




# Time to re-energise the EU's capital markets

Building investable and competitive  
ecosystems

30 November 2022

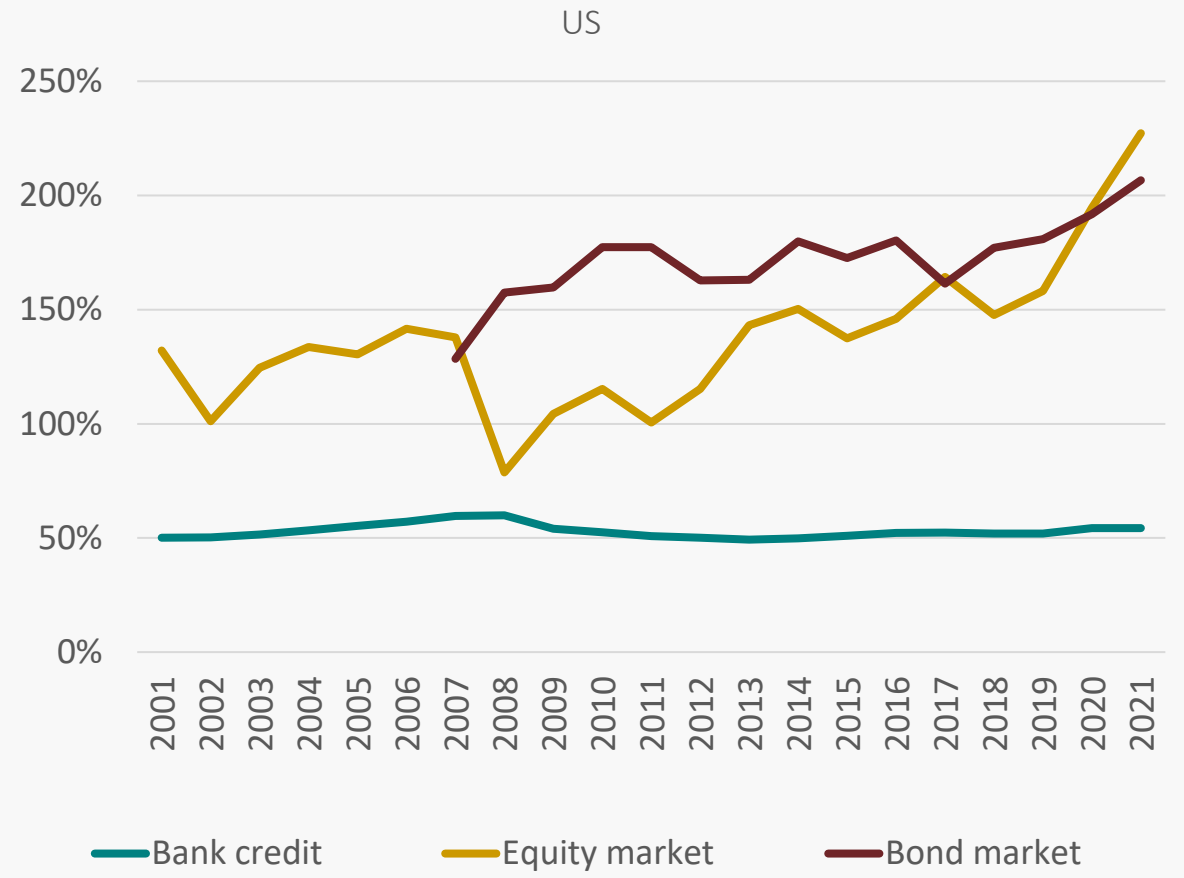
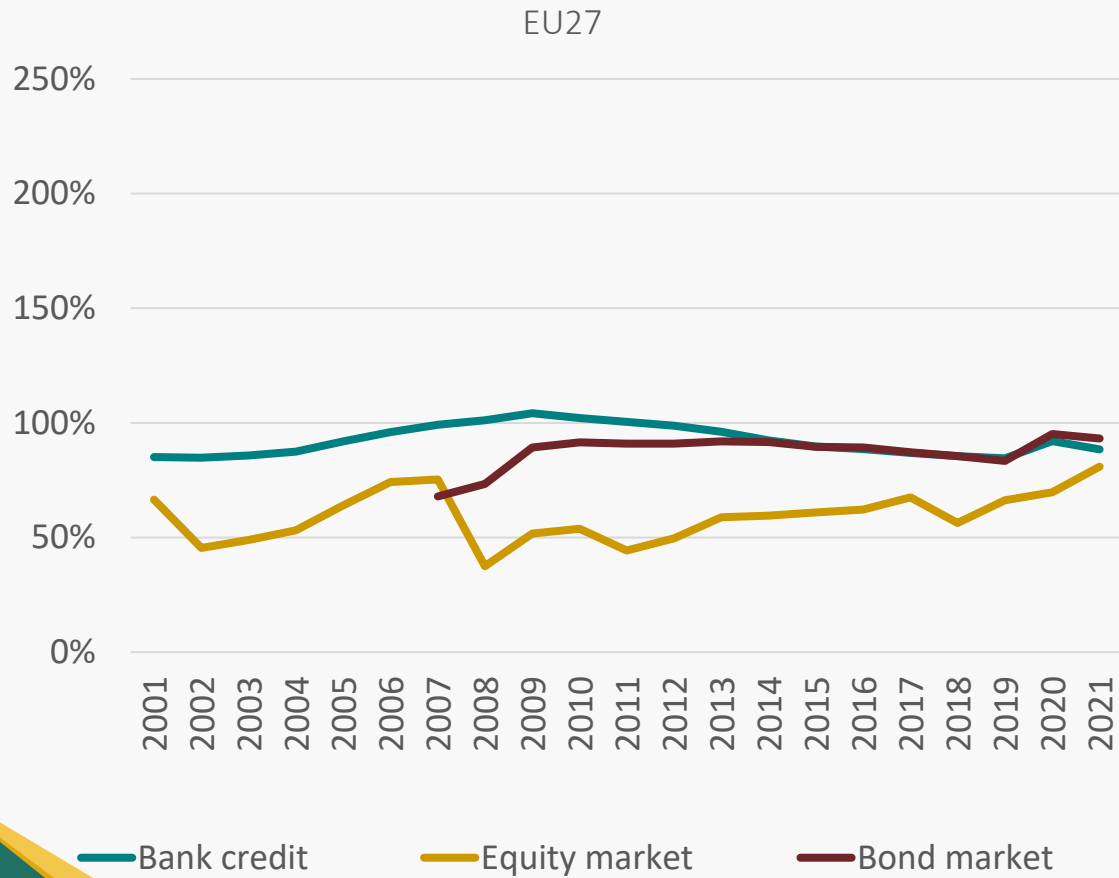
# Capital markets

