

# CENTRAL BANK OF KOSOVO IMPACT INTO ITS ECONOMIC CYCLE

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## **Abstract**

The chain of the economic cycle is that strong as weakest link on the chain. Therefore, coordination, empowerment, inflation rate and the impact of the decisions are keys to the strong and stable economic cycle. Nevertheless, the economic cycle has a direct impact by the Central Bank decisions, Economical Ministry of Finance, it habitants and factories. The main aim of this paper is to analyse the impact of the Central Bank of Kosovo into its economic cycle. Therefore, the tendency of this paper work is to present clearly the economic cycle and the impact on the following link of the chain, respectfully the decision making over the cycle that influences other links within the chain, in the European Central Bank and the Central Bank in particular. This paper work aims to elaborate the existing status of the Central Bank towards the economic cycle and then the impact of the Central Bank and Ministry of Finance on the country economy especially in Kosovo. To complete this paper work it was needed to review at the main undependable variable decision of the Central Bank and the Ministry of Finance towards other middle undependable various variables such us: Commercial Bank, its inhabitants and market, corporate governance (from bonds perspectives), inflation and interest rates towards dependable variable economic cycle. To achieve this paper in this stage we have referred various authors in regards to our topic, and the research was made during the autumn 2017 for the interest of the Kosovo public and wide banking interest and academic purpose. The paper-work brings in to the surface that the economic cycle is continues process, and defines the role of the Central Bank as a main player that justifies the boom and bust trend on the market of its country.

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