

CAMRI Executive Roundtable Luncheon Series Dr. Duvvuri Subbarao

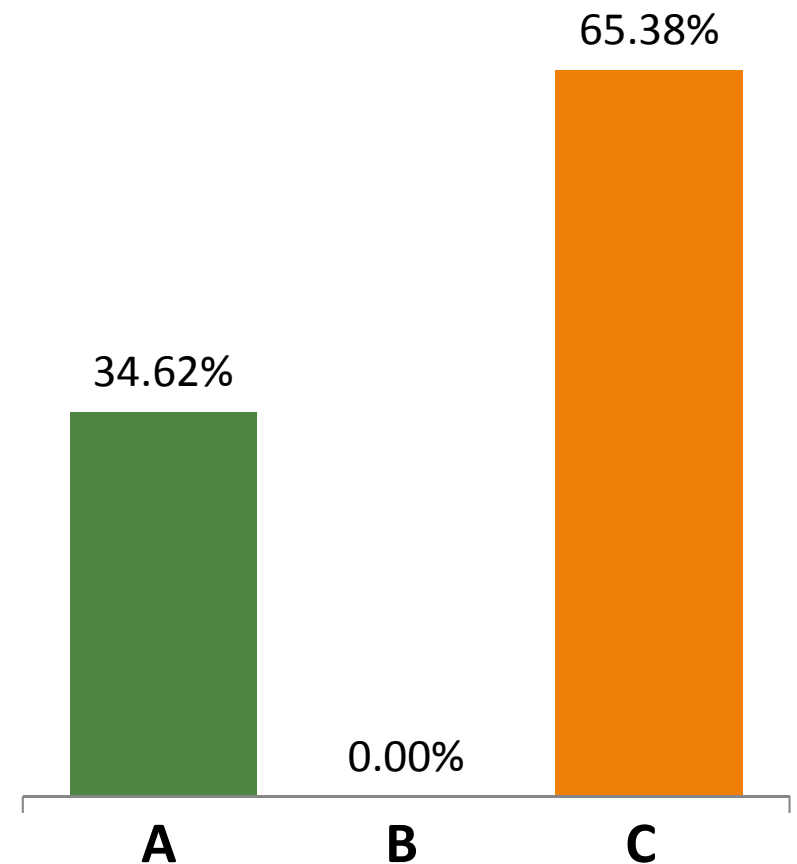
**Real-time survey on Capital Flow Management
Survey Results**

NUS Business School
November 15th, 2013

1. Everyone agrees that global imbalances were one of the root causes of the global financial crisis. However, opinion is divided on what was the primary driver(s) of the imbalances:

Please select the statement you agree most with

- A. The consumption binge in the US**
- B. The savings glut in emerging markets, especially China (as claimed by Chairman Bernanke)**
- C. Both A & B**

