GROWTH AND COMPETITIVENESS CHALLENGES AND PRIORITIES IN THE EU

MARIO NAVA
Director General – DG Employment, Social Affairs and Inclusion, European Commission

Union of Skills for a competitive Europe

Skills have become a buzzword at European level, and for good reasons. The word 'skills' is part of the portfolio of the Commission's Executive Vice-President for 'Social Rights and Skills, Quality Jobs and Preparedness', Roxana Mînzatu. This is not surprising. On the one hand, the skills of the workforce have been a major concern for the European Union since its very beginning. The 1957 Treaty called for a common vocational training policy and established the European Social Fund to support Member States in their efforts to ensure their workforce had skills adapted to technological progress.

On the other hand, many things have changed since then, and technology most of all. The year before, in 1956, a handful of researchers joined the Dartmouth workshop, often cited as the foundation of artificial intelligence (AI). Today, AI is part of our daily work and life – and we are not sufficiently prepared. This is also one reason why the word 'preparedness' is included in the portfolio of Executive Vice-President Mînzatu, along with skills: preparedness is a condition that we need, and more specifically in relation to skills. Skills shortages and gaps, insufficient transformation speed, and fragmented and inefficient governance are hampering the EU's competitiveness, as underlined by the Draghi, Letta and Niinistö reports.

The Draghi report is very clear: to achieve competitiveness, we need to close the innovation gap, which requires closing the skills gaps. This is why the Commission launched the Union of Skills on 5 March 2025. It responds to the challenge with a step change in skills policy. Together with its Communication on the Union of Skills, the Commission also adopted its first deliverables – an Action Plan on basic skills, which are deteriorating for both pupils and adults according to latest PISA and PIAAC results, and a Strategic Education Plan focusing on science, technology, engineering and mathematics (STEM) skills, which are crucial for a competitive economy in the age of AI and climate change.

The Union of Skills does not start from scratch; it builds upon the European Skills Agenda, which already in 2020 had called for a skills revolution, and the European Year of Skills with its 2100 events organized throughout Europe. The Union of Skills includes new actions, like the two plans mentioned above, which bring forward and reinforce successful initiatives already ongoing.

One such example is the Pact for Skills, which mobilises public and private cooperation, bringing together in its 20 large-scale partnerships companies, unions, authorities and education and training providers, and more. Until the end of 2023, Pact members had upskilled more than 3.5 million workers, with a private investment of €310 million. This is the necessary level of investment, and this kind of partnership is the right approach.

Europe also heavily invests in education and skills: between 2021 and 2027, it spends over €150 billion – through the European Social Fund Plus, the Recovery and Resilience Facility, Erasmus+ and more – to support people, businesses, education institutions and others to develop the education and skills needed for a thriving, competitive European economy. But the EU budget is only one part of the picture. Given the scale of the challenge – and the reward in terms of competitiveness, prosperity and resilience – it is crucial to leverage financing and initiatives beyond EU funds in both the public and private sector. In 2022, general government expenditure on all levels of education was 4.7% of GDP (EU average) with 0.1 spent on adult learning.

Europe needs a skills revolution to be competitive and fair in the age of AI and climate change.

Education and training, both initial and continuing, are an investment – not a cost – which yields returns many times over. First, investing in a workforce with the right skills enables people to obtain and retain quality jobs. Second, this means investing in the EU's competitiveness, preparedness and resilience, in its economic growth, which are necessary to safeguard the European social model, European values and democracy. This is the aim of the Union of Skills – empowering people, companies and ultimately contributing to a competitive, fair and democratic European Union.

ALFRED KAMMER
Director, European Department – International Monetary Fund (IMF)

Protecting Europe's prosperity

Domestic and global forces are putting Europe's prosperity in peril. While the recovery continues, medium-term growth remains weak. Even more concerning, new shockwaves from volatile trade policies and geopolitical upheavals threaten a deeper slowdown. Left unaddressed, these risks could weaken labor markets, further drag down already sluggish productivity growth, and threaten the sustainability of Europe's health, pension, and welfare systems. As defense and other expenditure pressures rise, maintaining debt sustainability will become critical[1].

The good news: Europe has what it takes to tackle these challenges. Over 30 years ago, the launch of the Single Market revitalized Europe's sclerotic growth, delivering impressive early results. Two decades later, Europe came together to confront the euro-area crisis. And more recently, Europe's policymakers navigated inflation pressures in the wake of Russia's invasion of Ukraine just as they had managed the pandemic. Much has gone right. Price stability has largely been restored, and labor markets have remained resilient despite shocks to supply chains and input prices. But one challenge remains unsolved: reversing Europe's decline in potential growth.

