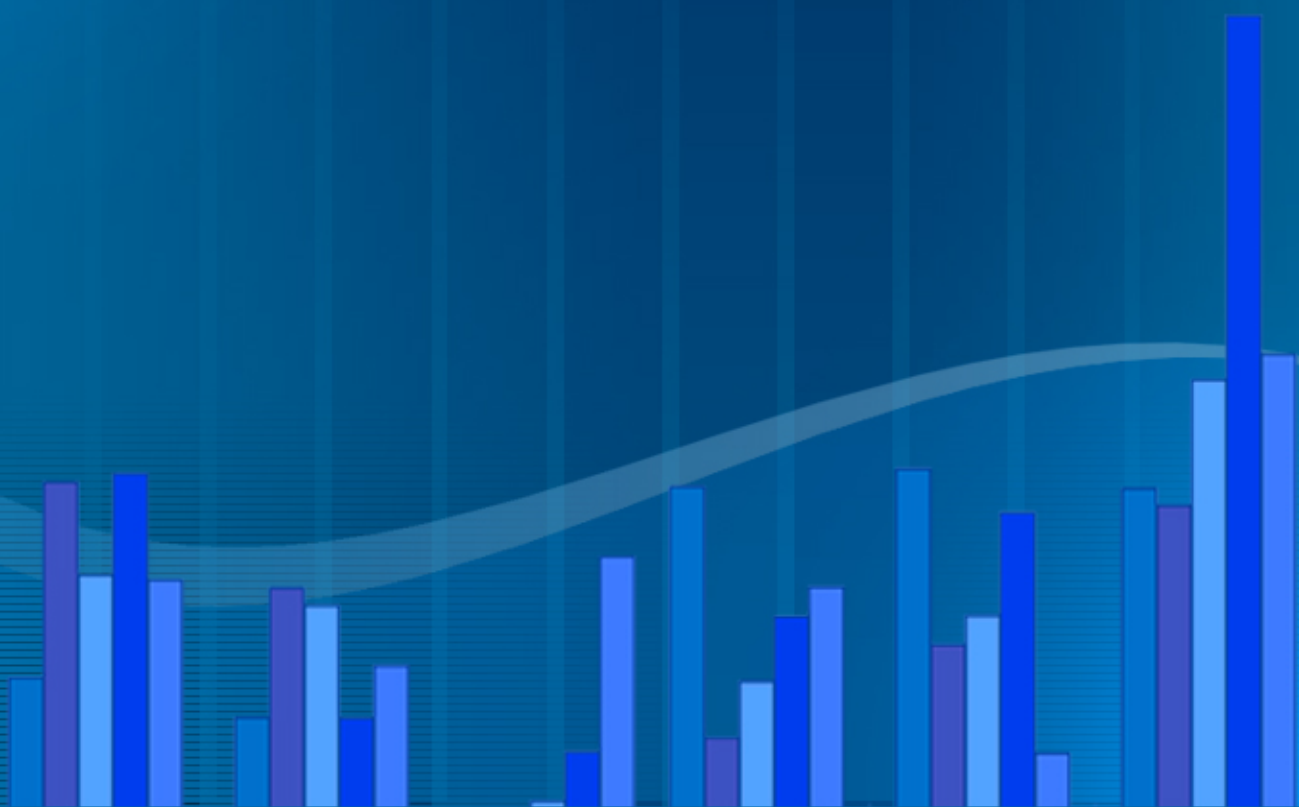




BANK OF THE LAO PDR



# ANNUAL ECONOMIC REPORT

# 2013

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## Abbreviations:

<b>BOL:</b>	Bank of the Lao PDR
<b>OMOs:</b>	Open Market Operation(s)
<b>FCD:</b>	Foreign Currency Deposit
<b>LIBOR:</b>	London Interbank Offered Rate
<b>SIBOR:</b>	Singapore Interbank Offered Rate
<b>M2:</b>	Money Supply
<b>SOEs:</b>	State-Owned Enterprises
<b>M/M:</b>	Month on Month
<b>Y/Y:</b>	Year on Year
<b>LAK:</b>	Lao Kip Currency
<b>USD:</b>	United States Dollars
<b>THB:</b>	Thai Baht Currency
<b>GDP:</b>	Gross Domestic Product
<b>SOCBs:</b>	State-Owned Commercial Banks
<b>BOP:</b>	Balance of Payments
<b>CPI:</b>	Consumer Price Index
<b>CAMELs:</b>	Capital, Assets, Management, Earnings, Liquidity and Sensitivity
<b>BCEL:</b>	Banque pour le Commerce Extérieur Lao Public
<b>LWPC:</b>	Lao World Public Company
<b>F.O.B:</b>	Free on Board
<b>C.I.F:</b>	Cost, Insurance and Freight
<b>LSX:</b>	Lao Securities Exchange
<b>HTS:</b>	Home Trading System
<b>NPL:</b>	Non-Performing Loans
<b>FY:</b>	Fiscal Year
<b>MB:</b>	Money Base/Monetary base
<b>VAT:</b>	Value-Added Tax
<b>CB:</b>	Commercial Bank
<b>ECTT:</b>	European Union Council on Tourism And Trade
<b>GC:</b>	Government Consumption
<b>GI:</b>	Government Investment
<b>PC:</b>	Private Consumption
<b>PI:</b>	Private Investment

## Governor's Statement

In 2013, global economy grew at a slower pace due to recovery process of the U.S. and the euro area remained prolonged and torturous<sup>1</sup>. Nevertheless, in Asian countries, growth has still gone strong<sup>2</sup> where their economies were surged with huge capital inflows especially in the first half, induced the appreciation of major currencies in the region against the US dollar<sup>3</sup>. For the Lao PDR, the economy was driven by fiscal expansion and foreign direct investment (FDI) inflows, associated with a number of favorable conditions such as obtaining a membership of the world trade organization, achieving better rank for the ease of doing business index<sup>4</sup>, being awarded as the world's best tourist destination for the year 2013 by the European Union Council on Tourism and Trade<sup>5</sup>. However, the country was challenged by widened fiscal deficit and rise in domestic prices due to heavy natural disasters.

As reflections of the mentioned backdrop, volatility in foreign exchange market and upward demand pressure on domestic food prices were main challenges for monetary policy implementation. To these end, to achieve the price stability and growth targets, Bank of the Lao PDR (BOL) continued conducting monetary policy by employing indirect instruments such as policy rate, reserve requirement ratio and open market operation. Regarding to exchange rate policy, managed float exchange rate regime is maintained, which the BOL has been set a daily official reference exchange rate and occasionally intervened in the foreign exchange market to counter disorderly market conditions.

Furthermore, banking system has been regulated and supervised under CAMELS and Basel I frameworks to ensure sound financial system. The financial service network has been improved and enlarged as a rise in electronic payment and ATM pool services. In term of access to diversified financial services, the BOL has been promoted an expansion of microfinance institution countrywide. To strengthen capital market, the security law was enacted on December 10, 2012 by the National Assembly. To facilitate trading system, the BOL established the Home Trading System (HTS).

As the result of policy implementation in 2013, the growth is anticipated to remain high while stability is maintained. The real GDP is expected to grow by 7.95 percent; headline inflation recorded at 6.36 percent; the exchange rate for the LAK against the USD and the THB appreciated 1.87 percent and 0.46 percent respectively; international reserves covered 4.84 months of imports; money supply (M2) grew by 17.02 percent. The banking system is growing and sound with assets to GDP ratio accounted 75.26 percent, deposit 46.17 percent, credits 42.82 percent and NPL ratio 2.14 percent.

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<sup>1, 2</sup> World Economic Outlook, IMF (April, 2014)

<sup>3</sup> Thomson Reuters

<sup>4</sup> World Bank

<sup>5</sup> [www.eclt.webs.com](http://www.eclt.webs.com)

In 2014, the global activity is projected to improve further, largely led by recovery in the advanced economies; nonetheless, global economy in general tends to remain fragile and uncertainty in oil producing countries remains high<sup>6</sup>. Therefore, the BOL will continue to conduct monetary and exchange rate policies to ensure price stability and the soundness of the financial system.

**The Governor of Bank of the Lao PDR**

Dr. Somphao PHAYSITH

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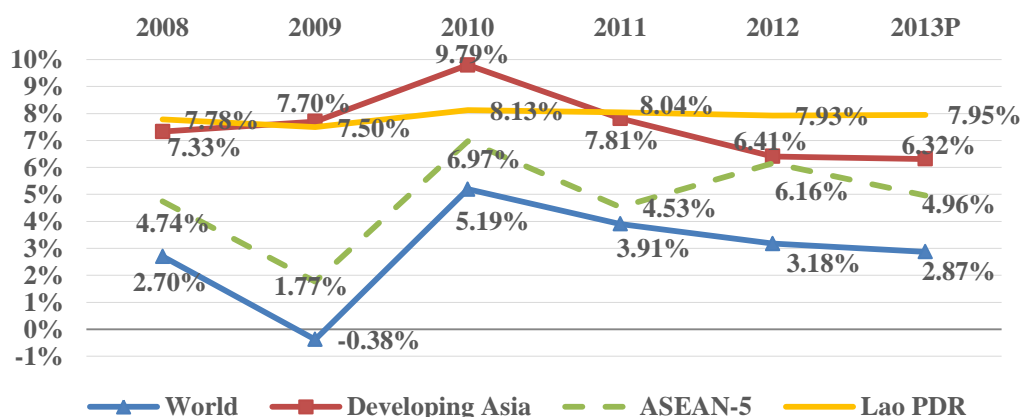
<sup>6</sup> World Economic Outlook, IMF (April, 2014)

## I. Economic Growth

In 2013, in the circumstance where gradual recovery in advance economies followed by protracted recovery process in the US and Euro zone, and the commodity prices remained low; global economy grew 2.87 percent, of which developing economies 6.32 percent and ASEAN-5 economies 4.96 percent (Figure 1)<sup>7</sup>. Nonetheless, Lao economic growth remained high driven by strong domestic demand, sharp rise in government consumption and investment spending (Figure 2) while the economy was impacted by heavy natural disasters especially in the southern part.

Real gross domestic products (At 2002 prices) is projected to grow at 7.95 percent to stand at LAK 39,652.70 billion or equivalent to USD 5,060.73 million (Figure 1), which service sector contributed at 2.91 percent, industry sector at 2.53 percent, agriculture sector at 0.77 percent, and partial tax revenue<sup>8</sup> at 1.74 percent, which is remarkable high compared to previous years, reflected a rise in GDP per capita to USD 1,589 (Figure 3).

**Figure 1. Economic Growth**



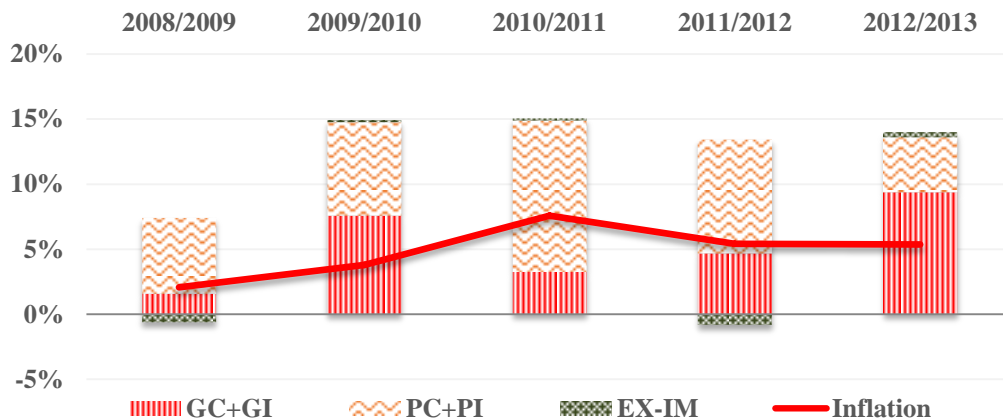
**Sources:** Lao Statistic Bureau (Ministry of Planning and Investment), IMF-World Economic Outlook Database.

<sup>7</sup> World Economic Outlook, IMF (April, 2014)

<sup>8</sup> Minimum Tax, Turnover Tax, Value-Added Tax, Excise Tax and Customs Duties

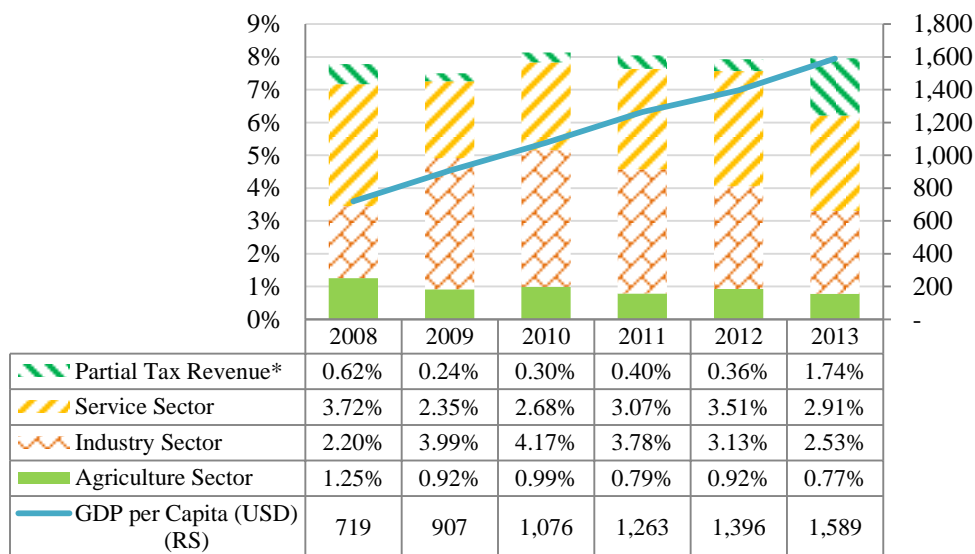


**Figure 2. Contributions to Domestic Demand (Nominal)**



Sources: Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

**Figure 3. Contributions to Real Growth (At 2002 prices)**



\* Minimum Tax, Turnover Tax, Value-Added Tax, Excise Tax and Customs Duties.

