

Circular Economy Indicators related to materials

SDG and Environment Statistics Unit, 2025 Early Warning and Assessment Division, UNEP



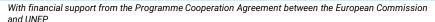
Indicator 1: Domestic Material Consumption

Domestic Material Consumption (DMC)

This indicator of circular economy corresponds to the SDG 8.4.2/12.2.2 Domestic material consumption, domestic material consumption per capita, and domestic material consumption per GDP.

The presented methodology for this indicator is based on UNSD's <u>Metadata for</u> 8.4.2/12.2.2, UNEP's <u>The use of natural resources in the economy: A Global Manual on Economy Wide Material Flow Accounting</u> (2021), UNEP's <u>Economy-Wide Material Flow Accounting Step-by-step guide to the compiler</u> (2024).

SDG target 8.4 aims to improve progressively the global resource efficiency in consumption and production and decouple economic growth from environmental degradation and SDG target 12.2 aims to achieve the sustainable management and efficient use of natural resources





Domestic Material Consumption (DMC)

Indicator Interpretation

Domestic Material Consumption (DMC) has high environmental relevance as an indicator of potential environmental pressure on a domestic territory.

DMC covers all materials used on the input side, which actually flow through the domestic economy and which are either emitted back to the environment as waste and emissions or contribute to the increase of the national physical stock with potential flows of waste and emissions in the future .

DMC reports the amounts of materials that are used in a national economy. It is a territorial or geographic bound (production side) indicator.

It can also be interpreted as long-term waste equivalent.

UN (i)

Domestic Material Consumption (DMC)

Limitations in the use of this indicator

The main limitations is that DMC do not account for all global material flows related to final consumption in a country, as indirect materials of imported and exported products are not considered.

Countries can therefore apparently reduce their material consumption, by outsourcing material-intensive extraction and processing abroad.

DMC do not account for unused material extraction, neither its environmental pressures.

DMC cannot be disaggregated to economic sectors which limits its use and comparation within the System of National Accounts.

With financial support from the Programme Cooperation Agreement between the European Commission and UNEP



Domestic Material Consumption (DMC)

Domestic Material Consumption, by type of material (tonnes) is calculated as:

DMC = DE+ IM - EX

Where:

DMC: Domestic Material Consumption;

DE: Domestic Extraction;

IM: Direct imports; *EX*: Direct exports.



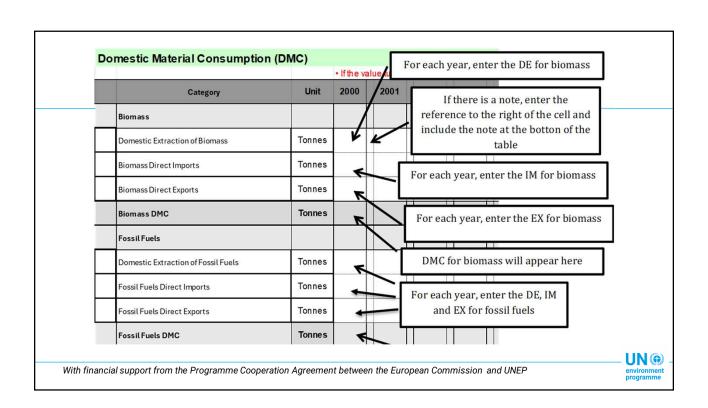
Domestic Material Consumption (DMC)

