**FOR IMMEDIATE RELEASE**

# "Relevant players" in the long term capital market excluded from the policy debate?

## (EU Conference on the Capital Markets Union in Brussels, 6 November 2014)

**Brussels, 31 October 2014** – Better Finance, the European Federation of Financial Services Users, notes with concern that the panel on "*relevant players in the market for long term capital*" at the upcoming Conference by the European Commission and the Italian Presidency on the Capital Market Union, does not include any representatives of individual investors, although they are explicitly (and rightly) identified as **one of the three key players** in the conference programme.

Furthermore, asserting that the liquidity preferences of "retail" investors as being "*orientated to the shorter term"* is quite questionable, as currently more than 60% of EU households' financial assets are invested in long term products[1]. The Commission itself acknowledges that *"households are the main source of funds to finance investment"*.[2]

Of additional concern is the fact that financial repression is alluded to - if not explicitly mentioned - as the tool of choice to "incentivize" individual savers to invest on a long-term basis[3]. This is certainly a "stick" and not a "carrot", and shows complete disregard for the on-going destruction of the real value of the European citizen's savings, caused by financial repression and often excessive intermediary fees[4].

Last but not least, labelling people who "save" as "*retail*" investors instead of "*individual*" ones, demonstrates that EU savers are considered more as marketing targets for the financial industry rather than responsible citizens.

Better Finance published detailed research, provided analysis and developed proposals for long term savings of EU households to better serve the real economy, and would not mind getting involved in this crucial debate for European growth and jobs.

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[1] Pension funds & life insurance (32%), shares (17%), bonds (5%), and mutual funds (7%) (source : ECB, ESMA)
[2] Green Paper on the long-term financing of the European economy; European Commission; March 2013:
[3] « *with very low interest rates, retail investors may have the incentive to adjust their liquidity preferences* »
[4] See for example the 2014 Better Finance research report « Pension Savings : The Real Return »

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