

# CENTRAL BANKING

**BANK OF ALBANIA  
HIGHLIGHTS**  
July-December 2020



## NEWS AND EVENTS

No. 08





*Gent Sejko, Governor of the Bank of Albania*



## EDITORIAL

Dear Reader,

It is my pleasure to share with you the eighth edition of our half-yearly magazine "Central Banking: Bank of Albania highlights" for 2020 H2. This magazine presents a chronological overview of the activity of the Bank of Albania over the past six months. It shows the steps we have taken toward our main objectives, to support the country's economic development and overall welfare. Year 2020 was remarkably difficult and posed considerable challenges to the Albanian economy due to the health crises caused by Covid-19 pandemic. The response of the Bank of Albania to this situation has been swift and strong for establishing the premises for economy to rebound quickly.

The fulfilment of our constitutional and legal mission, in view of any kind of situation, is realised thanks to our long-standing promise, for having an "Elite institution" worthy comparable with the member central banks of the European System of Central Banks, by investing in strengthening both professional standards and capacities through enhancing independence, accountability, transparency and good governance.

Twining projects are one of the ways for accomplishing this promise. They serve as a concrete guide for enhancing the institutional capacities of the central bank and are implemented in close collaboration and guidance of modern European central banks. In this framework, the Bank of Albania, completed and concluded the Twining Project "Enhancing Bank of Albania's alignment with EU Acquis", during the period December 2019 - January 2021, financed with funds allocated by the European Union, in the framework of the IPA 2015 EU funds.

The project was implemented by the Bank of Albania, Banka d' Italia and Deutsche Bundesbank. Meanwhile, certain components were implemented by Banque de France and National Bank of Romania. Its primary goal was the improvement of work practices at the Bank of Albania and their alignment with the practices of the European System of Central Banks (ESCB). Thanks to the training provided to the Bank of Albania's experts, it brought the EU expertise and the experience of central banks of two EU founder countries to the benefit of the Albanian banking system, thus helping the economic integration of Albania with the EU.

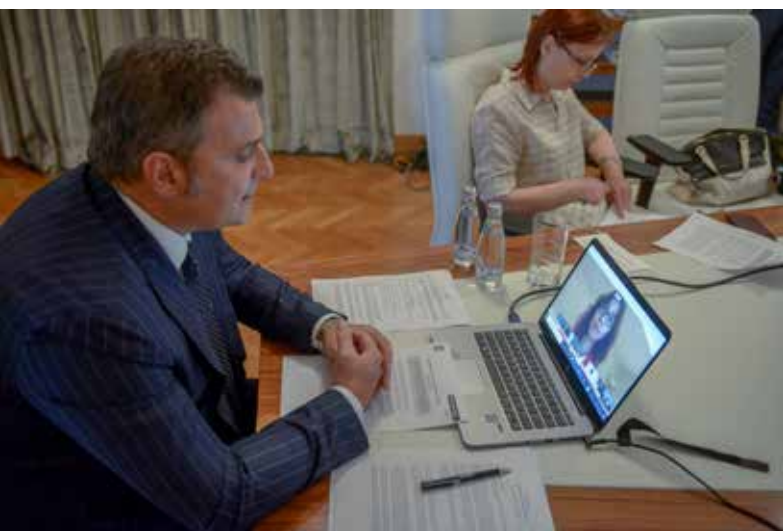
This Twining Project, notwithstanding the unprecedented situation due to COVID-19 pandemic in the first half of 2020, was completed successfully and on time. All the objectives planned in the project were completely realised and each component was incorporated into a number of tangible results, in the form of regulatory documents. 29 various documents were drafted, as: policy papers; by-laws; manuals; and guidelines. Throughout the implementation of the project, 105 missions took place, which involved 73 experts from the EU central banks, and a considerable number of experts from eight departments of the Bank of Albania, which addressed important issues, pooled into five components, as: banking supervision and financial stability; monetary policy and statistics; internal audit; payment systems; and other central banking functions such as human resources and European integration.

Hoping that year 2021 will open the green light to the EU accession negotiations for Albania, the Bank of Albania remains firmly committed to fulfilling priorities arising from the European integration process. We strongly believe this is the best contribution we can make for our country for the fast converging with the model of European System of Central Banks.

