Responding to the Coronavirus Crisis
Update on Kosovo (14/04/20)

**EBRD Policy Comparator**

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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
  - EU: EUR 68 million (reallocated from Instrument for Pre-Accession Assistance)
  - IMF’s RFI: EUR 51.6 million
  - Germany: EUR 13.5 million (grants)

**Committed external assistance**

- **Total** EUR 462 million
  - EU: EUR 302 million
  - IMF’s RFI: EUR 51.6 million
  - Germany: EUR 13.5 million
  - Other donors:
    - Norway: EUR 20 million
    - Sweden: EUR 20 million

**Key short-term priorities**

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