Responding to the Coronavirus Crisis
Update on Kosovo (13/05/20)

European Bank
for Reconstruction and Development

EBRD Policy Comparator

Financial Sector			Direct support to firms					Payment holidays			Temporary controls		Support to individuals				Increased social benefits			Health	External Assistance
Policy rate reduced	Liquidity increased	Prudential req. loosened	Wage subsidies	Tax/ social sec. contr. deferred	Loan subsidies	Guarantees	Inspections/ audits suspended	Loans	Rent	Utilities	Prices	Exports	Universal transfers	Self-employed	Pensioners	Low income households	Enhanced sick leave	Enhanced unemp. benefits	Public works	Additional spending	(available or negotiated)
			*	*		*		*	*	*	*			*	*	*		*		*	*

Economic channels of disruption

Private consumption, services, trade

- Severe lockdown (curfew, schools, all non-essential businesses closed and air traffic significantly reduced) has caused sharp halt to economic growth.
- Services sector to be 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 (May 2020)	2020: -5% 2021: 7.5%
Decline in number of airplane passengers (March 2020)	52.0% year-on-year
Estimated daily losses from the pandemic (Minister of Finance, May 2020)	around EUR 6 million

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.
- Provision of interest-free loans to publicly-owned enterprises (with maturity period until the end of 2020)
- Central Bank of Kosovo issued a moratorium on loan repayments for distressed borrowers until 30 April (with the possibility of extension), 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	EC MFA: EUR 100 million EU: EUR 68 million (reallocated from IPA) IMF's RFI: EUR 51.6 million CEB: EUR 35 million Germany: EUR 13.5 million (grants)

Key short-term priorities

Provide support to vulnerable households plus support for SMEs and essential SOEs

To learn more about EBRD's support to Kosovo visit: https://www.ebrd.com/kosovo.html

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