## **GOVERNOR SEJKO MEETS REPRESENTATIVES OF THE INTERNATIONAL MONETARY FUND MISSION**

**2 July 2020, Tirana**

An IFM mission led by, Yan Sun, head of the IMF mission in Albania conducted remotely a staff visit to Albania during 25 June- 1 July 2020. During this mission, meetings were held on-line with the Governor Gent Sejko and other representatives of the Bank of Albania on relevant issues. Discussions focused on Albania's macroeconomic developments and their expectations for the period 2020-2021, the impact of pandemics and economic recovery. During the concluding meeting of this mission, Governor Sejko stressed that the Albanian economy was under the strong impact of the pandemics during the second quarter, which negatively impacted consumption, investment and exports of goods and services, but the domestic banking sector remains sound and financial markets appear relatively calm.



In response to this crisis, the Bank of Albania, since the beginning of the pandemic, has taken a full package of measures to provide the necessary liquidity for the banking

system, to reduce financing costs and to help Albanian enterprises and households. The fast and coordinated response of the macroeconomic policies undertaken helps to improve the economic perspective of Albania and create the premises for a rapid recovery of the economy in the up-coming period.

The International Monetary Fund stated that the near-term outlook for the Albanian economy remains challenging, reflecting the significant impacts from the November 2019 earthquake and the COVID-19 pandemic. The mission also stated that the Bank of Albania's accommodative monetary policy remains appropriate, and the banking system overall entered the pandemic liquid and well-capitalized. However, its resilience will be tested for pockets of vulnerabilities, e.g. still high stock of NPLs.

---

## **GOVERNOR SEJKO PRESENTS THE ANNUAL REPORT OF THE BANK OF ALBANIA 2019 TO THE ASSEMBLY OF THE REPUBLIC OF ALBANIA**

**2 July 2020, Tirana**

On 02 July 2020, the Governor of the Bank of Albania, Mr Gent Sejko, presented the Annual Report of the Bank of Albania to the members of the Assembly of the Republic of Albania. Reporting to the Parliament is the main instrument of accountability for the Bank of Albania as an independent institution.

In his address, Governor Sejko affirmed that the work of the Bank of Albania has provided a positive contribution in strengthening the financial and monetary stability of Albania. This stability is a crucial precondition for



the sustainable and long-term growth of the country. In addition, the governor stated that the Bank of Albania has fulfilled its legal duties; has progressed with the implementation of the Medium-term Development Strategy; and has implemented the recommendations provided by the Assembly of Albania.

Governor Sejko presented the country's economic and financial framework, and focused on the Bank of Albania's contribution throughout 2019, a challenging year to the Albanian economy, first after the shock of 2019 earthquake, and then the moment that the world is going through due to COVID-19 outbreak.



More concretely, the Governor presented to the Assembly the full package of measures

undertaken by the Bank of Albania, in addition to the fiscal measures in place, in order to: guarantee the supply of the banking system with all the required liquidity; boost lending; and control debt servicing. Governor Sejko added that, in response to these measures, the financial markets continue to function smoothly, notwithstanding the increased demand of the public sector for financing and the heightened uncertainty in the economy.

## **GOVERNOR SEJKO ATTENDS THE MEETING OF THE FINANCIAL STABILITY ADVISORY GROUP**

**21 July 2020, Tirana**

The Financial Stability Advisory Group (FSAG) met on 21 July 2020. The meeting, which was held virtually, was attended by the Minister of Finance and Economy, Governor of the Bank of Albania (BoA), Executive Director General of the Financial Supervisory Authority (FSA), Director General of the Deposit Insurance Agency (DIA), as well as other representatives from these institutions. The focus was on the assessment of the financial system's situation, the risks arising from the pandemic's impact, the resilience of the financial institutions and the necessary measures to mitigate risks and strengthen the financial system resilience.

Participants, in this meeting, concurred on the following assessments: The Bank of Albania, as the monetary and supervisory authority, has undertaken some measures regarding financial market and banking activity. The further easing of monetary policy and the unlimited liquidity injection in the interbank market have maintained both low interest rates and the incentive for lending. In partnership with international homologue institutions, there are provided the instruments to support





the market with euro liquidity. In parallel, legal actions and the regulatory amendments have provided to the affected borrowers by pandemic and banks, the time and possibility to restructure the respective exposures with the aim, whenever possible, to preserve both the solvency of the borrower and the credit quality. Also, the Bank of Albania has required banks to suspend profit distribution (as a dividend), aiming at easing the impact of a possible fall of the financial result on the capitalisation indicators. Communication with banks has been enhanced and reporting requirements have become more specific and frequent.

At the conclusion of discussions, the measures taken by the authorities are assessed to have improved the capacities of the financial system to counter the economic shock of the pandemic.

