



## Andrzej Domański

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### Opening remarks

Ladies and gentlemen, it is my great pleasure to open the Eurofi conference. Each Presidency of the Council offers a unique opportunity for financial market participants, regulators and policy makers to come together to exchange ideas. This time we meet in Warsaw, a city of remarkable transformation and a symbol of Europe's resilience and ambition. We gather today against the backdrop of significant political, economic and security pressures. In particular, the recent escalation of trade measures by the US has brought renewed uncertainty into global markets and volatility not seen since the dark Covid days. We see equity markets plummeting, oil and copper prices falling, investment banks cutting their GDP forecasts and, recently, yields on US Treasuries rising. This is deeply concerning. Let's be clear: Europe did not start this.

Having said that, Europe is prepared for a well-thought response that will serve European citizens and European companies. We must respond with unity and ambition, but let me say that, in these challenging times, we do need to focus on Europe itself. Above all, we must focus on strengthening our competitiveness and ensuring our collective security, because we must navigate the global volatility while maintaining our focus on growth and security. We must not let the challenge hinder Europe's ambitions. Free trade is much more than an economic principle. It is a path to opportunity, innovation and lasting prosperity. Let us never

forget that free trade brought billions of people out of poverty.

Poland stands as an excellent example of the benefits of joining the EU and opening to free trade. Since joining the European Union in 2004, our GDP more than doubled and our share in intra-EU exports almost tripled. Today, Poland is once again at the forefront of European growth. In 2024, our economy expanded by almost 3%. This year, we expect GDP to grow by close to 4%. This performance is no coincidence. We are fostering a robust business culture, encouraging private investment and strengthening Polish competitiveness.

Yet this progress comes at a time of growing global volatility. A renewed wave of protectionism, fragile global supply chains and the risk of trade wars threaten the stability we built together. These external risks are intensified by internal challenges, from demographic shifts and defence imperatives to the pressing demands of digital and energy transformation. Together, they require bold and united action.

Ladies and gentlemen, we meet, I strongly believe, at a very pivotal moment. Europe has experienced a political awakening in previous months. Now, an economic awakening is beginning to emerge. We also see it in short-term indicators. In Poland, the PMI index once again scored above the 50-point barrier. This is the third month of improvement and the highest level in three years. Also, PMI data across the euro area has

improved. In Germany, Europe's largest economy, sentiment is rising. Now is the time to close the gap with the global competitors. Europe must seize this momentum to enhance its competitiveness, strategic autonomy and, crucially, its economic and geopolitical security.

Of course, needless to say, the evolving trade relationship between the EU and the United States, including higher tariffs, remains a major source of uncertainty for current forecasts. One of our key priorities should be mobilising capital for Europe's future growth. We all know that the problem is not lack of savings or capital among Europeans. The money is there. Europeans have saved nearly €10 trillion, much of it held in low-yield bank deposits. Yet companies across Europe, especially small and mid-caps, continue to face difficulties in accessing the financing they need due to fragmented and underdeveloped capital markets.

This affects the entire innovation pipeline. Early-stage firms and technology pioneers, including possible future unicorns, often struggle to secure the funding needed to scale up their R&D efforts. Too many of these companies prefer — and choose — to list in New York instead of Frankfurt, Paris, Milan or, even better, Warsaw. It is a shame. We must change course. We need to channel European savings into European ideas, into European R&D, into European future. That means building a genuine equity

culture across the continent and putting our capital to work — here, at home, in Europe.

Achieving this will require bold structural reforms at both the EU and member states' levels. Investment needs in the EU are estimated at up to €800 billion annually until 2030, reflecting rising demands in defence, the energy transition and, of course, innovation. Meeting these needs will require not only public financing but also greater mobilisation of both retail and institutional capital. Yet European capital markets continue to face several significant challenges that hinder their development and global competitiveness. A major issue is market fragmentation, stemming from divergent national regulations and supervisory practices, which create barriers to cross-border investment. This complexity discourages both investors and issuers, limiting the potential for scale and integration.

Thus, our Presidency fully supports the European Commission's initiative to establish a savings and investment union. This ambition offers a blueprint for building deep capital markets in member states. Deeper, efficient capital markets will unlock investment drive and empower citizens to invest in their future.

Ladies and gentlemen, we also need deeper capital-based pension systems and incentives for long-term savings that will be able to back innovative European companies. The development of second and third pillar pension systems will not only provide security for our citizens in retirement but also channel long-term capital into productive investments. Institutional investors, such as pension funds and insurers, should be given the tools and regulatory certainty they need to take a more active role in supporting equities and alternative asset classes. Retail investors must also feel confident in participating in capital markets. That means simplifying disclosure requirements, enhancing financial literacy and creating a digital-first, user-friendly investor environment.

We want to foster this true equity culture in Europe, one where citizens feel empowered to invest in our own future.

Proven structural and fiscal frameworks from the most advanced European capital markets, including those in the Nordic countries, can serve as a valuable model. We also need stronger private markets, underpinned by dynamic venture and private equity ecosystems. In Poland, we are moving forward with the so-called Innovate PL initiative, aimed at increasing the availability of both public and private capital for VC and private equity funds. This programme is based on the French experience, the so-called Tibi plan. In parallel, we must actively encourage the listing of high-growth firms on public markets and work to reduce the costs associated with going public. A vibrant IPO market signals confidence, and it is our shared responsibility to strengthen that confidence through coherent long-term policy.

We must not only mobilise capital. We also need to facilitate its flow and ensure its effective allocation. Today, overregulation is among the greatest barriers to Europe's competitiveness and resilience. We need simpler, more predictable rules and a regulatory environment that actively supports investments and entrepreneurship. Europe must become an economic superpower — not just a regulatory one. I am encouraged to see the first tangible results of our simplification agenda. We have secured agreement on the Stop the Clock proposals for sustainability reporting, advanced work on the Omnibus package, and placed competitiveness and simplification at the very heart of each ECOFIN agenda. We have also intensified work on the PSD3 package to ensure modern, secure and innovative payment services. Fighting financial fraud, especially social engineering scams, is a key part of that effort.

Ladies and gentlemen, with geopolitical landscape changes, I also believe that we need a truly European payment system. We

are making progress on the EU bank crisis and deposit insurance reform. Though complex, we have reached a balanced Council position that improves our ability to manage failing banks and protects taxpayers. Many thanks to my deputies for their hard work over those regulations. We also look forward to the Commission's proposal on securitisation, which — once published, hopefully very soon — should be treated as a priority for the Polish Presidency. That is a very important topic.

Ladies and gentlemen, Europe's future depends on our ability to think strategically, act decisively and stand united in the face of growing challenges. We must simplify, invest and safeguard what we have built together. Security is no longer a background issue. It is the foundation of prosperity. Economic growth, strong capital markets and a dynamic innovation ecosystem all rely on it. This is why, during the ECOFIN, we will allocate a lot of time to discuss how to finance growing defence needs in Europe. Europe must take more responsibility for its own security. The awakening time is now, and I am really glad that more and more European countries finally understand that it is on us to defend ourselves.

Our financial system is resilient, our institutional capability and our European community of 450 million citizens is ready to shape the next chapter of Europe's success. In today's interconnected world, Europe must take greater responsibility for shaping international economic stability. Let this conference serve not only as a forum for discussion, but also as a catalyst for resilience, investment and innovation. Let us remember that our priority is to uphold free and rules-based trade, along with European solidarity and unity.

While you are here, I hope you will take a moment to explore Warsaw: a magnificent city where history, progress and the European spirit meet, because the future of Europe will not be written for us. It will be written by us, together. Thank you.