

Palabras de Su Majestad el Rey en la reunión de primavera del "Institute of International Finance - IIF"

Hotel Meliá Castilla. Madrid, 24.05.2016

Señoras y Señores, muy buenos días y bienvenidos a este importante encuentro en España, aquí en nuestra capital, Madrid.

I am very pleased to be here with you today, at this international forum which bring together leading figures and global authorities in the field of international financial markets. It is truly a great honour to share some opening remarks at the IIF's spring meeting. Allow me to congratulate —and thank— you on this initiative, and also to offer you our warmest welcome to Spain and to our capital, Madrid.

During these sessions, most of the current challenges facing the international financial system —at least the major ones— will surely be discussed. Issues like the business model, capitalisation, the role of supervisors and regulators, financial innovation, monetary policy... and above all, international cooperation, which inspired —and is at the heart of— the forum that brings us here. Experience has revealed the clear need for us all to work in a concerted manner, to minimise the effects of the crisis and to propose the best solutions that, in an interdependent world —as the one we all live in today—, can only be obtained from true and effective international cooperation.

The severe crisis that erupted in the US nearly ten years ago rapidly spread throughout the international financial system, and very soon affected the citizens of many countries, including my own.

The crisis hit the entire financial system deep and hard, it hurt both large and small banks around the world and all sorts of companies, regardless of their business model, ultimately affecting millions of citizens. As a result, the need to set in motion substantive reforms for better risk management, regulation and supervision became very apparent; dauntingly obvious, I should add.

In this context, reforms were indeed undertaken worldwide: under the auspices of the G-20 leaders, in the framework of the Basel III agreement; in the European Union, through the creation of the Banking Union and the single capital market; and at the national level, too, with a variety of specific measures. The overall aim of these reforms was to promote economic growth, maintain small and medium-sized enterprises and thereby create employment.

Like other countries, Spain also suffered the harsh consequences of the crisis. But today, thanks mostly to the effort and endurance of the Spanish people, we are witnessing renewed economic growth; one that will hopefully underpin new opportunities for all of us and continue to alleviate the remaining consequences of the crisis, most importantly: the high level of unemployment provide for new jobs.

This forum will therefore consider how to address present and future challenges to the international financial system. But allow me to insist that in today's globalised economy we must emphasise, ever more, the role of greater cooperation and coordination between national authorities, regulators, international agencies, banks and other relevant private actors, which is of fundamental importance to improve outcomes and to the strengthening of the financial system with a more effective, fair and robust form of governance within the free market framework.

In this respect, guidelines must be established for this sector of the economy, so that it may adopt the best possible position to anticipate and absorb any shocks that may occur and—in any case—minimise their consequences. It is also essential to promote greater transparency and to ensure the solvency of the sector, so that it can fulfil its primary function of providing resources to the 'real economy', and doing so efficiently and with the appropriate risk management; thus promoting economic growth.

By these means, we shall succeed in consolidating and strengthening the financial sector, enabling it to respond to the demands and needs of the productive system, and therefore benefiting citizens and society as a whole, in all our countries. I am sure you will devote all your efforts to this end.

Let me conclude by expressing my best wishes for this forum, which now begins, I trust you will all have a fruitful and happy stay our capital.

Thank you very much.