

Pierre Gramegna at Eurogroup, February 2024

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Press conferences

Remarks by ESM Managing Director Pierre Gramegna Press conference following the Eurogroup meeting Ghent, 23 February 2024

I would like to start by echoing what the three previous speakers said in terms of welcoming the hospitality that we have received here in Ghent. And the reason why I kept my scarf on, which Minister Vincent Van Peteghem gave me, is not because it's a bit cold in here, but because I thought it's a nice symbol of the atmosphere that should reign on a football pitch, which is fair play. And I think fair play is also useful at European Union level. And this fair play has helped us to have a good, frank, and useful discussion today on capital markets union.

This is also due to the fact that the preparation that the President of the Eurogroup and his team has done, and the Eurogroup Working Group (EWG) under the helm of Tuomas [Saarenheimo], who was just renewed, was excellent, because I think we have a holistic discussion and everything's on the table.

We at the ESM share the view that it is urgent to act on the capital markets union, and we fully support this effort. Europe needs a more integrated, deep, and liquid capital market. The European one is four times smaller than the one of the United States. And this has also an impact on our competitiveness and our strategic autonomy. So I have underlined how important it is that we have more money available for green and digital investments, which is an absolute priority.

But there are also lots of other priorities, including defence. I'm not going to give you additional numbers because the ones that Christine Lagarde has mentioned in the meeting tell the whole story. I would like to say that on the very tricky topics that are about harmonising national corporate insolvency frameworks, or on another tricky one, which is the common European approach to capital markets supervision, we should also see what we have done in the past in the banking union. We have achieved a lot in the Single Supervisory Mechanism and we can learn lessons from it. I underline that. So, yes, it is difficult to agree on all of this, but we have had a good example in the past that can inspire us.

I mentioned the capital market of the United States is four times bigger than ours. You could also see that the US pension fund assets stand at a level that is six times higher than what we have in Europe. So there's an area where we should and must develop new products for the benefit of our citizens, but also for the benefit of our economies.

And last but not least, if we succeed in having a capital markets union, we will spur growth in the European Union. And spurring growth is the best way to comply with the upcoming Stability and Growth Pact on which we have agreed recently, where there's a trilogue agreement. So Europe has delivered on this and the capital market union can build on this new Stability and Growth Pact.

Response to question on whether the euro area finance ministers should consider using the ESM's firepower to support Europe's defence capabilities

Thank you for the question; it is a quite logical one. It is obvious that geopolitical tensions and the war in Ukraine have triggered discussions about security and defence, which will necessitate huge investments and also increases to a certain extent financial risks for the countries of the Eurozone. So this is obviously not only on my radar but is on the radar of the 20 countries I have visited - ESM Member States - over the last year and quite a few have asked in which way the ESM could eventually play a role in that and I've taken all those ideas with me and I'm now liaising with all the countries to see in which way the ESM could play a role.

This being said, we are there to help the countries of the euro area individually. This is what is in our mandate. We're there to protect them and to support them when needed.

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