Responding to the Coronavirus Crisis
Update on Kosovo (13/11/20)

**EBRD Policy Comparator**

<table>
<thead>
<tr>
<th>Financial Sector</th>
<th>Direct support to firms</th>
<th>Payment holidays</th>
<th>Temporary controls</th>
<th>Support to individuals</th>
<th>Increased social benefits</th>
<th>Health</th>
<th>External Assistance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy rate reduced</td>
<td>Liquidity increased</td>
<td>Prudential req. loosened</td>
<td>Wage subsidies</td>
<td>Tax/social sec. cont. deferred</td>
<td>Loan subsidies</td>
<td>Guarantees</td>
<td>Inspections/audits suspended</td>
</tr>
<tr>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
<td>*</td>
</tr>
</tbody>
</table>

**Economic channels of disruption**

Services, investment, lockdown measures

- Exports of services (accounting for around one quarter of GDP and consisting mostly of travel services related to the country’s large diaspora) to be hit hard due to travel restrictions
- Construction, transport and accommodation and food services to record a severe fall in output
- Lockdown and containment measures (including occasional curfew and closure of schools and non-essential businesses) also to affect negatively economic growth

**Key crisis impact indicators**

**EBRD GDP growth outlook**
(Sept 2020)

2020: -5.0%
2021: 4.0%

**Decline in exports of services**
(Jan-June 2020)

35% year-on-year

**Fall in investment**
(Jan-June 2020)

28% year-on-year

**Fall in manufacturing output**
(Q2 2020)

17% year-on-year

**Key crisis response measures to date**

Support for healthcare, workers and businesses

- In April, the government has approved an emergency relief package to support affected sectors (liquidity provision, wage subsidies, tax deferrals), boost health expenditures and assist socially vulnerable people
- In June, the government adopted 2020-23 economic recovery programme, facilitating access to finance, reducing tax burden, and supporting employment in agriculture, and public enterprises; followed by the implementation plan in August 2020
- Provision of subsidies as well as interest-free loans to publicly-owned enterprises (with maturity period until the end of 2020)

**Key crisis response indicators**

**Emergency relief package**

EUR 179.6 million

**Plan for implementation of the economic recovery programme**

EUR 365 million

**Loan restructuring for up to one year** (for those applying)

Until end-September 2020

**Committed external assistance**

EC MFA: EUR 100 million
IMF’s RFI: EUR 51.6 million
WB: EUR 46 million

**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

Media enquires: Axel Reiserer, axel.reiserer@ebrd.com