



Remarks by Commissioner Dombrovskis at Eurofi “Strengthening our economic fabric: a competitive financial system for a sovereign Europe”

Dublin, 17 September 2026

Good afternoon, ladies and gentlemen. It is a pleasure to be back in Dublin. And to return to Eurofi, which remains a crucial forum for exchanging views on the challenges that are defining Europe and the world of finance.

The world has continued to grow more complex, more contested, and less predictable since we last met. We find ourselves in a new age of polycrisis, where turbulence overlaps and compounds so that the whole becomes even more severe than the sum of its parts.

Relentless and shameless Russian aggression in Ukraine. Conflict in the Middle East. Geopolitical tension. Energy shocks. Rapid technological change. I could go on.

It brings to mind the words of Ireland's most celebrated poets. More than a century ago, Yeats wrote: "... the world is full of troubles, And is anxious in its sleep."

Now, we know that Europe cannot control all the forces troubling our world. But it does not mean that we are without agency. We can — and we must — take action to seize the opportunities that this new age presents, and overcome its most adverse impacts.

That is the only way to guarantee our long-term prosperity and security.

We know that macroeconomic stability and sustained growth are the essential foundations upon which this more prosperous and secure Europe will be built. Laying this foundation demands that we create a more competitive European economy.

Ladies and gentlemen, the European Commission has placed competitiveness on top of its policy agenda. Over the course of the last two years, we have cut red tape, deepened our Single Market, and strengthened our trade network. Much has been done. While much more remains to be done.

Looking ahead, our competitiveness agenda will demand continued consistent and determined efforts on all fronts and at all levels. Creating a stronger overall economic fabric will depend on weaving many different threads together.

Today, I will focus on three such threads in particular, namely: the digital euro project, strengthening the international role of the euro, and how our simplification agenda can enhance the competitiveness of our banking sector.

Let me begin with the digital euro. Our common currency is the foundation of Europe's economic strength. Like everything else, it must evolve to keep up with the times. The data tells us that Europeans are moving decisively toward digital payments. Cash's share of point-of-sale transactions fell from 72% to 52% between 2019 and 2024.

Yet we have no genuine European digital means of payment to fill that gap. The digital euro will help ensure that our currency keeps pace with this shift.

But the digital euro project is not only about convenience for consumers. It ensures central bank money remains available in a digital world, anchoring trust in our monetary system. Crucially, it also reinforces our strategic autonomy. In a less stable world, dependencies quickly become vulnerabilities. This logic applies to financial infrastructure, the circulatory system of our economy.

Today, almost two-thirds of card transactions in the euro area run through non-European providers, while thirteen euro area Member States rely entirely on international schemes. That dependency leaves us exposed to decisions made beyond Europe. Where infrastructure is this critical, Europe

needs its own alternative.

The digital euro is part of that answer. It represents a new form of European public good that strengthens our digital and monetary sovereignty.

It offers cash-like privacy for offline payments, and strong privacy online. This balances citizens' rights with the need to counter money laundering and fraud.

It will not compete with private payment providers, but will give them a foundation to scale, innovate, and compete more efficiently.

Let me be clear: this is not about replacing cash. Euro banknotes and coins are here to stay. That's why the European Commission's proposal for a Single Currency Package includes measures that will strengthen access to cash and its acceptance across the euro area.

Time is of the essence. I welcome the Irish Presidency's ambition to conclude trilogue negotiations before the end of this year. The European Commission is supporting that effort. Final adoption is essential so we can begin preparations in earnest, with first issuance targeted for 2029. The sooner we finalise the legislative framework, the sooner Europe can begin to enjoy its full benefit.

We must also be ambitious with the role the euro can play beyond our borders. A greater international role for the euro can be a cornerstone of preparing the European economy to thrive in a more challenging world. It can limit our vulnerabilities. It can enhance our economic and financial security. And, at the same time, it can boost our competitiveness by lowering borrowing costs, and shielding EU importers and exporters from exchange rate fluctuations.

Ultimately, the global appeal of the euro will be determined by the strength of the European economy itself. That means doubling down on our competitiveness agenda, deepening the Single Market, implementing the Savings and Investments Union, enhancing our defensive capabilities, and strengthening our trade network and partnerships around the world, including through initiatives like making Canada an associate member of the EU, as President von der Leyen announced in yesterday's State of the Union address.

