

Central bank Launches Online Credit Information System

The Bank of Lao PDR (BOL) Launched an online credit information bureau system in Vientiane on Tuesday. The system aims to provide a central and modern service for commercial banks in Laos, said BOL Deputy Governor Mr Somphao PHAYSITH.

He explained that the system is a tool to assist banks and financial institutions to assess risk when considering the release of credit to customers, and also provides other services and products for members.

The introduction of the system is part of the central bank's efforts to develop and modernize the banking sector in Laos, he added.

BOL's bank supervision department received support from the Asian Development Bank, European Commission's Small and Medium Enterprise Project and the International Finance Corporation (IFC) to develop and implement the online information system. The system allows members to search for credit information quickly and efficiently.

Mr Somphao PHAYSITH said the electronic system is an important step in modernizing the banking sector and credit information; but is only an initial measure in an ongoing project. The BOL first investigated the possibility of establishing an online information bureau system in 2001, said Director General of the bank supervision development Mr Phouthasay SIVILAY.

"Previously we used faxes to send credit information and it usually took at least three days but now the process takes minutes with the online system." Mr Phouthasay said the previous system was inefficient, time consuming and often led to errors.

"IFC's experience around the world shows that credit bureaus are crucial in enabling financial institutions to safely expand lending to consumers and to micro, small and medium enterprises," said IFC Vice president for Business Advisory Services Ms Rachel Kyte. This will help to ease access to finance for businesses, which leads to greater economic growth and faster poverty reduction, she added.