The transition to a CE is highly influenced by the composition and innovation intensity of the economy, by the evolution of new green markets, and by the environmental and industrial policy settings.

Innovation adoption and diffusion by firms are key pillars for the EU strategy on resource-efficiency and the development of a circular economy.

New macroeconomic and microeconomic evidence on invention and innovation in the EU is presented, with a focus on dynamic trends and across country heterogeneity.

In addition, new EU wide evidence regarding the role of environmental policy and green demand drivers to sustain the adoption of resource efficiency-oriented eco-innovations is presented, as long as business case studies.