## **GOVERNOR SEJKO: VIRTUAL MEETING WITH THE INTERNATIONAL MONETARY FUND MISSION 17 September 2020, Tirana**

On 17 September 2020, Governor Sejko and other representatives of the Bank of Albania had a virtual meeting with Ms Yan Sun, who led the recent IMF remote staff visit to Albania. The performance of the Albanian economy,

developments in the financial system, the impact of pandemic on the economic growth and the expectation about the economic recovery in the next period were at the focus of this meeting.



Governor Sejko stated that the financial and banking sectors entered the pandemic liquid and well-capitalized. These parameters have continued to be maintained soundly. In addition, Mr Sejko said that the relaxing of social distancing measures during the end of the second quarter, and both monetary and financial stability of Albania, have established the premises for a progressive reduction of pandemic impact on the economy in the following period. Governor Sejko highlighted that the Bank of Albania remains committed to further enhancing the financial system, in collaboration with the other relevant regulatory agencies, and approximating our supervisory and regulatory framework with the standards of the European System of Central Banks and Basel Committee principles.



The International Monetary Fund assesses that the Bank of Albania's accommodative monetary policy remains appropriate, providing the necessary stimulus to the economic growth and for the return of inflation to target within 2022.

The Bank of Albania and the International Monetary Fund concurred that the coordinated fiscal, monetary and financial stimulus has been a crucial element in mitigating the negative consequences of the crisis.

---

## **GOVERNOR SEJKO ATTENDS THE FIRST MEETING IN THE FRAMEWORK OF THE ANNUAL MEETINGS OF THE INTERNATIONAL MONETARY FUND AND THE WORLD BANK GROUP**

**9 October, Tirana**

On 9 October 2020, the Governor of the Bank of Albania, Mr Gent Sejko, in the capacity of the Governor of the Republic of Albania at the IMF, attended the Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG), virtually.



The first meeting was attended by the representatives of the World Bank, where Albania was represented by the Governor of the Bank of Albania, Mr Gent Sejko, and the Minister of Finance and Economy, Ms Anila Denaj and other senior representatives from the Bank of Albania and the Ministry of Finance and Economy. Meanwhile the World Bank was represented by Mr Patrizio Pagano, former Executive Director for Albania; and Mr Matteo Bugamelli, the new Executive Director. Discussion focused on the performance of the Albanian economy, developments in the financial system, the impact of pandemic on the economic growth and the expectation about the economic recovery in the next period.



Governor Sejko stated that the Albanian economy was under the strong impact of pandemic during the first half of year; especially in 2020 Q2. The Governor added that the Albanian economy is expected to start its recovery in 2021 and inflation is expected to return to target within 2022. In addition Governor Sejko, introduced the measures taken by the Bank of Albania as a response to the shock arisen by the pandemic, such as: the strengthening of monetary stimulus through the reduction of policy interest rate and the increase of liquidity injections, amendments to the regulatory framework, which aimed at temporary easing the credit payments and the restructuring of bank loans to customers facing financial difficulties.

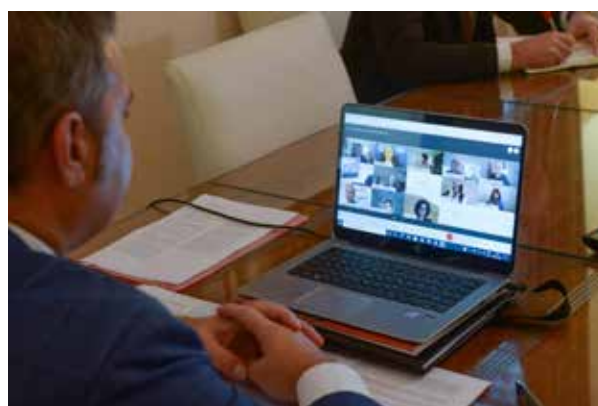
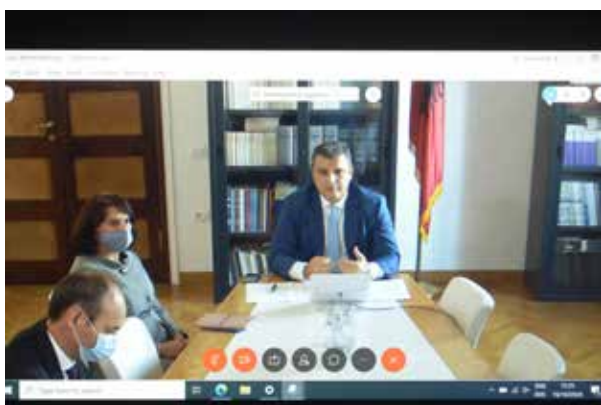
The representatives of the World Bank praised the monetary policy stance of the Bank of Albania, which will contribute to boosting economic growth and bringing inflation back to target.