- Deep, liquid and efficient
  - Same set of rules
  - Equal access to financial products and services
  
  - Several waves of action plans:
    - FSAP 2004
    - Financial crisis
    - CMU Action Plan 2015
    - New CMU Action Plan 2020
    - Several Communications and packages
  - Advice from ESAs, open consultations and external studies
    - "Evidence-based" rules or national interests prevailing?
  - More tasks for ESMA
    - First: CRAs and TRs
    - Next: Critical benchmarks, data providers, 3rd country CCPs
    - Soon: ESAP and single data feed?
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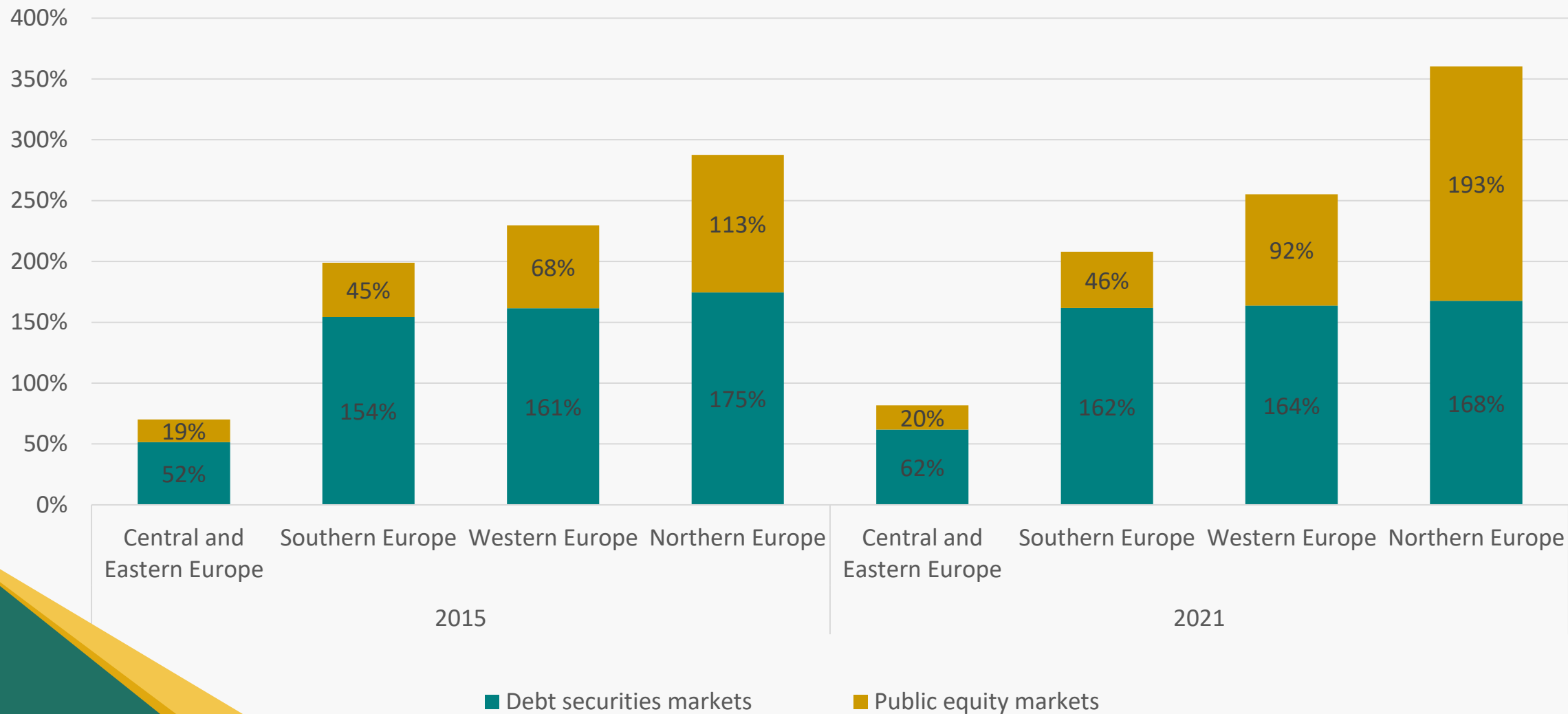
# However

- Lack of ambition, scale and strength
  - Limited retail investors participation
  - Dozens of market infrastructures, regulated markets and MTFs
  - Heterogeneous and multi-level legislation, divergence in supervisory interpretations
  - Competitive and attractive?
  - Loss of the voice of a global financial centre from the policy debate
  - Insufficiently developed ecosystems
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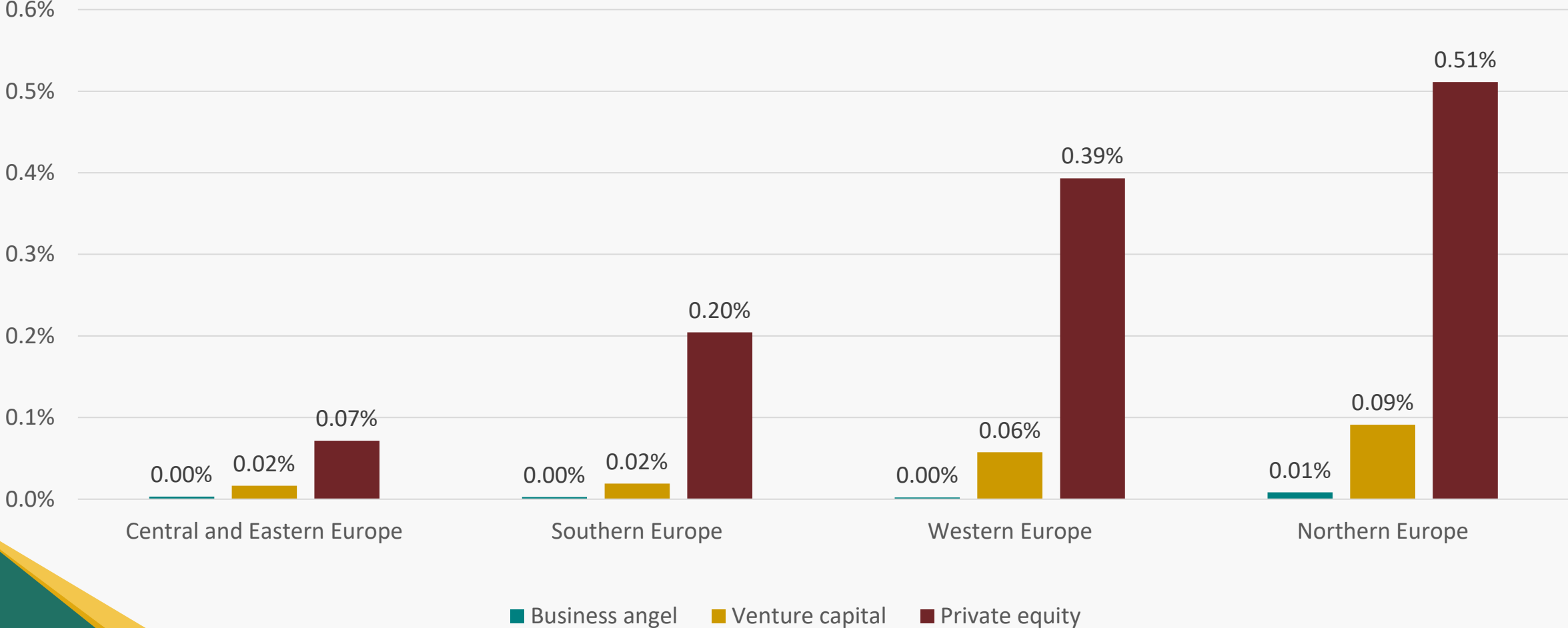
# Structure of the financial sector (% GDP, 2001-2021)



