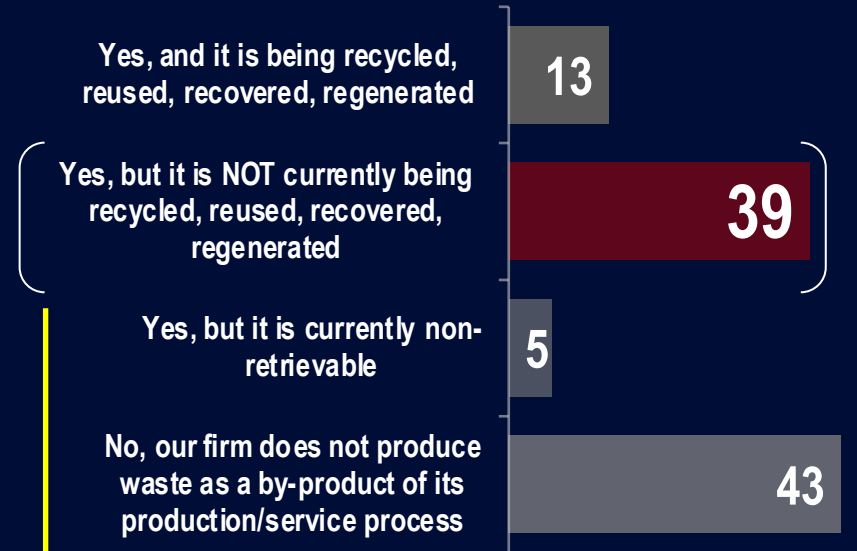
If your firm were to **invest to modify its production process or business model**, what would be the main reasons for doing so?



8 out of **10**

Greek SMEs have NOT invested in R&D in the past 3 years

Does your firm produce **waste as a by-product of its production/service processes?**

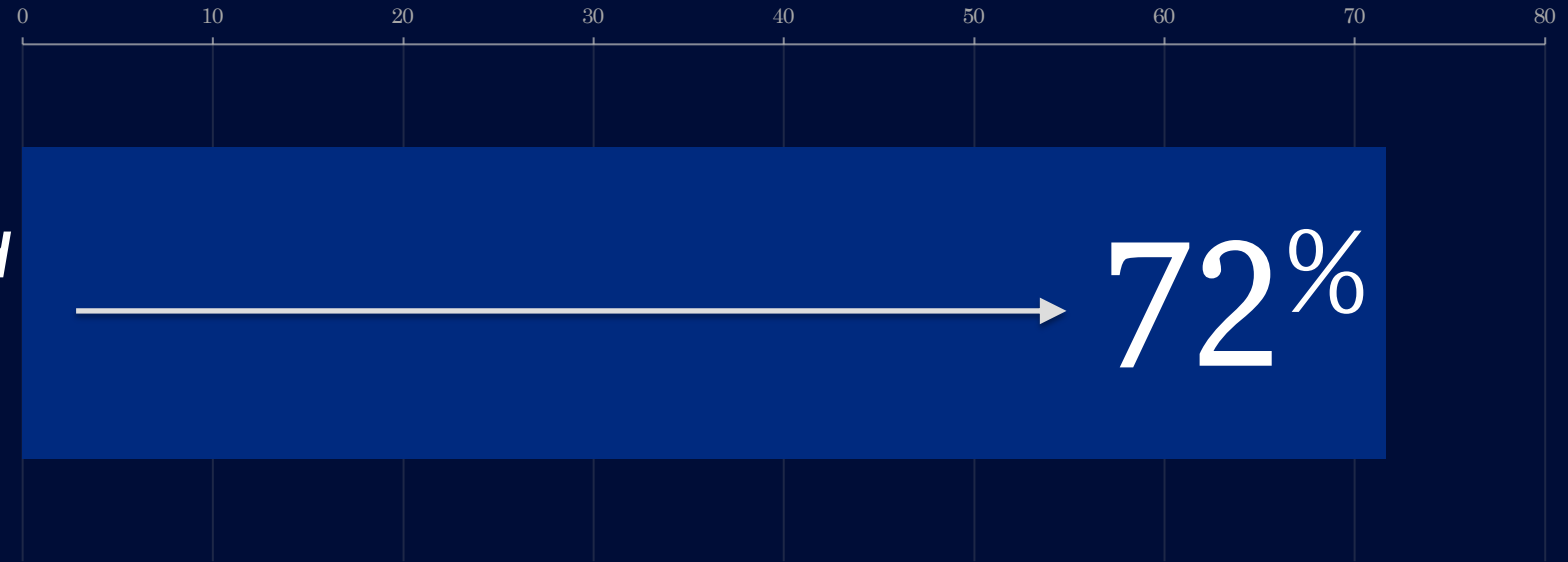


Why not?

~43%
"Lack of financing options & knowledge/expertise"

The challenge for SMEs (2/2)

Willingness to fund growth initiatives using financing based on its future performance or company value



The role of Sporos



- Target size: 45-60m EUR
- Method: Mezzanine & Quasi-equity
- Incentives for SMEs – alignment of interest
- Investment period: 5 years
 - IRR: c. 14%
 - Hurdle rate: 5%
 - Est. no. of SMEs funded: 25 – 30 (out of 2,000 to be evaluated)

The opportunity for Greece

- Great potential for Greek SMEs
- Shifting consumer demand
- 38% of the National Recovery & Resilience Plan total funding to green growth projects
- The time is now for the local business community
- The Circular economy is a matter of economic survival

Thank you

