
Press release

AFME reaction to the European Council's recommendation for a new EU competitiveness deal and the Letta report on a new Single Market

19 April 2024

The Association for Financial Markets in Europe (AFME) welcomes the conclusions of the Special Meeting of the European Council of 17-18 April in which EU leaders recognise the need for a “new European competitiveness deal”.

The European Council's call to deepen the Single Market and advance the Capital Markets Union as part of this new deal is, in AFME's view, key to securing a globally competitive EU economy as well as the EU's long-term prosperity. More specifically, its support for relaunching securitisation, developing equity financing and harmonising insolvency laws forms a strong and necessary basis for growing the European capital market.

Commenting on the conclusions reached, **AFME's CEO, Adam Farkas**, said, *“Deep, liquid and integrated capital markets are an essential component for supporting the EU's competitiveness. There is increasing urgency to transform the EU's existing capital markets into a globally competitive, scaled-up and single capital market. Without this, the region's future growth and competitiveness are at stake.*

*“Member States all stand to gain from the scale that a truly integrated EU capital market can offer. **Enrico Letta's report discussed with leaders at this week's Summit highlights clearly these benefits.** They include the ability to grow EU companies within the Single Market rather than see them develop outside the EU once they reach a certain size, and to channel the resources necessary to financing strategic priorities, including the twin transition of our economy by leveraging both European private savings as well as capital flows from abroad.*

We welcome Mr Letta's focus on highlighting the benefits of a renewed single market project and how increased financial integration is necessary to support the EU's strategic goals. We look forward to considering his roadmap to build on the existing CMU project to form a Savings and Investments Union in further detail and strongly encourage Member States to take inspiration from his ambitious suggestions when forming their strategic agenda over the coming months”.

– Ends –

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Notes:

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.

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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

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