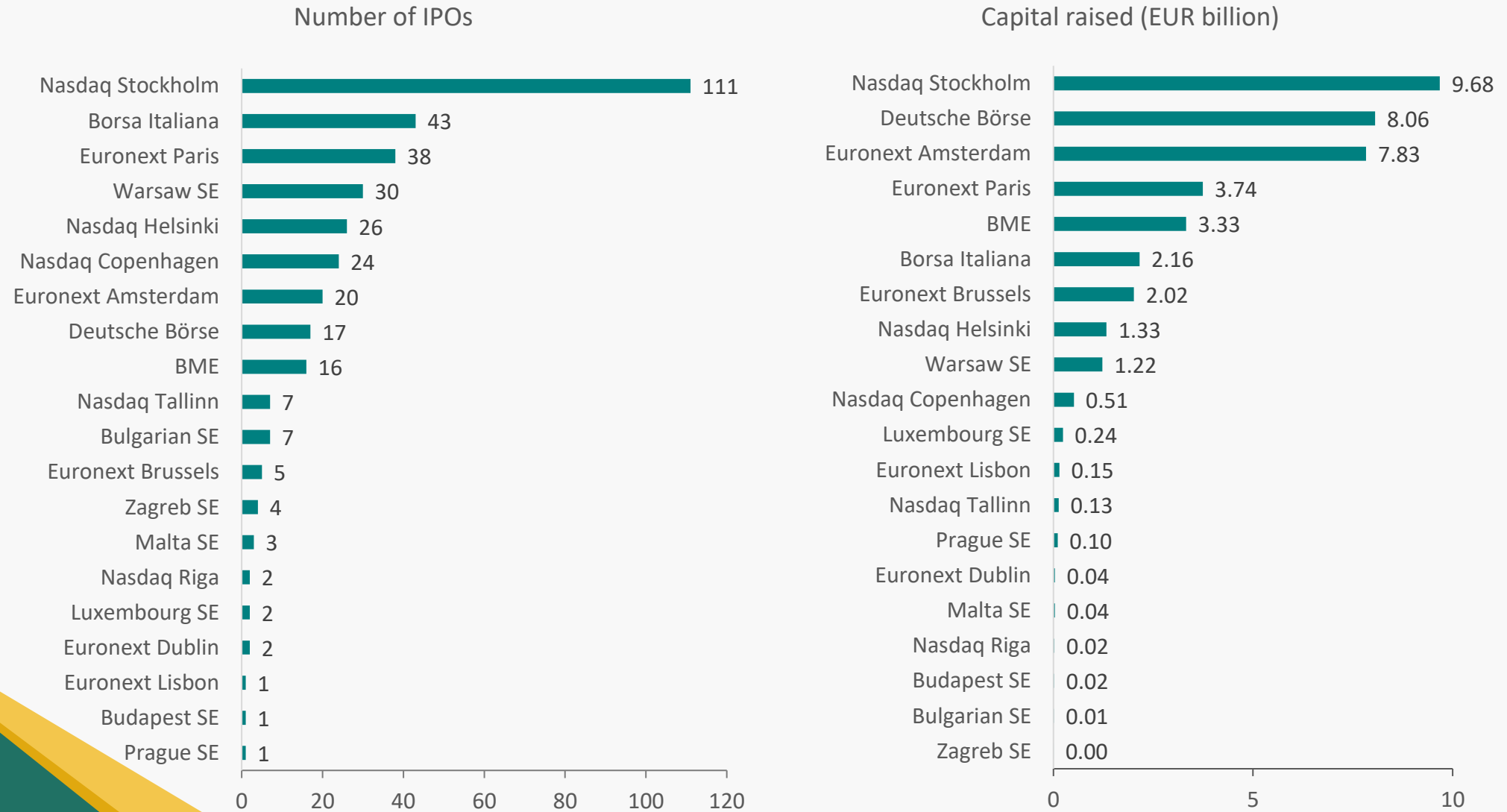
# Structure of capital markets across European regions (% of GDP)