Unlocking higher growth will come from adding scale in the Single Market, and bold national reforms. History offers a roadmap: through a combination of expanding the Single Market and national reforms, the EU's last expansion wave boosted GDP by 30 percentage points over 15 years in accession countries versus peers and by 10 percentage points in old EU members[2].

A deeper Single Market would also make Europe more resilient. Completing the Capital Markets and Banking Unions would spur innovation by unlocking risk capital for start-ups and upscaling. Strengthening cross-border financial integration would allow markets to absorb about 60 percent of national economic shocks, twice the current level.

Energy is another sector where deeper integration is essential. Wholesale prices for electricity doubled from pre-pandemic levels, imposing a lasting economic toll. IMF simulations suggest that energy price shocks since 2021 could shave off around one percentage point of euro area potential output by 2027, equating to a nearly 200 billion euros loss annually[3]. Reform priorities include accelerated renewables adoption and other low-carbon technologies to cut costs and reduce external dependency, alongside building a more integrated electricity system to balance supply and demand across countries and reduce `level playing field for businesses and remove a major barrier to scaling up.

Lowering internal trade barriers, especially in services, is another priority. IMF estimates[4] suggest that different national regulations segment markets and act as a 110 percent tariff—stifling innovation. Lowering intra-EU trade barriers for goods and services to US levels could boost productivity by nearly 7 percentage points, reducing one-third of the current gap to the US.

However, EU level reforms alone will not be enough—national reforms must match regional ambitions. A forthcoming IMF study finds that domestic structural policy gaps in labor markets and human capital, business regulation, innovation, and capital markets weigh heavily on growth. Labor market reform is the most pressing reform priority: a better trained workforce and more market flexibility are key to lifting productivity and seizing new technological opportunities. Most advanced European economies would also benefit from simplifying or harmonizing product market regulations, deepening capital markets that improve access for startups or small firms and implementing innovation and digitalization policies. And better governance—from strengthening the rule of law to reducing corruption—would amplify the impact of reforms, particularly in CESEE countries.

Europe's prosperity is under threat, but history shows Europe's ability to overcome challenges. A stronger Single Market, reinforced by decisive national reforms, offers not just higher growth, but also greater resilience and stability—a necessity in an era of high uncertainty.

This article was co-authored by Burcu Hacibedel (IMF).

1. *Long-Term Spending Pressures in Europe, IMF Departmental Paper March 2025.*
2. *Regional Economic Outlook for Europe, October 2024: A Recovery Short of Europe's Full Potential December 2024.*
3. *Integrating the EU Energy Market to Foster Growth and Resilience, Alfred Kammer, IMF, Remarks for EFC on January 13, 2025.*
4. *Regional Economic Outlook for Europe, October 2024: A Recovery Short of Europe's Full Potential November 2024.*

AXEL A. WEBER

President, Center for Financial Studies – Goethe University Frankfurt

Boosting productive investment in the EU: Policy priorities & structural reforms

The European Union (EU) faces significant challenges in fostering productive investment amidst the backdrop of high budget deficits and debt. While the economic response to the pandemic crisis focussed on ultra easy fiscal and monetary policy to stimulate demand and support the economic recovery, the long-term efficacy of such policies in driving sustainable growth and innovation must be questioned. What is needed now is re-focussing on structural reforms, boosting productivity and regaining competitiveness to secure long-term growth by targeted private and public investment strategies. This requires deeper and broader EU financial markets to facilitate better access to growth capital. To enhance private investment, Europe needs to channel EU savings into the most productive EU sectors/firms.

The key to increasing private investment in Europe is to improve the regulatory framework. A more business-friendly regulatory environment is essential to encourage private investment. The EU should focus on reducing bureaucratic barriers, streamlining regulatory requirements, and ensuring legal certainty for investors. Key measures include simplifying administrative procedures for starting and running businesses, particularly for SMEs. In addition, reducing regulatory fragmentation by harmonizing rules across Member States, which would facilitate more cross-border investments.

The EU also needs to strengthen its capital markets and broaden the range of investment instruments. Efficient financial markets play a crucial role in channelling savings into productive investment. The EU should therefore accelerate the Capital Markets Union (CMU) to improve access to finance for businesses and startups. It must encourage venture capital and private equity investment in the most innovative sectors and develop green and digital finance instruments to support sustainable and technology-driven growth.

