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ADB CEWG Webinar Session #18

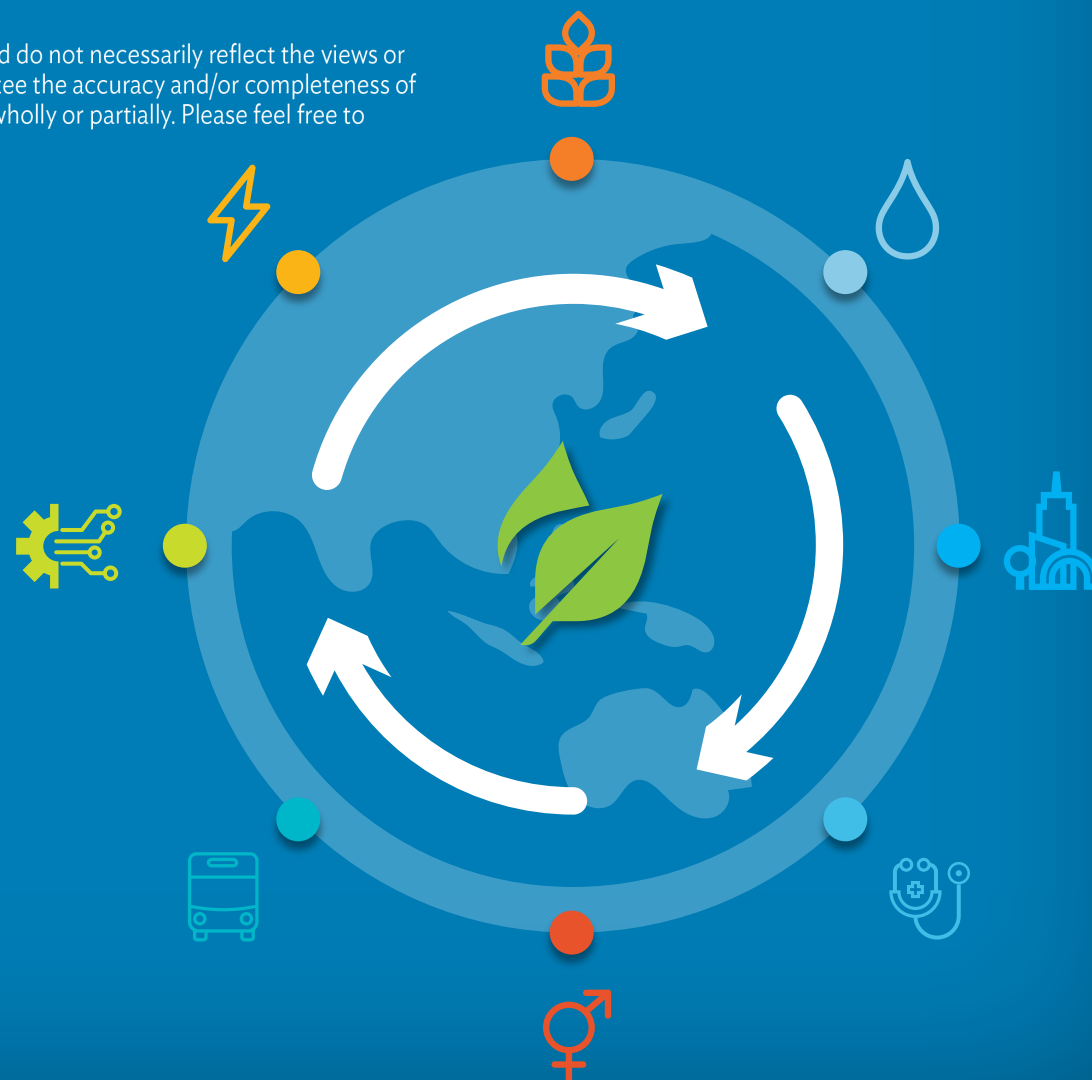
Scaling Circular Platforms

Peter C. Evans

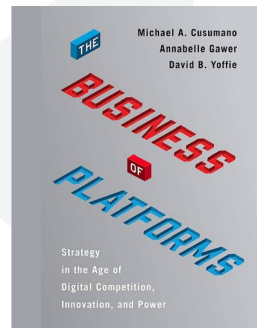
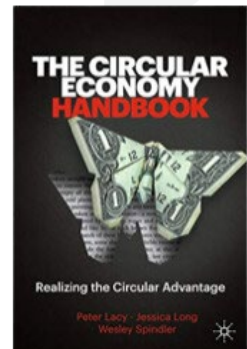
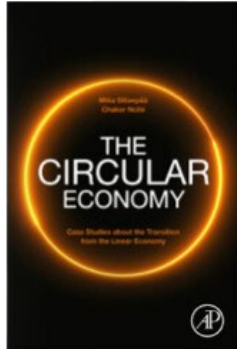
