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Safeguarding the EU financial, banking and monetary sovereignty

Good afternoon, ladies and gentlemen. It is a real pleasure to be here in Copenhagen this afternoon, a city known for its openness, innovation and strong European spirit. I remember the call for unity, for strength, for ambition, that resonated at Eurofi in Poland not so long ago. Yet when I look at the decisions taken over the past months, what I see is not a stronger Europe but one that risks weakening itself at a time when history demands the opposite. It is my understanding that Mario Draghi feels quite the same. I would have loved to stand here today and congratulate us all on finding a concrete solution to the Draghi report one year later and on advancing the Savings and Investment Union (SIU) in meaningful ways. Unfortunately, things have evolved quite differently.

On the one hand, last week in the European Parliament, we adopted the report for which I served as rapporteur and I am very proud of this achievement. However, I must admit to being not only disappointed but concerned about our broader path. For years, we have spoken about the urgent need to retain European funds that continue to flow to the US and about finding solutions to keep our money working for Europe rather than enriching our competitors. The numbers, as you know, are stunning. Nearly 300 billion flows out of the EU annually, mostly across the Atlantic. We have debated, we have crafted policy papers about stemming this financial exodus and then we

signed an agreement with the US for 600 billion of investment that we promised them, instead of doing anything we can to invest it in our own sustainable growth. We are serving European funds on a silver platter so I was wondering: do we really want Europe to succeed? By we, I mean all of us, public and private sector, policymakers and businesses. Are we more concerned by our own selfish and short-term interests rather than Europe's future? Are we already surrendered before the battle has even begun because if we continue down this path – speaking of sovereignty while at the same time handing over the keys to our financial independence – then perhaps we should save ourselves the trouble and simply rename it 'American Investment Union'.

There is another fascinating display of European cognitive dissonance: digital euro. Here we are, gathered among some of the finest financial minds in Europe, yet we find ourselves in the peculiar position of having, at least from the European Parliament side, no report on this crucial matter. We spend countless hours discussing digital finance, artificial intelligence, the imperative to be at the forefront of technology, to be on par with the digital revolution that will reshape our economies. Yet, when it comes to the digital euro, suddenly technology becomes the enemy. Innovation transforms overnight from saviour to threat. Let me be crystal clear about what refusing the digital euro actually means. It means we are depriving Europeans of choice,

of their freedom. We are telling our citizens that while they can choose between paying with their phone, their card or cash today, tomorrow we will limit their options because we are too timid to embrace our own monetary sovereignty.

Here is where the argument becomes truly surreal. Some people tell us they feel more threatened by their own central bank than by companies that live by increasing fees for banking card services. Think about that for a moment. Some are more concerned about a European public institution whose mandate is stability and whose governance is independent than about private entities whose primary concern is – legitimately, by the way – to maximise shareholder returns. Some argue that the digital euro threatens banks, conjuring spectres of bank runs and systemic risk. These are arguments to which not only the ECB but also the Commission have responded. As Mr Cipollone wisely noted during his last intervention in the ECON Committee, if we ever reach the point of bank runs, then the digital euro will be the least of our concerns. Moreover, the money that remains in circulation can be reinvested into euro balance sheets, helping avoid illiquidity rather than creating it.

Some argue that this solution should be developed by the private sector. I am not saying it should not. I recognise that you are working on it. I have finally observed new European solutions emerging. However, to be frank, I still struggle to understand why

the solution you aim to develop, if it ever comes to life, should be the priority. I have expressed this on previous occasions, but I believe we are losing sight of a crucial point. Implementing a digital euro is fundamentally a matter of monetary sovereignty. It is about preserving the delicate and long-standing balance between commercial money and central bank money. I wonder if the hesitation stems from a misunderstanding of the term 'digital euro'. This is not a new product. It is simply digital cash. Therefore, I urge you to act as a facilitator.

I warn now about simplification, which has become something of a sacred incantation in European policy circles. Yes, simplification is helpful and even desirable but we must be very careful not to confuse simplification with deregulation. Many say this, but very few actually mean it. It is not desirable to get rid of rules that have been constructed to protect our citizens and our markets, and let us be clear: simplification alone will not shield us from the geopolitical shocks we face, nor from the unpredictability of the Trump administration, nor from Chinese competition. At a time when our industries are under attack, we cannot afford to look elsewhere and fight the wrong battles. We cannot spend our time endlessly making and unmaking regulations. This is not governance. It is policy chaos. What markets need, what investors need, what citizens need, is predictability, consistency and rules that evolve mindfully,

carefully, rather than oscillating wildly based on the political trends of the moment.

One of today's roundtables concerns Basel III implementation. I hear the argument of the level playing field with which I disagree because underneath this argument, we surely imply the lowest common denominator. As such, we limit our power to make sovereign decisions. Ultimately, and looking notably at the report published by the IMF regarding the Financial Stability Assessment Programme, our banks are doing well. Our supervisors are doing an excellent job and this is great news. We can only commend the work and effort that has protected our economy from a financial crisis. However, the IMF also notes that adopting and implementing robust prudential standards should remain the primary focus of financial regulators and gaps with international standards should be addressed. To put it plainly, let us not dig our own grave.

To be frank, I believe this is where our true competitive advantage lies. After SVB and after Credit Suisse, we were proud that Europe was not affected by this turmoil because Europe is stable, also thanks to the framework we collectively put in place. If we truly want sovereignty, productivity and fairness for our citizens, we must invest in ourselves, embrace innovations such as digital euro and safeguard the stability that is our greatest strength. This choice is clear. Either we remain spectators of a future shaped elsewhere or we become the

author of our own collective destiny. Together, as public and private sector, we must rise to the same responsibility to shield our economy, protect our industries, defend our freedom and preserve the respect of private property. This is how we keep Europe strong, sovereign and free.

In April, I stood before you calling for financial sovereignty and a renewed form of European unity. I acknowledge that some part of the business community showed courage and responsibility. Yes, I also know that others, among them policymakers, did not, so I will again launch this call for European unity. You may think I am a naïve person and maybe I am but let me tell you something: it is far more than naïve to believe you can navigate alone, giving priority to your short-term interests, amid the aggressive policy of Donald Trump, Putin's war and China determining rights, so politics is back, not in the way we want it, for sure, but it is back and we must accept the world as it is. We must work together and be united so I am counting on your support for the euro, for the digital euro. Let me remind you of something, that one of the first decisions Donald Trump took is getting rid of the digital dollar, so please, think of where you want to stand. Thank you so much.