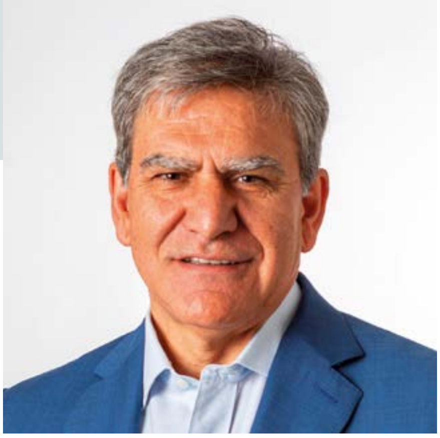
Enhancing infrastructure investment will help boost economic competitiveness and attract private capital. The EU and Member States should increase public-private partnerships (PPPs) to leverage private sector expertise and funding. The focus should be on digital and energy infrastructure, including 5G networks, smart grids, and renewable energy projects. Ensuring that public funds are allocated effectively can maximize their impact on economic growth. This requires shifting expenditures towards productive investment, such as education, infrastructure, and technology.

Innovation is a key driver of long-term growth and competitiveness. The EU should increase investment in Horizon Europe, the EU's flagship R&D program. Fostering the collaboration between universities, research institutions, and businesses helps accelerate commercialization of new technologies. Providing tax incentives and grants for R&D-intensive industries would help to attract investment in high-tech sectors. A skilled workforce is also critical for innovation. The EU must strengthen visa and immigration policies to attract top global talent. The focus must be on fostering a more talent-friendly environment.

To better mobilize European savings, policymakers should provide incentives to expand pension fund participation in infrastructure and green projects. This needs to be supported by creating investment-friendly tax policies to incentivize household to invest their savings into productive assets. Increasing access to growth capital should be another priority. The EU should equally promote traditional and innovative finance such as venture capital, private equity/debt/credit markets and scale-up financing mechanisms to address funding gaps in later-stage investment rounds. Attracting institutional investors by reducing regulatory barriers to private equity and venture capital is key to the success of such initiatives.

> The EU needs structural reforms, boosting productivity and regaining competitiveness.

The European Investment Bank (EIB) should act as a catalyst for private investment by expanding its risk-sharing instruments to reduce investment uncertainties. It could also scale up its guarantees for high-risk, high-potential projects in emerging industries. To attract high-growth scale-ups, the EU should develop European tech hubs modelled after Silicon Valley, where startups can access funding, expertise, and networking opportunities. Encouraging more public-private collaboration could create sector-specific centres of excellence in AI, biotechnology, and clean energy.



JOSÉ ANTONIO ÁLVAREZ
Vice Chair – Santander

Try, and do something

At a time when different jurisdictions are rapidly advancing, Europe cannot afford to remain on the sidelines. Europe's savings and capital should be working to fuel European innovation, scale up companies, and finance critical infrastructure. I'm glad to see the EU's recent reactions, but let's not forget the Draghi report estimates Europe needs an additional €800 billion in annual investment to regain economic strength.

Capital markets in Europe remain deeply fragmented. This fragmentation is limiting Europe's ability to scale up innovation and compete globally. Within over 500 venues, the market capitalization of listed companies in Europe is only around 50% of GDP, compared to about 170% in the US. The EU is home to just 10% of global IPOs. The fundamental issue remains: Europe lacks an integrated, competitive capital market.

A major opportunity lies in mobilizing private capital. However, instead of investing in European opportunities, around €300 billion of European savings flows into US markets each year.

Furthermore, we need to strengthen long-term investments, mainly equity. On the one hand, there is an urgent need to create incentives that encourage retail participation in European capital markets. We need tax incentives related to capital gains and dividends. On the other hand, we need to review the regulatory framework for insurers, pension funds and banks to foster such long-term investments.

For Europe to compete, the CMU must evolve into a true Savings and Investments Union (SIU). A key issue is the lack of regulatory harmonization across the EU. Post-crisis reforms made the banking sector more resilient, but in doing so, they created a system that is overly complex and excessively risk averse.

