Press release
AFME supports Commission’s calls for increased capital markets role in assisting economic growth
25 March 2013


“In Europe, businesses have traditionally relied on bank funding rather than accessing the capital markets. Finance through the securities markets is much less developed and additional capital markets channels need to be expanded to ensure economic growth.

“The Commission has prioritised the need for expanded non-bank investment in infrastructure, SMEs, project bonds and other products. The paper rightly focuses on corporate investment. However, there are additional important product areas, such as increased capital markets funding for housing, including residential mortgages, and other high quality consumer assets, as these free up bank balance sheets for further lending to SMEs and other corporates through securitisation and other channels. It is also important that non-bank institutional funders have appropriate incentives in place, in addition to product expertise and controls, to invest in large amounts of bespoke, less liquid and long term instruments.”

“Overall, this paper is an important step in helping Europe’s economy get back on track, and AFME welcomes its broad scope and its timeliness. In developing this work programme it will be important to ensure that EC legislation in other fields supports it where possible and does not cut across it.

“As we share the Commission’s goals at AFME, we have commissioned independent research on financing European growth, which will be published in the next few weeks. The research looks at specific areas where funding is a problem, the barriers causing these funding gaps and potential solutions, based on interviews with large and mid-cap corporates, SMEs, banks and non-bank investors.”

AFME also announces today the launch of a major conference entitled Financing Growth: capital markets, investment and the economy, which will facilitate debate on a model for financing European growth by bringing together experts covering the financial industry, regulators, politicians and media in London on 24 September 2013.

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1. AFME (Association for Financial Markets in Europe) promotes fair, orderly, and efficient European wholesale capital markets and provides leadership in advancing the interests of all market participants. AFME represents a broad array of European and global participants in the wholesale financial markets. Its members comprise pan-EU and global banks as well as key regional banks, brokers, law firms, investors and other financial market participants. AFME participates in a global alliance with the Securities Industry and Financial Markets Association (SIFMA) in the US, and the Asia Securities Industry and Financial Markets Association through the GFMA (Global Financial Markets Association). For more information please visit the AFME website, www.afme.eu

2. Towards the end of 2012, AFME developed specific recommendations on ways in which SMEs can improve access to capital markets, described in AFME’s ‘An Agency for Business Lending’ report which can be found here: http://afme.eu/Documents/Statistics-and-reports.aspx

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