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

(PART II)

**The second major economic challenge**: persistent high inflation.

Christine Lagarde and the European Central Bank are working hard to keep inflation under control.

We know that returning to the ECB's medium-term target will take some time.

The good news is that Europe has started bringing energy prices down.

We have not forgotten, Putin's deliberate use of gas as a weapon and how it triggered fears of blackout and an energy crisis like in the 70s.

Many thought, we would not have enough energy to get through the winter. But we made it.

Because we stayed united – pooling our demand and buying energy together.

And at the same time, different to the 70s, we used the crisis to massively invest in renewables and fast-track the clean transition.

We used Europe's critical mass to bring prices down and secure our supply.

The price for gas in Europe was over 300 euros per MWh one year ago. It is now around 35.

So we need to look at how we can replicate this model of success in other fields like critical raw materials or clean hydrogen.

**The third challenge for European companies** is about making it easier to do business.

Small companies do not have the capacity to cope with complex administration.

Or they are held back by lengthy processes.

This often means they do less with the time they have – and that they miss out on opportunities to grow.

This is why – before the end of the year – we will appoint an EU SME envoy reporting directly to me.

We want to hear directly from small and medium sized businesses, about their everyday challenges.

For every new piece of legislation we conduct a competitiveness check by an independent board.

And next month, we will make the first legislative proposals towards reducing reporting obligations at the European level by 25%.

Honourable Members,

Let's be frank – this will not be easy. And we will need your support. Because this is a common endeavour for all European institutions.

So we also have to work with Member States, to match the 25% at national level. It is time to make business easier in Europe!

But European companies also need access to key technologies to innovate, develop and manufacture.