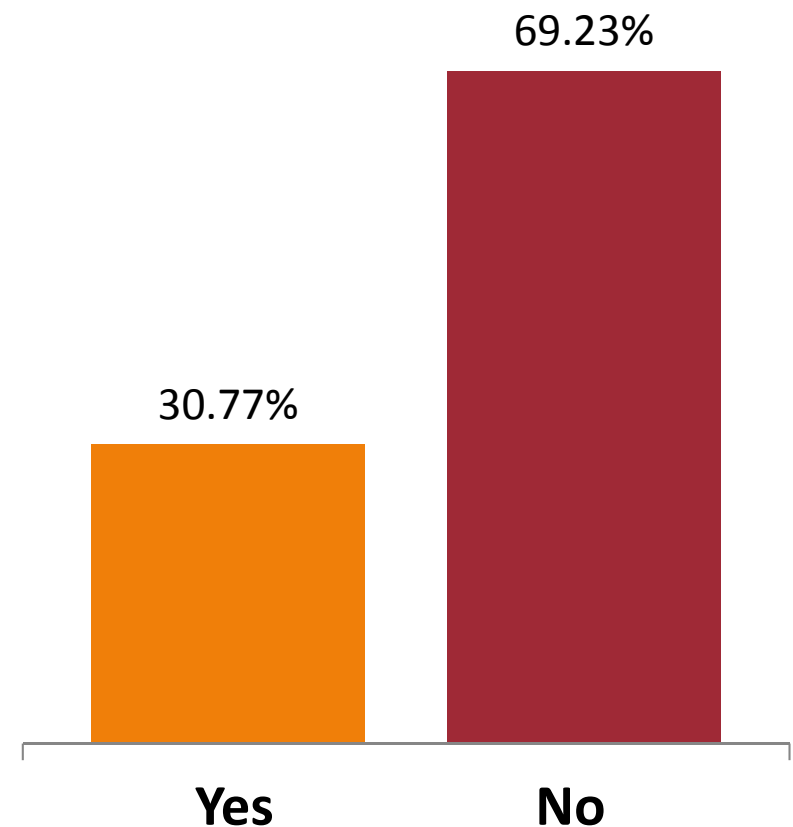


2. Exchange rates must be left to be determined by market forces. It is futile to try and manage them. Central banks should at all times and under all circumstances refrain from intervening in the forex market:

Please select the statement you agree most with

A. Yes

B. No

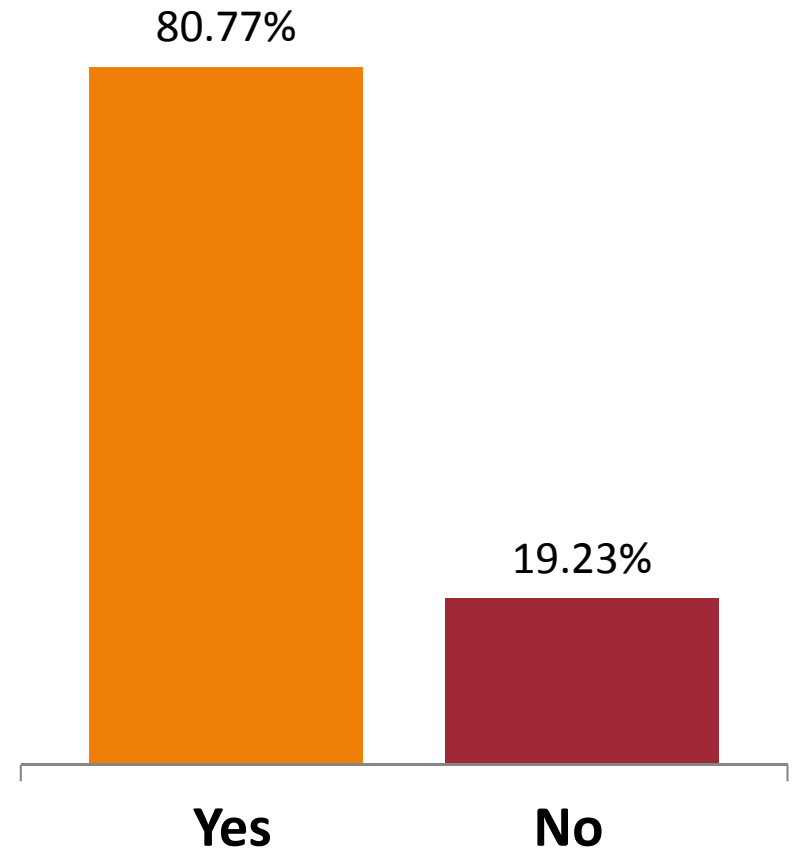


3. There are times and circumstances under which capital controls are not only appropriate but also desirable:

Please select the statement you agree most with

A. Yes

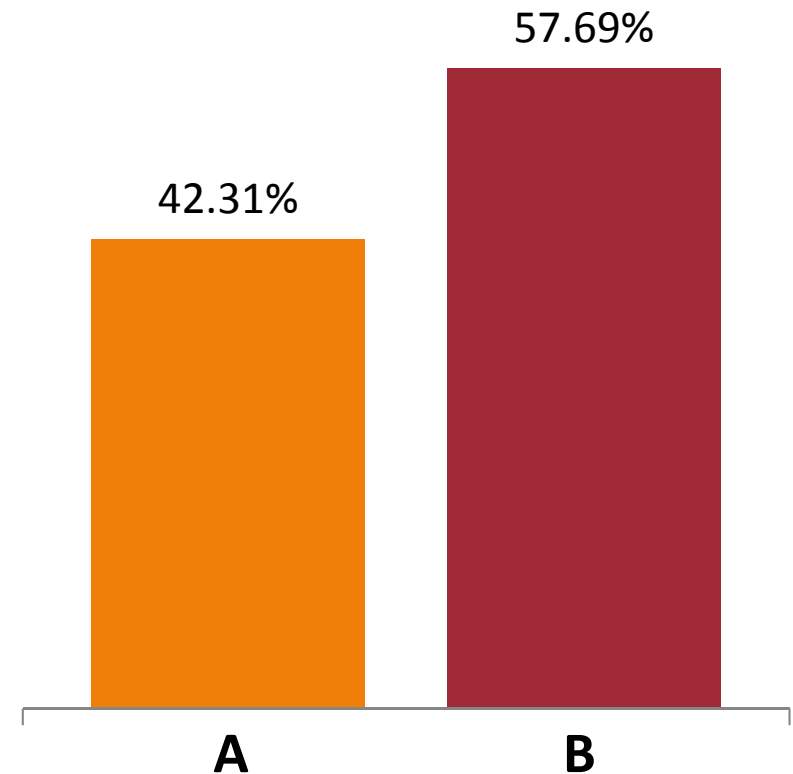
B. No



4. If capital controls are indeed adopted, the rules for what type of capital controls and when they are adopted, should be:

Please select the statement you agree most with

- A. Agreed and codified at the international level**
- B. Left to the country to decide**