Sources: Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

## 1. Agriculture Sector

Agricultural products are estimated to slightly rise by 2.87 percent compared to the previous year, as contributions of 3.9 percent growth of crops and livestock, 0.37 percent growth of fishing and negative growth of -1.40 percent of forestry, accounted for 25.63 percent of real GDP (Figure 4).

**Figure 4. Contributions to the Growth of Agriculture Sector**

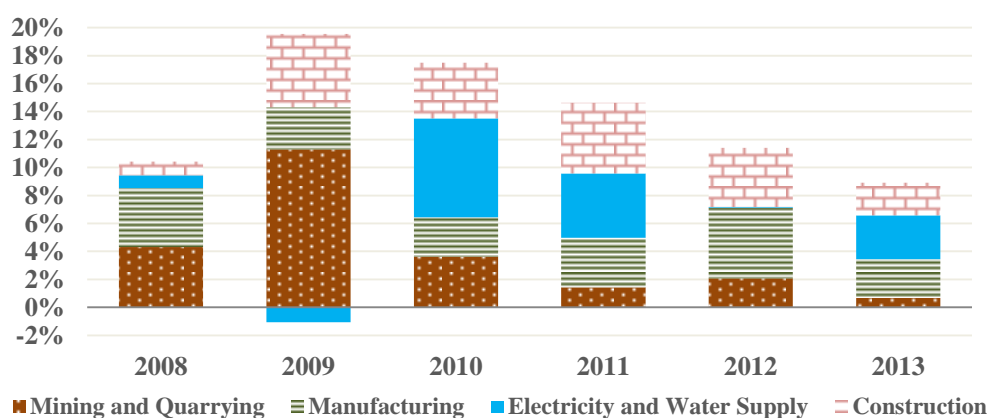


**Sources:** Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

## 2. Industry Sector

Industrial products are estimated to grow by slower pace as 8.92 percent compared to the previous year, as contributions of 3.14 percent growth of electricity and water supply, 2.75 percent growth of manufacturing, 2.35 percent growth of construction and 0.68 percent growth of mining and quarrying; reach to LAK 11,339.39 billion which accounts for 28.60 percent of real GDP. In sum, despite of downside risk from declining in commodity prices in global market, with the high potential of electricity and water supply, led growth remain high (Figure 5).

**Figure 5. Contributions to the Growth of Industry Sector**



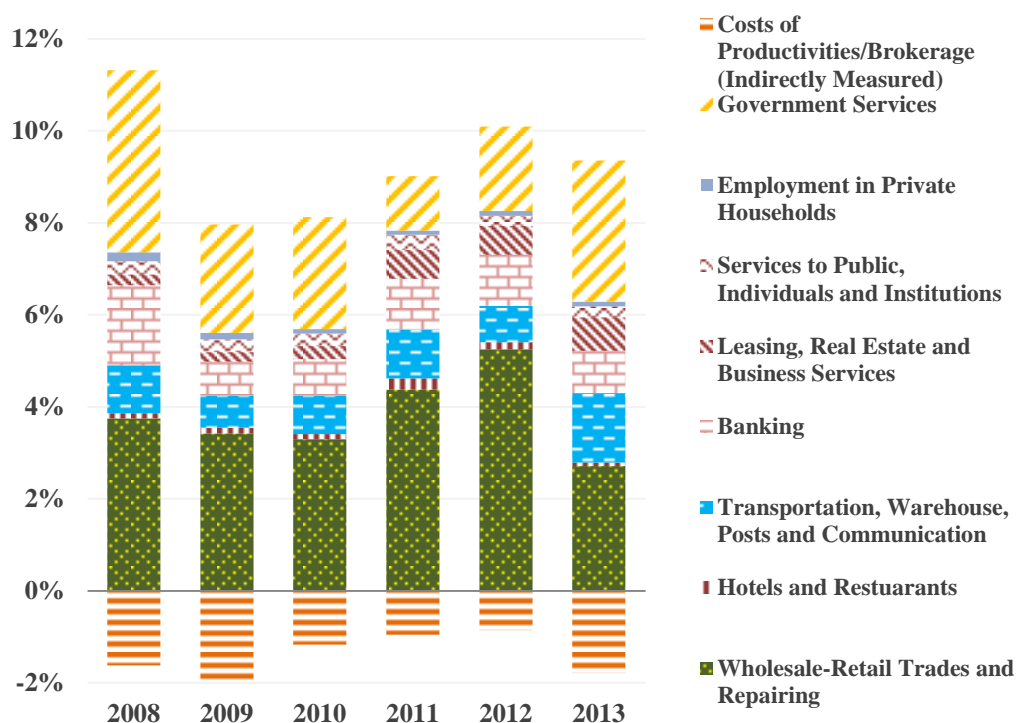
**Sources:** Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

## 3. Service Sector

Services are estimated to grow by slower pace as 7.56 percent compared to the previous year, climb to LAK 15,226.37 billion which accounts for 38.40 percent of the real GDP. As the contribution to the growth of this sector, government services played the largest role as 3.07

percent which is the highest level since 2009; followed by wholesale-retail trading and repairing as 2.71 percent; and transportation, warehouse, posts and communication as 1.17 percent; while other components remains close to the previous year. In brief, although the growth of service sector slightly declined compared to the previous year, picking up in civil servant salary index associated with fairly high domestic demand boosted growth remain high (Figure 6).

**Figure 6. Contributions to the Growth of Service Sector**

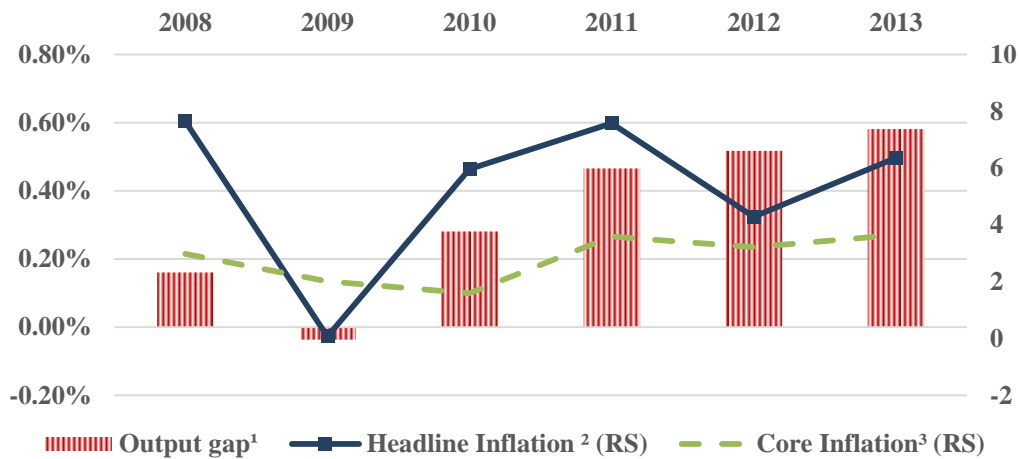


Sources: Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

## 4. Inflation

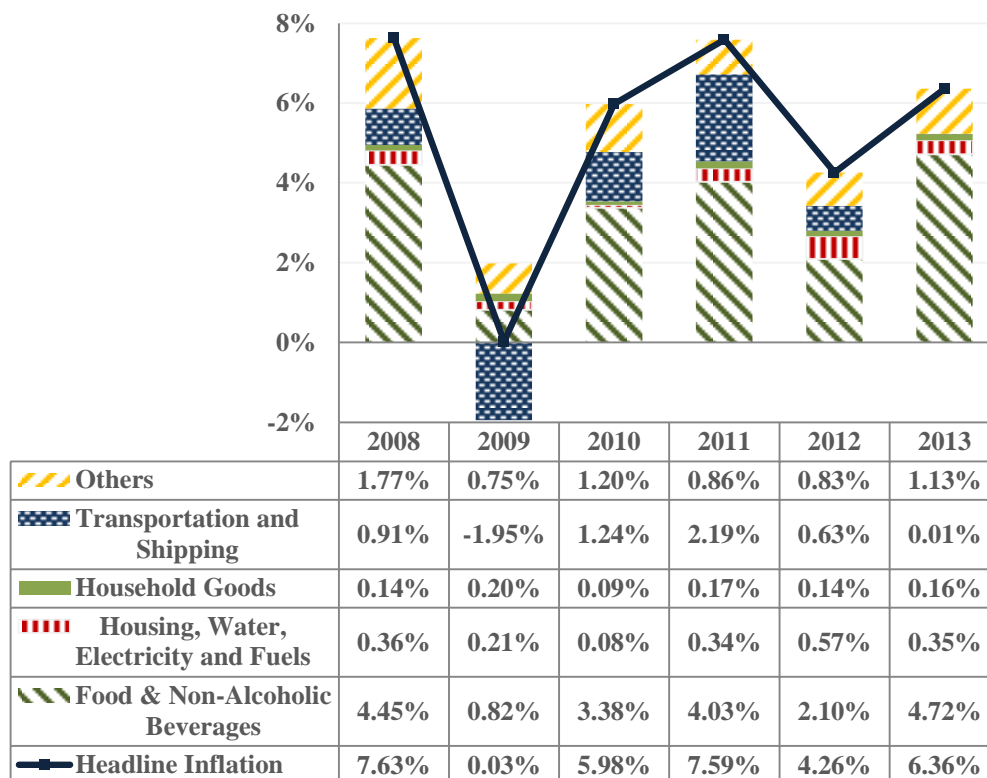
In 2013, a rise in domestic demand caused by the shortage of livestock and the effects of flooding on agriculture products, accelerated rising price pressures, mainly on food prices (Figure 7), in particular, vegetable and meat prices picked up by 20.38 percent (y/y) and 17.19 percent (y/y) respectively (Figure 9); consequently, headline inflation has escalated to 6.36 percent in 2013 from 4.26 percent in the previous year. In particular, the increase in food and non-alcoholic beverage prices was rather than double of which in 2012, while the change in other prices was broadly in line with the level of 2012, whereas transportation price inflation slightly decelerated (Figure 8) due to the decline in oil prices.

**Figure 7. Output Gap and Inflation**



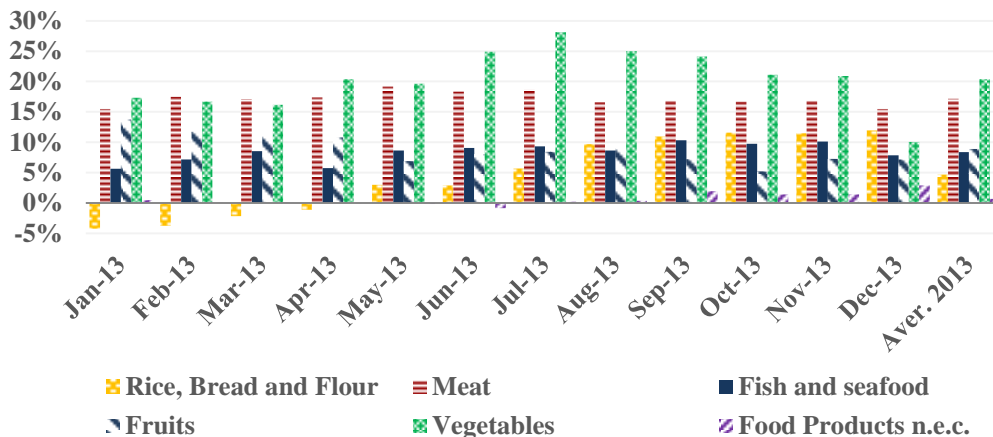
**Sources:** <sup>1</sup> By Hodrick-Prescott Filter, Bank of the Lao PDR, <sup>2</sup> Lao Statistic Bureau (Ministry of Planning and Investment), <sup>3</sup> Lao Statistic Bureau (Ministry of Planning and Investment) and Bank of the Lao PDR.

**Figure 8. Contributions to Headline Inflation**



**Sources:** Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

**Figure 9. Y/Y Percent Change of Main Food Prices**



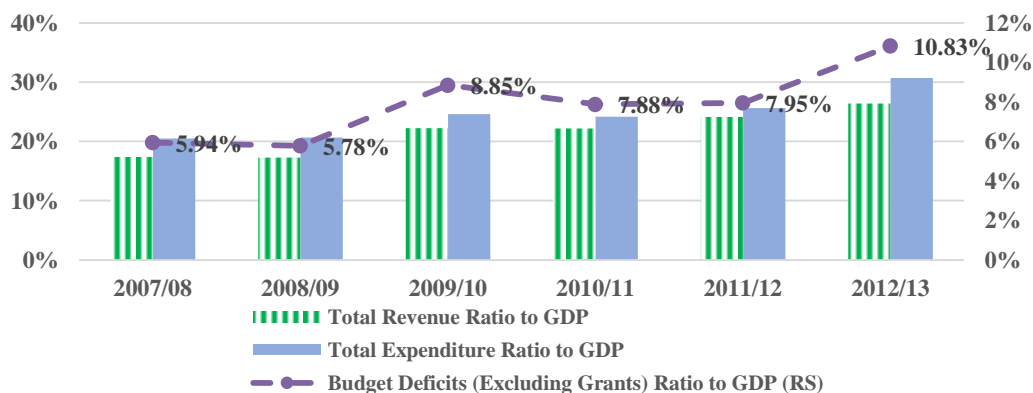
Sources: Bank of the Lao PDR, Lao Statistic Bureau (Ministry of Planning and Investment).