This is why the EU should focus on the following issues:

First, EU regulation and supervision being a barrier. To fully harness banks' potential, it is time for targeted and tailored refinement of the regulatory and supervisory approaches, that should focus on the sector's ability to finance growth, in parallel with continuing to deliver on financial stability. A good example is securitization, which will be reviewed by the European Commission. Reducing capital and liquidity requirements for banks, and for insurers as investors, along with simplifying transparency and due diligence requirements, would help revitalize this critical funding channel.

Second, financial stability remains a core pillar of any investment strategy, and this is where Europe's Banking Union must be strengthened. The lack of a European Deposit Insurance Scheme (EDIS) remains one of the most significant sources of fragmentation in the financial system. Without a mutualized safety net, depositors and investors perceive risks differently across Member States, leading to inefficiencies in capital allocation. Completing the Banking Union with a robust EDIS and a liquidity-in-resolution framework would reinforce financial stability and enhance market confidence. It is positive that it will be included under the SIU.

Finally, Europe must also recognize many European banks, and companies, operate in third countries with distinct economic and regulatory environments. But European regulations often fail to account for these differences, imposing unnecessary constraints on banks operating abroad. Local regulations that align with Basel standards should be respected, ensuring that European banks remain competitive in global markets.

Europe must cut red tape, unify markets, and unlock capital to drive growth.

I remain optimistic and hopeful, but Europe needs a bold, comprehensive strategy to strengthen its financial markets, mobilize private capital, and create a more dynamic investment ecosystem. This means reducing regulatory fragmentation, easing market access, and fostering an environment where innovation and investment can thrive. A well-functioning SIU, supported by a competitive Banking Union and a revitalized securitization market, would provide the foundation for long-term growth.

If Europe wants to remain a place where companies can scale, where savers see real opportunities, and where financial markets support economic dynamism, policymakers must act decisively. The EU has the capital, the talent, and the potential to compete on the global stage. What it needs now is the political will to remove barriers and build a financial system that truly works for growth.

ALFRED KAMMER
Director, European Department –
International Monetary Fund (IMF)

Navigating Europe's growth challenge: The role of a Savings and Investments Union

The global economic landscape is shifting rapidly—driven in part by rising geopolitical and geoeconomic tensions—posing critical challenges for Europe. Trade and capital flows are being reshaped by trade restrictions and industrial policies, while uncertainty over economic direction weighs heavily on business sentiment and consumer confidence. These pressures exacerbate Europe's fragile cyclical position. Coupled with weak productivity growth and demographic shifts, these forces threaten to further erode Europe's medium-term economic prospects.

Europe has overcome profound challenges before. With the right mix of macroeconomic policies and structural reforms, it can do so again, unlocking productivity and reigniting growth. Expanding the current network of free trade agreements with broad geographical coverage would enhance supply chain stability and diversification. Internally, a deeper and more robust single market—with a streamlined regulatory environment, greater labor mobility, and an integrated energy market—would help eliminate "real barriers." These measures would increase private sector demand for risk capital, fueling innovation and upscaling.

Eliminating "finance-related" barriers to upscaling through a well-functioning Savings and Investments Union (SIU) would be indispensable for boosting productivity. Capital markets in the EU remain highly fragmented, and, as a result, shallow. Moreover, private pension funds and insurance companies in the EU manage only around $11.9 trillion in assets—just a fraction of the $42.5 trillion held in the US (Arnold et al. 2024). The lack of long-term capital hurts EU scale-ups. Despite Europe's vast savings and financial integration in global markets, investment levels remain insufficient, and capital allocation remains inefficient—constrained by national silos. This fragmentation further limits private cross-border risk sharing and compounds the problem: capital markets in the US smooth consumption across states at four times the rate seen in the EU (Bhatia et al. 2019). A more integrated SIU—creating deeper and larger capital markets—would address these inefficiencies. Channeling savings into risk capital would help start-ups and upscaling of larger firms, while ensuring financial futures for households. Furthermore, it would strengthen the financial ecosystem, making it more resilient to economic shocks.

A SIU delivers broad-based benefits

For start-ups, especially those with hard-to-collateralize intangible assets—the SIU would broaden access to financing and improve exit strategies via public equity markets. Between 2013-23, annual venture capital financing in the EU averaged only 0.2 percent of GDP, far below the US average of 0.7 percent of GDP (Arnold et al. 2024). Better access to finance and lower capital costs would enable start-ups to invest, scale up, and push the technological frontier.

