

## **No deal on bank debt before budget, says Kenny**

*By Ann Cahill, Europe Correspondent*

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Taoiseach Enda Kenny has said there will be no deal done on Ireland's bank debt before the budget next month.

However, speaking in Brussels before the EU summit, he said negotiations on the €31bn given to the country's pillar banks would proceed in parallel with arrangements to set up a single EU-wide bank supervisor next year.

The intention is to have the details of the supervisory system worked out as early as possible in the new year as it will open the way for direct recapitalisation of banks by the EU's rescue fund.

He described the €64bn the state put into the banking system as a "crushing burden" on the Irish people since then.

"When the negotiations by euro group ministers and ministers for finance take place during 2013 both about banking supervision and banking union, that in parallel, consideration will be given to taking Ireland's special case status into account."

Mr Kenny was speaking to the Adenauer foundation which is allied to the German centre right political party, the Christian Democratic Union currently in government.

Summarising Ireland's efforts to get over its economic difficulties, he emphasised that the country's ability to attract over 1,000 multinational companies to Ireland was not just to do with its low corporation tax rate, and said several other EU countries have lower rates.

It was largely due to the country having the best demographics in the EU for the next 25 years, having the right technologies, a talent pool, and track record of young people being able to "measure up" — and all this while being in a programme.

Outlining priorities for the Irish EU Presidency, Mr Kenny spoke about the importance of a youth guarantee and the example of Austria with an almost zero youth unemployment rate due to apprenticeship schemes.

He also is optimistic of getting a mandate from the EU to start discussions towards creating a free- trade area between the EU and the US.

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