## **ALBANIAN DELEGATION: VIRTUAL MEETINGS WITH REPRESENTATIVES OF THE IMF AND THE WBG**

**19 October 2020, Tirana**

On 19 October 2020, the Governor of the Bank of Albania, Mr Gent Sejko, and the Minister of Finance and Economy, Ms Anila Denaj, had virtual meetings with Ms Anna Bjerde, the World Bank Vice President for Europe and Central Asia, and with Mr Alfred Kammer, Director of the European Department at the International Monetary Fund, in the framework of the Virtual Annual Meetings of the International Monetary Fund (IMF) and the World Bank Group (WBG).

Regarding the banking system, Governor Sejko highlighted that the system entered the pandemic with good liquidity and capitalisation levels. In addition, the domestic financial markets appear calm with stable dominant interest rates. The foreign exchange rate appears stable, beyond the fact that, at the beginning of the implemented constraints



due to pandemic outbreak, the domestic currency was depreciated. Regarding the accommodative monetary policy implemented by the Bank of Albania, Mr Sejko pointed out that this stance remains adequate for providing the necessary stimulus to the economic growth and for the return of inflation to target within 2022.

Minister Denaj highlighted that fiscal policy, in addition, has had key role in dealing with the situation, by financially supporting citizens and providing liquidity to affected businesses. Also, the funds of sovereign guarantee to private companies, have contributed as a continuous flow of funds, by helping the liquidity situation of businesses, and supporting them in difficult moments.

The IMF and the WBG representatives commended the contribution of Albanian authorities in managing the pandemic shock on economy, particularly through the harmonisation of both fiscal and monetary policies, the support provided to citizens and



businesses affected by the pandemic, and the maintaining of macroeconomic stability of Albania.

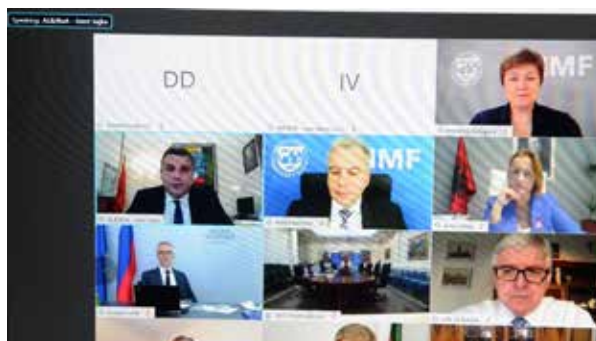


## **GOVERNOR SEJKO ATTENDS THE CESEE MEETING OF FINANCE MINISTERS AND CENTRAL BANK GOVERNORS, WITH THE INTERNATIONAL MONETARY FUND MANAGING DIRECTOR, MS KRISTALINA GEORGIEVA 22 October 2020, Tirana**

On 22 October 2020, the Governor of the Bank of Albania, Mr Gent Sejko, in capacity of the Governor of the Republic of Albania in the International Monetary Fund (IMF), attended the virtual meeting of the Ministers of Finance and Governors of the Central Banks of the Central, Eastern and South-eastern European (CESEE) countries with the Managing Director of IMF, Ms Kristalina Georgieva, in the framework of the Annual Meetings of (IMF) and the World Bank Group (WB).

During this meeting, two presentations were held that aimed to share the experiences of

central banks and fiscal authorities in coping with this crisis. Governor Sejko was elected to present the outlook of the central banks. In this regard Mr Sejko presented the experience and challenges faced by institutions and policy-makers in Albania while dealing with this situation.



Then, Mr Sejko stated that at a global level, the economic perspective is improving from the contraction caused by Covid-19. However, multiple challenges remain for policy-makers, such as the limited room for economic policies to react in the future, the long-term impact of this shock on potential growth rates, as well as the negative impact it may have on the



process of economic integration and policy coordination at global level.



Concluding, the Governor emphasized that when addressing the situation created by Covid-19, policy-makers were able to identify key elements for successfully managing the crisis, such as the importance of timely unprecedented measures, careful policy coordination, cooperation and investment in monetary and financial stability in order to achieve a sustainable and long-term economic growth.

## ANNUAL CONFERENCE OF THE BANK OF ALBANIA 19 October 2020, Tirana

The Bank of Albania co-organised with the London School of Economics and Political Science (LSE) the Virtual Conference: "COVID-19: The Impact on the Economy and Central Bank Policies", on 29 October 2020. This conference was organised under the auspices of the Governor of the Bank of Albania, Mr Gent Sejko, who was unable to join the conference proceedings, as he is tested positive for COVID-19.