For EU households, the SIU would create new investment opportunities. Currently, one-third of household financial assets are held in cash and deposits, limiting the long-term capital for scaling up businesses. Meanwhile, EU retail investors pay 60 percent higher fees when investing in mutual funds than their US counterparts (ESMA 2023). Reducing transaction costs and incentivizing households to shift assets from deposits to capital markets would fuel innovative scale-ups, while improving household returns, thereby delivering more secure future finances.

For individual economies in the EU, stronger risk sharing and a larger capital pool would foster innovation and technology diffusion. With more diversified EU-wide equity portfolios, households could smooth consumption through the business cycle. As different investments perform differently across regions and sectors, portfolio diversification by stabilizing returns and thus helping maintain consumption would absorb localized downturns and reinforce the economic resilience of the EU economy.

Eliminating "finance-related" barriers to upscaling would be indispensable for boosting productivity.

Unlocking the SIU's full potential

To maximize the SIU's impact, targeted policy action is needed. First, cross-border capital allocation must become more efficient through deeper financial integration. Second, more funding needs to be enabled for early-stage, risky projects. Third, Europe must expand its pool of long-term capital and increase retail investment.

Navigating today's economic and geopolitical challenges demands a strategic response. By strengthening trade agreements, diversifying supply chains, deepening the single market and driving innovation, Europe can counteract mounting external pressures. At the same time, an integrated and larger capital market that supplies risk capital—anchored by the SIU—offers a vital pathway to higher productivity, resilient financial markets, and sustained long-term economic growth.

This article was co-authored by Alexandra Fotiou (IMF).

STÉPHANE BOUJNAH
Chief Executive Officer and Chairman of the Managing Board – Euronext

Europe: The time to act is now

Europe is facing unprecedented geopolitical challenges. The competitiveness gap between Europe and the US is widening. The US benefits from higher liquidity, fewer regulatory constraints and better-integrated financial markets, while Europe struggles with fragmentation and sluggish rulemaking. If Europe is to secure its economic future and maintain prosperity, a fundamental reboot is needed.

First, Europe must speed up decision-making. The slow pace of its legislative and decision-making processes is a critical challenge. The Draghi report points out that it takes 19 months on average in the EU to pass a new law – a worryingly lengthy timeframe that, in practice, can be even longer. This sluggishness hampers Europe's ability to respond effectively to economic and financial developments. The urgency and radical nature of current challenges demand a profound acceleration of decision making.

Second, size does matter. Since the great financial crisis of 2007-2012, US financial institutions have expanded their presence and investments in the EU, while European counterparts lag due to uneven regulatory conditions. Europe's financial institutions, particularly market infrastructures, must grow and support the real economy. The EU regulatory framework must facilitate growth and financing of European projects rather than stifle it.

Third, barriers to equity investment in Europe must be removed to ensure that European companies can access European capital and provide European investors with attractive returns. Retail participation in equity markets in the EU is too low despite high savings rates. Unlike in the US, where proactive equity investment is needed to ensure longer-term financial security, many European still rely heavily on state-backed pensions and sovereign bonds, often with tax incentives. Governments must rethink how European savings are transformed into investment. Pension tax incentives and more accessible investment accounts will be a game-changer.

The compliance burden and excessive risk aversion deter retail investors. Stronger incentives are needed. Conversations over dinner should shift from comparing the interest rates of savings accounts to managing equity portfolios. We need to reset the balance and give accountability for their financial future back to our citizens.

Fourth, we must not be held back by obsolete prudential ratios. Once relevant to address the great financial crisis between 2007 and 2012, prudential ratios are now only self-inflected wounds undermining the level of risk in portfolios. Revisiting these constraints, especially at a time when the US is walking away from them, will allow us to build large investment and asset management players and to enlarge the size, liquidity and strength of European capital markets.

Fifth, we must accelerate unification of the European regulatory framework. Europe's financial markets suffer from excessive fragmentation, making cross-border investments and liquidity management unnecessarily complex. Despite progress made towards a more unified regulatory approach, the current European rulebook still falls short in addressing these challenges. The divergent national implementations of EU directives create multiple interpretations across the EU and inefficient gold plating. We must have the same rules and a single way of applying them across Europe.

This is why a true level playing field requires the establishment of ESMA as the single supervisor for market infrastructures and asset managers that have cross-border operations. Cross-border financial market infrastructures cannot function effectively under the oversight of multiple supervisors. A reformed ESMA can take on the role of ensuring consistent and scalable pan-European supervision and fostering a genuinely deep liquidity pool and integrated European market players.

If Europe is to secure its economic future and maintain prosperity, a fundamental reboot is needed.