## II. Public Finances

### 1. Fiscal Performance

In FY2012/2013, total revenue reached to LAK 21,223.35 billion, equivalent to 26.46 percent of GDP (Figure 10), which increased by 24.90 percent compared to the previous fiscal year. Revenue excluding grants covered 75.05 percent of total revenues. Total expenditure significantly rose to LAK 24,618.17 billion, equivalent to 30.70 percent of GDP. As a result, budget deficits (excluding grants) increased to LAK 8,689.11 billion, equivalent to 10.83 percent of GDP.

**Figure 10. Fiscal Performance**



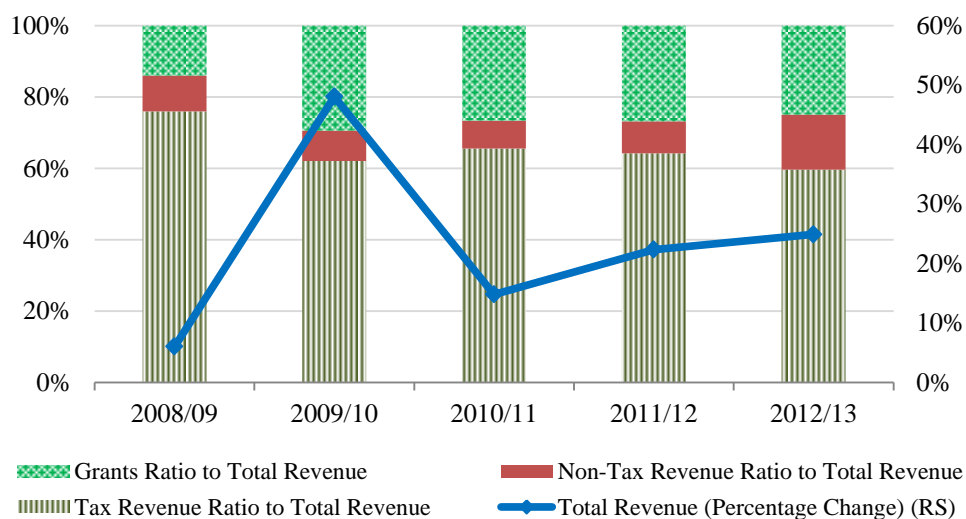
Source: Ministry of Finance

### 2. Revenue

In FY2012/2013, revenue (excluding grants) achieved LAK 15,929.06 billion, equivalent to 19.86 percent of GDP, which increased by 28.17 percent compared to the previous fiscal year (Figure 11). Tax revenue rose by 15.97 percent, attained to 15.78 percent of GDP, and 59.64

percent of total revenue. Simultaneously, non tax revenue increased by 116.23 percent compared to FY2011/2012, accounted 4.08 percent of GDP. This was the result of ongoing reforms of the tax system and administration, mainly, revenue collecting through banking system and the more use of tax invoices.

**Figure 11. Revenue**

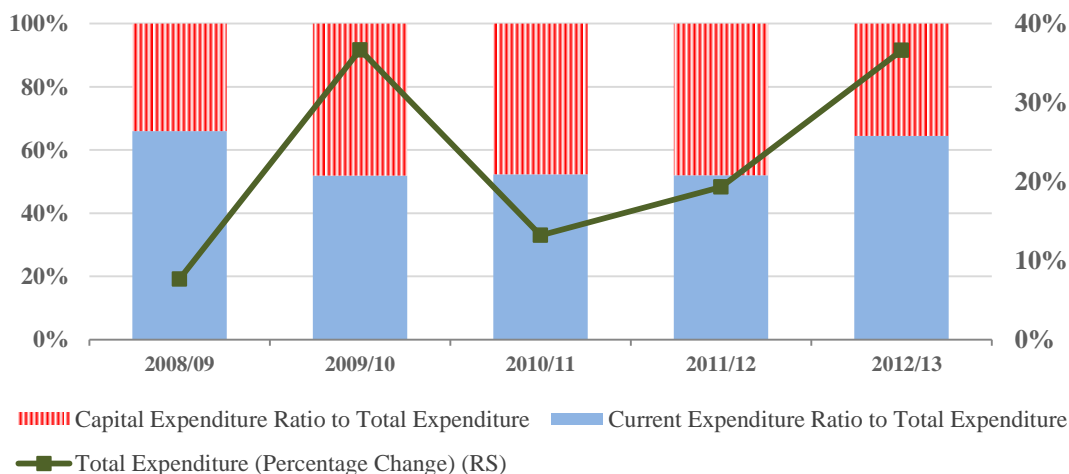


Source: Ministry of Finance

### 3. Expenditure

In FY2012/2013, total expenditure sharply rose by 36.61 percent compared to FY2011/2012, to LAK 24,618.17 billion, equivalent to 30.70 percent of GDP (Figure 12), as the result of large increase in civil servant salary and compensation as 149.45 percent, current expenditure increased by 69.41 percent, accounted 64.44 percent total expenditure. Meanwhile, capital expenditure funding by external sources rose by 4.80 percent.

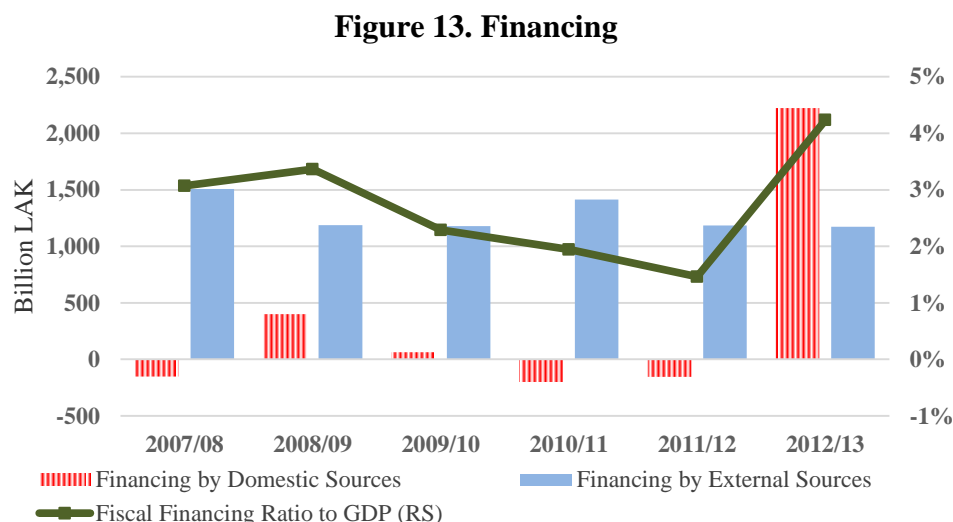
**Figure 12. Expenditure**



Source: Ministry of Finance

## 4. Financing

In FY2012/2013, fiscal financing amounted to LAK 3,394.82 billion, which increased by 230.03 percent compared to the previous fiscal year, accounted for 4.23 percent of GDP. This was financed by domestic sources as LAK 2,221.86 billion and external sources as LAK 1,172.95 billion (Figure 13).



Source: Bank of the Lao PDR

## III. Balance of Payments

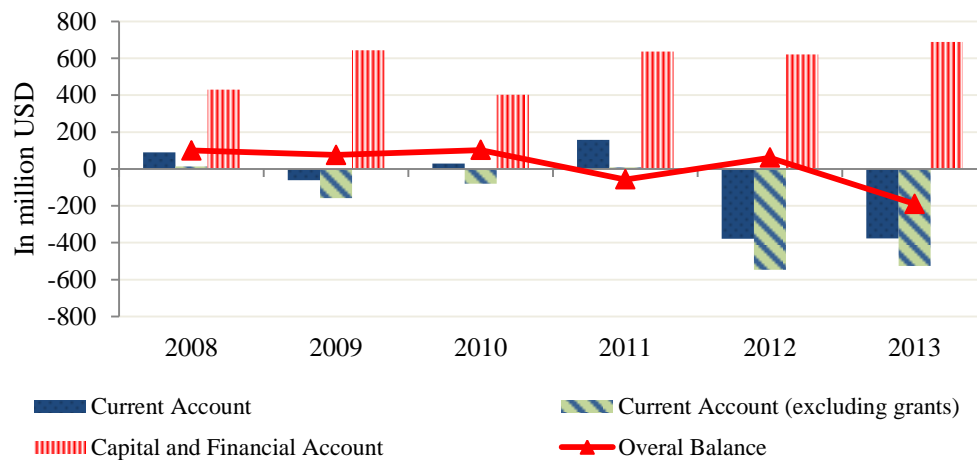
### 1. Overall Balance

In 2013, the capital and financial account marked a surplus of USD 776.2 million, while current account recorded a deficit of USD 376.03 million. As a result, overall balance<sup>9</sup> registered a deficit of USD 77.65 million (Figure 14), and foreign reserves dropped from USD 739.65 million in 2012 to USD 661.9 million in 2013, equivalent to 4.84 months of imports<sup>10</sup>.

<sup>9</sup> Significant errors and omissions: USD 477.8 million.

<sup>10</sup> Amount of imports, which excluded imports for FDI projects: USD 136.81 million.

**Figure 14. Balance of Payments**



Source: Bank of the Lao PDR

## 1.1. Current Account

Current account remained in deficit as in the previous year, recorded as USD 376.03 million due to a deficit of USD 755.74 million in trade balance and a deficit of USD 105.31 million in income account, with an offset of a surplus of USD 247.41 million in service account and a surplus of USD 237.61 million in transfer account.

### 1.1.1. Trade Balance

The trade balance marked a deficit of USD 755.74 million (Figure 15), decreased by 3.66 percent compared to the previous year. The export performance reached USD 2.26 billion, driven by exports of mining products namely gold and copper, hydro power, garment and agricultural products, which modestly declined by 0.30 percent from the previous year. Even though imports slightly declined by 1.16 percent, remained high as USD 3.02 billion as a result of 7.95 percent rise in imports of investment goods, which offset by 12.24 percent decline in imports of consumption goods.

**Figure 15. Trade Balance**



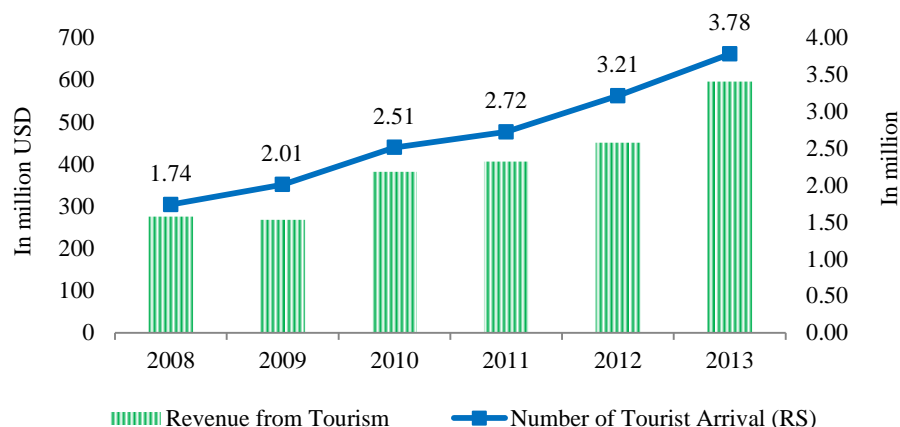
Source: Bank of the Lao PDR



### 1.1.2. Service

Net service balance marked a surplus of USD 247.41 million, mainly driven by tourism services which increased 32.12 percent from the previous year and represented 5.64 percent of GDP (Figure 16). This significant improvement was a reflection of the Lao PDR's being awarded as the world's best tourist destination for the year 2013 by European Union Council on Tourism and Trade<sup>11</sup>.

**Figure 16. Revenue from Tourism and Number of Tourist Arrivals**



Source: Ministry of Information, Culture and Tourism

### 1.1.3. Factor Income

Net factor income remained in deficit of USD 105.31 million, raised by 26.69 percent from the previous year due to outward income transaction of foreign employees under operating FDI projects, mainly Saiyabouly and Hongsa Lignite Hydropower projects.

### 1.1.4. Current Transfers

The foreign grants received by government and private sector generated a surplus of USD 237.61 million in current transfers account. However, this surplus was lower than the previous year 5.70 percent due to declining in grants to government.

