

Opportunities of the financial sector in a climate friendly and resource efficient economy

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Abstract

Firstly, by means of recent scientific results it will be shown that European companies, in particular in the manufacturing industry, have still high efficiency potential with respect to material efficiency. Depending on the industry increasing material efficiency can have positive effects on gross value added and therefore profitability, customers demand and economic growth. In direction these developments leads to lower business risk and higher financial standing. Conversely organisations without sufficient improvements of their resource productivity have to take into account a deterioration of their profitability and therefore credit worthiness in future.

Subsequently, based on these interdependencies the challenges for credit institutes can be examined in detail. There is a vast number of objective reasons why ecological aspects, in particular questions concerning climate friendly and resource efficient production, ought to be implemented into the day-to-day business of credit institutes. For instance such a focus will have a positive effect on the business of financial service providers because credit and market risks can be identified and minimized at an early stage. Depending on the sector its potential for growth differ considerably due to the increasing resource productivity. For illustrative reasons the relative potential of the value added of the sectors will be estimated for Germany based on the previous remarks of the paper. If credit institutes take these kind of information into consideration to emphasize promising sectors and technologies at an early stage, their profitability will be affected positively.

Keywords: resource efficiency, growth, sustainability, financial markets, governance, environmental risk

JEL-classification: E37, G11, Q50, Q56