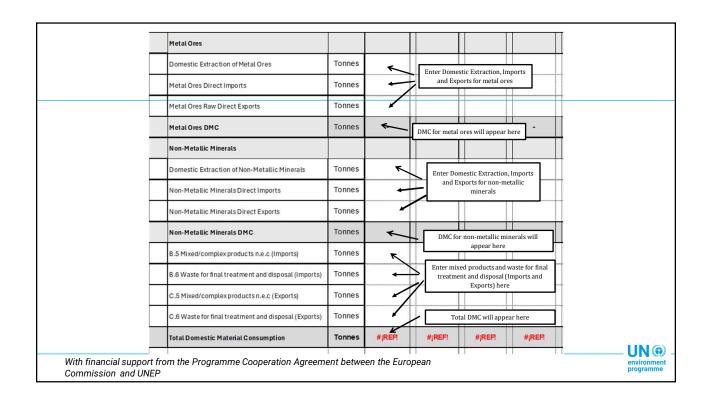
Disaggregation

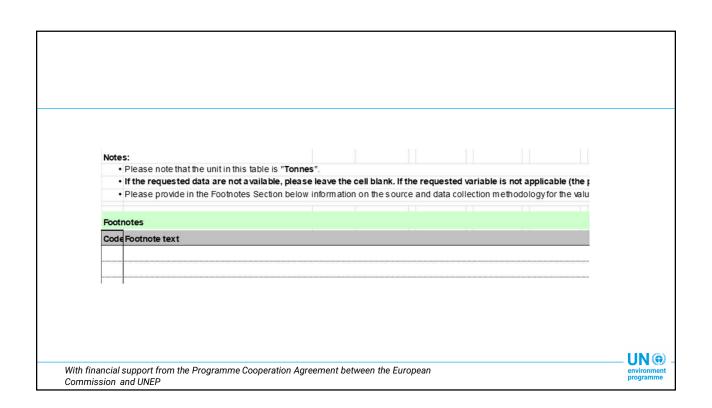
The DMC indicator is disaggregated into four main categories:

- Biomass
- Fossil fuels
- Metal ores
- Non-metallic minerals









Domestic Material Consumption per capita

Domestic material consumption per capita, by type of raw material (tonnes), is calculated as:

$$DMC\ per\ capita\ = rac{DMC}{Annual\ average\ population}$$



		If the value turns red, please check if it is correct.					
Category	Unit	2000	2001	2002	2003	2004	
DMC per capita	Tonnes/hab	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!]
Biomass DMC per capita	Tonnes/hab	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	1
Fossil Fuels DMC per capita	Tonnes/hab	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	1
Metal Ores DMC per capita	Tonnes/hab	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	7
Non-Metallic Minerals DMC per capita	Tonnes/hab	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	#¡DIV/0!	1
Annual average population	habitants	0.00	0.00	0.00	0.00	0.00]
Notes: • Please note that the unit in this table is		-144- "					
If the requested data are not available.			If the reques	sted variable	is not annlic	able (the ph	er
Please provide in the Footnotes Section						` .	
							<u> </u>
Footnotes							
Code Footnote text							II.

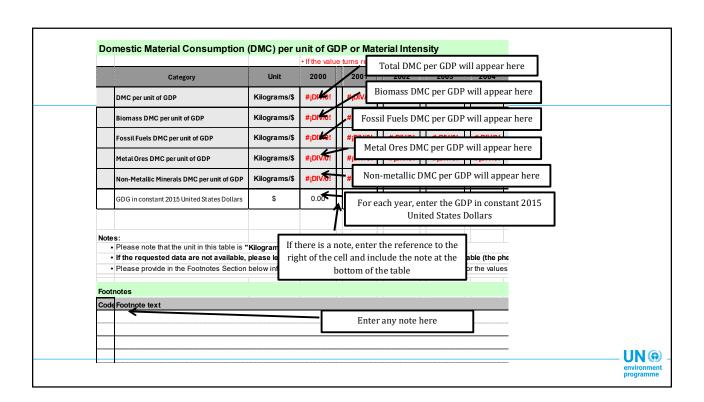
Domestic Material Consumption by unit of GDP Material Intensity

Material intensity illustrates the material consumption required to produce one unit of GDP. It is the reciprocal indicator of Material Productivity.

Domestic material consumption per unit of GDP, by type of raw material (kilograms per constant 2015 United States dollars) or Material Intensity, is calculated as:

$$DMC \ per \ GDP \ = \ \frac{DMC}{GDP \ per \ constant \ 2015 \ USD}$$





Material Productivity

Material productivity is defined as the ratio between GDP and DMC.