## 1.2. Financial and Capital Account

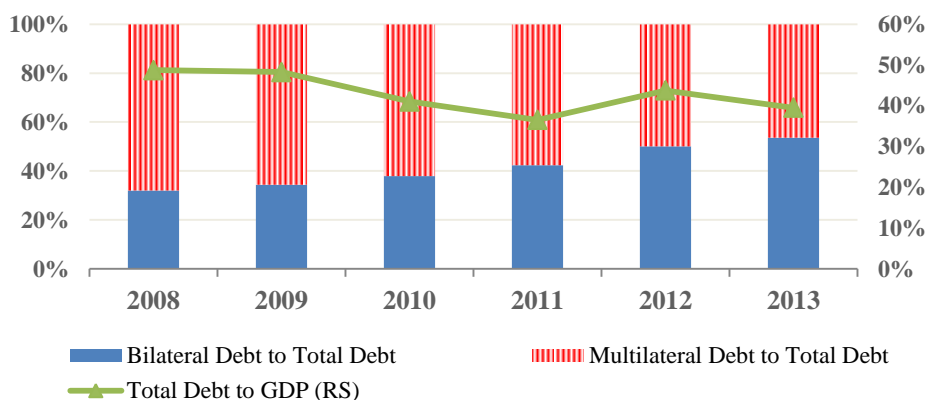
The financial and capital account marked a surplus of USD 776.2 million, which increased by 24.77 percent from the previous year, driven by ongoing FDI capital inflows into various projects, mainly to mining and hydro power sectors, such as NamEu and Saiyabouly dams. In addition, the portfolio investment marked a net purchase of USD 6.74 million, which increased by 17.42 percent.

<sup>11</sup> [www.eclt.webs.com](http://www.eclt.webs.com)

### 1.3. External Debt

In 2013, total external debt outstanding of the Lao PDR recorded as USD 4,173.05 million, which rose by 5 percent (y/y) to 39.52 percent of GDP. The external debt consisted of bilateral debt 53.71 percent and the multilateral debt 46.29 percent (Figure 17).

**Figure 17. External Debt**



Source: Bank of the Lao PDR

## IV. Monetary Sector

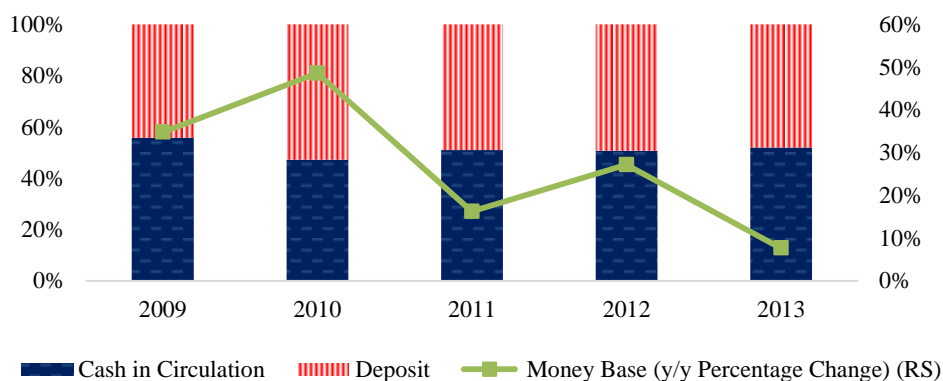
### 1. Monetary Policy

Regarding to monetary policy implementation in 2013, BOL has been continuing to maintain policy rate at 5 percent, reserve requirement ratio at 5 percent for LAK and 10 percent for foreign currency deposit. And the BOL has been regularly conducting the open market operation.

### 2. Monetary Base

Monetary base grew by 7.68 percent of which cash in circulation expanded 10.28 percent and deposit increased 4.99 percent (Figure 18).

**Figure 18. Monetary Base**

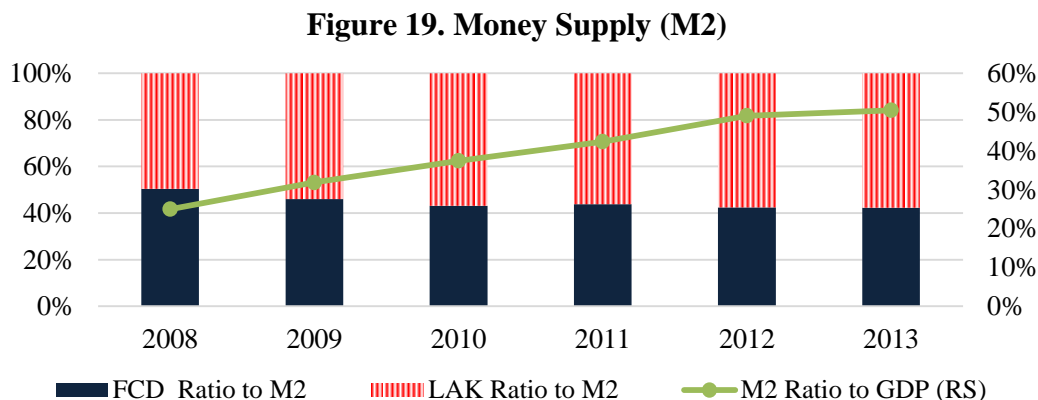


Source: Bank of the Lao PDR

### 3. Money Supply (M2)

Money supply (M2) grew by 17.02 percent, which accounted for 50.50 percent of GDP, driven by strong FDI capital inflows and high credit expansion. In particular, credit increased by 34.53 percent (y/y), mainly from credit to private sector rose by 36.34 percent and covered 79.46 percent of total credit.

The component of M2 consists of cash in circulation 15.53 percent, LAK deposit 42.07 percent and foreign currency deposit 42.39 percent (Figure 19).

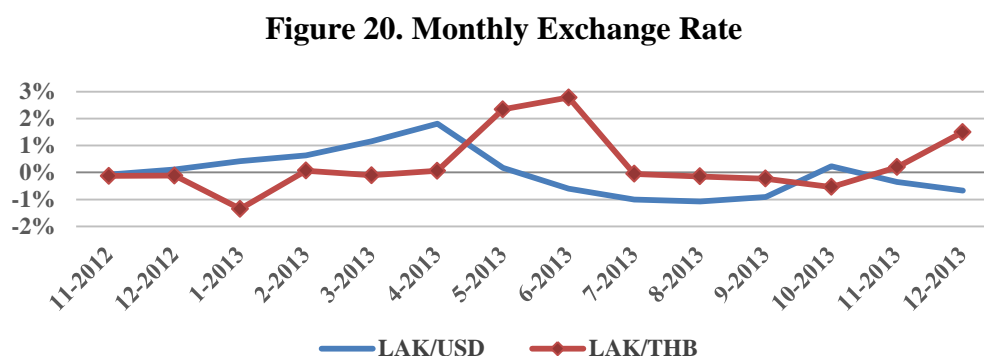


Source: Bank of the Lao PDR

### 4. Exchange Rate Policy

Regarding to exchange rate policy, BOL has maintained a managed float exchange rate regime by setting a reference rate which allow commercial bank to determine its rate within  $\pm 0.25$  percent band, and occasionally conducting an intervention in the foreign exchange market to counter disorderly market conditions.

As a result in 2013, an average exchange rate recorded as 7,981.19 LAK/USD and 257.24 LAK/THB which LAK appreciated 1.87 percent against the USD and appreciated 0.46 percent against the THB compared to 2012.



Source: Bank of the Lao PDR

## 5. Bank Supervision

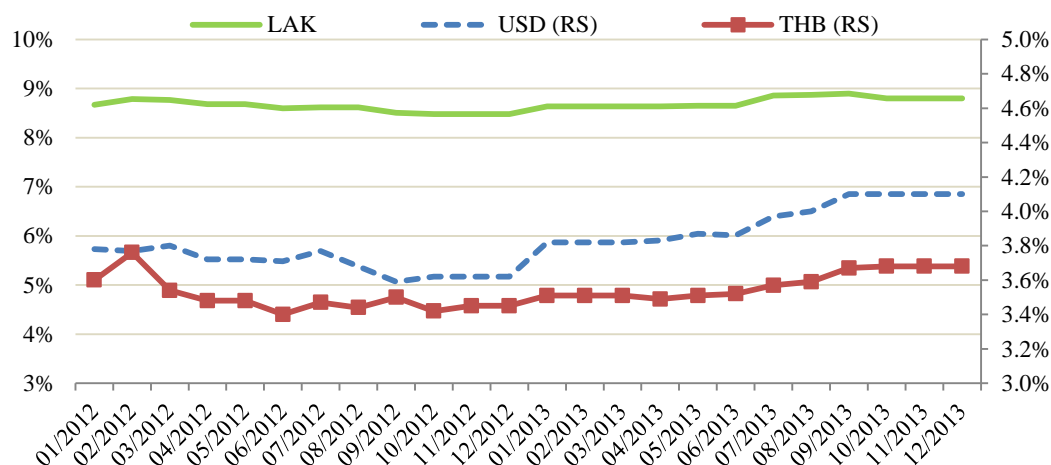
To ensure safe and sound banking system, BOL continuously applied the CAMELs and Basel I principles to supervise commercial banks. In 2013, BOL had eliminated regulation on loan to deposit ratio and to avoid the mismatch currencies risk, BOL applied a measure as commercial banks' lending in foreign currencies must extend to only customers earned in foreign currencies.

In 2013, one foreign private bank (Maruhan Japan Bank) has been established. As the result, the total number of banks increased to 32 banks, of which 3 state-owned banks, 1 specialized bank, 2 joint-venture banks, 7 private banks, 3 subsidiary banks, and 16 foreign branch banks. In term of access to diversified financial services, the BOL has been promoted an expansion of microfinance institution countrywide. As a result, the number of financial institution increased to 120 institutions.

## 6. Interest Rates

In 2013, the nominal deposit rates increased due to more demand for deposit. Compared to the previous year, 12-months term deposit rate slightly rose from 8.62 percent to 8.74 percent for the LAK, from 3.50 percent to 3.58 percent for the THB and from 3.70 percent to 3.95 percent for the USD (Figure 21).

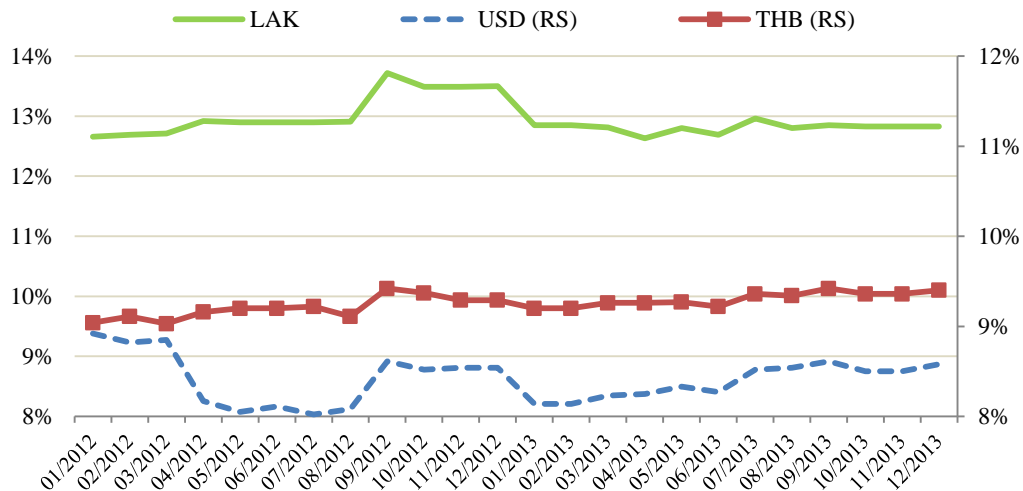
**Figure 21. 12-Months Term Nominal Deposit Rates**



Source: Bank of the Lao PDR

On the other hand, 1 year nominal lending rate was for the LAK and the USD slightly dropped from 13.07 percent and 8.44 percent to 12.81 percent and to 8.38 percent respectively, while lending rates for the THB slightly upped from 9.20 percent to 9.30 percent (Figure 22).

**Figure 22. 1 Year Nominal Lending Rates**

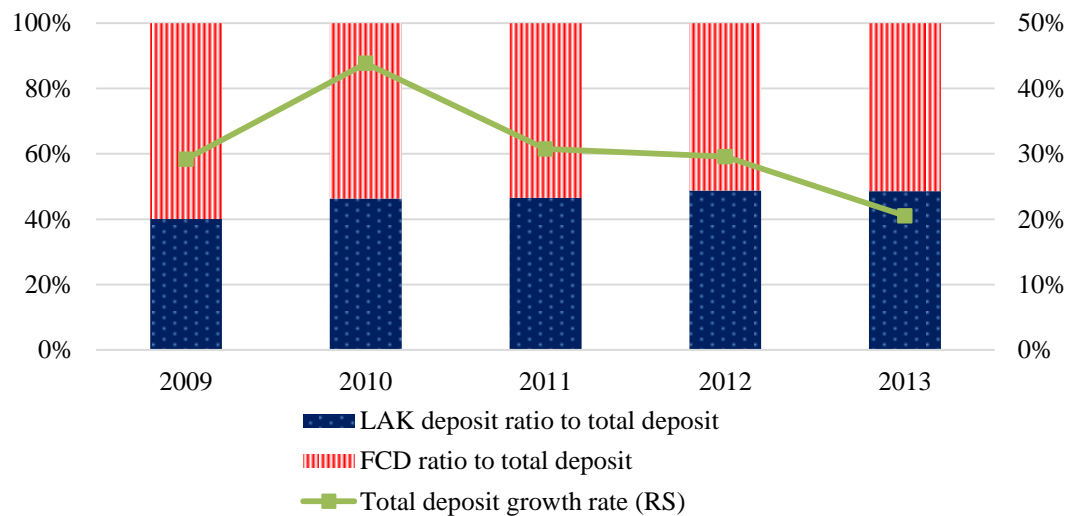


Source: Bank of the Lao PDR

## 7. Deposit

In 2013, deposit increased by 20.51 percent, which accounted for 46.17% of GDP. The LAK deposit raised by 20.11 percent, and foreign currency deposit raised by 20.90 percent. Since 2009, the ratio of LAK deposit to total deposit has continuously increased from 40.11 percent to 48.62 percent, reflecting a steady progress in de-dollarization (Figure 23).