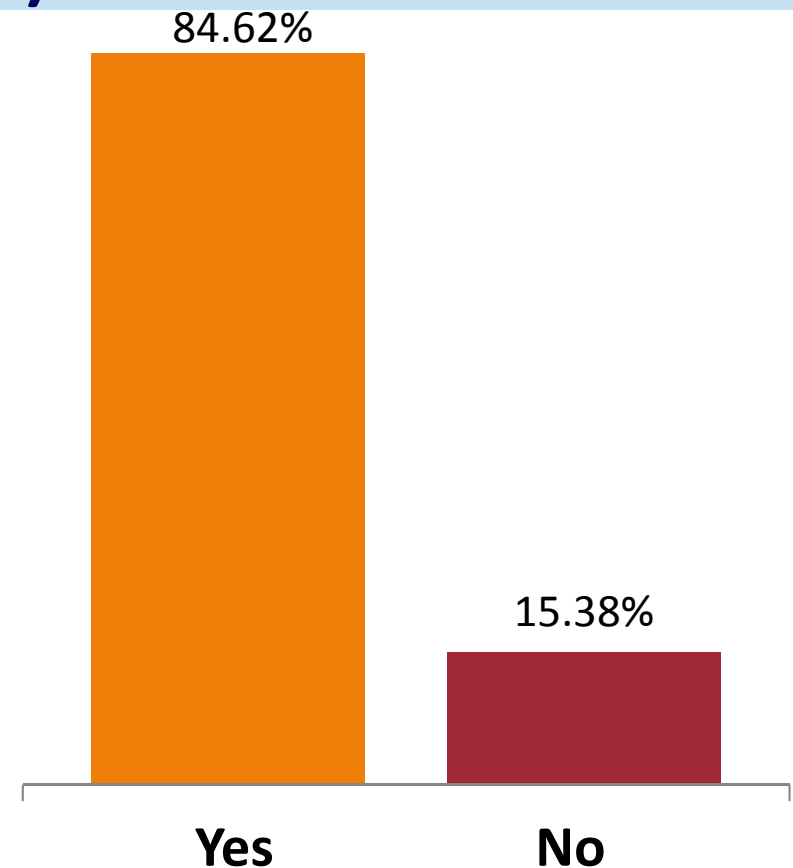


5. Financial market mechanisms & arrangements, such as multilateral currency swap arrangements between central banks, can serve as a prudent liquidity backstop during periods of global financial strain (instead of just monetary policy, fiscal policy or capital controls)

Do you agree with the above statement?

