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## Press release

### AFME welcomes Council conclusions on tackling bottlenecks to investments

6 December 2016

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Commenting on the publication today by the European Council of its conclusions on tackling bottlenecks to investment identified under the Third Pillar of the Investment Plan, Simon Lewis, Chief Executive of AFME, said:

“The Council conclusions on removing bottlenecks and providing greater regulatory predictability are an encouraging signal for the European investment environment. AFME is a long-time advocate of a strong and stable European Single Market enabling investment, jobs and growth.”

“The Investment Plan for Europe is one of the European Commission’s key initiatives together with the successful implementation of the European Fund for Strategic Investments (EFSI). The EFSI’s potential extension is to be welcomed.”

Despite an improvement in the European economy, private investments are still below 2008 levels. According to Eurostat, EU28 private investments as a percentage of GDP decreased from 22.5% in 2008 to 19.5% in 2015.

AFME has consistently suggested that some key bottlenecks could be removed to help increase investment in Europe. These barriers include:

- **Fragmented internal market.** The fragmented internal market causes a shortage of risk capital in Europe’s small businesses. Different rules, taxes and standards are hampering young businesses seeking to scale-up across borders.
- **Unfair treatment of infrastructure corporates.** Infrastructure private capital benefits from the EFSI and the recent establishment of an infrastructure project asset class under which insurers would benefit from reduced capital requirements. Similar treatment for infrastructure corporates, which represent four times more volume than projects, would remove a clear barrier to infrastructure investments.
- **Inconsistent EU insolvency frameworks.** The creation of a consistent EU insolvency framework will benefit Europe’s economy by providing greater certainty to market participants, reducing costs for investors, increasing recovery rates and making it easier to turn around viable businesses.

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#### About AFME:

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 (ASIFMA) through the GFMA (Global Financial Markets Association). For more information please visit the AFME website: [www.afme.eu](http://www.afme.eu).
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