



Lessons learnt 2020 / 2022 - putting a different picture together

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Looking back on the past two years with a pandemic not experienced for long, the increasing symptoms of climate change reaching our front doors in private as well as management floors in companies and last not least a totally unexpected war in Europe we have trouble following the impact on our lives. Also Trade Finance as our shared passion is changing through interrupted supply chains, increased volatility in economic performance as well as ever stronger claims for deglobalization. Trade corridors are changing, there is stress in the system, risk patterns are shifting (e.g. outcast Venezuela is being approached again to move closer to the West) and as we write an end of the disruptive adaption is not in sight.

All changes have one uncomfortable reality in common: Life as we have experienced it during the last decades is directly threatened. Therefore, we may well affirm that there is reason to reconsider our way of living as well as our way of doing business.

The good news is that in spite of a real threat we have quickly adopted new ways of doing business. As social distancing was forced upon us almost overnight, we have changed a lot of our communication to telephone and mainly also video conferences, many times even from our home offices instead of the traditional office space. Although we all miss the enjoyable person-to-person meeting contact we must admit that the quality of business has not suffered for this adoption. But the threats remain: The pandemic only seems to have been overcome as we do not know which virus mutation may be the next game changer. Carbon emissions globally have continued to increase in 2020 / 2021. The important military conflict in Europe does not help to improve this balance. The conflict itself as well as the deviation of public resources from socially and environmentally responsible spending to the military budget both do have a negative impact on the environment and therefore climate change.

All of us, including ITFA as an association, are part of this big picture. Therefore, all of us can make a difference by discontinuing the way we have managed our agendas in the past. The GRC board proposes to reconsider our way of doing business by directly questioning every single action that negatively impacts the carbon footprint. Compensation of the latter is the second-best alternative since it only may reduce the growth of the carbon footprint. The short-term goal must be the reduction of the footprint itself and not a reduction of the growth levels. Only by quickly taking carbon emissions out of the system we really make a difference. We therefore must not go back to our old way of doing business – this includes frequent meetings and international conferences. Modern ways of communication including the organization of hybrid events and conferences are an intelligent way of doing so and becoming part of the new, big picture.

Literature recommendation: Bill Gates, How to avoid a Climate Disaster, Penguin Random House LLC, New York, 2021 and 3. IPCC Report, published April 4th, 2022.