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Paris EUROPLACE International Financial Forum - Tokyo

**“The Next Challenges of the Financial Sector:
Combining New Regulations & Economic Growth”**

Monday, November 28, 2011, Tokyo

PRESS RELEASE

Paris, Tokyo, November 28, 2011 – Bringing together, each year, over 800 delegates from Tokyo’s banking and financial community as well as key executives from the Paris financial market, Paris EUROPLACE held its 15th annual Financial Forum in Tokyo on November 28, 2011 to present a general macroeconomic outlook of the current economic situation in Europe as well as for financial centers to overcome the financial crisis.

Christian NOYER, Governor, Banque de France, in his inaugural speech said that **“we are facing a financial crisis, not a monetary one. In respect with policy responses, it is essential to stabilize European Bond Markets and to recognize that the necessary degree of fiscal adjustment is heavily dependent on the level of market confidence”**. He also highlighted that the ECB’s interventions were totally justified by its primary mandate faced with a clear risk of completely disrupted financial markets and shall remain well targeted and organized at a regular pace to maintain price stability over the medium-term in the whole of the Euro area.

Arnaud de BRESSON, Managing Director, Paris EUROPLACE, underlined that **“the Paris financial marketplace is confident that the present global crisis and the solutions under implementation by European Union will accelerate the European integration that market professionals expect since a long time and therefore will tackle the economic crisis in Europe”**. As the current crisis is a wake-up call to finalize key governance reforms in Europe, the ability to resolve it, can only be regained through the reduction of budget deficits and a closer alignment of European policies.

Important structural reforms are underway in France and in Europe. Hervé de VILLEROUCHE, Vice Secretary, Financial Sector, French Treasury Directorate confirmed that:

- **first, by accelerating the reduction of public deficits in all European countries**. France has recently announced a 51 billion Euros package in budget savings for 2011-2012. The objective is to return below 3 % and to fiscal balance by 2016.
- **second, by strengthening European banks’ financial structure**. Like in other European countries, the process has been accelerated in France and for French banks, the strengthening of French banks’ capital represents around 8 billion Euros for a total amount of 106 billion for all European banks.

New measures including proposals to grant the European Commission more oversight and disciplinary powers over national budgets will be presented on December 9 on the occasion of the upcoming European Council Meeting.

In that context, the Paris financial marketplace offers many key advantages and investment opportunities for Japanese market players:

- **an active equity markets, NYSE Euronext, the world's leading and most liquid stock exchange** is n°1 in terms of trading volume in Europe.

- a competitive **debt market: French issuers dominate the primary corporate bond market in Europe** with more than 35% of market share. On the secondary market, a new corporate bond-trading platform, sponsored by NYSE Euronext, has been launched this summer combining sell side and buy side interests.

- **Paris has acquired a pre-eminent position in Europe in the short term paper market.** A growing number of international banks have set up their CP/CDs programs in Paris in order to capitalize on the Eurosystem efficiency and eurozone liquidity provided by the ECB.

- **the French asset management industry is the 2nd largest of the world,** and Paris will greatly benefit from the current UCITs IV European directives. Life insurance represents more than €1,500 billion in assets under management. With a turnover of €200bn, France and UK are the European leaders for both life and non-life insurance activities.

- **Paris also puts a strong focus on market infrastructures developments** and offers the best quality and security to investors. Paris plays an active role in the consolidation of Exchanges and favors the combination between NYSE Euronext and Deutsche Börse.

- **France is at the forefront of innovation in Finance:** Paris is leading up for socially responsible investing with 200 funds. With BlueNext, Powernext and Metnext, the Paris marketplace is also a world leader in green business and in environmental finance.

More globally, key 71 innovation clusters have been developed in France, in electronics, digital technology, media and telecom, energy, transport, as well as finance, and contribute to France's reputation for high tech knowledge and openness.

All these factors explain the strong presence of international investors as well as market players active in Paris.

Conversely, Japan has been one of the leading destination for French investments in Asia for 10 successive years in a row. France's direct investments in Japan account for 8% of the total investments in Japan. Renault followed by AXA and BNP Paribas were particularly active in past years. In 2011, important deals (more than 3.5 bn euros worth) were finalized through full partnerships between SAINT-GOBAIN and Mag ISOVER in the Glass Industry, as well as between VALEO and ICHIKO in the automobile sector, which represents today the 4th French Company in Japan in terms of employment.

As well, potential great value is expected soon from the Japan-EU Economic Integration Agreement, expected to be signed in 2012, which will bring and strengthen a broad range of partnerships (in investments, NTMs, IPR, raw materials, the green economy, the cooperation of high-tech industry).

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The Tokyo Forum has been co-organized with AFG, Amundi, BNP Paribas, Caisse des Dépôts, Crédit Agricole Corporate & Investment Bank, Compagnie de Financement Foncier, European Institute of Financial Regulation, GDF Suez, Groupama Asset Management, Institut Louis Bachelier, Linklaters, Nomura, NYSE Euronext, Paris Region Economic Development Agency, Société Générale Corporate & Investment Banking and the kind support of La Direction Générale du Trésor and La Banque de France.