

PRESS RELEASE – UNDER EMBARGO UNTILL 27 SEPTEMBER 2016, 16h00 CET

TO SUCCEED, THE CMU NOW NEEDS TO FOCUS ON MORE TRANSPARENCY AND BETTER RETURNS FOR EU SAVERS, AND ON REVIVING AN EQUITY CULTURE.

27 September 2016 –Launched in 2015, the Capital Markets Union (CMU) is a plan by the European Commission to mobilise capital in Europe, with the aim of unlocking billions of euros in additional funding for businesses across Europe and help wean the economy off its damaging over-reliance on bank-lending.

As stated by the European Commission itself, the CMU aims to *“strengthen the link between savings and growth”*. Since *“households are the principal net savers in the economy”* the CMU project looks to *“boost retail investments into capital markets and enhance individual confidence”*. In order for the CMU initiative to work for individual savers and investors and attract them back into capital markets, it rightly wants to *“provide ... better returns for savers and investors”*.

So, one year into the project, how is the CMU faring for EU citizens as savers? Today Better Finance presented its CMU Barometer® in order for citizens to track its progress. One year after the launch of the CMU Action Plan, and almost sixty years after the Treaty of Rome, key indicators that track the performance of the CMU Action Plan show some progress, but so far any real “boost” of retail investments into capital markets has failed to materialise. The Barometer points to:

- the need to do more to improve the transparency of the performance and fees of packaged retail investment products;
- the lack of a level-playing field for equities, non-financial bonds and low-cost Exchange-traded funds (ETFs) versus more packaged and fee-laden investment products, not only at the retail point of sale, but also in the communication by politicians and by Public Authorities.

With this in mind, Guillaume Prache, managing director of Better Finance, quoted Professor John Kay: *“We need a simpler world ... in which short chains of intermediaries provide more direct links between savers and the assets in which their funds are deployed.”*

Contact information:

Chief Communications Officer
Phone
Email

Arnaud Houdmont
0032 (0)2 514 37 77
houdmont@betterfinance.eu