The purpose of this regular conference was to provide a discussing platform of COVID-19

impact on the real economy both in advanced economies and in Europe's emerging markets; how central banks have adapted their policy toolkits to respond to the challenges arisen in the situation created by pandemic, with special focus in South-Eastern European countries, and in Albania.

Organised in two sessions, conference proceedings were opened by Ms Luljeta Minxhozi, First Deputy Governor of the Bank of Albania. In her welcome address, Deputy Governor Minxhozi stated that Covid-19 pandemic has the undoubted potential to re-shape our way of life. As the health emergency is still unfolding, for policy-making institutions, particularly in emerging economies, the challenge to fulfil key objectives like price stability, sustainable growth and financial stability, is driving them into uncharted operational territory.



Ms Minxhozi added that in Albania, the scale of the two key support measures at national level, fiscal and monetary policy, reached unprecedented levels in many economies, not seen even during the recent global crisis of 2008. She pointed out that the pandemic has tested the resilience of the Albanian economy and of our banking system.

In addition, the Albanian economy enjoys sufficient preconditions for a gradual recovery- the First Deputy Governor said. Focusing on the Bank of Albania's forecast, Ms Minxhozi

stated that the overall policy stance should remain accommodative over the foreseeable future. However, policy makers should be careful in getting the policy mix right so that potential long-term costs do not outweigh short term benefits.

---

## **FIRST DEPUTY GOVERNOR MINXHOZI PRESENTS BOA'S OPINION ON 2021 DRAFT BUDGET TO THE PARLIAMENTARY COMMITTEE ON ECONOMY AND FINANCE 2 November 2020**

On 2 November 2020, the First Deputy Governor of the Bank of Albania, Ms Luljeta Minxhozi, presented virtually the BoA's opinion on 2021 Draft Budget to the members of Parliamentary Committee on Economy and Finance.

The first Deputy Governor Minxhozi emphasised that the Draft Budget 2021 will have a threefold role. It should: (i) ensure the necessary financial support for mitigating the crisis consequences in the short run; (ii) ensure the necessary funds for supporting the long-

term priorities of the country development; and (iii) guarantee the long-term stability of public finances of Albania.

In compliance with the legal mandate of the Bank of Albania, Ms Minxhozi highlighted that the BoA's opinion focuses on the following fields:

- Macroeconomic stability and the interaction of fiscal policy with monetary policy;
- Fiscal projections and public debt stability; and;
- Effects of projected borrowing on the domestic financial markets.

Also, at the end of this opinion, the First Deputy Governor provided some suggestions of the Bank of Albania on issues that we consider to be taken into account, to boost the effectiveness and stability of public finances.





## **GOVERNOR SEJKO RECEIVES H.E. AMBASSADOR OF THE REPUBLIC OF ROMANIA IN ALBANIA, MR MIRCEA PERPELEA**

**18 November 2020, Tirana**

On 18 November 2020, the Governor of the Bank of Albania, Mr Gent Sejko, received H.E. Ambassador of the Republic of Romania in Albania, Mr Mircea Perpelea on the occasion of the end of his mission in Albania. The conversation focused on the management of the situation created by COVID-19 pandemic and its impacts on the economies of both countries and on the global economy. Governor Sejko presented Ambassador Perpelea with the latest developments in the Albanian economy, and the contribution of the Bank of Albania to support the economic activity in the country, which has been improving during the summer months, after the sharp fall recorded in the second quarter. Related to banking sector, Mr Sejko emphasised that this sector continued its activity smoothly, notwithstanding the challenges triggered by pandemic in Albania. The sector has accommodated the needs of borrowers, by providing the temporary extension for credit instalments and its entire restructuring. In addition, the banking sector has undertaken a part of the financial burden of the crisis.



After thanking Governor Sejko for the hospitality shown throughout his stay in Albania, Ambassador Perpelea pointed out his country's support for the opening of Albania's accession negotiations with the European Union, and provided the necessary assistance in the framework of the European integration process.



Also, the Ambassador of Romania expressed the importance of the cooperation between the Central Banks of the two countries and offered the expertise of the National Bank of Romania for various fields of the central banking, which has been a constant assistance to the Bank of Albania.

