



## IMF Executive Board Approves US\$190.5 in Emergency Support to Albania to Combat COVID-19 Pandemic

FOR IMMEDIATE RELEASE

- *The earthquake on November 26, 2019 and the ongoing global outbreak of COVID-19 have caused significant losses and disruptions to Albania's economy.*
- *To address Albania's urgent balance of payments need, the IMF approved US\$190.5 million (Euro 174 million) financial assistance under the Rapid Financing Instrument.*
- *The immediate challenge is to respond effectively to COVID-19 by strengthening health care and mitigating the effects on the sectors and households most affected by the crisis.*

**WASHINGTON, DC – April 10, 2020** The Executive Board of the International Monetary Fund (IMF) today approved SDR 139.3 million (around US\$190.4 million or Euro 174 million, 100 percent of quota) emergency support for Albania under the [Rapid Financing Instrument](#) (RFI) to meet urgent balance of payment needs stemming from the outbreak of the COVID-19 pandemic, and after the strong earthquake that hit earlier.

The RFI provides rapid financial assistance to member countries facing an urgent balance of payments need, without the need for a full-fledged economic program or reviews. It can provide support to meet a broad range of urgent needs, including those arising from commodity price shocks, natural disasters, conflict and post-conflict situations. Financial assistance under the RFI is provided in the form of outright purchases.

Due to two consecutive shocks (an earthquake and COVID-19) activity in Albania may be significantly contracted in 2020, followed by a rebound in 2021. Given the rapidly evolving situation, the outlook is subject to large uncertainty and serious downside risks.

Following the Executive Board discussion, Mr. Tao Zhang, Deputy Managing Director and Acting Chair, issued the following statement:

"The earthquake on November 26, 2019 and the ongoing global COVID-19 pandemic have caused significant hardship and disruption to economic activity in Albania. The two consecutive shocks are expected to create large fiscal pressures and an urgent balance of payments need amid a tightening of global financial conditions.

"The authorities' policy response to the shocks has been timely and targeted. In response to the COVID-19 pandemic, the authorities have put in place stringent containment and mitigation measures and have announced a fiscal package of 1.4 percent of GDP to help ensure medical care and support to affected households and businesses. The Bank of Albania's recent decision to reduce the policy rate is also welcome.

"A sizeable increase in the fiscal deficit of 2020 is necessary to limit the impact of COVID-19. It will be critical to ensure adequate spending for healthcare and support for the people and firms that are hurt by the COVID-19 pandemic. The Albanian authorities remain committed to

ensuring macroeconomic stability. Once the shocks have been overcome, it will be important to keep public debt on a clear downward path.

“The Fund stands ready to support Albania to combat the pandemic and help the economy to recover.”