



Conversation with Jean Lemierre

Jean Lemierre – Chairman, BNP Paribas

David Wright – President, EUROFI

David Wright

Welcome, Jean. It is always a pleasure to have you with us, and I am grateful for BNP Paribas's support for Eurofi from the very beginning. It is always interesting to hear your views. Let me start by asking you, Jean—and I know you think deeply about this—what are the big challenges facing Europe today? There is a sense in the room, perhaps wrongly, that we are simply not moving fast enough.

Jean Lemierre

Your question is: are we moving fast enough?

David Wright

No—are we moving at all?

Jean Lemierre

Europe is not doing too badly. We should stop endlessly telling ourselves the story about the lack of delivery. We have plenty of capital, we have skills and talent, we have a remarkable corporate sector. We have decent financial institutions, and, with some "exceptions", reasonably good fiscal policies and budgets. These vary over time, of course, but overall Europe is not in a bad place. The real question is different. We should not conclude that there is no point in moving forward. Competition is intense. The key issue is speed.

Everywhere in the world we see rapid change—in China and Asia, in the United States—driven by economics,

technology, politics and trade. The world no longer operates on the standards we were used to 30 or 40 years ago. Sometimes we still assume that the same standards apply, and that is precisely where we need to adapt, and adapt quickly. So yes, David, I agree with you: Europe is not weak, but we must understand that benchmarks are shifting fast.

It is also important to remember that changing standards is not easy. Changing mindsets takes time. Yet we must be clear: we need to change quickly.

David Wright

Let me put it this way: we agree that we must move quickly. But Europe's political and legislative system, based on the Treaties, is heavy. Emergency provisions exist but are rarely, if ever, used. The consultative process is long, full of impact assessments that often disappear once proposals reach the Council and Parliament, even though they are obliged to produce them. The whole process is slow. Should we try to accelerate by using every aspect of the Treaty? Is that now urgent?

Jean Lemierre

You raise a fundamental question: can the system—or the mindset within the system—change so that it moves faster? Too often, people prefer to secure a large slice of a small pie rather than to grow the pie itself. I like to say that the single market is the baking powder—the key is to make the pie bigger, not just divide it differently.

Whatever we think, Europe's citizens and businesses will

not tolerate endless slowness. If the system does not deliver, I fear a reaction. And that reaction could lead to fragmentation. I am struck by how many people in Europe today talk openly about enhanced cooperation—or even simple cooperation—where a few member states agree among themselves to move ahead. That is not the single market, it is just selective cooperation. But if I asked the audience here whether they would support such an approach, many hands would go up.

To a certain extent, it is also a hope. It would create pressure on the institutions to move faster. If small groups of member states begin to act, the institutions will be forced to respond. Already, political and business leaders are talking more about such cooperation, especially in areas like the Capital Markets Union (CMU). If it happens, it may spark legal disputes with the EU institutions, but it will also highlight the need for the system to adapt.

David Wright

I hope you are right, Jean. But it is a real challenge. The Commission needs to use the full extent of the Treaty—rapid infringement proceedings for clear breaches of EU law, enhanced cooperation with as many member states as possible, and even withdrawing proposals if they become meaningless. Simplification is often promised, but hard to deliver. As soon as you suggest that Parliament and member states should provide impact analyses for major amendments, silence falls.

There are also institutional blockages. The European Supervisory Authorities become the default option whenever there is a problem, accumulating mandates until the system is clogged. And beyond that, 10 or 15 years ago, France and Germany provided a strong political motor for Europe. I am not sure we see that anymore.

Jean Lemierre

Perhaps it is coming back. The context is different, but I am hopeful. What matters—and perhaps this is a task for all of us in this room—is to identify priorities where action is urgently needed. In finance, we all know them: securitisation and equity. Both are now on the Commission's agenda. The proposals may not be perfect, but they are steps forward. This is not the time for endless discussion—it is time for implementation.

The same goes for equity. Europe has the capital; there is no reason to hold back. This is the essence of the single market, and we need to return to that spirit. One of the biggest losses of Brexit was precisely this: the UK brought real energy and discipline to the single market, and we

must regain that drive. The single market should not be limited—it should be improved. This is in Europe's hands, not America's or China's. It is our responsibility.

The Commission is not the problem here; it is the member states and sometimes businesses themselves. We cannot come to Eurofi and demand the single market, then return home and undermine it.

A second point: speed and the level playing field. On the other side of the Atlantic, approaches are diverging. I am not saying one is better than the other, but we must acknowledge the difference. We cannot operate in isolation. The British, for example, are pragmatic: they wait, they see, they adapt, ensuring a level playing field. There is much to learn from this. It is a source of efficiency and growth.

There are still unresolved issues, such as the Fundamental Review of the Trading Book (FRTB). In such cases, we should consult, take time, and avoid unnecessary decisions.

So yes, there is a lot to do. But we can do it—if we show people that value is created by doing it. Let me finish with a simple story. I was involved in creating the euro. At the time, there were hundreds of arguments against it. Didier still makes some of them today! And yet, we did it—and we were right to do so. The euro was a blessing for Europe. Why? Because it created value for everyone.

Countries gave up sovereignty, yes. But in return, European citizens gained access to the credibility and the cost of funding of the best-rated economies. The impact was extraordinary: in the late 1990s, the cost of funding dropped everywhere, massively supporting growth. That is exactly the kind of story we need to repeat today.

David Wright

Jean, I very much like what you said. Our destiny is in our own hands. It is a question of political will, and we must be more convincing about the economic benefits for citizens—and work hard to demonstrate them.

Jean Lemierre

If I may add one final word: it is about economic and social benefits. People forget that there is a social cost to inaction. It is not about profit. It is about supporting Europe's social model. That is the message we must repeat again and again.

David Wright

Thank you very much.