



Ulf Kristersson: Tal vid högnivåevent om EU:s kapitalmarknader 2025

Talare
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1 Ladies and gentlemen,

Allow me to start with yesterday evening's news on trade from the US.

5 It is regrettable, but at the same time expected. The Economist described it quite well this morning saying that this takes America's trade policies back to the 19th century.

10 However, Sweden and the European Union are prepared. We are ready to retaliate. Our preferred option is of course to negotiate a deal. We don't want growing trade barriers. We don't want a trade war.

15 If this fails, the EU stands ready with countermeasures. And we are big trading power globally.

But our goal is not retaliation, but to lower tariffs and increase trade – with the US and with other countries. That is what made our populations more prosperous and the world safer.

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25 On prosperity, I would like to point to a building not far from here in Gamla Stan. The Stockholm stock exchange opened in 1863. At the time it was one of the first of its kind in the whole world. It was also a time when Sweden started its 100-year journey from being one of the poorest countries in Europe, to becoming one of the richest.

There are of course several reasons to how we did this.

An open approach to trade – domestic and international. Access to – and responsible use of – natural resources. Industrialisation and openness to rapid technological development. Ambitious social reforms and education for all, not only for few.

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Fully understanding that for a small country with a limited home market, being innovative and internationally competitive is key for economic growth.

But also realizing, that new ideas require access to capital and investments.

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Because of this Sweden today has a mix of big companies founded more than 100 years ago and much younger companies at the forefront of technologies now shaping the world.

45 We've certainly had – and we still have – a lot of pure inventors. But even more we've had – and we still have – entrepreneurs, turning ideas into business. Transforming general purpose technologies to groundbreaking new applications. To keep, and develop this tradition is a major policy ambition for my government.

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Doing so, in Sweden we don't take success for granted.

As a country you're never better than your latest achievement. That's why we will continue working to improve competitiveness in both Sweden and Europe.

55 It's the only way forward in an increasingly tough global competition – and an increasingly uncertain global order – be it in geopolitics or in trade.

60 As we all know, we live in a complicated world. There is an ongoing war on the European continent. How this war ends will be formative for European security for generations to come.

65 The rules-based order that we have operated within since the second world war is now on shaky ground. Transatlantic bonds are being questioned. Economic growth is mostly happening in China and the US. And free trade seems to be slightly out of fashion.

70 As a consequence of all this, many like to rule out Europe.

I disagree.

Europe is certainly not perfect, but we do have agency over our own future.

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Going forward, I'd like to build on three important pillars:

1. Increase our immediate pan-European support for Ukraine. They are literally
not only fighting for their own freedom, but also for ours. Real peace is only
80 available through strength. A bad peace would be a recipe for another assault.

2. Boosting our own military defence. In Sweden as well as in all European
85 NATO. We need to take a bigger responsibility for our own security. Although
a new realisation, the needs have been there for long.

That would also be an investment in continued transatlantic security
cooperation. Last week the government announced our plan to in just a few
90 years reach a new potential NATO goal at approximately 3.5 per cent of GDP.
Strength is the only language Putin understands.

95 3. Increasing European competitiveness. Also, a long overdue effort. Only a
faster growing dynamic economy can safeguard resources for security, safety,
the green transition and social welfare. Growth is not a nice-to-have, but a
must-have.

100 At the last European Council, two weeks ago, we agreed on some policy
changes: A growing economy requires capital and investments, and public
funds alone will not be enough.

105 We need private money. And private money can and should be funnelled
through well-functioning and deep capital markets. In all of Europe.

There is a great potential. More than 11 000 billion Euros are today either in

110 saving accounts in banks or in pure cash. I'm not saying having a financial
buffer is wrong, but I am saying that a bigger share of European financial assets
could be put to work.

115 Luckily, I believe there are examples that could serve as inspiration for how to
do this. I might be biased, but Sweden offers some of the answers.

120 I like reminding people of an article in the Financial Times almost exactly one
year ago. The title was "How Sweden's stock market became the envy of
Europe".

It goes through some of the features of our capital markets.

Our high number of IPOs.

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The high degree of retail investor participation.

The high returns in the Swedish stock market compared to its peers.

130 I like telling Swedes about this article because it surprises them. Not the fact
that a large share of our population invests in stocks and funds. That really does
not surprise.

The big surprise is that the rest of Europe is not.

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140 Of course, the Swedish capital markets and our culture of investing didn't
happen overnight. It was built, brick by brick, with the groundwork being laid
decades ago.

First, I should point to our long tradition of incentivising retail investors to
participate in capital markets.

145 The first tax incentives to put some of your savings in shares and investment
funds were introduced already in 1978. And yes, they were controversial – for a

short period of time.

150 By the early 1990s, roughly 20 per cent of the Swedish population used the tax-incentivised “allemansfonder” to save in investment funds.

Today, we have the investment savings accounts, in Swedish known as the ISK. Introduced in 2012 they quickly became a success story. And yes, they were
155 controversial – for a short period of time.

