

Government workers to receive salaries through banks

The Ministry of Finance has decided to transfer the salaries of more government servants through the bank, having determined this system to be reliable after a three-month trial.



Representatives from three ministries sign the agreement with the Director of the Banque pour le Commerce Exterieur Lao, allowing the bank to arrange payment of government officials' salaries.

The ministry began using this bank service in October and determined that it was more efficient than giving staff their salaries in cash through the finance office of each ministry.

The ministry on Thursday hosted a signing ceremony for the ministries of Public Works and Transport, Agriculture and Forestry, and Industry and Commerce and the Banque pour le Commerce Exterieur Lao to sign an agreement allowing the bank to transfer salary payments for the staff of these ministries.

Lao Airlines has also agreed to use the new banking transfer system.

Under the new agreement, the ministry will pay salaries to the bank so that individual officials can withdraw their salaries from their bank accounts, either directly or using an ATM.

Speaking at the signing ceremony, the Deputy Head of Office of the Ministry of Finance, Mr Sanya Phaseuth, said the agreement between the bank and the three ministries and the Lao Airlines would be effective from February.

He added that this change in the payment system would serve to comply with the resolution of the 8 th Party Congress, which stipulates that the government should address problems relating to government pay schemes, especially regarding timely payments.

He said he believed the new system would be the best way to ensure government workers would be paid on time and have easy access to their money.

The ministry was also encouraging state organisations to use the bank service for salaries, Mr Sanya said, and he hoped that all government departments from the local to central levels would be using the system for all government officials by 2010.

Head of Office of the Ministry of Public Works and Transport, Mr Math Soundara, one of the representatives who signed the agreement with the bank, said the new

system would be better than that used previously, because it would ensure security.

In the past, the ministry had to withdraw large amounts of cash from the bank in order to pay their staff. "There are more than 500 officials working in the ministry, which meant dealing with large bundles of cash," he said.

"It was actually quite an insecure situation."

He added that the new system would also be more convenient for the officials, who would have easier access to their money from any of the bank's ATMs installed around the city.

However, he expressed concern that systemic errors might occur, such as electronic problems or computer faults.

Director of the Banque pour le Commerce Exterieur Lao, Mr Sonexay Sitphaxay, assuaged these fears, saying that the bank was ready to serve government officials, and the right basic infrastructure to ensure good services for its customers.