# Pre-IPO risk capital investment (% of GDP, 2015-2021)



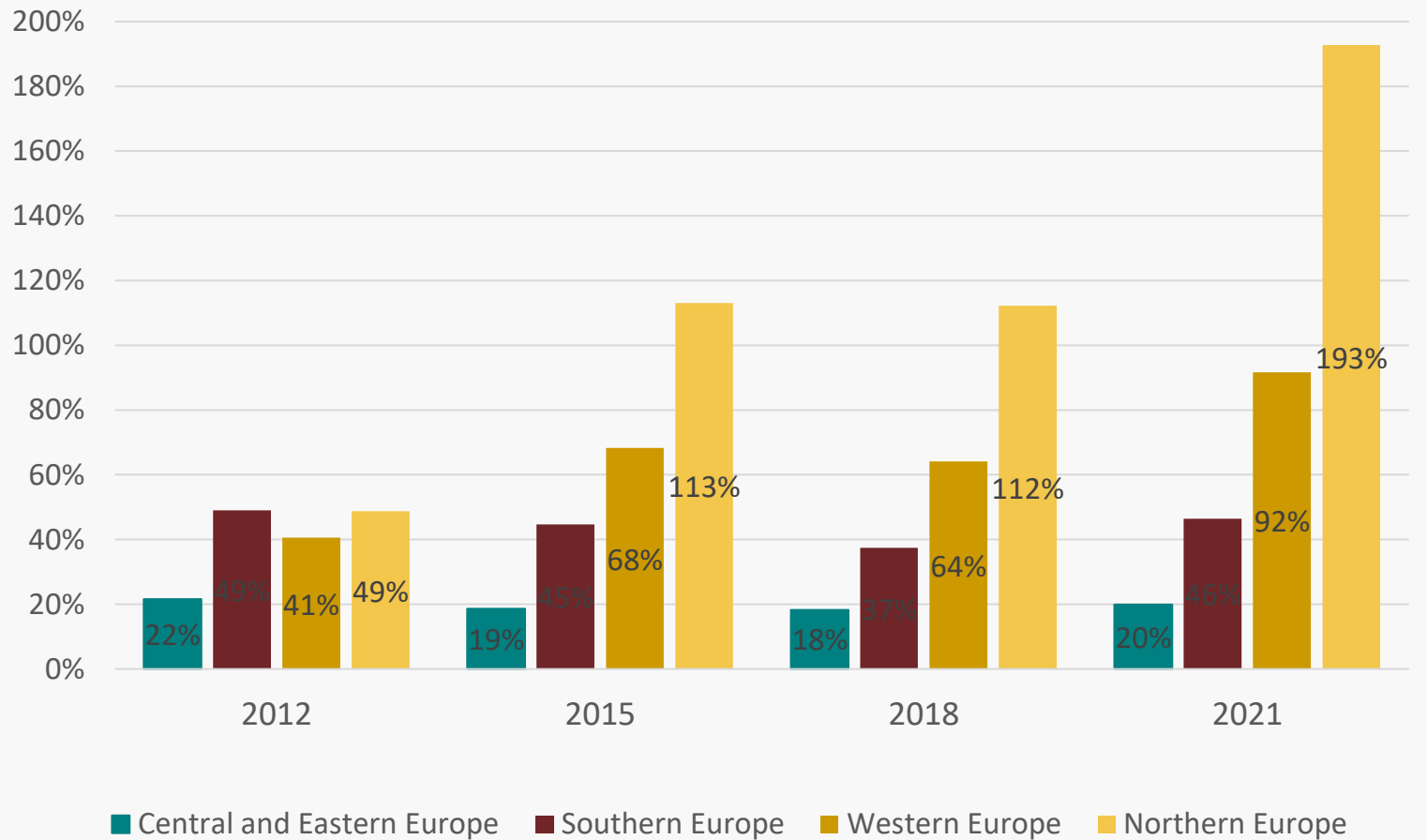
# Number of IPOs and capital raised (EUR billion, 2021)