**Figure 23. Commercial banks' Deposit**

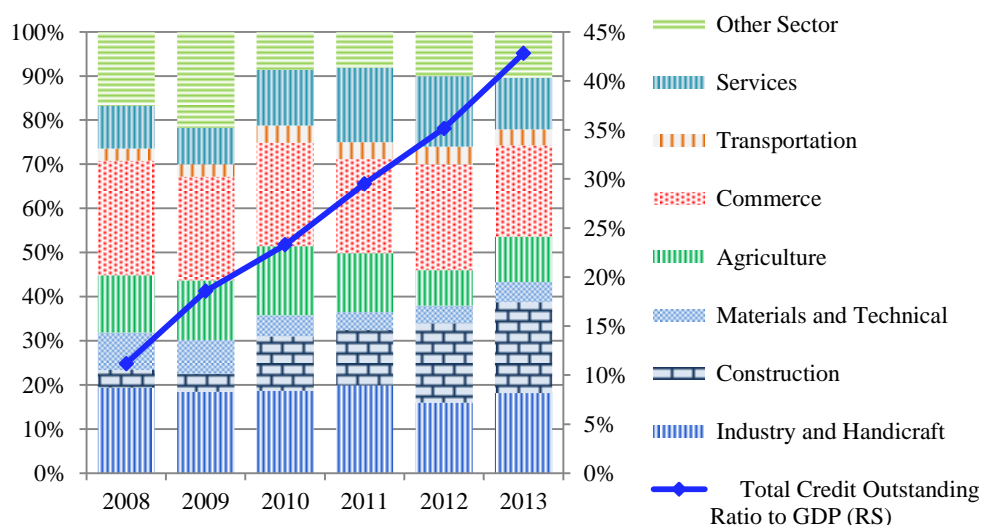


Source: Bank of the Lao PDR

## 8. Credit

In 2013, credit expanded by 38.56 percent, which accounted for 42.82 percent of GDP. Of which, commerce contained 20.68 percent, construction 20.55 percent, industry and handicraft 18.21 percent, service 11.71 percent and agriculture 10.30 percent respectively (Figure 24).

**Figure 24. Commercial banks' Credit by Sectors**



Source: Bank of the Lao PDR

## 9. Stock Exchange

In 2013, there was 1 more new listed company participated in the Lao Securities Exchange as Lao World Public Company (LWPC). To encourage foreign investment, the securities exchange commission allowed the BCEL to adjust foreign investor holding ceiling from up to 5 percent of total shares to 10 percent on July 18, 2013, and introduced the home trading system (HTS) on July 11, 2013. As the result, Lao securities exchange index increased by 3.17 percent and market capital accounted for 10.67 percent of GDP.

## V. Lao Economic Outlook 2014

In 2014, Lao economy is expected to continuously grow due to capital inflows into service and hydro-power industry sectors, despite of facing budget constraint. The inflationary pressures are expected to pick up, caused by the insufficient domestic food supply under higher demand. To this end, the BOL will continue to conduct monetary and exchange rate policies to ensure price stability and the soundness of the financial system.

## BOARD OF DIRECTORS



**H.E. Somsavat LENGSAVAD,**  
Deputy Prime Minister,  
Chairman



**H.E. Dr. Somphao PHAYSITH,**  
Governor of Bank of the Lao PDR,  
Vice Chairman



**H.E. Phouphet KHAMPHOUNVONG,**  
Minister of Ministry of Finance,  
Vice Chairman



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Vice Minister of Ministry of Industry  
and Commerce, Board Member



**H.E. Somboun RASASOMBATH,**  
Vice Minister of Ministry of  
Energy and Mines, Board Member



**H.E. Dr. Ty PHOMMACHACK,**  
Vice Minister of Ministry of Agriculture and  
Forestry, Board Member



**H.E. Dr. Bounthavy SYSOUPHANTHONG**  
Vice Minister of Ministry of Planning and  
Investment, Board Member



**H.E. Dr. Thansamay KOMMASITH**  
Vice Minister of Ministry of Posts and  
Telecommunications, Board Member



**H.E. Sonexay SITHPHAXAY,**  
Deputy Governor of Bank of the Lao  
PDR, Board Member

## GOVERNOR



**H.E. Dr. Somphao PHAYSITH,**  
Governor of Bank of the Lao PDR

## DEPUTY GOVERNOR



**H.E. Khamvong THIPHAVONG,**  
Deputy Governor



**H.E. Sonexay SITHPHAXAY,**  
Deputy Governor

## ASSISTANT TO THE GOVERNOR



**Mr. Or VILAPHAN,**  
Assistant to the Governor



**Ms. Khampha PANEMALAYTHONG,**  
Assistant to the Governor



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Director General,  
Administration Department



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Organization and Personnel  
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Commercial Banks  
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Acting Director General,  
Internal Audit Department



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Acting Director General,  
Banking Operations  
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Director of Anti Money  
Laundering Intelligence Unit



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**Mr. Pamoun NANTHAVONG**  
Acting Director General,  
Printing House



**Mr. Nah CHANTALIVONG**  
Director General,  
Champasack Branch



**Mr. Aloun BOUNYONG**  
Acting Director General,  
Luangprabang Branch



**Mr. Bounvong DUANGDOKKETH**  
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Savannakhet Branch



**Mr. Boonthai SOUPHADTHONE**  
Director General,  
Udomxay Branch



**Ms. Vathana DALALOY**  
Director General, Lao Securities  
and Exchange Commission Office

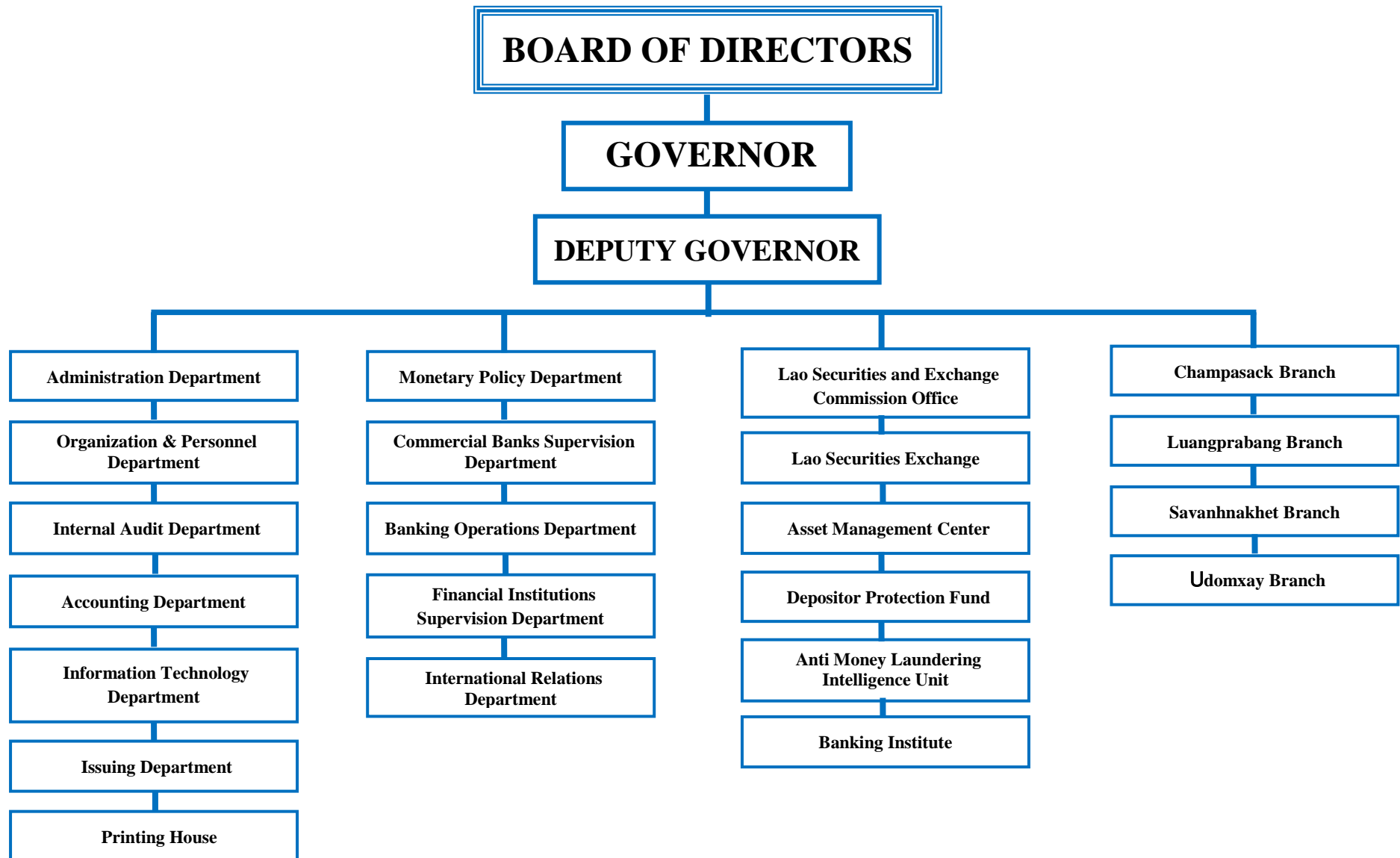


**Associate Prof. Dethphouvang MOULARAT**  
Chairman and CEO of the Lao Securities  
Exchange

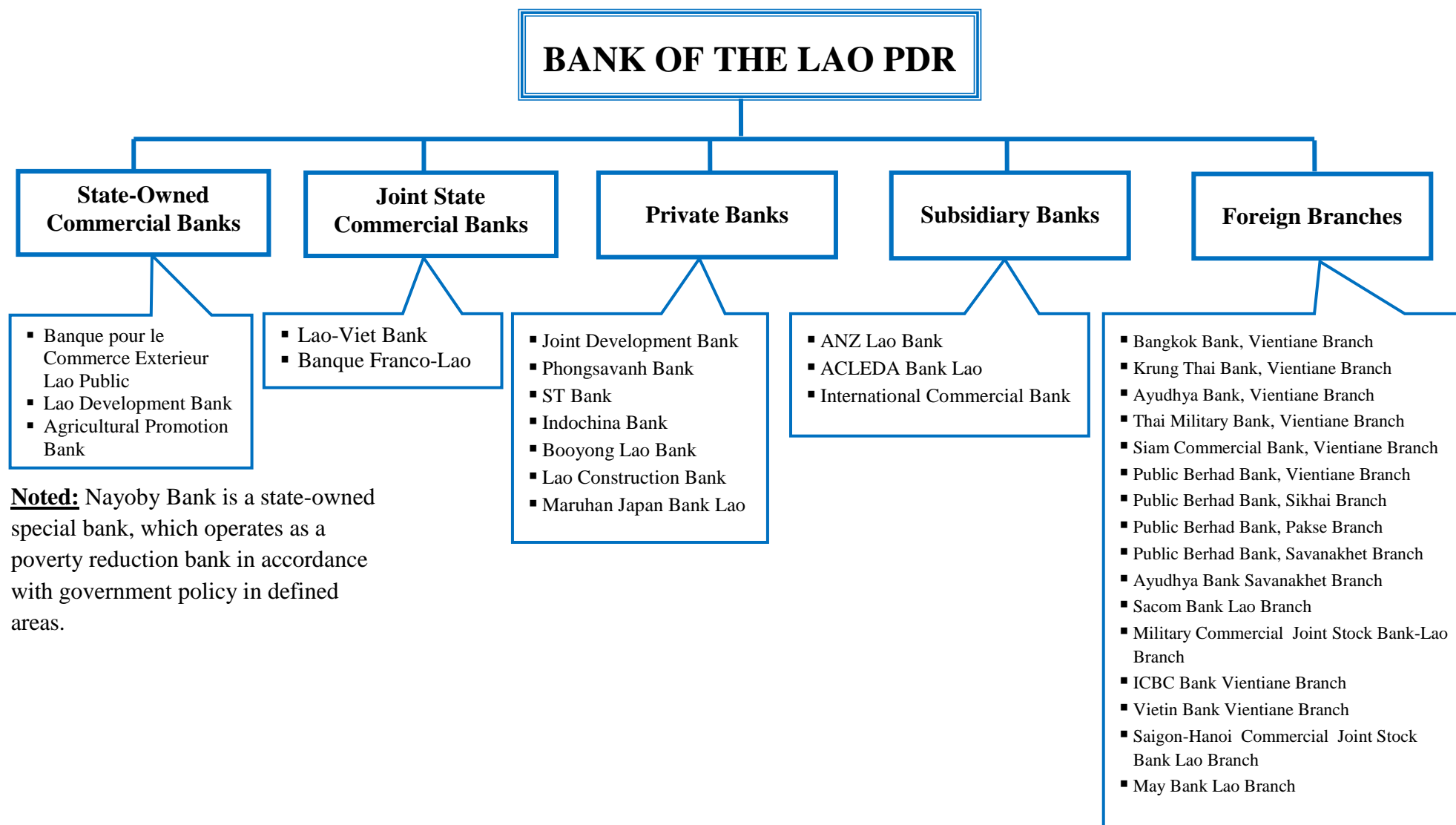


**Mr. Santy PHONMEUANGLAO**  
Director General, Depositor Protection  
Fund

**Chart 1: Organization Structure of Bank of the Lao PDR**



**Chart 2: Structure of the Lao Banking System**



**Noted:** Nayoby Bank is a state-owned special bank, which operates as a poverty reduction bank in accordance with government policy in defined areas.