It indicates the economic value generated per unit of material consumption. Over time this indicator illustrates whether decoupling of material use from economic growth is achieved. This indicator is also called **resource efficiency** and is the reciprocal indicator of Material Intensity.

Material productivity, by type of raw material (Constant 2015 United States dollars per kilogram), is calculated as:

Material productivity =
$$\frac{1}{Material\ Intensity} = \frac{GDP\ in\ constant\ 2015\ USD}{DMC}$$

With financial support from the Programme Cooperation Agreement between the European Commission and UNIED





Indicator 2: Material footprint or raw material consumption

This indicator of circular economy corresponds to the SDG 8.4.1/12.2.1 Material footprint, material footprint per capita, and material footprint per GDP.

The presented methodology for this indicator is based on the UNSD's <u>Metadata for 8.4.1/12.2.1</u>, UNEP's <u>The use of natural resources in the economy: A Global Manual on Economy Wide Material Flow Accounting (2021)</u>, UNEP's <u>Economy-Wide Material Flow Accounting Step-by-step guide to the compiler</u> (2024).

SDG target 8.4 aims to improve progressively the global resource efficiency in consumption and production and decouple economic growth from environmental degradation and SDG target 12.2 aims to achieve the sustainable management and efficient use of natural resources.

With financial support from the Programme Cooperation Agreement between the European Commission and LINEP



Material footprint or raw material consumption

Disaggregation

The Material Footprint (MF) indicator is disaggregated into four main categories:

- Biomass
- Fossi fuels
- Metal ores
- Non-metallic minerals



Interpretation (I)

In the era of globalization, supply chains are increasingly organized at the international level.

A country production can be consumed abroad, and part of its own national consumption can also be produced abroad.

Production and consumption are not always taking place in the same country thus means disconnecting the location of production from final consumption.

With financial support from the Programme Cooperation Agreement between the European Commission and IINEP



Material footprint or raw material consumption

Interpretation (II)

Production-oriented indicators (as DMC) cannot account for the totality of the actual environmental consequences induced by the consumption of certain products, as they do not include those impacts located in other geographical regions.

The indicator Material Footprint tries to better explain these "teleconnections" between distant places of production and consumption.

The material footprint indicator is calculated by transforming the weights of direct import and export flows into their respective weights of Raw Material Extraction (RME). RME refers to the supply chain-wide primary material extractions required to produce a certain imported or exported product.



Interpretation (III)

Examples:

Imports of beef: the respective RMEs refer, among other aspects, to the fodder plants that were required to feed the cattle.

Imports of cars: the RMEs comprise all primary raw material extractions that were required to produce the car (e.g. crude iron or copper ore to produce steel or copper wires; crude oil to produce plastic parts).

With financial support from the Programme Cooperation Agreement between the European Commission and UNEP



Material footprint or raw material consumption

Interpretation (IV)

The MF indicator thus corrects the national material balance for international trade.

Material footprint of consumption reports the amount of primary materials required to serve final demand of a country and can be interpreted as an indicator of the material standard of living/level of capitalization of an economy.

The DMC reports the actual amount of material in an economy, MF the virtual amount required across the whole supply chain to service final demand.



Interpretation (V)

A country can, for instance, have a very high DMC because it has a large primary production sector for export or a very low DMC because it has outsourced most of the material intensive industrial process to other countries.

The material footprint corrects for both phenomena.

It is also important to note that MF do not account for unused material extraction, such as overburden from metal or coal mining or harvest residues in agriculture. However, these unused material flows cause various environmental pressures, such as water pollution and landscape changes.

With financial support from the Programme Cooperation Agreement between the European Commission and UNEP



Material footprint or raw material consumption

Limitations in the use of the indicator

No global reference method for calculating material footprints exists yet.