For the Savings and Investments Union to succeed, Europe must embrace three essential principles: simplification, speed, and bottom-up initiatives from willing partners. Applying these principles will reduce bureaucratic and reporting inefficiencies, enable swift responses to economic and geopolitical challenges, and drive shortcuts to help deliver real change.

This is why Euronext has launched a single European Equity listing prospectus, to go live in the second quarter of 2025. This European S1 will contribute to the necessary integration of European listing markets.

If Europe fails to act decisively in the months to come, the future of its economy and its collective prosperity will increasingly be dictated by others. The time for hesitation, resignation and the replication of obsolete processes has passed. The time to act is now.

PHILIPPE SETBON
Chief Executive Officer – Natixis Investment Managers

Unlocking Europe's investment potential

In the shifting geostrategic context, leveraging the transformative power of European capital markets is essential for reinvesting savings into investments in Europe and addressing the sustainable, digital, demographic, and security transitions, as highlighted by Enrico Letta and Mario Draghi.

The first axis involves broadening investment opportunities for European businesses and infrastructure projects.

An EU "label" or "brand" for long-term investment accounts (including Italy's PIR, France's PER or PEA, potentially Sweden's ISK…), accompanied by tax incentives should be considered. Investors would still have the freedom to invest globally, which should appease the fears about retail investors being "locked in in lower returns for 20 years". However, to benefit from tax incentives, a significant portion must be invested in EU businesses and infrastructures, including debt and equity, public or private, which are the backbone of our territories and job markets, thereby creating a virtuous circle. The creation of a European benchmark, covering all Member States, could help. Embracing a European preference will strengthen our negotiating position in an increasingly transactional world, where other key jurisdictions benefit from national home bias. Conversely, pursuing low-cost products would be misguided, as funding SMEs or sustainable infrastructure is not low-cost and there is no justification for the EU to subsidize the ongoing outflow of European savings to finance US innovation.

Simplifying access to investment could also help, but this requires clarifying what an EU simple "product" entails. The creation of new fund vehicles does not seem necessary, as Europe already offers gold standard investment products, such as UCITS and AIFs. Instead, European Semester recommendations could encourage Member States to adopt simple, large and flexible accounts, inspired by Sweden's ISK, which has boosted retail capital market over the last decade. To ensure market demand, these accounts should not be limited to equity but should facilitate a diversified range of investments—including bonds, equities, funds shares, UCITS and ELTIFs, along with a portion of private assets—while providing streamlined tax treatments to create incentives for retail investors and encourage risk-taking.

In the meantime, we must eliminate national biases that limit scale within the EU, to strategically leverage the power of an integrated market as "a base camp" in global economy. EU-headquartered asset managers in particular play a pivotal role, investing substantially more than their non-EU counterparts in EU economies, leveraging local expertise. Furthermore, investments in the EU's sustainable transition could also be positively incentivized, while reviewing certain prudential requirements and the securitization framework would unlock more investment opportunities across Europe. Integrating post-trade infrastructure, including through DLT as the Noyer report suggests, can provide a competitive edge, improving market efficiency and reducing costs for investors.

We also believe the creation of colleges of supervisors dedicated to pan-EU asset managers – including national supervisors and ESMA- would foster a more integrated and consistent regulatory framework. However, a paradigm shift in regulatory philosophy is needed by integrating within ESMA's mandate the objective of "competitiveness and medium to long-term growth of the European economy, including of the EU financial sector", as the US, UK, Japan, Singapore or Hong-Kong.

Tax incentives should only be granted to products that significantly invest in Europe.

Lastly, the main reason capital markets are predominantly retail in the US but remain institutional in Europe relates to retirement funding mechanisms. Developing 2nd and 3rd pillars, combined with autoenrollment and tax incentives, could be a game changer to democratize investment. However, diverse collective preferences exist among European Member States, often characterized by large 1st pillars that are not always fully funded or aligned with life expectancy. A European blueprint with a matrix illustrating how different options could meet the needs of Member States could be developed. To nudge investors into action, pension dashboards clarifying pensions gaps, as well as auto-enrollment in trusted default options would be beneficial. This approach would foster an investment culture, recognizing that investment and long-term growth inherently involve risks. Risks should not be entirely avoided but rather properly identified and mitigated. This is the role of asset managers: professionally manage risks though pooled investment to respond to the needs of institutional and retail investors, and by doing so, fund the economy.