

Central bank installs modern IT system



The Bank of the Lao PDR has completed installation of a modern IT system, which will enhance its capacity to deliver better services to commercial banks. The grand opening ceremony of the central bank's new IT and financial infrastructure was held in Vientiane on Friday, amidst growing demand for modern banking services in Laos.

The infrastructure will enable the central bank to provide better services, such as allowing commercial banks to transfer money to other banks more easily.

The new system will also enable the Lao Securities Exchange to provide electronic money transfer services to share traders, and facilitate banks to join ATM pools, allowing customers to withdraw money from a greater number of ATMs.

At present, account holders have to withdraw cash from one bank and deposit it in another because there is no electronic transfer system, while commercial banks use electronic transfer services offered by other countries to provide international credit and debit card services.

The central bank expects to monitor money transfers and collect fees for the use of the system.

At present, there are more than 24 commercial banks in Laos-four of which are state-owned, and the rest either private, joint-venture or foreign branches-meaning there is big potential for the central bank to develop its IT services.

Central bank officials say installation of the new IT infrastructure is one of its development projects to implement the resolution of the eighth Party Congress and the government's sixth five-year socio-economic development plan to modernize Lao banking.

The central bank had hired the CSCC Company to develop the system, because the company has extensive experience in banking technology and an established network of partners to develop an international standard system. The cost of the project was about US\$10 million.

The CSCC Company said it joined forces with two other firms to develop the system in line with international standards so banks in Laos can feel confident that the transfer services offered by the central bank are safe, reliable and timely.

The grand opening ceremony was attended by Bank of the Lao PDR Governor Mr Phouphet Khamphouvong, CSCC Company Director Ms Xamsivanh Keobounphanh, senior central bank officials and contractor management staff.