

# POLICY FLASH

## ALL YOU NEED TO KNOW ABOUT THE EU SAVINGS & INVESTMENTS UNION (SIU)

AmCham France - March 2025

On 19 March 2025, the European Commission introduced its **Savings & Investments Union (SIU)** strategy, aimed at enhancing the efficiency of the EU financial system in directing savings toward productive investments. This initiative aims to **unlock the €10 trillion in savings currently held in European bank accounts**, encouraging greater stock market investments to supply businesses with the liquidity necessary for strategic projects, including defense. It focuses on harmonizing regulations and implementing a long-debated project: **the creation of a single supervisory framework**. By doing so, it aims to resolve the fragmentation of the European Union's 27 financial markets - an issue highlighted in the *Letta Report*.

The *Draghi Report* estimates that the EU requires €750-800 billion in annual investments, a level of spending the European Commission considers essential to achieve its green and digital transition while closing the competitiveness gap.

70% of European household savings - totaling €10 trillion - are held in bank deposits, restricting Europe's ability to directly finance its economy. According to the ECB, if this ratio were aligned with that of U.S. households (30-40%), it could free up €8 trillion for market-based instruments, generating more than €350 billion in additional annual investment.

# The Savings & Investments Union Strategy

The Savings & Investment Union is a horizontal tool designed to foster a financial ecosystem that supports investments aligned with the EU's strategic objectives, focusing on four key areas:

- Citizens and Savings
- Investments and Financing
- Integration and Scale
- Efficient Supervision in the Single Market

## I. Citizens & Savings

### 1. Promoting the adoption of European savings and investment accounts (Q3 2025)

**Overview:** Europeans tend to save more than Americans, with savings rates of 13% in Europe and 17.7% in France, compared to just 8% in the U.S.

#### Proposals :

- Establish a common savings model accross the EU.
- Future recommendations will focus on making taxes more favorable for savings and reducing national barriers to accessing capital markets.

### 2. Financial literacy strategy (Q3 2025)

**Overview:** About half of adults in the EU lack basic financial knowledge, while only 18% of EU citizens have a high level of financial understanding.<sup>2</sup>

**Proposal:** Develop a strategy to improve financial literacy by the end of 2025. This will include raising awareness, encouraging participation in capital markets, and promoting an investment culture.

### 3. Developing the supplementary pension sector (Q4 2025)

**Overview:** 45% of Europeans are not confident that the financial advice they receive is in their best interest.

#### Proposals:

- Future recommendations will focus on improving systems for self-registration, tracking retirement savings, and creating retirement dashboards.
- Update the Directive on Institutions for Occupational Retirement Provision (IORP) and the Regulation on the Pan-European Personal Pension Product (PEPP).

[2] Eurobarometer, « Monitoring the level of financial literacy in the EU », July 2023.

[3] Op.cit.

## II. Investments & Financing

### Promoting investment in equity and certain alternative asset classes (Q4 2026)

**Overview:** In the United States, nearly 60% of households own shares, either directly or through pensions. In contrast, only 16.9% of households in France have similar investments.<sup>4</sup>

**Proposals:**

- Clarify how investments align with the “prudent person” principle<sup>5</sup> for pension funds.
- Reduce administrative burdens and barriers to cross-border investments.

### Align public financing instruments with the objectives of the Savings and Investment Union (Q4 2026)

**Overview:** the EU's total market capitalization currently stands at 81% of its Gross Domestic Product (GDP), significantly lower than the 227% ratio observed in the United States.<sup>6</sup>

**Proposal:** collaborate with the European Investment Bank (EIB) to develop the TechEU22 investment program and strengthen the integration of European capital markets.

## III. Integration & Scale

### Develop the asset management sector (Q4 2026)

**Overview:** In Europe, capital remains largely confined within national borders or is invested in the United States. For instance, over 60% of European households' equity investments are concentrated in their home country.<sup>7</sup>

**Proposals:**

- Remove barriers to the cross-border distribution of EU-authorized funds to reduce market segmentation.
- Set up a dedicated communication channel to report barriers within the single market.



[4] INSEE, Household income and wealth, France, May 2021.

[5] Any person entrusted with the management of the assets or investments of others must act with the same care, diligence and judgment as a prudent and reasonable person under the same conditions.

[6] Ministère de l'économie et des finances et de la souveraineté industrielle et numérique press release, Launch of a mission dedicated to the relaunch of the Capital Markets Union under the next European mandate, January 2024



## IV. Efficient Supervision in the Single Market

**Overview:** As of 2023, the EU had 295 trading platforms, 14 central counterparties<sup>8</sup>, and 32<sup>9</sup> central securities depositories<sup>10</sup>. In contrast, the United States operates with just two securities clearing houses and a single central securities depository.

**Proposal:** the European Commission calls on European Supervisory Authorities (ESAs) and National Competent Authorities (NCAs) to fully leverage existing tools and advance the simplification agenda.

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In Q2 2027, the Commission will publish a **mid-term review** assessing progress toward the Savings and Investment Union, evaluating achievements and identifying areas for further action.

[7] Speech by Christine Lagarde, President of the ECB, at the 34th European Banking Congress, « Stepping out of our comfort zone: Europe and the new world order », November 2024

[8] Act as intermediaries to ensure that transactions are carried out properly.

[9] Ensure the security and registration of financial securities.

[10] AEMF, « Statistics on securities and markets » May 2024



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