

AUSTRALIAN BUREAU OF STATISTICS ACT 1975: sub-section 6(3)

PROPOSAL NO. 10 OF 2013

BY

AUSTRALIAN BUREAU OF STATISTICS

SURVEY OF FOREIGN CURRENCY EXPOSURE

The Australian Bureau of Statistics proposes to conduct a Survey of Foreign Currency Exposure for positions as at 31st March 2013.

The survey will be conducted from March 2013. The survey is funded by the Reserve Bank of Australia and is conducted every four years.

The Australian Bureau of Statistics expects to continue to conduct the survey quadrennially in the future subject to ongoing funding from the Reserve Bank of Australia.

The survey will be conducted by e-mail from a sample of approximately 970 businesses nationally with significant foreign currency denominated assets and/or liabilities, or significant expected future foreign currency denominated receipts or payments.

Information will be collected on a range of indicators including

- foreign equity assets;
- foreign-currency-denominated financial debt assets and liabilities;
- the value of outstanding derivative contracts with a foreign currency component;
- the policies enterprises adopted on hedging foreign currency exposure; and
- foreign-currency-denominated receipts and payments from trade in goods and services expected in the future.

The primary purpose of the survey will be to assist the understanding of the extent to which Australian resident entities manage foreign exchange risk, and the methods by which they hedge this risk. The data collected from this survey will assist the Reserve Bank of Australia to meet Australia's international obligations to the International Monetary Fund and Organisation for Economic Cooperation and Development for delivering data used to evaluate the current state of the Australian economy's resilience to international financial shocks.

The survey has been developed in consultation with the Reserve Bank of Australia. The data will be used by the Reserve Bank of Australia, government and other organisations to assess the extent of risk associated with foreign currency exposure faced by Australian enterprises.

The survey was last conducted in 2009 and there was no significant adverse reaction. A number of minor changes have been made to the survey in consultation with the Reserve Bank of Australia and a range of respondents. All

efforts have been made to align the format and layout as closely as possible to the Australian Bureau of Statistics' quarterly Survey of International Investment in order to assist users. The survey is scheduled to be field tested in early 2013.

Results from the survey are expected to be released in the second half of October 2013.

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