

## Central bank recruits media to promote use of kip

The bank of the Lao PDR has sought cooperation with media and cultural workers to promote use of the Lao kip.

The move is one of the measures undertaken by the central bank to enhance its capacity to implement national monetary policy and secure stability of currency exchange, creating favourable conditions for local and foreign businesspeople to invest and operate businesses in Laos.

The central bank yesterday joined hands with the Ministry of Information and Culture to host a seminar to disseminate its policy on the regulation of foreign currency management and promotion of kip, in the hope that media and cultural officials would pass on the information to the wider public.

About 50 media and cultural officials from state and private organisations attended the seminar in Vientiane.

The bank's Monetary Policy Department Deputy Director General, Mr Phetsathaphone Keovongvichith, urged the media and cultural officials to assist the central bank to promote use of the Lao kip, adding they play an important role in communicating such messages to the public.

"We regard the media as an important voice to disseminate information on the bank's policies and regulations to members of the public," he said.

Mr Phetsathaphone said that in recent years the central bank has worked with the Ministry of Education to promote use of kip in schools, and with local and central authorities to urge shop owners to advertise the price of their goods in the national currency.

He said that more Lao people are confident in the kip after its value has stabilised in the past few years, adding that the strong economic growth of Laos has played an important role in maintaining the value of the kip.

The central bank has introduced a more relaxed currency exchange policy, making it easier for individuals and businesses to exchange kip into foreign currencies, he said.

The value of the kip has increased against the US dollar over the past decade or so, from about 10,00 kip per dollar in 1997 to about 8,000 kip to the dollar at present.

The kip has also strengthened against the Thai baht in recent years, increasing the confidence of Lao people in making deposits in kip rather than other currencies.

The value of the kip fell dramatically in 1997 due to the Asian Economic Crisis and many Lao people saw the value of their savings wiped out. Since then they have turned to safer investments such as gold or the US dollar or baht.

According to a report from the central bank, the portion of deposits in kip at commercial banks has increased to about 50 percent, from only about 30 percent in late 1997.

Mr Phetsathaphone said that despite major achievements in promoting the use of Lao kip , it will still take some time before savers, confidence returns to pre- 1997 levels, adding that the stability of the currency will play an important role in increasing confidence in it.

The central bank has pledged to maintain the value of the Lao kip against major foreign currencies within a five percent range this fiscal year.

Reference from Vientiane Times newspaper  
Friday October 29,2010