**Table 1: Selected Key Economic Indicators of the Lao PDR**

Items	2009	2010	2011	2012	2013 <sup>(P)</sup>
<b><u>Real Sector (Percentage Change)</u></b>					
Real GDP (At 2002 Prices)	7.50	8.13	8.04	7.93	7.95
Inflation (End of Period)	3.92	5.76	7.70	4.73	6.65
Inflation	0.03	5.98	7.57	4.26	6.36
<b><u>Public Finance (Percent of GDP)</u></b>					
	<b><u>2008/2009</u></b>	<b><u>2009/2010</u></b>	<b><u>2010/2011</u></b>	<b><u>2011/2012</u></b>	<b><u>2012/2013</u></b>
Total Revenue	17.31	22.64	22.30	24.05	26.46
Revenue	14.89	15.98	10.35	17.59	19.86
Grants	2.42	6.67	5.96	6.46	6.60
Total Expenditure	20.67	24.97	24.25	25.51	30.70
Current Expenditure	13.63	12.97	11.69	13.26	19.78
Capital and On-lending Net	7.04	12.00	11.56	12.25	10.91
Budget Deficits	-3.36	-2.32	-1.95	-1.46	-4.23
Budget Deficits (Excluding Grants)	-5.78	-8.99	-7.90	-7.92	-10.83
<b><u>Monetary Sector</u></b>					
	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Money Supply (M2) (Percentage Change)	31.31	39.47	28.71	31.05	17.02
<b><u>External Sector (Percent of GDP)</u></b>					
	<b><u>2009</u></b>	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Overall Balance	1.36	1.50	-0.71	0.67	-1.80
Current Account (Including Grants)	-1.09	0.43	1.96	-4.16	-3.56
Current Account (Excluding Grants)	-2.84	-1.16	0.11	-6.02	-4.98
Trade Balance	-7.31	-4.59	-2.66	-8.64	-7.16
Capital and Financial Account	11.54	5.87	7.94	6.85	6.50
External Debt Outstanding	48.24	41.04	36.52	43.76	39.52

**Remark:** P: Preliminary Data

**Source:** Lao Statistics Bureau, Ministry of Planning and Investment.

**Table 2: Gross Domestic Product by Value Added (Billion LAK)**

Items	2009	2010	2011	2012	2013 <sup>(P)</sup>
<b>GDP Nominal</b>	<b>47,562.30</b>	<b>56,522.56</b>	<b>64,727.06</b>	<b>72,727.45</b>	<b>82,736.54</b>
<b>GDP Per capita (USD)</b>	<b>907</b>	<b>1,076</b>	<b>1,263</b>	<b>1,396</b>	<b>1,589</b>
<b>Real GDP (At 2002 Prices)</b>	<b>29,132.16</b>	<b>31,500.91</b>	<b>34,033.74</b>	<b>36,731.46</b>	<b>39,652.70</b>
<b>Agriculture</b>	<b>9,031.18</b>	<b>9,318.87</b>	<b>9,566.57</b>	<b>9,879.54</b>	<b>10,163.25</b>
Crops and livestock	7,117.32	7,359.12	7,720.84	8,121.29	8,506.26
Forestry	930.45	897.88	729.25	586.63	448.54
Fishing	983.41	1,061.87	1,116.48	1,171.62	1,208.45
<b>Industry</b>	<b>6,939.64</b>	<b>8,153.26</b>	<b>9,345.24</b>	<b>10,411.10</b>	<b>11,339.39</b>
Mining and Quarrying	2,003.14	2,254.71	2,371.14	2,563.19	2,634.06
Manufacturing	2,777.60	2,972.04	3,261.14	3,735.28	4,021.46
Electricity and Water Supply	779.75	1,271.54	1,646.98	1,651.02	1,977.87
Construction	1,379.15	1,654.98	2,065.98	2,461.62	2,706.00
<b>Services</b>	<b>11,213.92</b>	<b>11,993.72</b>	<b>12,959.83</b>	<b>14,155.80</b>	<b>15,226.37</b>
Wholesale-Retail Trades and Repairing	5,682.03	6,051.37	6,575.52	7,255.83	7,639.74
Hotels and Restaurants	201.22	213.49	243.02	263.31	273.95
Transportation, Warehouse, Posts and Communication	1,406.06	1,500.27	1,628.13	1,730.26	1,944.06
Banking	986.16	1,074.91	1,206.69	1,350.60	1,480.24
Leasing, Real Estate and Business Services	909.42	940.95	1,015.78	1,097.05	1,200.81
Services to Public, Individuals and Institutions	497.60	528.49	568.31	596.73	630.32
Household Employment	209.18	219.64	231.23	244.27	258.69
Government Services	2,113.77	2,387.31	2,528.69	2,766.78	3,201.37
Costs of Productivities/Brokerage (Indirectly Measured)	-791.52	-922.71	-1,037.54	-1,149.04	-1,402.82
<b>All Industries at Basic Prices</b>	<b>27,184.74</b>	<b>29,465.85</b>	<b>31,871.64</b>	<b>34,446.44</b>	<b>36,729.02</b>
<b>Partial Tax*</b>	<b>1,947.42</b>	<b>2,035.06</b>	<b>2,162.09</b>	<b>2,285.02</b>	<b>2,923.68</b>
<b>Fiscal year</b>	<b>2008/2009</b>	<b>2009/2010</b>	<b>2010/2011</b>	<b>2011/2012(P)</b>	<b>2012/2013(P)</b>
<b>GDP at Market Price</b>	<b>47,225.30</b>	<b>53,437.50</b>	<b>62,277.27</b>	<b>70,650.15</b>	<b>80,199.16</b>

**Remark:** P: Preliminary Data

\*: Minimum Tax, Turnover Tax, Value-Added Tax, Excise Tax and Customs Duties

**Source:** Lao Statistics Bureau, Ministry of Planning and Investment.

**Table 3: Consumer Price Index (12/2010=100)**

Categories	2011	2012	2013
<b><u>Consumer Price Index (CPI)</u></b>	<b><u>105.97</u></b>	<b><u>110.48</u></b>	<b><u>117.51</u></b>
<b><u>CPI Components</u></b>			
1. Food and Non-Alcoholic Beverages	108.80	114.89	129.37
2. Alcoholic Beverages and Tobacco	102.08	105.29	109.76
3. Clothing and Footwear	102.26	104.37	110.37
4. Housing, water, electricity and fuels	103.48	114.59	122.18
5. Household goods	101.71	104.17	107.09
6. Health Cares	100.43	101.62	103.13
7. Transportation and Shipping	107.67	110.51	110.55
8. Posts and Communication	103.74	105.09	107.01
9. Recreation and Culture	100.82	102.20	104.55
10. Education	98.61	99.90	101.98
11. Restaurants & Hotels	104.97	113.51	123.40
12. Miscellaneous Goods and Services	103.26	105.62	107.26

**Source:** Lao Statistics Bureau, Ministry of Planning and Investment.

**Table 4: Inflation (12/2010=100)**

Categories	2011	2012	2013
<b>Inflation</b>	<b>7.59</b>	<b>4.26</b>	<b>6.36</b>
1. Food And Non-Alcoholic Beverages	10.31	5.60	12.60
2. Alcoholic Beverages and Tobacco	4.08	3.15	4.24
3. Clothing and Footwear	3.09	2.06	5.74
4. Housing, Water, Electricity and Fuels	4.40	10.73	6.62
5. Furniture and Household Utensils	1.93	2.42	2.80
6. Health Care	1.84	1.19	1.48
7. Transportation and Shipping	9.81	2.65	0.03
8. Communications	3.50	1.30	1.83
9. Recreation and Culture	1.29	1.37	2.30
10. Education	0.88	1.30	2.08
11. Restaurants & Hotels	5.20	8.14	8.71
12. Miscellaneous Goods and Services	8.00	2.29	1.55

**Source:** Lao Statistics Bureau , Ministry of Planning and Investment

**Remark:** Data may be revised due to adjustment in commodity basket from 10 categories to 12 categories in 2011.



**Table 5: Government Budget (Billion LAK)**

Items	2008/09	2009/10	2010/11	2011/12	2012/13 <sup>(P)</sup>
<b>Total Revenue</b>	<b>8,173.60</b>	<b>12,100.37</b>	<b>13,890.07</b>	<b>16,992.40</b>	<b>21,223.35</b>
<b>Revenue</b>	<b>7,030.43</b>	<b>8,538.38</b>	<b>10,181.27</b>	<b>12,427.75</b>	<b>15,929.06</b>
Tax Revenue	6,207.58	7,502.55	9,108.64	10,914.85	12,657.77
Non-tax Revenue	822.85	1,035.82	1,072.63	1,512.90	3,271.29
<b>Grants</b>	<b>1,143.17</b>	<b>3,562.00</b>	<b>3,708.80</b>	<b>4,564.65</b>	<b>5,294.29</b>
Project Grants	632.26	879.09	1,152.33	1,191.91	1,386.39
Non-Project Grants (Donors)	-	2,320.44	2,249.95	2,998.63	3,162.56
Non-Project Grants (Japan)	75.00	-	70.00	34.00	-
Program Grants	435.91	362.47	236.53	340.12	745.33
<b>Total Expenditure</b>	<b>9,761.56</b>	<b>13,342.41</b>	<b>15,102.90</b>	<b>18,021.03</b>	<b>24,618.17</b>
<b>Current Expenditure</b>	<b>6,437.13</b>	<b>6,928.71</b>	<b>7,905.76</b>	<b>9,364.89</b>	<b>15,864.68</b>
Wages & Salaries	2,588.32	2,688.24	2,940.28	3,560.20	8,880.89
Transfers	1,302.79	1,546.41	1,866.00	2,014.85	2,143.10
Materials & Supplies	1,035.05	1,190.65	1,438.28	1,746.79	1,716.78
Debt Payment	500.00	668.19	656.95	598.75	2,012.65
Interest Payment	263.77	397.81	446.51	590.95	1,005.12
External	205.47	318.29	373.00	473.49	467.19
Domestic	58.30	79.52	73.51	117.46	537.93
Others	716.67	437.41	357.94	400.05	106.14
Off Budget Expenditure	30.53	-	199.81	453.30	-
<b>Capital Expenditure</b>	<b>3,324.43</b>	<b>6,413.70</b>	<b>7,197.14</b>	<b>8,656.15</b>	<b>8,753.49</b>
Local Finances	1,137.83	1,717.64	1,838.06	2,652.82	2,461.99
Foreign Finance	2,186.60	4,696.06	5,359.08	6,003.33	6,291.49
Project Loans	1,554.34	1,496.53	1,956.81	1,812.79	1,742.55
Project Grants	632.26	879.09	1,152.33	1,191.91	1,386.39
Non-Project Grants	-	2,320.44	2,249.95	2,998.63	3,162.56
<b>Current Cash Balance</b>	<b>593.30</b>	<b>1,609.67</b>	<b>2,275.51</b>	<b>3,062.87</b>	<b>64.38</b>
<b>Budget Deficits</b>	<b>-1,587.96</b>	<b>-1,242.04</b>	<b>-1,212.84</b>	<b>-1,028.63</b>	<b>-3,394.82</b>
(Excluding Grants)	-2,731.13	-4,804.04	-4,921.65	-5,593.28	-8,689.11
<b>Financing</b>	<b>1,587.95</b>	<b>1,242.04</b>	<b>1,212.83</b>	<b>1,028.63</b>	<b>3,394.82</b>
<b>Domestic Financing</b>	<b>400.98</b>	<b>63.50</b>	<b>-200.46</b>	<b>-155.23</b>	<b>2,221.87</b>
<b>Bank Financing</b>	<b>402.20</b>	<b>-193.01</b>	<b>-457.65</b>	<b>1,534.91</b>	<b>2,289.25</b>
Bank financing credit	534.47	-290.01	-517.65	1,854.43	1,698.70
Treasury Bills Issued	80.00	200.00	260.00	-	300.00
Government Bonds	-	-	-	-	1,132.78
Treasury Bills Repayment	-212.27	-103.00	-200.00	-319.52	-842.23
<b>Non-Bank Financing</b>	<b>-1.22</b>	<b>256.51</b>	<b>257.19</b>	<b>-1,690.14</b>	<b>-67.38</b>
Treasury Bills (Issued)	-	-	-	-	1,000.00
Treasury Bills (Repayment)	-	-	-	-	-
Assets Sales+Pump Amortization	48.75	277.32	268.91	91.26	397.34
<b>Previous Year Balance Sheet</b>	<b>647.20</b>	<b>417.76</b>	<b>687.52</b>	<b>-</b>	<b>-</b>
Differences	-697.17	-438.57	-699.24	-1,781.39	-1,464.72
<b>Foreign Financing (Net)</b>	<b>1,186.98</b>	<b>1,178.54</b>	<b>1,413.29</b>	<b>1,183.86</b>	<b>1,172.96</b>
Program Loans	-	-	-	-	-
Project Loans	1,554.34	1,496.53	1,956.81	1,812.79	1,742.55
Amortization (Repayment)	-510.21	-542.34	-694.51	-774.50	-761.98
Non-Program Grants (Japan)	-	85.00	-	-34.00	-
On-Lending Net	142.84	139.35	150.99	179.57	192.39