Because of the global characteristics of supply chains and the differences in industry structure among countries, no national statistical office can run their own demand-based accounts reliably.



Calculation methods

3 types of methods for the calculation of material footprint:

Top-down approach: input-output analysis (IOA)

It focuses on the economic structure of a country in the form of matrices that depict inter-industry flows.

- Single-region IO models assume that imported products are produced with the same technology as domestic products.
- MRIO models, country IO tables are linked together via bilateral trade data, considering different technologies applied in each country.

With financial support from the Programme Cooperation Agreement between the European Commission and UNEP



Material footprint or raw material consumption

Calculation methods (II)

Bottom-up approach: material intensity coefficients

"Apparent consumption" of a country is derived by calculating production plus imports minus exports. The quantities of each product consumed in a country are multiplied with coefficients reflecting the related upstream resource use. A high level of detail which can be applied.

The availability of coefficients for finished products is therefore limited. Double counting is possible, especially in cases where products are passing more than one border along processing stages.

environment programme

Calculation methods (III)

Hybrid approaches: complementing input-output analysis with coefficients

Hybrid approaches aim to exploit the advantages from IOA in combination with physical trade accounts and process-based coefficients.

Hybrid models are increasingly applied in all areas of resource flow accounting, acknowledging their respective strengths and capabilities.

With financial support from the Programme Cooperation Agreement between the European Commission and LINFP



Material footprint or raw material consumption

Calculation

Material footprint by type of raw material (tonnes) or Raw Material consumption (RMC) is calculated as:

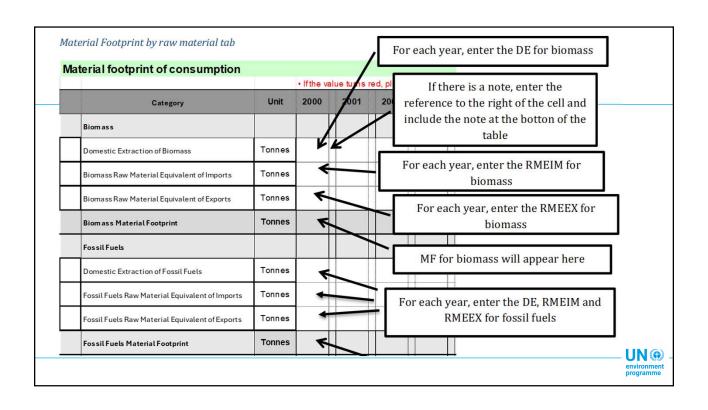
$$MF = RMC = DE + RME_{IM} - RME_{EX}$$

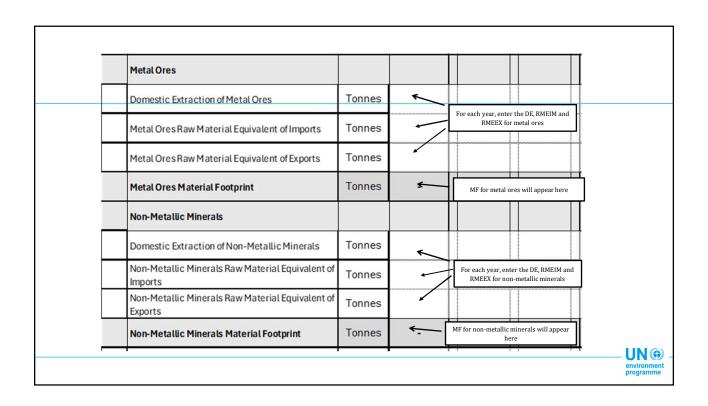
MF: material footprint;

