



# CMU: ENVISIONING A STRONGER EUROPEAN ECONOMY

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Facilitating Growth, Innovation, and Stability

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# ROLE OF CAPITAL MARKETS IN THE EU

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Essential for meeting financing and risk management needs



Key to EU's global competitiveness and strategic autonomy



Driver of digital and green transition

## PROGRESS SINCE 2015

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Adoption of legislation for securitisation markets

Harmonisation of prudential rules for investment firms

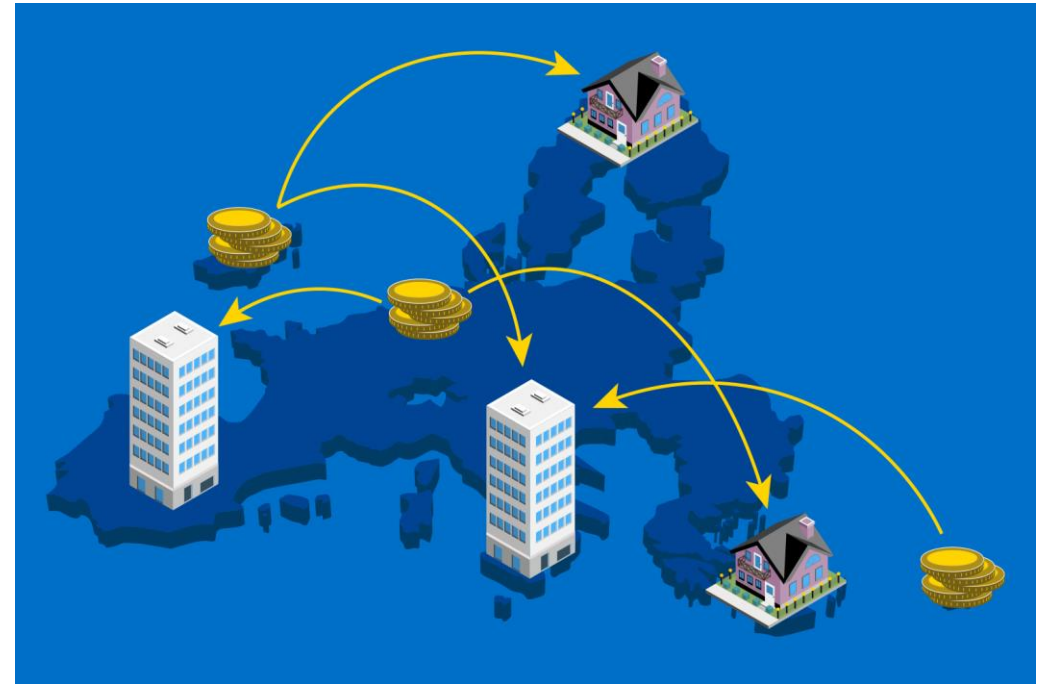
Support for European venture capital

**BUT NOT YET SUFFICIENT...**

# CURRENT CHALLENGES

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- Still face fragmented EU capital markets
- Need to identify barriers to efficient cross-border finance
- Need for greater market integration



# POST-CRISIS MARKET DYNAMICS

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Regulatory shifts post-2008 crisis

Market makers' adaptation to new financial environments –  
Europe is falling behind

Expansion of non-bank financial sector in a more volatile  
environment

# INTEGRATION OF FINANCIAL SUPERVISION

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- Need for single rule book on capital market supervision across EU
- Role of ESMA and potential for enhanced mandate
- Lessons from the successful integration of banking supervision



# FINANCING SMES – A MAJOR CMU PRIORITY

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SMEs as economic growth drivers: Challenges and opportunities



Decline in cross-border SME financing: Addressing the gap

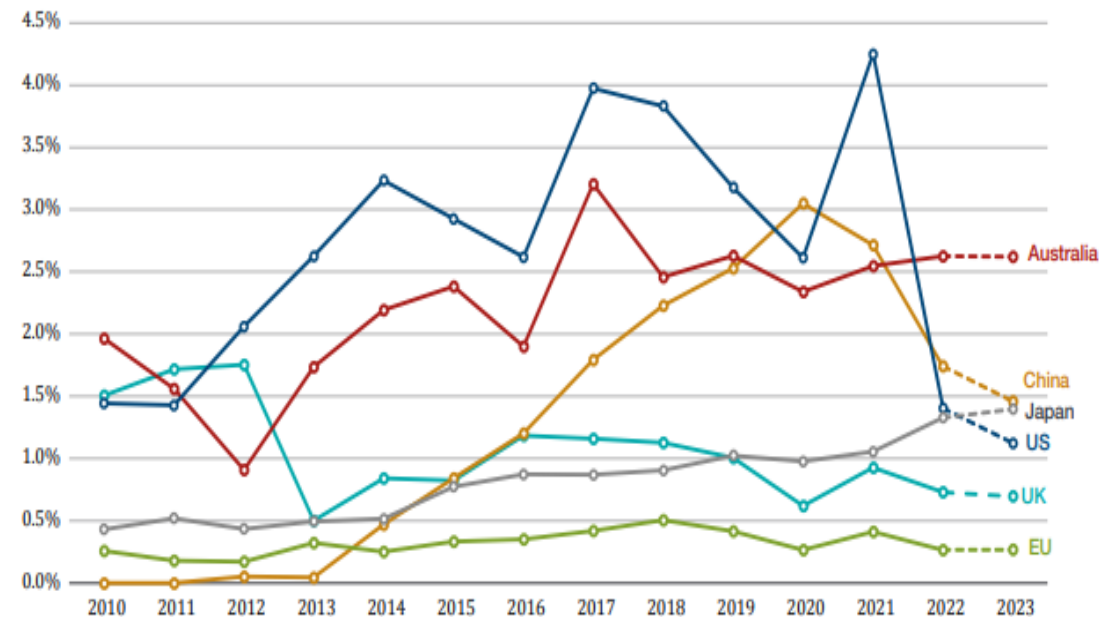


Need to foster environment that supports SMEs

# EU SECURITISATION FAR BEHIND GLOBAL COMPETITORS

- Securitisation as a tool for unlocking SME capital?
- EU securitisation as proportion of GDP at only 0.3%
- US indicator at 1.1% of GDP, even when excluding agency mortgages

*Securitisation issuance as a proportion of GDP (2010-2023H1, %)*



Source: AFME Securitisation Data Report Q2 2023



# HARMONISING INSOLVENCY FRAMEWORKS

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# NEED TO GENERATE SYSTEM OF RETAIL DEMAND

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**GENERATE DEMAND  
THROUGH EUROPEAN  
PENSION PRODUCTS**



**ENGAGE INSTITUTIONAL  
AND RETAIL INVESTORS**



**ENSURING CONSUMER  
PROTECTION AND  
FINANCIAL LITERACY**

## STRATEGIC FOCUS ON CMU AND BANKING UNION

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Priorities and actions for implementing key CMU objectives

Completion of the Banking Union

Improve financial market strength and competitiveness

CMU will only work with banks as intermediaries in Europe



# CONTACT

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