**2023 State of the Union Address by President von der Leyen (13 September 2023)**

**"Check against delivery"**

Consult the video: <https://www.youtube.com/watch?v=o4_eRV7r5QI> (from **27:07 to 31:00)**

**ECONOMY, SOCIAL AND COMPETITIVENESS**

Honourable Members,

A fair transition for farmers, families and industry. This is the hallmark of this Mandate. And it is all the more important as we face strong economic headwinds.

I see three major economic challenges for our industry in the year ahead: labour and skills shortages, inflation, and making business easier for our companies.

The first has to do with our labour market.

We have not forgotten the early days of the global pandemic. When everyone predicted a new wave of 1930-style mass unemployment. But we defied this prediction. With SURE – the first-ever European short-time work initiative – we saved 40 million jobs.

This is Europe's social market economy in action. And we can be proud of it!

We then immediately restarted our economic engine thanks to NextGenerationEU.

And today we see the results.

Europe is close to full employment.

Instead of millions of people looking for jobs, millions of jobs are looking for people.

Labour and skills shortages are reaching record levels – both here and across all major economies. 74% of SMEs are saying they are facing skill shortages. In the peak of the tourist season, restaurants and bars in Europe are running reduced hours because they cannot find staff. Hospitals are postponing treatment because of lack of nurses. And two thirds of European companies are looking for IT specialists. At the same time millions of parents – mostly mothers – are struggling to reconcile work and family, because there is no childcare. And 8 million young people are neither in employment, education or training. Their dreams put on hold, their lives on stand-by.

This is not only the cause of so much personal distress. It is also one of the most significant bottlenecks for our competitiveness. Because labour shortages hamper the capacity for innovation, growth and prosperity. So we need to improve access to the labour market. Most importantly for young people, for women. And we need qualified migration.

In addition, we need to respond to the deep-rooted shifts in technology, society and demography. And for that, we should rely on the expertise of businesses and trade unions, our collective bargaining partners.

It is almost forty years since Jacques Delors convened the Val Duchesse meeting that saw the birth of European social dialogue.

Since then, social partners have shaped the Union of today – ensuring progress and prosperity for millions.

And as the world around us changes faster than ever, social partners must again be at the heart of our future.

Together we must focus on the challenges facing the labour market – from skills and labour shortages, to new challenges stemming from AI.