# Joachim Nagel: Acting together for a sovereign and competitive Europe

Speech by Dr Joachim Nagel, President of the Deutsche Bundesbank, at the meeting with the European ambassadors' delegation on the occasion of Ireland's Presidency of the Council of the European Union, Frankfurt am Main, 21 July 2026.

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## 1 Introduction: making the most of the Irish Presidency

Excellencies, ladies and gentlemen,

Welcome to Frankfurt! Viewed from Berlin, Frankfurt may seem fairly small. And most of you will be used to capital cities by virtue of the offices you hold. But have any of you ever been to a "world capital"? Well you have today. Frankfurt, together with the Rhine-Main region, is this year's World Design Capital. It is the first time this title has gone to Germany. Design is a broad concept, and means more than beautiful products: design means developing innovative solutions for the relevant challenges of the present day. It is about initiating change and shaping it together.[1]

Understood that way, good design is precisely what we now need in Europe as well. Great challenges lie ahead of us. You'll be familiar with all of them. There's no need for me to list them here. At the same time, there are analyses and concepts on the table that show how we can overcome them. Now it is a matter of making a start together. I am pleased that the Irish Presidency of the Council of the European Union is making this a priority. Indeed, the first sentence in its policy programme reads: "Ireland's 2026 EU Presidency will be defined by action and by delivery."[2]

Before we get down to talking, let me first outline where progress really matters from a central bank perspective: on the digital euro, as the heart of a sovereign European payment system; and on the savings and investments union, as the driver of a competitive Europe.

## 2 Press ahead with the savings and investments union

The European single market has been around for more than 30 years now. And what a driver of prosperity it has turned out to be! There is still plenty of scope to carry on this success story. In capital markets especially, it's still the case that not everything that could be more impactful together has grown together. This is holding back fledgling businesses in particular – firms that are eager to grow quickly with their innovations and need to raise capital to do so. Europe is heavily reliant on venture capital from outside the continent, especially in capital-intensive later-stage financing rounds for scale-ups.[3]

Europe needs to able, by itself, to translate its innovative capacity into products that are successful worldwide. Our aim should be for up-and-coming European firms to be able to finance their growth within Europe as well. Firms shouldn't have to go looking for funding elsewhere because there isn't the right financing in Europe. The potential is there: Europe has high levels of savings. If more of those savings were channelled into productive investment and innovative businesses, they could give Europe's competitiveness a boost.

The EU has made progress towards a genuine savings and investments union. But more speed would be welcome. That is why I welcome the ambitious One Europe, One Market Roadmap agreed by the Council, the Parliament and the Commission. The Irish Presidency has added this roadmap to its policy programme, treating its objectives as core priorities. The aim is to adopt many important projects before the year is out. These include a new 28th regime under corporate law (EU Inc.), a revised securitisation framework, and a comprehensive market integration and supervision package.

One core feature of that package is a more centralised supervisory architecture for securities and non-banks. This will promote supervisory consistency and create a level playing field for all market participants. The Bundesbank therefore expressly welcomes this initiative. We are advocating for a proportionate design and due consideration of the role of central banks. We know from experience that European supervision for banks works. The ECB and Member States' national supervisory authorities are cooperating successfully.

The market integration and supervision package also includes proposals to digitalise the financial sector. These include embracing distributed ledger technology and settling transactions in central bank digital currency. As far as the Bundesbank is concerned, there's another step that could be taken – adopting a "28th regime" for digital securities, for example. Greater consistency in securities law would generally be welcome. That could help overcome fragmentation in the European financial market along national lines.

Overall, this will make it more attractive for global investors to invest in EU countries and in euro assets. You see, ladies and gentlemen: if we make progress on the savings and investments union, this will also strengthen the international role of the euro.

## 3 Strengthen sovereignty in payments

The euro ranks as the second most important currency in the global monetary system.[4] This position needs to be cemented and safeguarded on a lasting basis. That calls not just for broader and deeper capital markets, but also for stability-oriented monetary policy and state-of-the-art payment infrastructure. It is crucial that payments can be settled securely, efficiently and with the very latest in technological capabilities.

We also need to be aware that payments are a piece of critical infrastructure. Europe needs to remain operational in the payments space, even in an emergency. Right now, non-European providers are at the core of our digital payment systems. Large US firms dominate the market. The trend towards paying digitally and the lack of competitive European alternatives are strengthening market incumbents like Mastercard, Visa and PayPal. This creates a dependence that can be as risky as those in the areas of defence or AI.

For Europe to be able to act autonomously in payments, we need to create a digital ecosystem of our own. Europe has to keep pace with technological change and offer the space that innovative solutions need to thrive. Those solutions also include tokenised market environments – where assets are represented, transferred and settled digitally. At the same time, that ecosystem must be characterised by trust and stability. Central bank digital currency can be the anchor for that.

We are currently getting the euro into shape to take on that role. Our aim is to roll out central bank digital currency both for transactions between financial institutions and for payments by the general public. The plan is for them to be able to pay with the digital euro throughout the euro area: in-store, online and from person to person. In addition, the digital euro would establish an infrastructure that innovative private solutions can build upon. Straight away, those solutions would have European reach. That would make it easier to scale business models.

The course for this project is currently being set. Trilogue negotiations between the Parliament, the Commission and the Council kicked off last week. I am pleased that the Irish Presidency is committed to ensuring that a legal framework for the digital euro will soon be in place. On the technical side, the Eurosystem is pushing ahead with its work. We will be starting a pilot phase in mid-2027. We are still on track for a launch in 2029.

## 4 Conclusion: act together more in the European interest

Steve Jobs once said: Design is not just what it looks like (-). Design is how it works. The same can be said, of course, for policy design in the European Union. I am in no doubt that the Irish Presidency will help shape well-functioning solutions in many areas.

Europe only works when it works together. That's something we can see from the work on the savings and investments union and the digital euro: if we want to achieve more together in Europe, EU institutions and Member States will need to pull together. That includes not just looking at initiatives through a national lens. It is important to consider how the community might benefit as well. At the end of the day, we all stand to gain from a sovereign and competitive Europe.

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[1] See World Design Capital Frankfurt RheinMain 2026

[2] Irish Presidency of the Council of the European Union 2026, Policy Programme

[3] Fratto, C., M. Gatti, A. Kivernyk, E. Sinnott and W. van der Wielen (2024), The scale-up gap: Financial market constraints holding back innovative firms in the European Union, EIB Economics – Thematic Studies, European Investment Bank, Luxembourg.

[4] See ECB (2026), The international role of the euro, June 2026