

More and more companies now interested in the circular economy and remanufacturing



Erik Sundin is a professor at Linköping University and has, since 1999, been doing research in remanufacturing, which is about taking care of used products, disassembling, cleaning and renovating so that they get a new life. He has an extensive international network in remanufacturing, and in the project ERN – European Remanufacturing Network, he investigated “best practice” in business models, design and production to be able to promote the remanufacturing industry in Europe.

With a focus on sustainable production, Mistra REES is excellent as a framework for the research Erik Sundin conducts. It is mainly Erik Sundin’s studies on remanufacturing and how it can be promoted in the future that are woven into Mistra REES’ research results. With funding from Mistra REES, Erik has had the opportunity to provide scientifically based support to partner companies within the research program engaged in remanufacturing. An example is Inrego in Täby, which remanufactures IT equipment such as smartphones and laptops.

At present, the European market for remanufacturing is estimated at just under EUR 30 billion, but with the potential to triple by 2030. One reason why remanufacturing has not hit a wider front before is that a wave of globalization swept parallel to the environmental trend. This has led to production moving to where wages are lowest.

In all remanufacturing, the process is similar. After an initial inspection, the product is disassembled, cleaned, and parts replaced and reassembled. Since it is a labor-intensive production, it is important to keep the hours down. This requires an industrial process, an efficient flow. Erik’s research shows that new production is so price-pressured that profit margins are usually greater in remanufacturing. So for companies that succeed in overcoming the challenges of remanufacturing, there is money to be made.

Right now, the big research question in remanufacturing is how to get original manufacturers to understand the point of remanufacturing and the challenges of shifting their business towards more circular ways of making money. Many employees in the original manufacturers are still stuck in the linear way of looking at how to do business. Erik Sundin hopes that more partners who are original manufacturers will join Mistra REES and that through research, he will be able to convey the benefits that exist in the future if they invest in remanufacturing.