



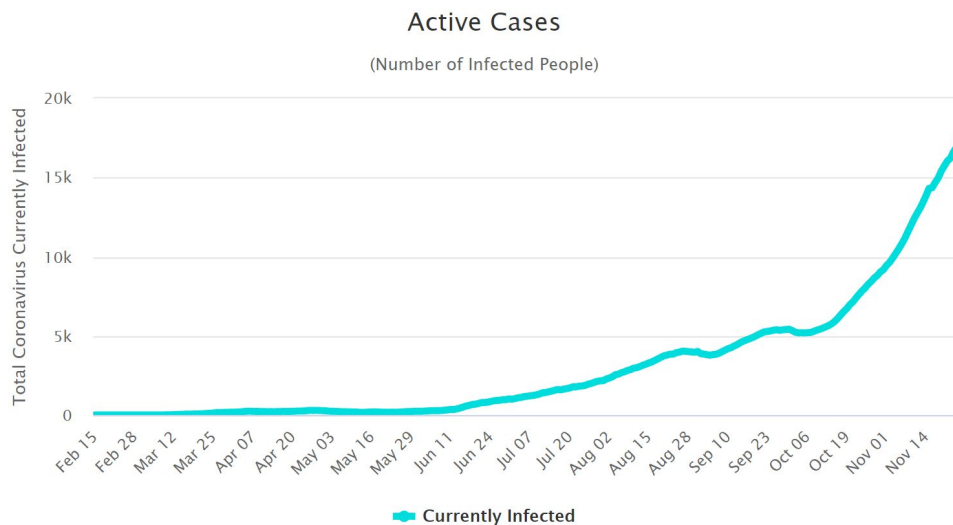
THE COVID-19 CRISIS IN ALBANIA

30 November 2020

COVID-19 health situation – November 2020

- The number of cases in Albania has been consistently growing following the summer tourist season and deconfinement measures leading to a re-introduction of restrictive measures. Throughout November, the daily rate of new cases almost tripled from a minimum of [321 to a record 836 new cases per day](#). The number of active cases reflects the same increase, going from [312 per 100 000 inhabitants to 579](#) since the beginning of the month. As of 26 November, a total of 753 people have died from the virus, representing [25 deaths per 100 000 inhabitants](#).

Evolution of active cases in Albania



Source: Worldometers.info

- The wearing of facemasks has been mandatory in closed spaces since July, and as of 15 October, masks are mandatory in all public spaces, including those outdoors. While lounge bars, discos and nightclubs remain closed, the interior of bars, restaurants and swimming pools are open from 6:00 to 22:00. Several countries, including [the UK](#) and [Germany](#), have issued travel warnings on non-essential travel to Albania. The EU borders with Albania remain closed to non-EU residents. Countries such as Germany, Greece and Italy require a quarantine and/or negative PCR test results upon entry for residents.

Policy reactions – November 2020

- As the current structures of COVID 1 and COVID 2 hospitals have been filled to capacity, COVID-19 patients are being hospitalised in the COVID 3 hospital, while COVID 4 and other hospitals outside of the capital are being envisioned in case of further deterioration of the situation.
- As of 11 November, restrictive measures were put in place by the government for an initial duration of three weeks. These include a curfew from 22:00-06:00 throughout the country, with the exception of necessary travel for work, health emergencies or urgent needs. In addition, bars and restaurants are required to close from 22:00-06:00, except for delivery services. Working from home became mandatory for public administration (adapted to the specifics of each sector). Exceptions include service delivery structures, which may continue their activity unchanged while implementing security protocols.
- On 17 November, the government announced further restriction measures: interdiction of gatherings of more than 10 people in open and closed places, interdiction of political meetings and rallies and interdiction of conferences, holiday ceremonies, wedding ceremonies, and events other than funeral ceremonies with family members only, until a second order.
- One of the most important land border crossing points from Albania to Greece was closed on 20 November until 4 December, while the remaining point continues to have a crossing limit of 750 persons per day (essential travel only) from 06:00 to 23:00, only interrupted by a 24-hour halt on 24 November.
- On 2 November, the academic year 2020-21 started with distance learning for universities, the duration of which has been extended until further notice. The Ministry of Health additionally recommended that starting from 1 December primary and secondary education should follow an alternating system of physical learning and distance learning.

Economic impact/outlook

- *Macroeconomic data:* In November 2019, Albania was hit by a high magnitude earthquake, which took a toll on physical infrastructure and economic activity, leaving a burden on the budget prior to COVID-19. Although in recent years the economy experienced a constant increase in real GDP growth, due to the earthquake and a decrease in energy production caused by a drought, it went [from 4.1% to an estimated 2.2% in 2019](#).
- The economy is projected to contract by [about 7.5% in 2020](#), reflecting its dependence on tourism and remittances. The fiscal deficit is projected to rise to [about 7% of GDP](#) and the public debt to slightly [above 80% of GDP at end-2020](#).
- In the second quarter of 2020, the recession deepened to [an economic contraction of 10.2%](#). This was mainly driven by a contraction in investment, private and public consumption as well as a large [fall in exports of 35%](#). This drop may be explained by the large share of Albania's exports to Italy (48%), which itself fell to a notable [recession of almost 18%](#) in the second quarter of 2020.
- An important branch of the economy such as trade, transport and hospitality services greatly contributed to the recession with its [27% decrease](#). In particular, tourism which accounts for more than [20% of Albania's GDP](#), was one of the most affected sectors by the pandemic. In July 2020, the number of foreign tourists was found to have [decreased by 61.5% compared to last year](#).
- A [loss of 34 000 jobs](#) and an increase of the unemployment rate by [0.6 pps y-o-y to 12.5%](#) show the deterioration of the labour market in Albania. Amidst the crisis, the European Commission decided to open accession negotiations with Albania.

- *Fiscal and financial data:* The Albanian currency, ALL, depreciated by [almost 7%](#) by the end of March compared to the start of the year. However, the currency slowly became more stable, and remained at the [average rate of ALL 124 per euro in Q3](#), close to last year's average of ALL 123 per euro. The depreciation of ALL against EUR and the strong increase in food prices caused the CPI inflation in Albania to pick up [from 1.4% in 2019 to 1.9% in 2020 Q2](#), although still below the 3% target.

All previously published COVID-19 notes for Albania can be accessed [here](#)

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