

Press release – for immediate release

World Future Council demands warning labels for speculative investments

Hamburg, 26th August 2009. The World Future Council demands warning labels on investment products to improve consumer protection, similar to the labels on tobacco products. Issuers of highly speculative investments such as certificates should be obligated to advise consumers of the risks involved with such investments. Printed labels stating “Speculations with high risk investments may ruin you” or “Financial speculation causes wage dumping” would not only strengthen consumer consciousness of financial risks but also warn them about the outcomes of unlimited speculation for people and the environment. The best example to prove that tighter consumer protection is necessary is the Lehman case where approximately 40,000 German investors lost the majority of their invested money. Speculative transactions are also ethically problematic and can have severe consequences on a global level; this is supported by last year’s price increases for wheat, soy, rice and corn which caused food crises in several countries.

According to the World Future Council apparent warning signs would change the mindset of investors and could make speculative financial operations taboo over time. “Regulations applying to the chemical poison inhaled by smokers, should also apply to the ‘financial poison’ innocent consumers add to their portfolio” says Stefan Biskamp, Future Finance Director at the World Future Council. “An obvious label stating ‘Speculation with soft commodities causes famine’ with regard to consumer protection is more effective than long minutes of consultation.”

World Future Council:

The World Future Council brings the interests of future generations to the centre of policy making. Its 50 eminent members from around the globe have already successfully promoted change. The Council addresses challenges to our common future and provides decision-makers with effective policy solutions. In-depth research underpins advocacy work for international agreements, regional policy frameworks and national lawmaking and thus produces practical and tangible results.

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