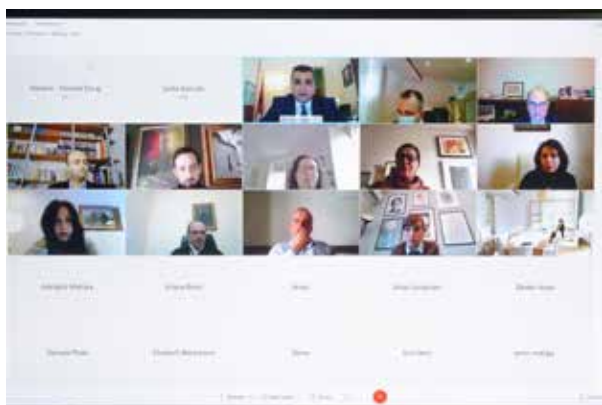
---

## **BANK OF ALBANIA ORGANISES THE 14TH SEE ECONOMIC RESEARCH WORKSHOP**

**10-11 December 2020, Tirana**

On 10-11 December 2020, the Bank of Albania organized the 14th SEE Economic Research Workshop. This workshop aims at providing a discussion forum on the research works and projects conducted at the Bank of Albania throughout 2020. In addition, it promotes the exchange of views among researchers from the Bank of Albania, other

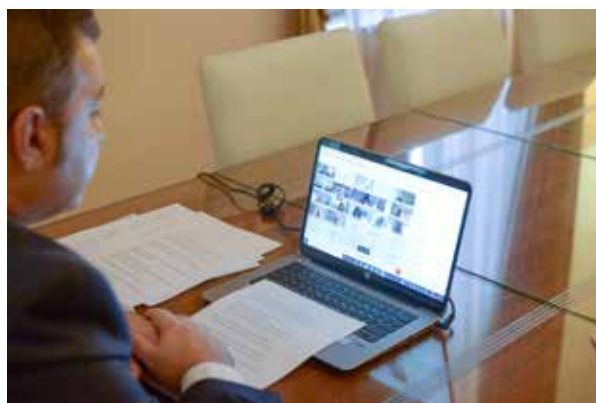
central bankers, academia, scholars and policy-makers in the region and beyond, on the results of scientific research on issues related to the activity of central banks.



In his address to the workshop, Mr Sejko, the Governor of the Bank of Albania, pointed out that the presented research works serve as the foundation for the understanding of economic and financial phenomena and the interaction of monetary, macro and micro prudential policies with the economy. It is due to this understanding and knowledge that the Bank of Albania crafts its policy response and selects its policy instruments to respond to significant negative shocks that have hit our economy.

The Governor highlighted that authorities are feeling the difficulty of performing their task. In this respect central banks have lost the traditional instruments of monetary policy and are reverting to money as the instrument of monetary policy. Central banks, in the region,

and beyond, using support of research analysis and conclusions are in the process of reviewing their objectives and monetary policy, eventually rewriting monetary economics as a new instrument.



In this context, Governor Sejko invited research to guide policy reviews and policy models for sustainable economic policies that can promote growth in the presence of stable prices and financial system.

## GOVERNOR SEJKO RECEIVES H.E. MR. MARCOS ALONSO ALONSO, NEW AMBASSADOR OF THE KINGDOM OF SPAIN IN ALBANIA

**10 December 2020, Tirana**

On 10 December 2020, the Governor of the Bank of Albania, Mr Gent Sejko, received H.E. Mr. Marcos Alonso Alonso, the New Ambassador of the Kingdom of Spain in Albania.

Governor Sejko referred to Ambassador Alonso his thankfulness for the very good relationships between the two countries.



The Governor extended his appreciation for Spain, as an important European partner, and in this context, the gratitude for the continuous support that Spain provides in the EU integration process of Albania.

At the beginning of the meeting, Governor Sejko presented Ambassador Alonso with an overview of the economic developments in Albania, focusing on the situation created by the Covid-19 pandemic. The Governor stated that the pandemic has tested the resilience of both the Albanian economy and financial system. Nevertheless, thanks to the timely and well-coordinated measures and instruments taken by the Bank of Albania for supporting the financial activity and by the Government, it was succeeded to contain the adverse economic impact and preserve the monetary and financial stability.

Ambassador Alonso commended the work of the Bank of Albania for safeguarding and



guaranteeing the financial system in Albania, particularly in these difficult times, while pointing out the two difficult moments Albania is facing, the earthquake of 26th November and the Covid-19 pandemic. He added that the measures taken by the Bank of Albania have established the premises for a rapid recovery of the economy in the following period.