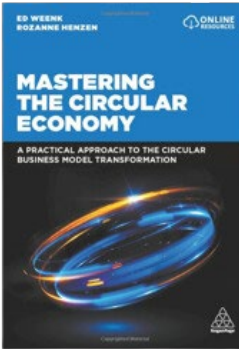
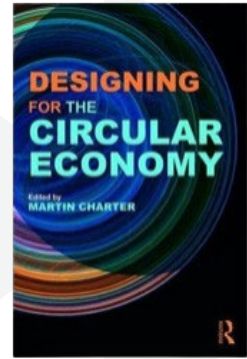
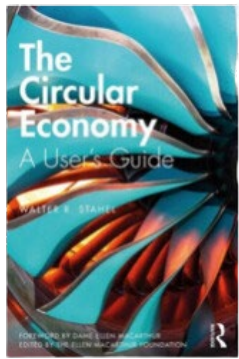
Chief Strategy Officer

McFadyen Digital

14 September 2023, Thursday 10AM via Zoom



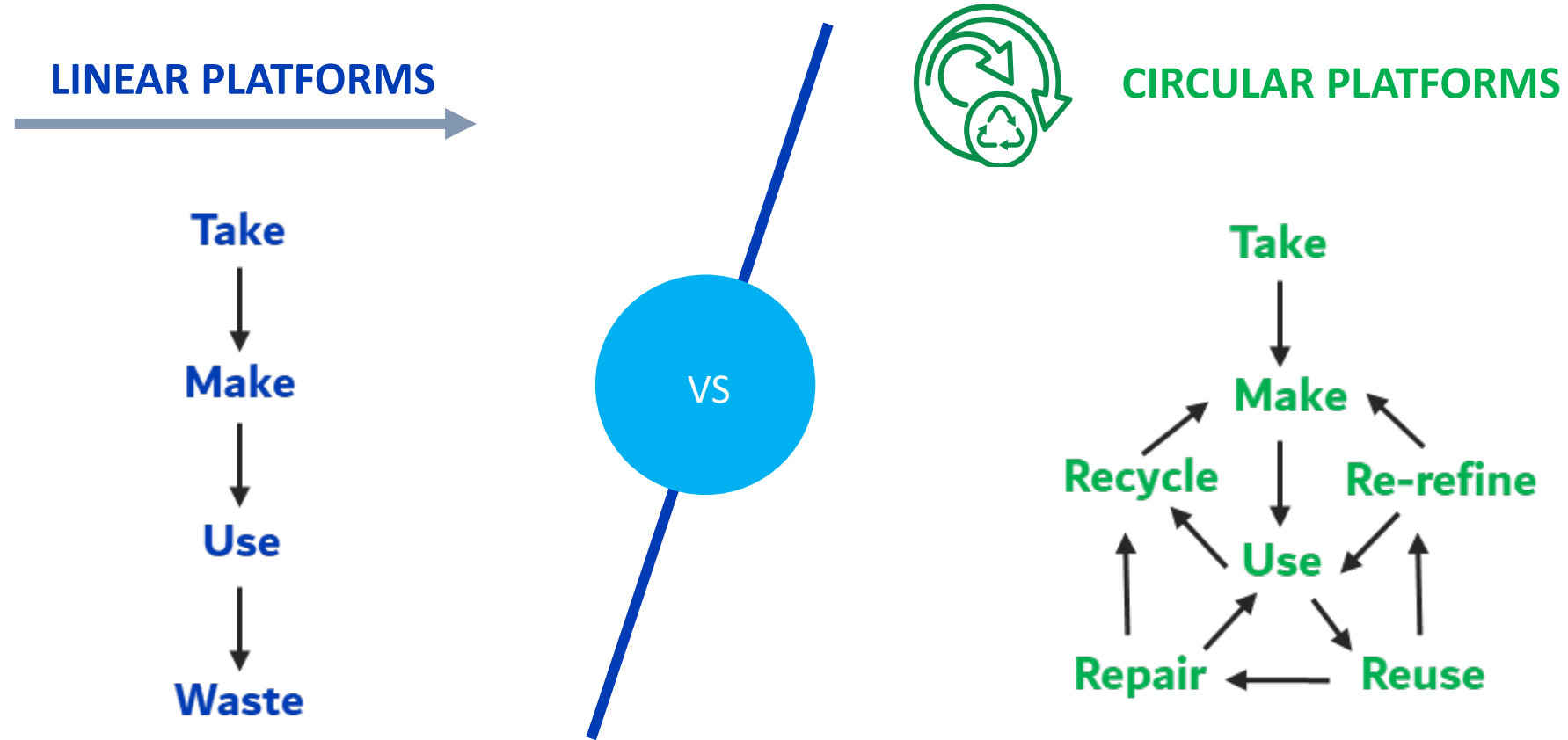
Platform economy meets the circular economy



