

Case Study

GQS (Australia) Pty Ltd





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What does your company do?

GQS provides inspection and audit services to the oil and gas industry worldwide.

What countries do you trade with / which currencies do you trade in?

We mainly deal with the AUD and USD. Even though we work internationally, the majority of our contracts are now in USD. However, in some instances, our staff and suppliers located offshore prefer to be paid in the local currency, but that is a very small proportion of our overall currency volumes. These currencies include: West African CFA franc (CFA), Japanese Yen (JPY), Kroner (NOK), Indonesian rupiah (Rp), Indian Rupee, Singapore dollar (SGD) and pound Sterling (GBP).

What are your typical monthly currency volumes in AUD?

During an average month, we trade around AU\$500,000.

Why do you need to manage currency risks?

For us, AUD / USD rate fluctuations represent our main currency risks. GQS purchases USD, amongst other currencies, so a fall in the AUD will increase our foreign exchange costs.

What is your biggest challenge when it comes to receiving international payments and currency risk management?

A challenge is the timing of invoices from clients and payments to suppliers. Currently there is a disparity in terms where we agree to pay our suppliers within 30 days, yet clients have 60 days to pay us. And this can get more complex with different currencies involved.

Are there any examples of how currency risks have negatively affected your business in the past?

In the past when we haven't had any hedging in place, negative currency movements have led to foreign exchange transactional losses.

What made you choose Corpay?

GQS has been working with Corpay for many years, so when I began in the role in 2015 the companies were already working together. My understanding is that originally our parent company, based in the UK, needed help with their international payments and Corpay as a global payments specialist came highly recommended.

How do you use Corpay to manage your currency exposure and payments?

Corpay helps protect our profit margins using flexible hedges. We speak to Corpay weekly to discuss and plan our upcoming currency exposures and hedging positions. With our business strategy and activity in mind, our Corpay representative is often in touch to discuss major market developments.

Corpay's service focus makes it easy for us to manage our weekly international payments and currency exposure. This convenience saves us a lot of time, which in turn must have a positive impact on our bottom line

What products / solutions do you use?

We mostly use a Participating Forward Contract, which lets us benefit from favourable market movements whilst being protected on the downside.

For example, if the currency movement is not favourable, we'll use the market rate and vice versa. This support gives us confidence in our day-to-day operations.

What is the single biggest reason you would recommend our service offering?

The level of service and professionalism Corpay offers is excellent. Someone contacts me each week with a forward contract update and a monthly market synopsis and currency update email. If I call them the turnaround time is quick. The support team helps me straight away, unlike banks which are slow and inflexible.

The rates management is great, but it is the personal service and convenience that Corpay offers that makes them stand out. Corpay takes the time to understand our business and it's needs, making it easier for us.