# Global Top 100 companies

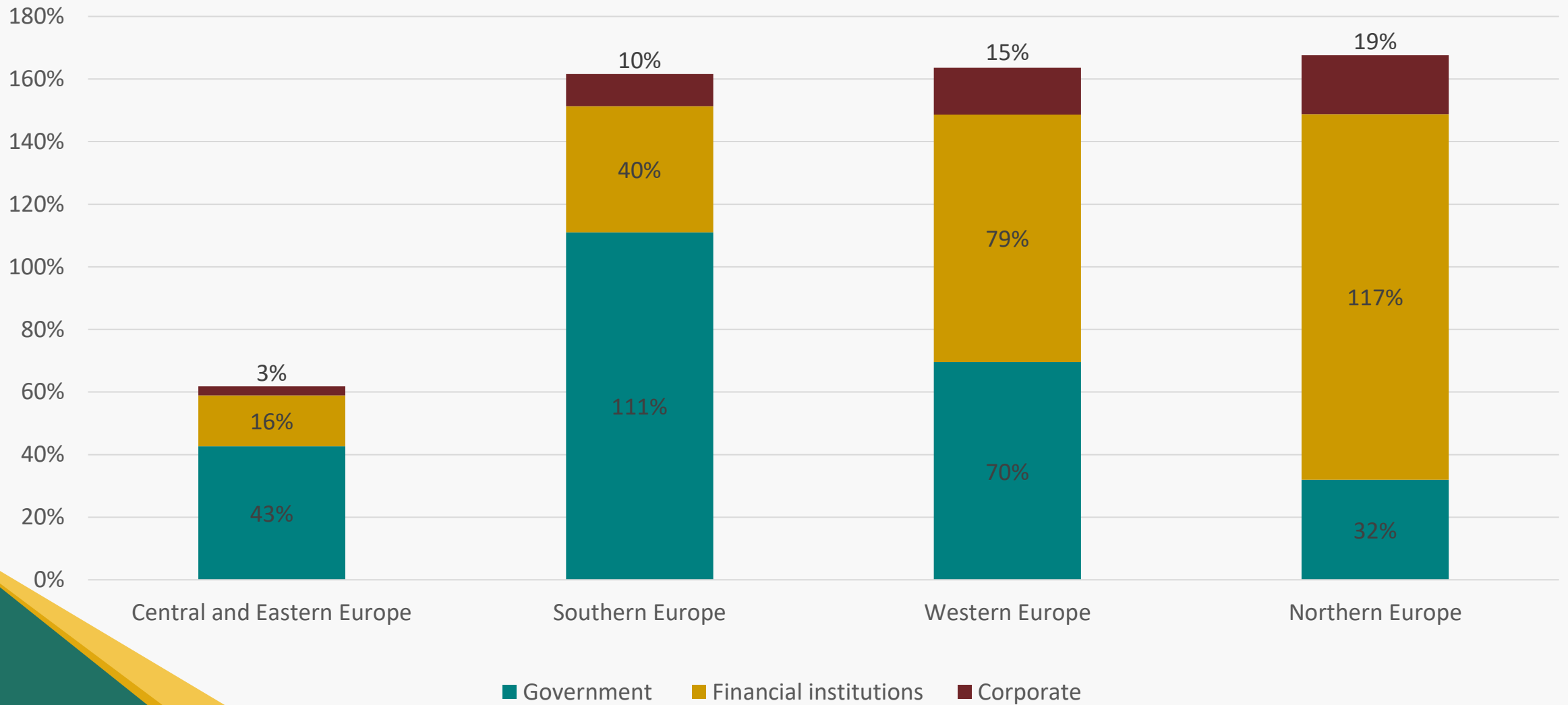
Location	2022 market capitalisation (EUR billion)	2015 market capitalisation (EUR billion)	# of companies 2022	# of companies 2015
France	658	410	3	4
Ireland	336	103	2	1
Netherlands	248	116	1	1
Denmark	175	132	1	1
Germany	123	581	1	6
Spain	0	191	0	2
Belgium	0	182	0	1
EU27	1 597 (5 %)	1 716 (11 %)	8	16