A circular economy is a model of production and consumption, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.

Platforms are a business model that supports value-creating interactions between external producers and consumers. The platform provides an open, participative infrastructure for those interactions and sets governance conditions for them.

New Distinction: Linear vs. circular Platforms



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Examples of CIRCULAR PLATFORMS in Asia

P2P marketplace



Carousell is a mobile-focused consumer-to-consumer marketplace for second-hand goods. It operates across Southeast Asian countries as well as Taiwan and Hong Kong

Singapore

P2P marketplace



Mercari is a marketplace primarily focused on second-hand goods across categories like electronics, fashion, toys, books, and more.

Tokyo, Japan

P2P marketplace



Idle Fish has become the dominant platform to buy and sell secondhand in China with around 500 million registered users. Disputes are handled largely by users through who vote in panels.

Hangzhou, China

B2B marketplace



Recykal is a digital platform that facilitates the buying and selling of a range of waste materials, including plastic waste, metal scrap, glass, rubber, textile waste and construction waste.

Hyderabad, India

Types of Circular Platforms

	Horizontal		Vertical		Niche	
	C2C	B2B	C2C	B2B	C2C	B2B
Reuse/Resale Marketplaces						
Product/Material Exchanges						
Repair Platforms						
Asset Rental Platforms						

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Value proposition of going circular as a platform

Joining an open ecosystem with many buyers and sellers can help companies overcome the challenges of going circular alone and unlock the full potential of circular business models.

Going circular alone



Single company trying to do it all

VS

Going circular together



Many companies collaborating via specialized, linked marketplaces that create liquidity, scale and collective ecosystem benefits

7 Advantages of Circular Marketplaces

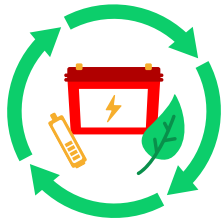
- 1 Lower transaction costs
- 2 More buyers and sellers
- 3 Positive network effects
- 4 Expanded reach
- 5 Incentives for product redesign
- 6 Easier to grow community
- 7 Incentives for ecosystem innovation