**Remark:** P: Preliminary Data

**Source:** Ministry of Finance

**Table 6: Government Revenue (Billion LAK)**

Items	2008/09	2009/10	2010/11	2011/12	2012/13 <sup>(P)</sup>
<b>1. Tax Revenue</b>	<b>6,207.58</b>	<b>7,502.55</b>	<b>9,108.64</b>	<b>10,914.85</b>	<b>12,657.77</b>
Profits Tax	1,302.97	1,124.90	1,592.15	2,196.03	2,187.84
Income Tax	424.68	462.39	543.46	744.20	855.71
Land Tax	63.91	77.57	98.15	55.15	188.85
Business Licenses	3.68	2.46	0.01	-	-
Minimum Tax	29.24	33.28	41.61	49.56	38.94
Turnover Tax	1,401.04	1,868.68	510.04	410.81	190.00
VAT	-	-	1,893.10	2,416.21	3,221.09
Excise Tax	1,432.49	1,686.70	1,947.59	2,344.31	2,733.71
Import Duties	726.22	832.04	964.63	1,047.33	1,204.91
Export Duties	48.84	58.81	115.08	105.07	91.83
Registration Fees	26.69	44.61	55.47	45.97	261.22
Other Fees	372.65	702.00	532.41	537.40	663.55
Natural Resources Taxes	219.48	450.55	526.89	705.72	699.50
Timber Royalties	78.05	49.29	92.74	78.60	107.54
Hydropower Royalties	77.66	109.27	195.32	178.49	212.04
<b>2. Non-Tax Revenue</b>	<b>822.85</b>	<b>1,035.82</b>	<b>1,076.63</b>	<b>1,512.90</b>	<b>3,271.29</b>
Leasing Fees	41.08	38.03	29.82	80.78	37.53
Concessions	30.66	37.60	31.02	55.53	74.18
Penalties (Fine)	25.25	29.76	43.27	39.77	83.82
Administration Fees	76.03	122.54	98.92	189.63	406.98
Depreciation and Dividends	338.35	419.00	507.43	763.95	922.38
Interest	94.66	147.21	97.69	100.97	99.57
Over-Flight Revenue	203.42	222.41	244.81	257.49	329.12
Irrigation fees	-	12.18	11.85	13.55	-
Forest Preservation Funds	13.40	7.08	11.83	11.24	26.00
Others	-	-	-	-	1,291.68
<b>Total Tax and Non-Tax Revenue</b>	<b>7,030.43</b>	<b>8,538.38</b>	<b>10,185.27</b>	<b>12,427.75</b>	<b>15,929.06</b>
Assets Sales	48.57	277.19	268.91	91.26	397.34
Amortization	142.84	139.35	150.99	179.57	192.39
Amortization from Pump Project	0.18	0.13	-	-	-
<b>Total Revenue with Capital Return</b>	<b>7,222.02</b>	<b>8,955.04</b>	<b>10,605.17</b>	<b>12,698.58</b>	<b>16,518.80</b>

**Remark:** P: Preliminary Data**Source:** Ministry of Finance

**Table 7: Balance Sheet of the BOL (Billion LAK)**

Items	2009	2010	2011	2012	2013
<b>Net Foreign Assets</b>	<b>4,555.35</b>	<b>5,151.10</b>	<b>4,771.64</b>	<b>5,254.82</b>	<b>4,672.51</b>
Foreign Assets	5,367.51	5,868.32	5,434.77	5,891.97	5,308.78
Foreign Liabilities	-812.16	-717.22	-663.13	-637.15	-636.27
<b>Net Domestic Assets</b>	<b>1,880.29</b>	<b>4,409.39</b>	<b>6,341.14</b>	<b>8,877.74</b>	<b>10,544.81</b>
<b>Domestic Credits</b>	<b>2,669.54</b>	<b>4,561.07</b>	<b>7,511.81</b>	<b>9,236.34</b>	<b>10,297.21</b>
Net Claims on Government	-815.20	-741.57	-652.78	630.00	432.10
Claims on Government	925.09	925.63	688.29	1,228.26	1,119.09
Deposit of Government	-1,740.29	-1,667.20	-1,341.07	-598.26	-686.99
Credit to the Economy	2,312.23	3,367.06	4,996.89	4,959.16	5,642.03
Credit to Financial Institution	1,172.51	1,935.58	3,167.70	3,647.18	4,223.08
<b>BOL Bonds</b>	<b>-660.18</b>	<b>-1,023.30</b>	<b>-2,145.13</b>	<b>-1,786.36</b>	<b>-1,949.10</b>
<b>Other Items (Net)</b>	<b>-129.07</b>	<b>871.62</b>	<b>974.46</b>	<b>1,427.76</b>	<b>2,196.70</b>
<b>Monetary Base</b>	<b>6,435.56</b>	<b>9,560.38</b>	<b>11,112.78</b>	<b>14,132.56</b>	<b>15,217.32</b>
Cash in Circulation	3,579.58	4,504.52	5,661.18	7,168.83	7,906.13
Deposit	2,855.98	5,055.86	5,451.60	6,963.73	7,311.19
Clearing Deposit	1,569.92	3,328.82	2,963.76	3,641.41	4,203.74
Required Reserves	792.96	1,023.37	1,514.73	1,778.16	2,104.04
Capital Deposit	359.06	511.08	824.67	1,516.67	1,000.35
Other Deposit	134.04	192.59	148.44	27.49	3.06

**Source:** Bank of the Lao PDR

**Table 8: Monetary Survey (Billion LAK)**

Items	2009	2010	2011	2012	2013
<b>Net Foreign Assets</b>	<b>5,499.85</b>	<b>6,280.00</b>	<b>5,710.94</b>	<b>5,878.72</b>	<b>2,251.41</b>
Foreign Assets	8,139.11	10,324.72	11,476.87	12,954.47	12,064.88
Foreign Liabilities	-2,639.26	-4,044.72	-5,765.93	-7,075.75	-9,813.47
<b>Net Domestic Assets</b>	<b>9,678.32</b>	<b>14,889.03</b>	<b>21,535.13</b>	<b>29,826.22</b>	<b>39,532.28</b>
Domestic Credit	10,516.13	16,055.99	22,892.91	32,556.66	42,938.53
Net Claims on Government	-627.00	-480.77	-1,211.28	2,031.50	1,872.20
Claims on Government	1,667.39	1,974.23	1,516.19	3,563.96	3,480.99
Deposit of Government	-2,294.39	-2,455.00	-2,727.47	-1,532.46	-1,608.79
Credit to the Economy	11,143.13	16,536.76	24,104.19	30,525.16	41,066.33
Credit to State-Owned Enterprises	2,578.53	3,824.86	6,391.49	6,591.56	8,435.03
Credit to Private Sector	8,564.60	12,711.90	17,712.70	23,933.60	32,631.30
Other Items (Net)	-837.81	-1,166.96	-1,357.78	-2,730.44	-3,406.25
Government Lending Fund	-162.20	-136.96	-105.72	-82.47	-59.63
Restricted Deposit	-8.70	-8.40	-148.80	-279.00	-23.20
Capital Account	-2,749.92	-4,621.38	-5,497.98	-7,617.80	-9,235.18
Others	2,083.01	3,599.78	4,394.72	5,248.83	5,911.76
<b>Money Supply (M2)</b>	<b>15,178.09</b>	<b>21,168.82</b>	<b>27,246.07</b>	<b>35,704.94</b>	<b>41,783.69</b>
<b>Money</b>	<b>4,790.49</b>	<b>6,260.92</b>	<b>7,169.27</b>	<b>8,343.54</b>	<b>8,790.89</b>
Currency Outside Banks	3,085.78	3,799.92	4,843.88	6,019.73	6,489.73
Demand Deposit	1,704.71	2,461.00	2,325.39	2,323.81	2,301.16
<b>Quasi Money</b>	<b>10,387.60</b>	<b>14,907.90</b>	<b>20,076.80</b>	<b>27,361.40</b>	<b>32,992.80</b>
Time and Saving Deposit	3,395.50	5,594.90	8,127.40	12,192.70	15,279.20
Foreign Currency Deposit	6,992.10	9,313.00	11,949.40	15,168.70	17,713.60

**Source:** Bank of the Lao PDR

**Table 9: Interest Rate (In Percent per Annum)**

Items	2009	2010	2011	2012	2013
<b>I. Bank of The Lao PDR</b>					
<b>Base Rate</b>	<b>4.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>	<b>5.00</b>
BOL Bonds (1 year )					
LAK	6.00-7.00	6.5-7.00	6.50	6.50	6.50
USD	3.00 - 3.50	3.00-3.75	3.70	3.70	3.70
<b>II. Commercial Banks</b>					
<b>1. Deposit Rate</b>					
<b>LAK Account</b>					
Saving Deposit	2.50-5.00	2.50-5.00	2.00-5.00	2.00-5.00	1.50-5.00
Time Deposit					
3 Months	3.00-9.00	3.00-8.00	2.00-8.00	2.00-8.00	1.50-6.50
6 Months	4.00-11.00	4.00-10.00	4.00-10.00	3.00-10.00	1.50-8.25
12 Months	5.00-13.00	5.00-12.00	5.00-12.00	4.00-12.00	1.50-10.50
> 12Months	8.00-14.00	8.00-12.00	7.50-12.50	5.00-12.00	7.50-12.00
<b>THB Account</b>					
Saving Deposit	0.25-2.00	0.25-2.00	0.25-2.00	0.25-2.30	0.12-2.30
Time Deposit					
3 Months	0.50-4.00	0.75-3.50	0.75-4.00	0.25-3.00	0.75-3.47
6 Months	0.75-5.00	0.75-6.50	0.75-6.50	0.75-6.50	0.75-4.25
12 Months	1.00-6.00	0.75-9.75	0.75-9.75	0.75-9.75	0.75-6.00
>12 Months	2.00-5.00	2.70-6.00	2.70-5.50	0.75-10.00	2.00-6.50
<b>USD Account</b>					
Saving Deposit	0.25-2.00	0.25-2.25	0.25-2.00	0.25-2.20	0.10-2.20
Time Deposit					
3 Months	0.50-4.00	0.50-4.00	0.50-4.00	0.25-4.00	0.45-4.00
6 Months	0.75-5.00	0.75-5.00	0.75-5.00	0.50-5.00	0.60-5.00
12 Months	1.00-6.00	1.00-6.00	1.00-6.00	0.75-7.00	0.75-7.00
> 12 Months	1.25-5.00	1.25-7.00	1.25-6.50	1.00-7.50	1.25-7.50
<b>2. Lending Rates</b>					
<b>LAK Account</b>					
Customer A (1year)	9.00-26.55	8.00-23.05	8.00-21.00	8.00-19.50	6.50-20.50
Customer B (1year)	10.00-14.00	9.00-14.00	9.00-18.00	9.00-15.00	9.00-18.00
Customer C (1year)	11.00-16.00	10.00-15.00	10.00-18.00	10.00-15.00	10.00-18.00
<b>THB Account</b>					
Customer A (1year)	6.00-23.00	6.00-17.00	6.50-17.00	3.85-17.00	3.60-17.00
Customer B (1year)	6.50-9.00	7.00-9.00	7.15-15.00	7.15-11.50	7.15-13.00
Customer C (1year)	7.25-10.00	7.25-10.00	7.80-15.00	7.80-11.50	7.50-13.00

<b>USD Account</b>					
Customer A (1year)	5.00-23.00	6.00-18.00	6.00-16.00	5.25-16.00	5.25-16.00
Customer B (1year)	7.50-9.00	7.75-9.00	7.15-14.00	7.15-10.00	7.15-11.00
Customer C (1year)	7.75-10.00	7.75-10.00	7.80-14.00	7.80-11.00	7.80-11.00
<b>Overdraft</b>					
LAK	9.75-24.00	9.75-20.00	9.00-14.00	9.75-19.50	6.50-20.50
THB	7.00-18.00	7.00-15.00	10.00-14.00	7.00-17.00	3.85-17.00
USD	6.00-14.00	6.00-14.00	10.00-14.00	6.00-16.00	5.25-16.00

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**Source:** Bank of the Lao PDR

**Table 10: Commercial Banks' Deposit (Billion LAK)**

Items	2011			2012			2013		
	LAK	FCD in LAK	<u>Total</u>	LAK	FCD in LAK	<u>Total</u>	LAK	FCD in LAK	<u>Total</u>
<b>Total Deposit</b>	<b>10,441.81</b>	<b>11,949.39</b>	<b>22,391.20</b>	<b>14,515.51</b>	<b>15,168.70</b>	<b>29,684.21</b>	<b>17,577.30</b>	<b>17,713.59</b>	<b>35,290.89</b>
Current Deposit	2,314.38	3,265.36	5,579.74	2,322.90	3,899.28	6,222.18	2,298.10	4,549.64	6,847.74
Savings	2,270.34	5,238.12	7,508.46	3,251.84	5,974.87	9,226.71	3,609.70	6,943.35	10,553.05
Term Deposit	5,857.09	3,445.91	9,303.00	8,940.77	5,294.55	14,235.32	11,669.50	6,220.60	17,890.10
3 Months	1,581.41	930.40	2,511.81	2,503.42	1,482.47	3,985.89	3,267.43	1,741.77	5,009.20
6 Months	1,405.70	827.02	2,232.72	1,966.96	1,111.86	3,078.82	2,567.30	1,306.33	3,873.63
12 Months	1,815.70	1,068.23	2,883.93	2,861.05	1,694.26	4,555.31	3,734.25	1,990.59	5,724.84
> 12 M ; < 24 M	1,054.28	620.26	1,674.54	1,609.34	1,005.96	2,615.30	2,100.52	1,181.91	3,282.43
Non-Resident Deposit	<b>934.65</b>	<b>1,142.35</b>	<b>2,077.00</b>	<b>947.58</b>	<b>1,068.55</b>	<b>2,016.13</b>	<b>995.19</b>	<b>1,917.03</b>	<b>2,912.22</b>
Others Deposit	148.80	-	148.80	278.97	-	278.97	23.20		23.20
Total Deposit (Resident & Non-Resident)	<b>11,376.46</b>	<b>13,091.74</b>	<b>24,468.20</b>	<b>15,463.09</b>	<b>16,237.25</b>	<b>31,700.34</b>	<b>18,572.49</b>	<b>19,630.62</b>	<b>38,203.11</b>

