

# 50% of SMEs say value of dollar 'makes no difference' to their businesses

## MSI Global Alliance Quarterly Business Survey

In a recent MSI survey involving more than 500 Australian and New Zealand SMEs, 50% of participants said that neither a lower nor a higher dollar makes any real difference to their businesses, while 22% and 28% stated that recent volatility was good and bad for their business respectively. However, almost half of participants (49%) said that the lower exchange rate is good for their local economy. The poll, conducted by MSI Global Alliance in Australia and New Zealand, sought to identify business-owner thinking on the fluctuating dollars of both nations and what impact it has from a business perspective and from a consumer perspective.

**A higher dollar** While both the Australian and NZ dollars fell sharply in May, a month prior they had been on a high. And according to respondents surveyed, 63% said that 'as consumers' they had not been encouraged to purchase imported products when the dollar was strong. Asked the same questions from a 'business perspective', the response was similar, 61% saying they had not been encouraged to purchase imported products while 33% stated they had been encouraged to purchase imported goods.

**When holding a strong dollar** 47% of respondents noted that the prices of imported goods had become 'a little cheaper' than usual and 19% had noticed the prices become 'much cheaper'. More than 70% said that overall, savings had not been passed fully on to either business or individual consumers.

**Have revenues been affected?** Asked if their business revenues had been affected as a result of a high dollar, 60% of SMEs stated that they had not while 25% pointed to a negative impact and 11% said that their revenue has risen. One SME who said revenue was down as a result of the higher dollar stated that "our industry is actually losing sales to the internet, it encourages consumers to buy online and from abroad."

**When asked if they wanted to see an increase or decrease in the value of the AUS and NZ dollars** 42% of SMEs stated they would like to see the dollars strengthen in value. 'A strong dollar in the current global market indicates a strong economy', said one, a sentiment shared by many.

**Affected industries** When asked what industries would be negatively affected by the recent volatility in currency markets, as expected the overwhelming majority referred to importing/exporting, mining, agriculture, manufacturing and tourism. 'It's hard to forecast margins and set prices when there are significant jumps either way, and that doesn't help confidence' was one comment, echoed by many.

**Future Outlook** Respondents expected both the Australian and New Zealand dollars to increase in value over the next 3 months with higher interest rates comparative to the rest of the developed world being the key reason. When asked to state what value their dollar will have in 3 months time, the average value for the 'Aussie' was 0.86 US cents and 72 US cents for the 'Kiwi'.

To arrange an interview with MSI spokesperson, Charles Hornor, please contact: James Officer

MSI Marketing Adviser

+613 8399 9513

james.officer@strategyco.net

About MSI Global Alliance

Legal & Accounting group MSI Global Alliance was founded in 1990 in London, and has grown to become the world's 15th largest professional services grouping, with more than 250 member firms in over 100 countries worldwide.

MSI's representation in Australia and New Zealand currently consists of 12 leading accounting and legal firms in key commercial and financial centres. The survey was conducted within the member firms' client bases. For further information on the MSI ANZ Group in Australia and New Zealand, please visit [www.msi-anz.net](http://www.msi-anz.net).

**Contacts**

James Officer

+613 8399 9513

mailto: james.officer@strategyco.net