Future Need: MARKETPLACES FOR END-OF-LIFE EV BATTERIES



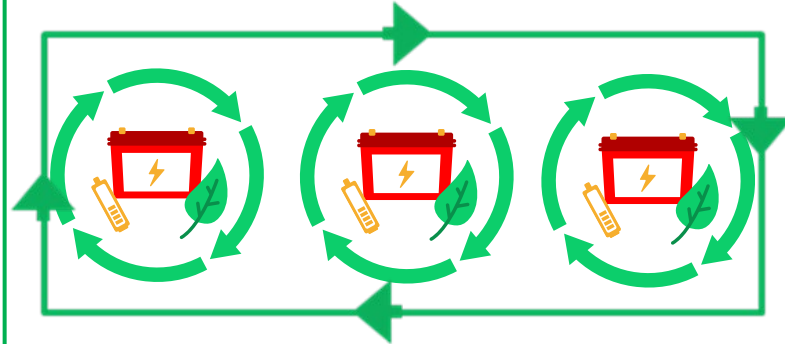
EV BATTERIES

Going circular alone



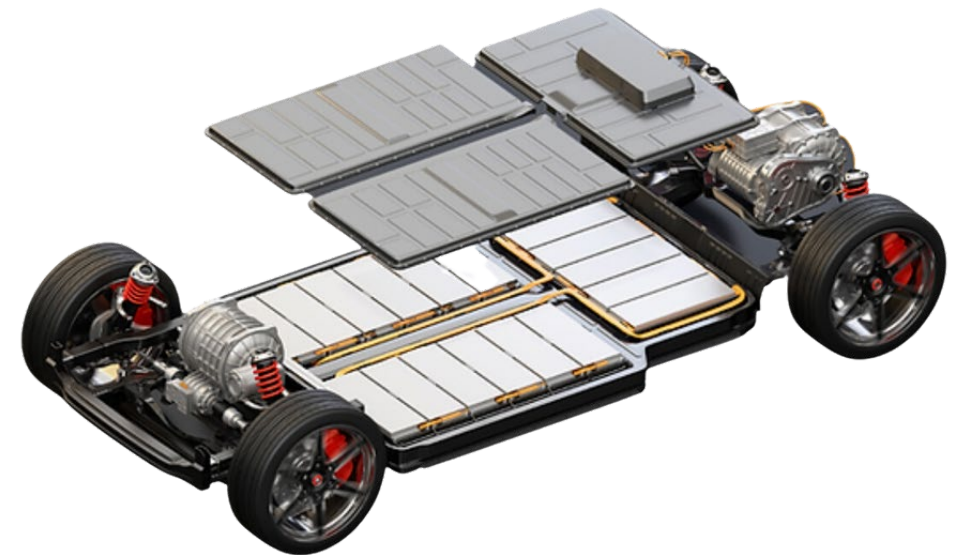
A single company trying to do it all

Going circular together



Many companies collaborate via specialized, linked marketplaces that create liquidity, scale and collective ecosystem benefits

An estimated 1.2 million batteries from light- and heavy-duty BEVs and PHEVs will reach their end of life in 2030 globally, rising to 14 million in 2040, and 50 million in 2050.*



Lithium



Nickel



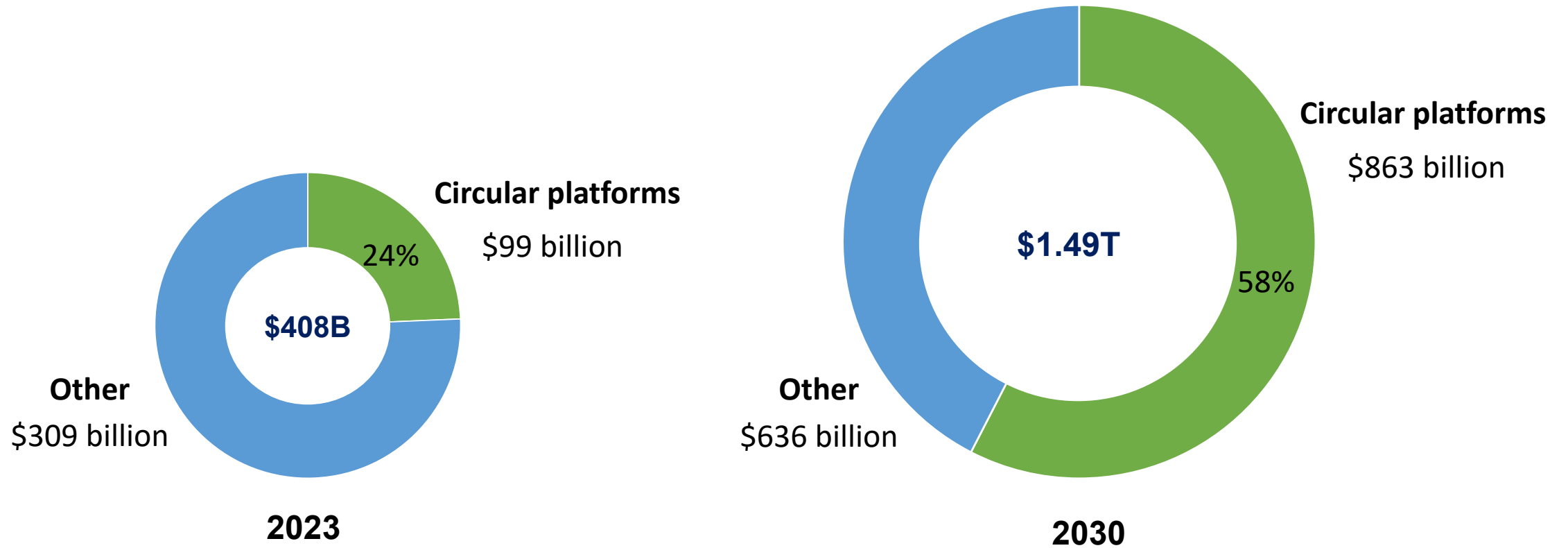
Cobalt



Manganese

*Source: <https://theicct.org/publication/recycling-electric-vehicle-batteries-feb-23/>