## Market capitalisation (% GDP)

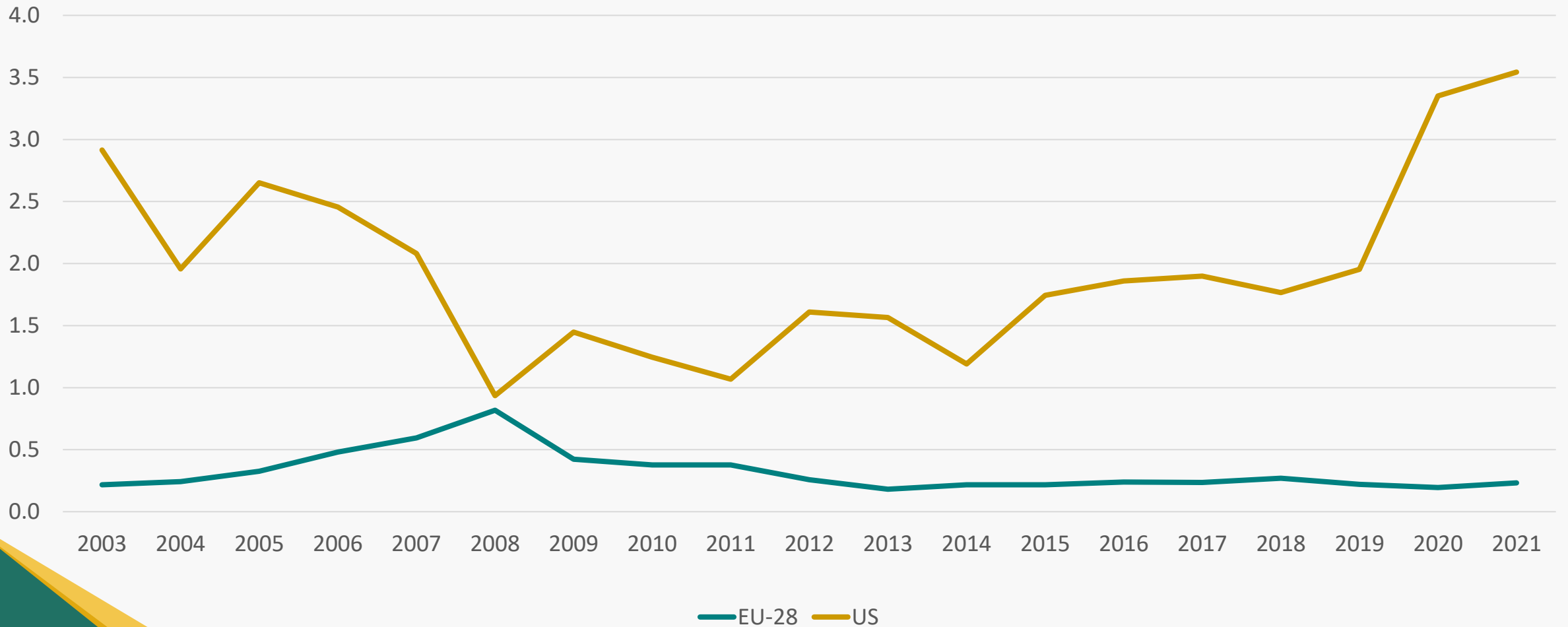




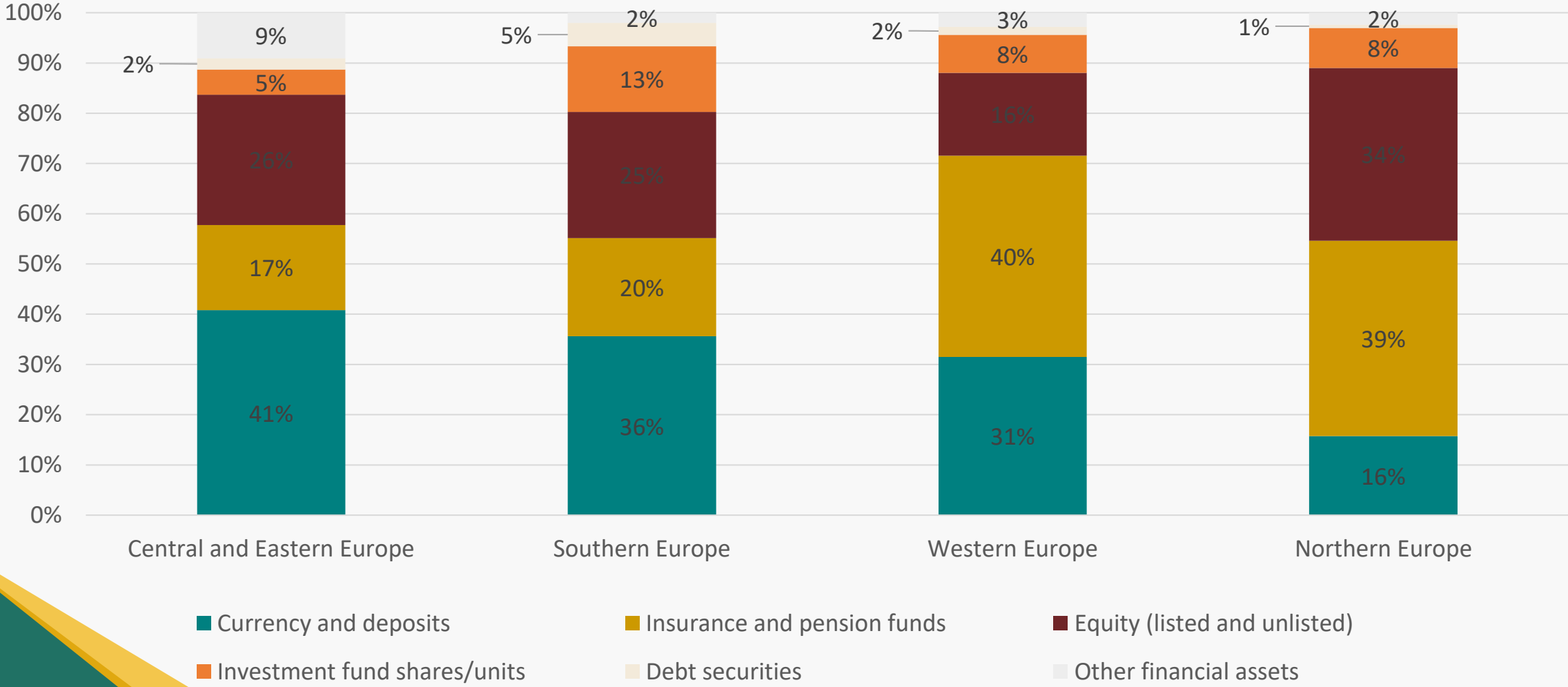
# Outstanding debt securities (% of GDP, 2021)



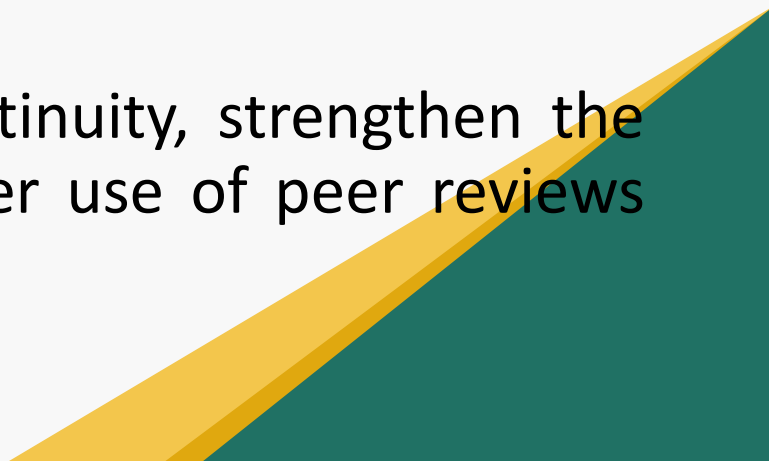
# Securitisation issuance (EUR trillion, 2003-2021)




# Households' financial assets (% total financial assets, 2015-2020)



# Solutions

1. Capital market development should precede integration.
  2. Retail investors should be at the centre of the EU's narrative for capital markets. Efficient solutions for long-term savings to be provided.
  3. Enforce mutual recognition and interoperability: harmonisation is no panacea.
  4. Remain open, guarantee regulatory stability and continuity, strengthen the consistency in supervisory outcomes. More and better use of peer reviews and streamline supervisory structure.
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# Solutions

5. Develop KPIs for competitiveness and attractiveness.
  6. Set up a high-level markets advisory/consultative group.
  7. Use a 'funding escalator' to monitor local/regional market ecosystems, develop an 'investment riskometer' to assess channels for retail and institutional investment participation in markets, build an efficient securitisation market that can benefit both the demand and supply of capital.
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# THANK YOU



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