They are simple to use with close to zero reporting requirements.

Taxation is beneficial as well as simple.

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Today, almost 40 percent of our entire population have an account, investing a capital stock that equals to more than a quarter of Swedish GDP.

This Government realises the further potential of the investment savings
165 account.

As of this year, the first 150 000 kronor (roughly 15 000 Euros) will be fully tax-free, and next year we’re increasing it to 300 000.

170 Second, I would point to the Premium Pension scheme, which is a part of the public pension system. 2.5 percent of the relevant income is automatically, and compulsory directed to your individual pension fund. And every Swede is allowed to choose how to invest them.

175 All in all, total assets in the Swedish pension system corresponds to some 140 per cent of GDP.

Mario Draghi concluded in his competitiveness report (and I quote): “These pension funds are also important funders of IPOs, contributing to creating a
180 favourable climate for entrepreneurs and innovators.”

Honestly it is difficult so see how the vibrant Swedish capital market could have emerged without mobilising assets for pension savings.

185 And this is the most important conclusion from the Swedish example. If there is

to be a capital market, there must be a critical mass of investable capital. And the source for this capital is either people's direct savings or their savings through the pension system. Both need to be put to work.

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Moving forward that's precisely what we will keep doing. Hopefully together with the rest of Europe.

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And now, in a formative phase for Europe and Europe's transatlantic relations, there is a true momentum.

Which leads me to a few conclusions:

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As EU leaders and members of the European Council we must do our part. We must push ahead with actions at EU level, where collective action is needed.

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So should our ministers in the Council as well as our Members of the European Parliament.

But at the same time and even more important: we must all commit to necessary national reforms.

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There is always a risk in hoping for the EU to take decisions, instead of taking them ourselves. Taxes and pension schemes are national competences. Governments must not be afraid to act on that fact.

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Reform is complicated and quite often politically risky. But also desperately needed. And in hindsight, many tough choices actually turn out to be the right ones. Modern European history is full of failure – but also full of successful national reforms.

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Look at the economic turnaround in Portugal, not least under Commissioner Albuquerque's tenure as finance minister.

Look at the German labour market reforms of the early 2000's.

Look at digitization in Estonia.

Look at the 90's financial framework reforms in Sweden.

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History tends to provide us with useful lessons for the future. If we keep doing what we have always done, we really should expect similar results as we have always got.

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On the other hand, if we do what others have already successfully tried, we might learn from previous success.

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European nations have gone through periods of change and reforms before. And have come out stronger and more prosperous on the other side. We could and we should do it again.

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The European Commission's Communication from two weeks ago is an important step towards reforming the capital markets.

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I am happy we are joined today by the Commissioner, outlining the suggestions for the Savings and Investment Union – formerly perhaps more well known as the Capital Markets Union.

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Sweden welcomes the stronger integration of this effort into the European Semester. And we are open to discuss also common European initiatives. Securitisation, supervision and pan-European labels for products or accounts should be considered on their own merits.

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But - let's not fool ourselves. Reform at the EU level only, will not be the silver bullet ensuring that European start-ups decide to stay and raise capital in Europe. Common supervision will not make that much of a difference as long as you lack sufficient capital and a well-designed ecosystem.

So let's keep a few things in mind.

Financial stability is a precondition. A stable economy attracts companies. Self-

265 inflicted volatility will surely do the opposite. We know a lot about this in
Sweden.

Also, don't allow reforms to disrupt already properly functioning markets and
practices. Apply the medical ethics rule "first – do no harm" also on policy.
270 Rather, find inspiration from reforms already proven to work.

And if we want to increase financial literacy, it is important to let people make
their own investment choices and learn by doing.

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Lastly, let's remember that our capital markets are only one part of a much
bigger ecosystem that attracts investment.

280 Therefore, European competitiveness in a broad sense must stay at the top of
the legislative agenda.

Making business easier and cutting red tape will attract investment.

285 More focus on R&D and groundbreaking technologies will attract investment.

Cultivating a spirit of innovation, entrepreneurship, and risk-taking will also
attract innovation.

290 I remain certain that also Europe could make it. Not overnight. Not without
effort or sacrifice. Not only by talking about it, but through genuine reforms.

30 years ago, Europe made a great achievement in creating the Single Market.
450 million citizens and countless and borderless companies constitute big
295 economic and trading power.

Now is the geopolitical time to use that power and to build on what we have
already done. If EU manages to reform while others either are banned from
global trade or isolate themselves from global trade – then Europe will be a
300 winner.

The world needs and deserves a European renaissance. Sweden will do our part

of it.

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Thank you.

Källa

<div>regeringen.se</div>

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Taggar

2020-tal, 2025, Man, Moderaterna, Politiska tal

URI

<https://www.svenskatal.se/tale/ulf-kristersson-tal-vid-hognivaevent-om-eu-s-kapitalmarknader-2025>

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