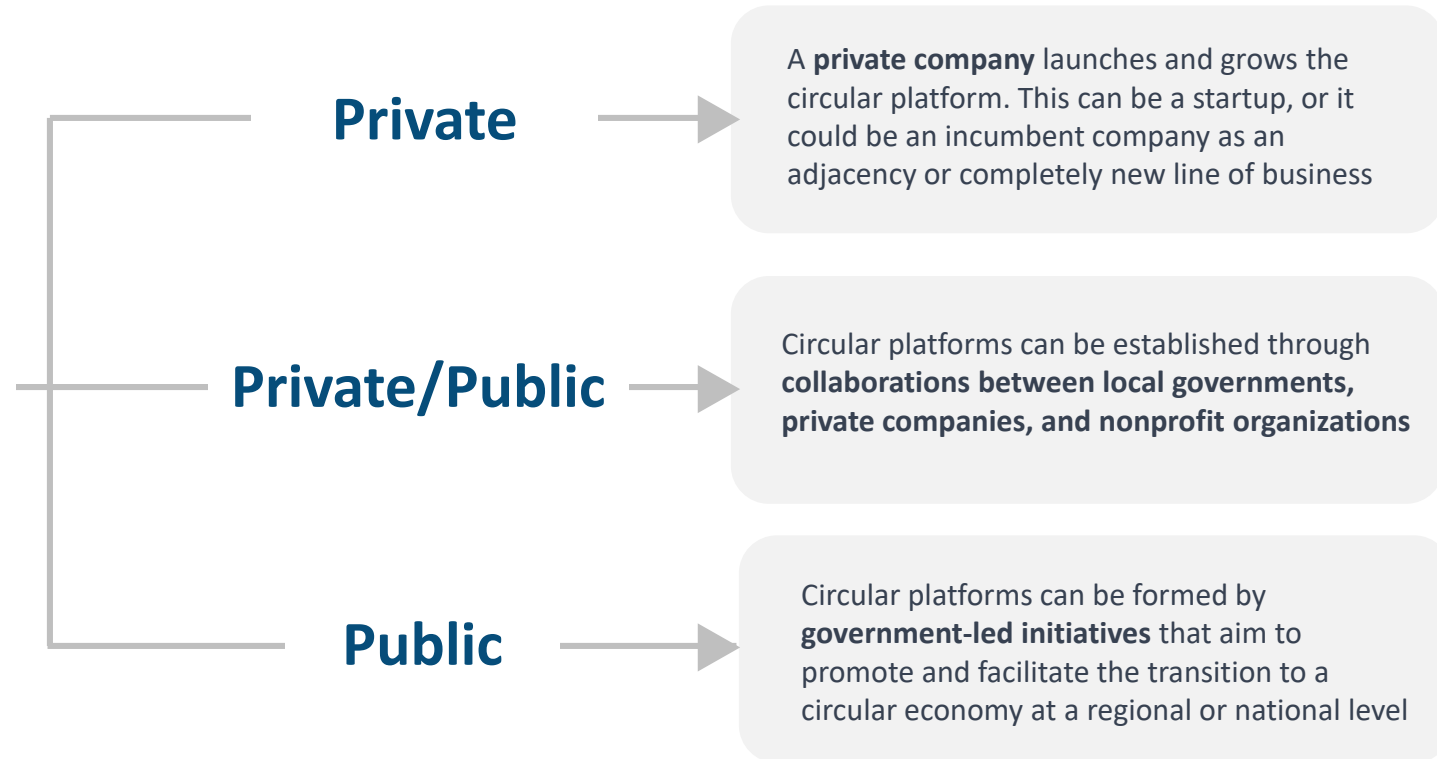
Circular economy outlook



Source: McFadyen Digital, 2023

Who Will Orchestrate Future CIRCULAR PLATFORMS?

Circular Platform Orchestrator



Collaboration to Finance Circular Economy



Helsinki statement

At the World Circular Economy Forum (WCEF) held in Helsinki, Finland on June 1, 2023, the Multilateral Development Banks (MDBs), including the European Investment Bank, African Development Bank, European Bank for Reconstruction and Development, Inter-American Development Bank, and World Bank, announced their intention to finance more circular economy projects.

Question: Will MDBs fund more circular platforms?

Source: <https://wcef2023.com/leading-multilateral-development-banks-tighten-their-collaboration/>

Thank you!

