

Professor Danuta Hübner

“Maximizing the EU’s Financial Potential for Growth”

Plenary intervention - “Make Europe the place to invest”

Strasbourg, 14 June 2023

The issue we are discussing today is how to maximize the EU’s potential of financing the real economy, generating growth and responding to future challenges.

The scale of the challenge is clear - the Commission estimates that only to realize the green and digital transition Europe will need additional investments of €645 billion every year for the next decade.

This capital can only come from private investments, channeled to best use through efficient capital markets, which the Union is lacking. They remain fragmented and small. This reduces market liquidity and the efficiency of capital allocation. It affects European SMEs as well, undermining their efforts to scale up and become competitive in internal market and internationally.

That is why in shaping European capital market we should spare no efforts to simplify the legal framework, reduce the administrative burden that companies face and make them grow and be more competitive. The introduction of consolidated tape will increase the visibility of smaller firms, boost their attractiveness for investors and facilitate the development of local exchanges.

It is therefore rather frustrating to see that some Member States do not support the efforts to accelerate the creation of deep and liquid capital markets, boost growth. Drive innovation and ensure level playing field for all market participants.

We should continue our efforts to complete the European banking and capital market unions. And our political calendar should be an incentive to speed things up.