**Remark:** FCD: Foreign Currency Deposit converted to LAK

**Source:** Bank of the Lao PDR

**Table 11: Commercial Banks' Credit (Billion LAK)**

Credit by Sectors	2009	2010	2011	2012	2013
Industry and Handicraft	1,633.72	2,462.73	3,802.35	4,090.56	6,450.10
Construction	353.24	1,619.87	2,407.52	4,601.88	7,279.66
Materials and Technical Supplies	679.98	632.15	764.29	1,022.64	1,622.78
Agriculture	1,192.17	2,067.64	2,560.38	2,045.28	3,648.11
Commerce	2,075.26	3,081.71	4,068.85	6,135.84	7,325.00
Transportation	247.27	513.62	726.08	1,022.64	1,276.74
Services	732.95	1,659.38	3,229.13	4,090.56	4,146.93
Other Sector	1,916.31	1,132.59	1,547.70	2,556.60	3,674.98
<b>Total Credit Outstanding</b>	<b>8,830.90</b>	<b>13,169.69</b>	<b>19,106.30</b>	<b>25,566.00</b>	<b>35,424.30</b>
<b>Credit Growth</b>	<b>( In Percentage change)</b>				
Industry and Handicraft	63.15	50.74	54.40	7.58	57.68
Construction	71.09	358.57	48.62	91.15	58.19
Materials and Technical Supplies	54.98	-7.03	20.90	33.80	58.69
Agriculture	77.67	73.43	23.83	-20.12	78.37
Commerce	55.23	48.50	32.06	50.76	19.38
Transportation	71.09	107.72	41.37	40.84	24.85
Services	46.39	126.40	94.60	26.68	1.38
Other Sector	122.31	-40.90	36.65	65.19	43.74
<b>Total Credit Outstanding</b>	<b>71.09</b>	<b>49.13</b>	<b>45.09</b>	<b>33.80</b>	<b>38.56</b>
<b>Total Credit Outstanding ratio to GDP</b>	<b>18.57</b>	<b>23.30</b>	<b>29.52</b>	<b>35.15</b>	<b>42.82</b>

Source: Bank of the Lao PDR



**Table 12: Balance of Payments (Million USD)**

Items	2009	2010	2011	2012	2013 <sup>(P)</sup>
<b>Current Account</b>	<b>-60.91</b>	<b>29.27</b>	<b>158.14</b>	<b>-377.62</b>	<b>-376.03</b>
(Excluding Grants)	-158.43	-79.35	8.92	-546.79	-525.60
<b>Trade Balance</b>	<b>-408.41</b>	<b>-314.00</b>	<b>-214.64</b>	<b>-784.45</b>	<b>-755.74</b>
Exports (f.o.b.)	1,052.70	1,746.40	2,189.55	2,270.67	2,263.94
Imports (c.i.f.)	-1,461.10	-2,060.40	-2,404.19	-3,055.12	-3,019.68
<b>Services (Net)</b>	<b>261.63</b>	<b>247.87</b>	<b>228.02</b>	<b>236.05</b>	<b>247.41</b>
Inward Services Incomes	397.26	510.99	549.66	577.22	781.19
Outward Services Payments	-135.63	-263.12	-321.64	-341.17	-533.78
<b>Factor Income (Net)</b>	<b>-47.03</b>	<b>-83.17</b>	<b>-78.01</b>	<b>-81.20</b>	<b>-105.31</b>
Inward Incomes	41.73	50.29	48.33	69.15	72.72
Outward Payments	-88.76	-133.46	-126.34	-150.35	-178.03
<b>Transfers (Net)</b>	<b>132.89</b>	<b>178.63</b>	<b>222.77</b>	<b>251.98</b>	<b>237.61</b>
Transfers to Private	35.36	70.01	73.55	82.81	88.04
Grants to Government	97.53	108.62	149.22	169.17	149.57
<b>Capital and Financial Account</b>	<b>644.43</b>	<b>401.94</b>	<b>639.65</b>	<b>622.09</b>	<b>776.20</b>
Financial Account	644.43	401.94	639.65	622.09	776.20
Foreign Direct Investment	318.60	278.81	466.85	294.38	426.67
Portfolio Investment	-	53.80	11.45	5.74	6.74
Other Investment	325.83	69.33	161.35	321.97	342.79
Errors and Omissions	-507.84	-328.66	-854.88	-769.93	-477.80
<b>Overall Balance</b>	<b>75.68</b>	<b>102.55</b>	<b>-57.08</b>	<b>60.89</b>	<b>-77.65</b>
<b>Memorandum Items:</b>					
Current Account (Percent of GDP)	-1.09	0.43	1.96	-4.16	-3.56
Current Account Excluding Official Transfers (Percent of GDP)	-2.83	-1.16	0.11	-6.02	-4.98
Trade Balance (Percent of GDP)	-7.31	-4.59	-2.66	-8.64	-7.16
<b>Official Gross Reserves</b>	<b>632.37</b>	<b>735.84</b>	<b>678.76</b>	<b>739.65</b>	<b>661.90</b>
Official Gross Reserves in Months of Imports	5.19	4.29	3.39	5.07	4.84
<b>Gross Domestic Product (USD)</b>	<b>5,585.10</b>	<b>6,843.90</b>	<b>8,061.09</b>	<b>9,082.64</b>	<b>10,559.37</b>
LAK/USD Exchange rate (Average Commercial Banks' Rate)	8,515.93	8,258.82	8,029.57	8,007.30	7,835.37

**Remark:** P: Preliminary Data

**Source:** Bank of the Lao PDR

**Table 13: Foreign Trade (Million USD)**

Items	2009	2010	2011	2012	2013 <sup>(P)</sup>
<b>Trade Balance</b>	<b>-408.41</b>	<b>-314.06</b>	<b>-214.65</b>	<b>-784.45</b>	<b>-755.74</b>
<b>Exports (f.o.b.)</b>	<b>1,052.68</b>	<b>1,746.36</b>	<b>2,189.55</b>	<b>2,270.67</b>	<b>2,263.94</b>
<b>(Percentage Change)</b>	<b>-3.59</b>	<b>65.90</b>	<b>25.38</b>	<b>3.70</b>	<b>-0.30</b>
Wood Products	41.74	37.40	81.66	131.11	123.38
Coffee	21.71	26.09	67.78	114.94	116.50
Agriculture/Forest Products	91.41	169.02	152.16	220.83	194.65
Garments	127.09	171.07	219.91	183.90	227.30
Electricity	100.62	113.18	327.16	502.20	589.81
Mining	446.58	625.39	1,241.58	946.87	899.43
Gold	90.59	131.37	111.82	150.74	147.58
Copper	327.59	468.28	696.28	683.12	680.64
Others	28.41	25.74	433.48	113.01	71.21
Other Exports	223.53	604.22	99.31	172.46	112.87
<b>Imports (c.i.f.)</b>	<b>1,461.08</b>	<b>2,060.42</b>	<b>2,404.20</b>	<b>3,055.12</b>	<b>3,019.68</b>
<b>(Percentage Change)</b>	<b>4.13</b>	<b>41.02</b>	<b>16.68</b>	<b>27.07</b>	<b>-1.16</b>
Investment Goods	920.2	1,066.30	1,423.70	1,602.30	1,729.76
Consumption Goods	373.22	670.42	867.63	1,352.66	1,187.09
Materials for Garments	67.04	60.28	14.00	18.77	21.6
Gold and Silver	59.74	209.76	51.86	8.55	8.46
Electricity	39.20	50.76	40.91	63.44	67.84
Others	1.69	2.90	6.10	9.40	4.93

**Remark:** P: Preliminary Data

**Source:** Bank of the Lao PDR

**Table 14: External Debt (Million USD)**

Items	2009	2010	2011	2012	2013
<b>1. Total Debt Outstanding</b>	<b>2,694.41</b>	<b>2,808.70</b>	<b>2,943.98</b>	<b>3,974.15</b>	<b>4,173.05</b>
Bilateral	927.76	1,064.10	1,249.45	1,993.21	2,241.14
Multilateral	1,766.65	1,744.60	1,694.53	1,980.94	1,931.91
<b>2. Debt Services</b>	<b>87.28</b>	<b>106.51</b>	<b>150.98</b>	<b>154.71</b>	<b>194.74</b>
(Percentage Change)	19.75	22.02	41.76	2.47	25.87
<b>Amortization</b>	<b>63.09</b>	<b>71.61</b>	<b>100.90</b>	<b>102.35</b>	<b>116.87</b>
Bilateral	11.47	12.89	33.09	30.85	47.19
Multilateral	51.62	58.72	67.81	71.50	69.68
<b>Interest Payments</b>	<b>24.19</b>	<b>34.91</b>	<b>50.08</b>	<b>52.36</b>	<b>77.87</b>
Bilateral	6.84	15.03	26.43	30.27	56.96
Multilateral	17.35	19.87	23.65	22.09	20.91
<b>Total Debt Outstanding (Percent of GDP)</b>	<b>48.24</b>	<b>41.04</b>	<b>36.52</b>	<b>43.34</b>	<b>39.52</b>
<b>Debt Service Ratio (%)</b>	<b>6.02</b>	<b>4.72</b>	<b>5.51</b>	<b>5.43</b>	<b>6.40</b>

Sources: Ministry of Finance and Bank of the Lao PDR

**Table 15: Official and Parallel Market Exchange Rates**

Month/Year	(LAK/USD)			(LAK/THB)		
	CBs' Ave. Rate	PM's Ave. Rate	Overall Average	CBs' Ave. Rate	PM's Ave. Rate	Overall Average
1/2012	8,016.95	8,019.29	8,018.12	255.03	255.17	255.10
2/2012	7,998.80	8,002.13	8,000.46	261.32	261.30	261.31
3/2012	7,994.94	7,997.90	7,996.42	261.73	261.83	261.78
4/2012	7,993.11	7,995.98	7,994.54	259.92	260.11	260.01
5/2012	8,011.91	8,012.20	8,012.06	256.86	257.29	257.08
6/2012	8,015.77	8,018.18	8,016.98	254.09	254.37	254.23
7/2012	8,020.88	8,021.58	8,021.23	254.13	254.05	254.09
8/2012	8,018.10	8,019.84	8,018.97	255.75	255.44	255.59
9/2012	8,002.77	8,003.09	8,002.93	258.61	258.06	258.33
10/2012	7,999.99	8,000.32	8,000.16	260.91	260.76	260.84
11/2012	8,005.38	8,008.14	8,006.76	261.22	261.12	261.17
12/2012	7,995.28	7,999.81	7,997.54	261.54	261.40	261.47
1/2013	7,962.04	7,966.63	7,964.34	265.20	264.90	265.05
2/2013	7,911.01	7,918.10	7,914.56	264.80	264.94	264.87
3/2013	7,820.64	7,827.92	7,824.28	265.36	264.93	265.15
4/2013	7,684.84	7,685.34	7,685.09	265.11	264.86	264.98
5/2013	7,672.68	7,671.63	7,672.15	259.07	258.79	258.93
6/2013	7,720.07	7,716.93	7,718.50	251.98	251.87	251.93
7/2013	7,785.21	7,808.17	7,796.69	251.78	252.34	252.06
8/2013	7,812.45	7,949.67	7,881.06	249.20	255.67	252.43
9/2013	7,847.69	8,060.05	7,953.87	248.93	257.11	253.02
10/2013	7,853.02	8,018.18	7,935.60	252.30	256.49	254.39
11/2013	7,943.81	7,982.49	7,963.15	253.01	254.77	253.89
12/2013	8,011.00	8,022.56	8,016.78	249.50	250.78	250.14

Source: Bank of the Lao PDR

**Table 16: Tourist Arrivals to the Lao PDR and Revenue from Tourism**

Year	Number of Tourist Arrivals	Revenue from Tourism
	(Persons)	(USD)
2000	737,208	113,898,285
2001	673,823	103,786,323
2002	735,662	113,409,883
2003	636,361	87,302,412
2004	894,806	118,947,707
2005	1,095,321	146,770,074
2006	1,215,112	173,249,896
2007	1,623,943	233,304,695
2008	1,736,790	275,515,758
2009	2,008,363	267,700,224
2010	2,513,208	381,669,031
2011	2,723,563	406,184,842
2012	3,212,916	451,054,756
2013 <sup>(P)</sup>	3,779,490	595,909,127

**Remark:** P: Preliminary Data

**Source:** Ministry of Information, Culture and Tourism

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