## **SIXTH MEETING OF THE NATIONAL PAYMENT SYSTEMS COMMITTEE**

**17 December 2020, Tirana**

On 17 December 2020, the National Payment Systems Committee (NPSC) held its sixth meeting, chaired by Ms Luljeta Minxhozi, First Deputy Governor of the Bank of Albania. This meeting was held virtually,



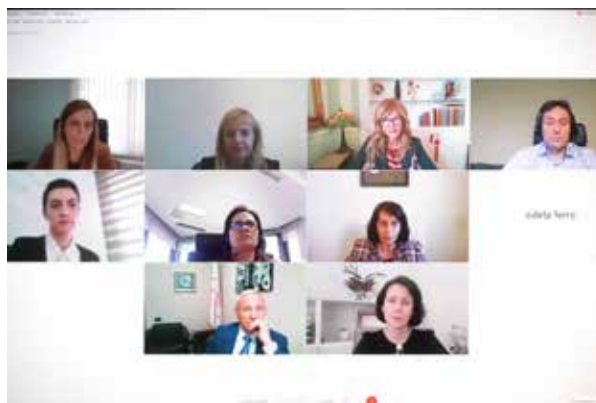


due to the situation caused by Covid-19. In addition to NPSC members, like the Chair of the Albanian Association of Banks (AAB) and the Chair of the AAB's Payments Committee, the meeting was attended by NPSC members, representatives of the Ministry of Finance and Economy, the Ministry of Interior of Albania, the Albanian Financial Supervisory Authority, the National Agency for Information Society (NAIS), other market stakeholders, etc. Also, representatives from the World Bank, SWIFT, TIETO Company and CBI S.c.p.a attended this event, to support the topics discussed during the meeting.



In her opening address, the Chair the National Payment Systems Committee (NPSC), Ms Minxhozi, thanked the member institutions for the continuous efforts and achievements, as well as the participants in this meeting, who through their presentations help to fulfilling the NPSC objectives. In addition, Ms Minxhozi provided a summary of the so far achievements and emphasised the importance that National Retail Payments Strategy has nationally and in the framework of the Albanian integration process in the EU. The Chair highlighted the need for the implementation of the Law "On payment services" as one of the main measures and achievements of the strategy. Also, the First Deputy Governor pointed out that the establishment and improvement of infrastructures, like Instant Payment and cards processing, and the promotion of the financial education are a crucial mechanism to achieve the objectives for enhancing the financial

inclusion of population and the expansion of the use the electronic payment instruments.



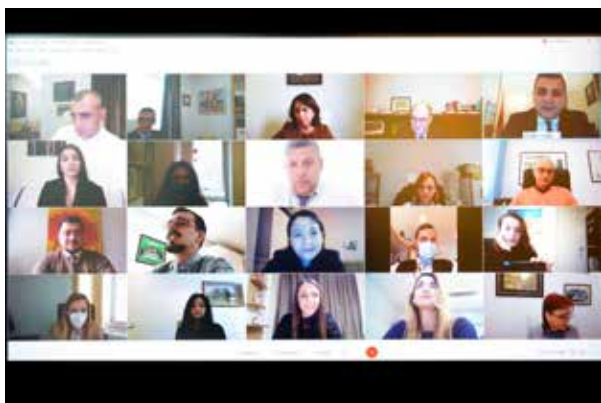
At the conclusion, based on the discussions that took place in this meeting, the Chair of the Committee recommended to establish some Working Groups with the NPSC members, aiming at concrete addressing the issues discussed in this meeting, those related to financial education and card payments, in terms of both reduction of costs held by traders and their processing.

## GOVERNOR'S AWARD FOR THE "BEST DIPLOMA THESIS - 2020"

**21 December 2020, Tirana**

On 21 December 2020, under the auspices of the Governor of the Bank of Albania, Mr Gent Sejko, the ceremony for the "Governor's Award for the Best Diploma Thesis - 2020", took place virtually.

The Governor's award is an open contest that is organised annually by the Bank of Albania and is dedicated to Albanian students - graduated in Albania or abroad - for their research related to monetary and international economics, financial stability, economic integration issues of Balkan



countries in the European Union, monetary policy and macro-prudential policies of the Bank of Albania, fiscal policy and their role in economy, the Albanian banking system, and overall economy aspects.

At the beginning, Governor Sejko highlighted that the organisation of this contest by the Bank of Albania aims at assessing, promoting and rewarding the research of students, to motivate their encouragement and capacity to undertake deeper studies on important issues of economics and finance. Also, Mr Sejko thanked and congratulated all participants in the contest for the commitment and seriousness showed in their submitted works.



The first prize was awarded to Ms Megi Jaupi, a student at the ETH Zurich University, Switzerland, by the Governor of the Bank of Albania, Mr Gent Sejko, for the study on "Generative Adversarial Networks for Multivariate Return Simulation and Robust Portfolio Optimization".



The second prize was awarded to Mr Argi Hanku, a student at the University of Vienna, Austria, by the First Deputy Governor, Ms Luljeta Minxhozi, on "Evaluating Low Frequency Liquidity Proxies".

