Responding to the Coronavirus Crisis
Update on Kosovo (08/04/20)

EBRD Policy Comparator

### Key short-term priorities
Provide support to vulnerable households plus support for SMEs and essential SOEs

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**Economic channels of disruption**

**Private consumption, services, trade**

- Severe lockdown (curfew, schools, all non-essential businesses closed and air traffic significantly reduced) causing sharp halt to economic growth.
- Services sector hit hard due to shut down of businesses.
- Remittances (close to 16% of GDP) to decline, with a negative impact on consumption.

**Key crisis impact indicators**

- **EBRD GDP growth outlook (April 2020)**
  - 2020: recession
  - [New forecasts out on May 13]
  - 2021: strong recovery

**Crisis response measures to date**

**Support for healthcare, workers and businesses**

- The government has approved an emergency relief package to support affected sectors, boost health expenditures and assist socially vulnerable people.
- Central Bank of Kosovo issued a moratorium on loan repayments for distressed borrowers until 30 April, to be decided on a case-by-case basis by the lender.

**Key crisis response indicators**

- **Emergency relief package**
  - EUR 179.6 million
- **Support to employee salaries (1st phase, two months)**
  - Minimum wage of EUR 170 plus pension contributions
- **Committed external assistance**
  - EU: EUR 68 million (reallocated from Instrument for Pre-Accession Assistance)

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