



Oifig an Taoisigh
Office of the Taoiseach

22 October 2013

Dear President van Rompuy,

I recently announced that Ireland is to exit its EU/IMF programme in December 2013. This will be a highly significant step for the people of Ireland, and is good news for our common endeavours in Europe as a whole.

It is a testament both to the resilience of the Irish people and to the loyal support of EU partners, that Ireland is now preparing to return to the markets in a sustainable way, having delivered on all of our commitments in the 3 years of our Programme. We are now targeting a deficit target of 4.8% for 2014 which is within our EDP commitment of 5.1%, and which should deliver a primary balance and a small surplus next year. We are doing that notwithstanding our growth being much lower than anticipated. My Government will soon review the best options for our exit, in discussions also with the Troika. The decision regarding such post programme options is a finely balanced one, both from an Irish perspective and from an EU perspective.

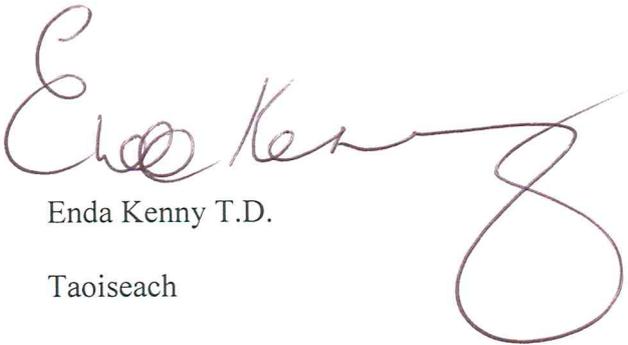
Like other EU partners we rely on the stability of our Union, and of the Eurozone, to anchor our fragile recovery. The recent stabilisation of sovereign borrowing rates in the Union is a product of hard-earned trust - trust and confidence that that the Banking Union will be completed on time, and confidence that momentum will be maintained on our shared jobs and growth agenda. These political commitments must be implemented. No time should be lost in building on the decisions reached in 2012 and earlier this year on Banking Union legislation. We must hold firm to our deadlines for agreeing the remaining legislation on Deposit Guarantees and on a Single Resolution Mechanism. It remains imperative, as we all agreed in June 2012, to break the “vicious circle“ between bank and sovereign debts that forced Ireland into a Programme in 2010, at a time when there was a different consensus in Europe on the merits of “bailing in” creditors of failed banks. That shared task, indeed all the commitments we made then, remain to be fulfilled and are important for ensuring that Ireland’s return to full market financing is sustainable and that Ireland can be a durable success story for the entire Eurozone.

Ten days ago, my Government delivered Ireland's budget for 2014, the budget that should see us exit our EU IMF Programme. We placed a strong focus in that budget, on encouraging job creation, while remaining in line with our deficit targets. For Ireland and for all of Europe, growth and jobs remain the key goals to which all our policies and programmes must contribute. I particularly appreciate, therefore, that you have placed the digital agenda and youth employment at the heart of our October meeting. Nothing should deflect us from our focus on getting our young people into the workforce and creating productive and healthy lives for themselves. I hope that is where we will indeed dedicate our attention and our political energy in the coming days.

Our young people will be the main beneficiaries if we make a positive difference to the high-potential digital sector. With Europe facing unacceptably high levels of unemployment, the reality is that most new jobs are created by fast-growing young firms in sectors such as cloud computing. And with over a quarter of digital sector employers across Europe finding it difficult to fill vacancies, there is clearly more we need to do in aligning our education and training systems with the needs of twenty-first century employers. We have no time to lose.

I look forward to seeing you and all other colleagues at our meeting tomorrow. I will take the liberty of sharing this letter with my colleagues, before meeting them tomorrow.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Enda Kenny', with a large, stylized flourish at the end.

Enda Kenny T.D.

Taoiseach