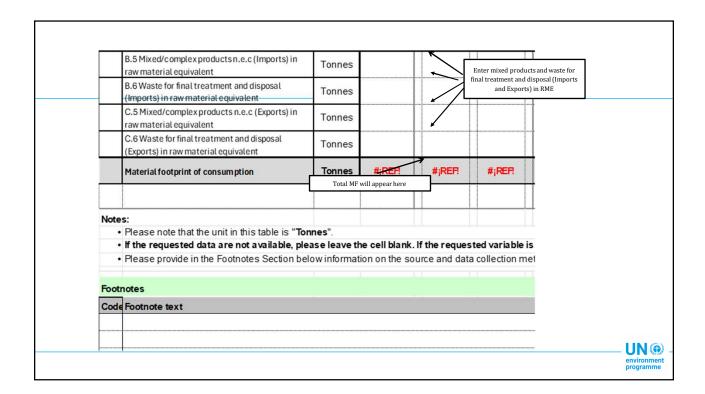
RMC: raw material consumption *DE*: domestic extraction of materials;

 RME_{IM} : raw material equivalent of imports; RME_{EX} : raw material equivalents of exports.







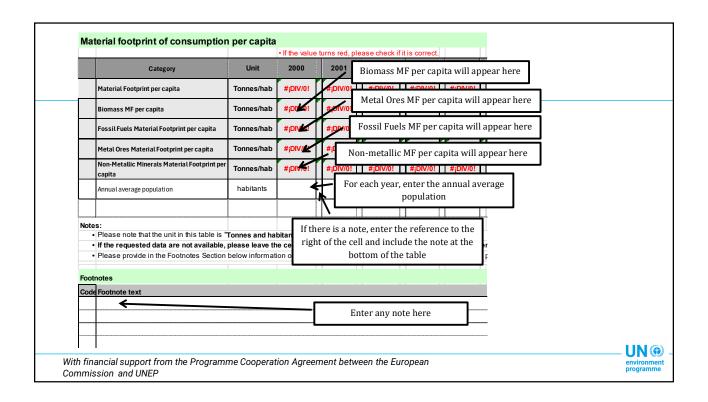


Material footprint per capita

Material footprint per capita, by type of raw material (tonnes), is calculated as:

$$\mathsf{MF} \ \mathsf{per} \ \mathsf{capita} \ = \ \frac{\mathit{MF}}{\mathit{Annual average population}}$$





Material footprint per unit of GDP Raw material intensity (RMI)

Material footprint per unit of GDP, by type of raw material (kilograms per constant 2015 United States dollar) or raw material intensity (RMI), is calculated as:

$$\mathsf{MF}\,\mathsf{per}\,\mathsf{GDP}\,=\,\frac{\mathit{MF}}{\mathit{GDP}\,\mathit{in}\,\mathit{constant}\,2015\,\mathit{USD}}$$

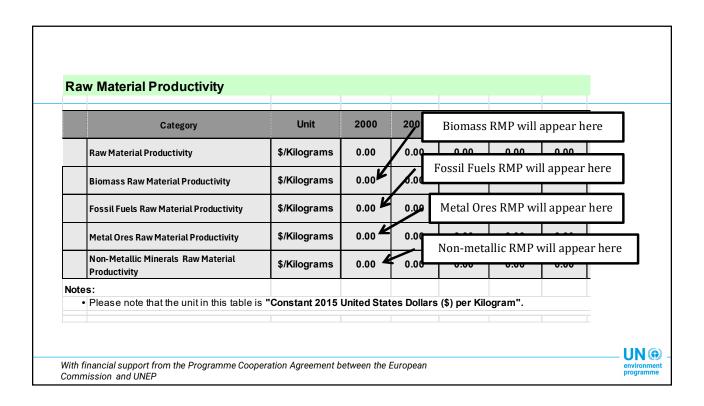


Raw material productivity (RMP)

Raw material productivity (RMP), by type of raw material (Constant 2015 United States dollar per kilograms), is calculated as:

$$\mathsf{RMP} \, = \, \frac{1}{\mathit{Raw\ material\ intensity}} = \, \frac{\mathit{GDP\ in\ constant\ 2015\ USD}}{\mathit{MF}}$$







Thank you

https://sdgs.unep.org/circular-economy

https://sdgs.unep.org/