



Joint Press Release - Leading European Associations' shared view on improving competitiveness of European Capital Markets

Brussels, 7th May 2024

The European Banking Federation (EBF), the European Fund and Asset Management Association (EFAMA), and the Federation of European Securities Exchanges (FESE) have released a joint report on the development of European capital markets and recommendations to enhance their competitiveness. The report, co-developed by the three European associations and authored by Oliver Wyman, sheds light on progress made towards the Capital Markets Union (CMU) and gathers insights from various capital markets leaders on how to succeed in the coming decade and beyond.

This is the result of extensive research and interviews conducted with 37 senior industry stakeholders, synthesised into a "collective voice" of the European capital markets on the challenges and opportunities faced in order to strengthen Europe's competitiveness.

European capital markets are currently facing a decline in competitiveness, particularly when compared to the United States. This poses a significant threat to Europe's economic growth and its ability to finance innovation, support green and digital transformation, and address the needs of an aging population. The report highlights the importance of leveraging Europe's capital markets infrastructure to its full potential, increasing overall capital pools, and enhancing investor outcomes. It emphasises the need to activate the demand side of capital markets by improving retail investors' access to attractive products, enhancing financial literacy, incentivising retirement savings, and creating tax structures conducive to long-term investments.

The findings of this report provide a roadmap for policymakers, regulators, and industry stakeholders, showing how capital markets benefit from scale and a "flywheel effect". Deliberate demand-side and supply-side steps taken over the next 5-years can set the conditions that will build more momentum, attract more investors, and create more investment opportunities for the decades ahead.

Magnus Burkl, Head of Capital Markets for Europe at Oliver Wyman, highlighted that:

"Our research for this report reinforces our belief that European Capital Markets are well-functioning but performing below their full potential. To reach its full potential, Europe needs to activate long-term capital pools across retail and institutional investors, which can act as a flywheel for increasing the competitiveness of capital markets."

FESE Director General Rainer Riess said:

"Europe needs deep and liquid capital markets to finance its companies and deliver attractive valuations. Cutting red tape and getting citizens to put their investments into capital markets are key to unlock the flywheel."

Tanguy van de Werve, Director General at EFAMA, commented that:

"Increasing pension savings of European citizens is key to help fill the retirement gap and can boost Europe's capital markets. Bold actions from policymakers are now required to defuse the pension time bomb and allow our companies to thrive."

Wim Mijs, European Banking Federation CEO, said:

“Developing vibrant and competitive European capital markets is crucial to harness the necessary financing power to usher in true economic transformation in the EU. This report marks a significant milestone in outlining the path towards game-changing reforms that can fulfill the full potential of European capital markets. With Brussels and EU member states attentively listening, the momentum for change is palpable.”

Notes to editors:

For more information about the report and its findings, please contact: Marián Caro for FESE (caro@fese.eu), Hayley McEwen for EFAMA (hayley.mcewen@efama.org), Gabriel Daia for EBF (g.daia@ebf.eu).

About Oliver Wyman

Oliver Wyman is a global leader in management consulting. With offices in more than 70 cities across 30 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm has 7,000 professionals around the world who work with clients to optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a business of Marsh McLennan [NYSE: MMC]. For more information, visit www.oliverwyman.com. Follow Oliver Wyman on [LinkedIn](#) and [X](#).

About the EBF

The European Banking Federation is the voice of the European banking sector, bringing together national banking associations from 45 countries. The EBF is committed to a thriving European economy that is underpinned by a stable, secure and inclusive financial ecosystem, and to a flourishing society where financing is available to fund the dreams of citizens, businesses and innovators everywhere. Website: www.ebf.eu Twitter: @EBFeu.

About FESE

The Federation of European Securities Exchanges (FESE) represents 35 exchanges in equities, bonds, derivatives and commodities through 16 Full Members and 1 Affiliate Member from 30 countries. At the end of 2023, FESE members had 6,726 companies listed on their markets, of which 18% are foreign companies contributing towards European integration and providing broad and liquid access to Europe’s capital markets. Many of our members also organise specialised markets that allow small and medium-sized companies across Europe to access capital markets; 1,461 companies were listed in these specialised markets/segments in equity, increasing choice for investors and issuers. Through their regulated market and multilateral trading facility operations, FESE members are keen to support the European Commission’s objective of creating a competitive and efficient Capital Markets Union. For more information, visit www.fese.eu. Follow FESE on [LinkedIn](#).

About EFAMA

EFAMA is the voice of the European investment management industry, which manages around EUR 28.6 trillion of assets on behalf of its clients in Europe and around the world. We advocate for a regulatory environment that supports our industry’s crucial role in steering capital towards investments for a sustainable future and providing long-term value for investors. Besides fostering a Capital Markets Union, consumer empowerment and sustainable finance in Europe, we also support open and well-functioning global capital markets and engage with international standard setters and relevant third-country authorities. EFAMA is a primary source of industry statistical data and issues regular publications, including Market Insights and the authoritative EFAMA Fact Book. More information is available at www.efama.org.