These are the fundamentals that we need to get right. In doing so, we can create a positive feedback loop: a stronger economy strengthens the international role of the euro, and a stronger international role for the euro strengthens our economy in turn.

But we should not stop there – we should make use of our economic strength to further boost the use of the euro in global transactions, and as a stable reserve currency.

Let me give one concrete example. Up to now, EU bonds have not been regarded as sovereign and are not included in sovereign bond indices. This negatively affects the demand for these bonds, and their usability as a liquid and safe asset for investors. It is time to revisit this issue.

The amount of outstanding EU bonds has by now reached around €800 billion, compared to around €50 billion at the beginning of this decade. With this, the EU bond market has become the second largest market for triple-A rated debt in Europe, and the third globally. And issuance is planned to continue in the years to come, including under the next MFF.

Moreover, the EU bond market has further developed in recent years. Secondary market liquidity is now similar to that of the large sovereign issuers in the EU. EU bonds can be used as collateral equivalent to sovereign bonds with clearing houses, and for re-financing operations with the ECB. More fundamentally, the EU clearly has a number of characteristics of a sovereign. The EU has its own budget, access to own resources, power to legislate, implement and enforce laws, and a common currency for the euro area, supported by an independent central bank, the ECB.

So, we will engage with index providers and the financial industry to support the inclusion of EU bonds in sovereign indices. And contribute to creating a more efficient EU bond market.

This is only one example of how we can and should – through a series of concrete steps – reinforce the global role of the euro.

Finally, turning to the European Commission's simplification agenda.

Today, excessive regulation is raising costs, discouraging investment, and pulling resources away from innovation. It is clear that Europe needs less red tape and more growth.

That's why the European Commission has already tabled twelve major Omnibus simplification proposals and other simplification initiatives across a broad range of policy areas. These proposals will result in savings of at least €17 billion in net administrative costs yearly for European businesses.

Of course, delivering meaningful simplification is a shared responsibility. The Commission will continue to play its part by presenting ambitious simplification proposals. We are counting on our co-legislators to preserve a high level of ambition in the ongoing legislative negotiations on proposals that the Commission has already tabled.

Our simplification agenda also extends to the banking sector. We have seen how reforms, each individually justified, have in aggregate created overlaps and unnecessary complexity, without providing a corresponding benefit for stability.

In July, the European Commission outlined measures to further strengthen Europe's banking sector and support growth. President von der Leyen doubled down on this in her State of the Union speech yesterday, and in her accompanying letter of intent, in which she committed the European Commission to putting forward a banking competitiveness and simplification package.

We want a more proportionate framework for smaller and less complex banks, while remaining fully committed to international standards and implementing them in a way that reflects Europe's specific circumstances and avoids unnecessary competitive disadvantages.

We will, therefore, reduce unnecessary overlaps and reporting costs, bring MREL closer to TLAC, streamline the macroprudential toolkit, and review the output floor, unrated corporates, software assets and remuneration framework to strengthen banks' competitiveness.

It is important to acknowledge that the prudential framework put in place after the global financial crisis has made our banks more resilient. Which is why, throughout successive crises, the banking sector has been part of the solution, rather than the problem.

So, I want to be very clear. Simplification does not mean deregulation. Our objective is not to lower the bar. Rather, we aim to remove the complexity and duplication that serve no purpose while preserving the resilience we have worked so hard to build. That is what will allow our financial sector to compete on a level playing field with its international rivals.

Of course, the finance practitioners in the room today don't need me to tell them how difficult it is to remain internationally competitive while operating under excessively complex rules. But I believe it is important that you understand that we acknowledge these difficulties. And are determined to take steps to address them.

Because in today's challenging world, banks are central to preserving and enhancing Europe's economic sovereignty. And a competitive banking sector is crucial to finance Europe's long-term growth, innovation and strategic priorities.

Ladies and gentlemen, to conclude, the three threads I have described — a digital euro, a stronger international currency, a simpler and more competitive banking sector — are not separate projects. They are all part of one broader endeavour: building a Europe capable of not merely surviving, but thriving, in an age of polycrisis.

None of this is inevitable. It will not happen by default, only by design. But if we can take the necessary steps today, I am confident that Europe can thrive in today's more troubled world.

That is the task before us. Let's continue the work together. Thank you.

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