The third prize was awarded to Ms Eda Meta, a student at "Berlin School of Economics and Law" University, Germany, by the Second Deputy Governor, Ms Natasha Ahmetaj, on "Assessment of the impact of CoCo bonds on banks".



## OTHER

### GOVERNOR SEJKO ATTENDS THE PROMOTION CEREMONY OF THE BOOK "ECONOMIC CRISIS IN CORONAVIRUS TIME"

7 July 2020, Tirana

On 7 July 2020, the Governor of the Bank of Albania, Mr Gent Sejko, attended the promotion ceremony of "Economic crisis in times of coronavirus", a book co-authored by the Academics: Prof. Dr. Anastas Angjeli, and Prof. Dr. Adrian Civici.



In his address at the ceremony, Governor Sejko commended both professors, Angjeli and Civici, for their valuable book. The professors confront both international and national realities, pointing out that neither Albania was spared by Covid-19 pandemic. Albania firms and households, in addition to experiencing a unique social experiment, suffered sharp economic and financial shocks, by both the pandemic and the necessary physical distancing measures undertaken to contain it. For these reasons, the shock required a rapid, effective and compressive response by all public authorities, in a situation with many uncertainties and deep economic, political and social changes.

In this regard, Governor emphasised, that this book explains the immediate measures which were undertaken in view of health, economic and social care. As one of the most important institutions of the country, also the Bank of Albania implemented a package of comprehensive measures to address the situation and mitigate the shock in economic aspect. These measures provided for the implementation and further completed the fiscal package undertaken by the Government.



The Governor thanked both distinguished academics for their outstanding work, with a particular importance to the financial education of public. He appraised this book as "indispensable to read" to understand the consequences of Covid-19 pandemic, which may define the course of developments worldwide and certainly in Albania in the upcoming years.



## THE BANK OF ALBANIA COMMUNICATES TO THE PUBLIC THE MONETARY POLICY DECISION-MAKING

After each meeting of the Supervisory Council, the Governor of the Bank of Albania communicates to the public the decision-making of the Bank of Albania, at a press conference. During 2020 H2, four press conferences of the Governor were held on this decision-making, respectively on: 1 July, 5 August, 7 October, and 16 December.



In these conferences, Governor Sejko communicates to the general public the decision of the Supervisory Council of the Bank of Albania on maintaining unchanged the key interest rate at 0.5 %, the overnight deposit interest rate at 0.1%, and overnight loan interest rate at 0.9%.



## THE PRESENTATION OF THE PERIODICAL REPORTS OF THE BANK OF ALBANIA TO THE MEDIA

As part of its communication strategy with the public, the Bank of Albania presents its periodical reports to the media prior to their publication. Based on the publication calendar of periodic reports published on the Bank of Albania's website at the beginning of 2020, during the second half of this year, three presentations off-the-record were held for the media, which are held virtually due to the situation caused by Covid-19 pandemic:

- 1.The presentation of the Monetary Policy Report/III 2020, dated 13 August 2020;
- 2.The presentation of the Financial Stability Report 2020 H1, dated 28 September 2020;
- 3.The presentation of the Monetary Policy Report/IV 2020, dated 12 November 2020.

These releases are organized on the day of publication of the relevant report on the website. They aim to direct the media toward a correct understanding of the decision making of the Bank of Albania and are seen as an effective means of communication with the public.

---

**ALBANIA—CHASING THE FINANCIALLY EXCLUDED**  
**Article published at “Central Bank Payments News”, volume 3 - issue 8/August 2020**  
**03.09.2020**

“Central Bank Payments News” known in central banks’ community on the news related

to the development in the area of payments, features a special article to Albania and the latest novelties that the Bank of Albania has undertaken in this field.

The article specifies that, Albania has rarely—or probably never—made breaking news in the payments area, and truth be told there has not (yet) been a reasonable argument for the country's payments initiatives to make the front page, but perhaps now it's time for that to change.

One of the emerging economies of south-eastern Europe, aspiring to be part of the European Union, Albania struggles between growing its economy, absorbing the economic "aftershocks" of a deadly earthquake in November 2019 and more recently gathering all its limited forces to face the economic contractions due to a country-

wide lockdown and safety measures to halt the spread of COVID-19.

Aside from the latest unfortunate events that will surely change priorities in many areas, the Bank of Albania (BoA) has been actively focused on a single and very important objective: financial inclusion of the unbanked.

Chasing excluded populations that don't have access to financial services, which add up to around 60% of adult population, is considered to be crucial in addressing the heavily cash reliant economy in Albania and an important key to unlocking opportunities for development.

This strategic objective has been gaining much more importance, especially nowadays in fragile economies and in the context of pandemic-driven uncertainties.

