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**Opening Address anlässlich des Herbstempfangs
des Deutschen Aktieninstituts**

Vertretung des Landes Hessen bei der Europäischen Union,
Brüssel, 13. November 2014

Lord Jonathan Hill

EU-Kommissar für Finanzstabilität,
Finanzdienstleistungen und Kapitalmarktunion

German companies at the heart of European growth

Jonathan Hill

European Commissioner for financial services, financial stability and
capital markets union

Deutsches Aktieninstitut Autumn Reception
Representation office of Hesse, Rue Montoyer 21, Brussels
13 November 2014, 13:10

Guten Tag, meine Damen und Herren.

Und vielen Dank Herr Weinmeister.

... Ich freue mich sehr, heute hier zu sein. Ich begrüße auch den Vize-Vorsitzenden des ECON-Ausschusses, Herrn Kollegen Ferber.

... And I'm pleased to have the chance to introduce myself to some of the people on whom we most depend for European growth and jobs.

Many of you represent very large businesses. The business I set up and ran before coming into politics was only small. But like you I had to raise capital, deal with regulation and take risks. And like you, I know that it is businesses, not governments, which are the real creators of jobs.

I am sure we would all agree that the greatest challenge we face in Europe today is the lack of growth and jobs.

Recent history has shown that weak regulation is a threat to financial stability. But today we have another threat to financial stability – lack of growth. That is why I want us to examine whether we have always struck the right balance between managing risk and encouraging

growth. We may find gaps and we should always be alert to new risks that may emerge. But equally if experience suggests that we have gone too far the other way, we shouldn't be afraid to act. And I think we should look in particular at the cumulative effect of legislation. In short, I will approach my job through the prism of growth and jobs.

I also believe that businesses need regulatory certainty so that they can plan ahead. I want them to spend their time thinking about how to innovate, how to invest, how to improve services for consumers, not stuck in endless meetings with lawyers talking about compliance, and how to exploit any loopholes in the rules. I want to hear from you if you think we are not getting things right. We may not agree with you, but regulators and politicians should not try to regulate in an ivory tower cut off from the market place.

I also want you to give us your views as we work to create a, well-regulated and liquid **Capital Markets Union** – a classic single market project for all 28 EU Member States.

We need investors who are well-protected and have the confidence to invest in the future of our economy.

To attract investment from all over the world.

And to create an environment in which capital can flow to where it is most needed and can be most productive.

For this to happen, we need to overcome the **obstacles** that are currently fragmenting the market for capital in the EU. My approach will be a pragmatic one. I want to start by carrying out a thorough economic analysis of the problems and then work out how to tackle them.

To help us in our thinking, I am going to launch a Green Paper, a **consultation** on the Capital Markets Union within a month or two. I hope every member state will respond to it, and I hope market practitioners, like many of you, will do so, too.

But while this is going on, we can crack on and take some more **immediate steps**.

The first of these is our proposal for European Long Term Investment Funds. I hope that the co-legislators will be able to adopt this legislation by the end of the month. This will help us to attract money into long term infrastructure projects in, for example, energy or transport.

Second, I will be looking to develop an EU framework for high-quality securitisation.

Third, I want to examine how we treat covered bonds in our legislation and carry out a global comparison of private placement markets.

And longer term, we need to think about how to give greater access to SME credit information.

I will develop an action plan by the summer of next year. That will be our roadmap for an ambitious Capital Markets Union, which will be in all our interests, including, I hope Germany. I am looking forward to working with you and going to Berlin in two weeks time and Frankfurt and further afield in due course. I hope that, as Commissioner, I can play my part in making sure that the financial wiring works in the interest of the whole economy. If I can do that, I will make a small contribution to what you do best – running your business, employing people, competing and, I hope, continuing to thrive and prosper.

Thank you.

[747 words/ 5 minutes]