A. Yes

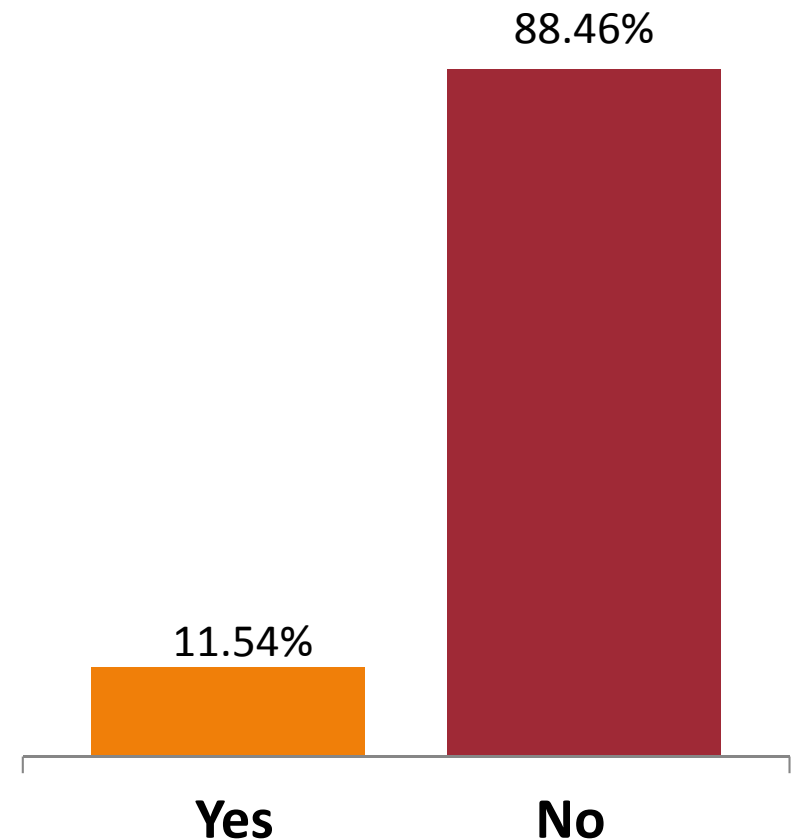
B. No



6. It is costly and sub-optimal for countries to hold forex reserves:

Please select the statement you agree most with

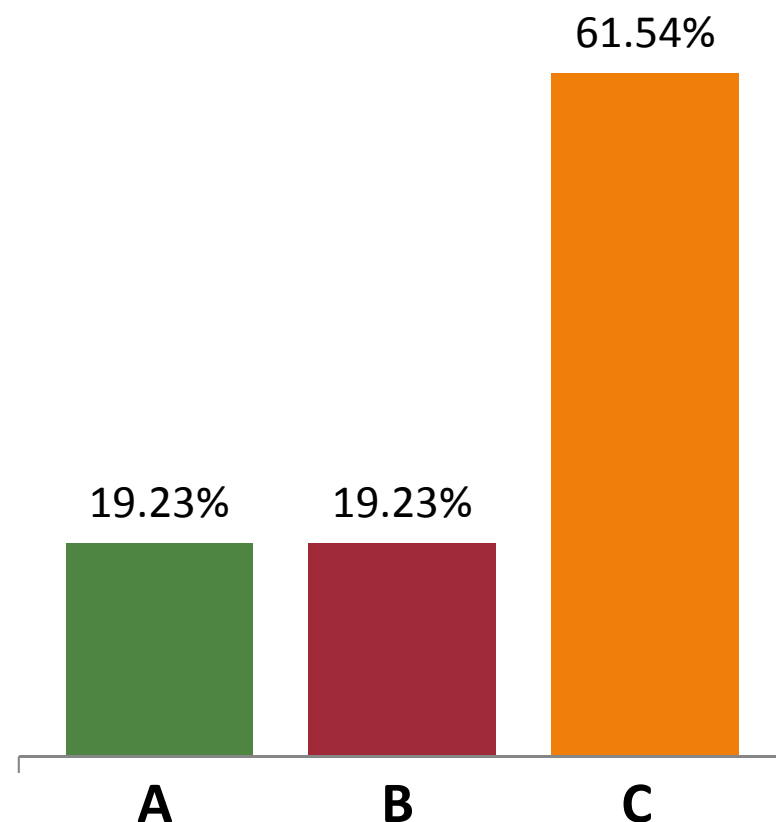
- A. Yes. Countries can always go to the IMF if they have a problem**
- B. No. Countries should hold reserves as self-insurance. There is a stigma attached to going to the IMF**



7. A single reserve currency is a big global risk:

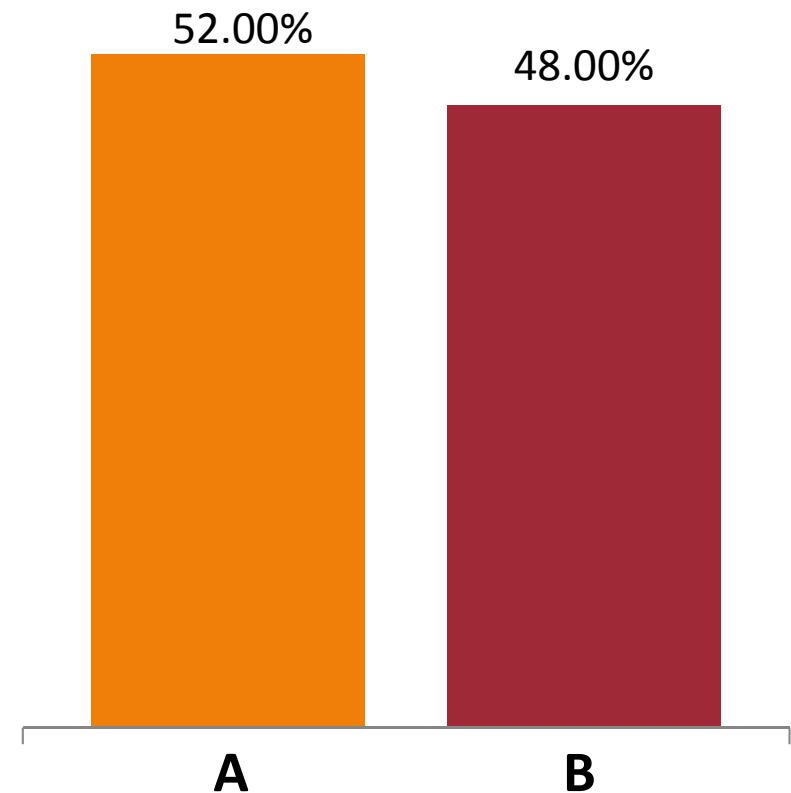
Please select the statement you agree most with

- A. No, it isn't**
- B. Yes. There should be a global effort at the IMF or G20 to introduce an alternate reserve currency**
- C. A single reserve currency is a risk, but an alternate reserve currency cannot evolve through a global agreement. It has to evolve organically**



8. What is your opinion on Currency Wars?

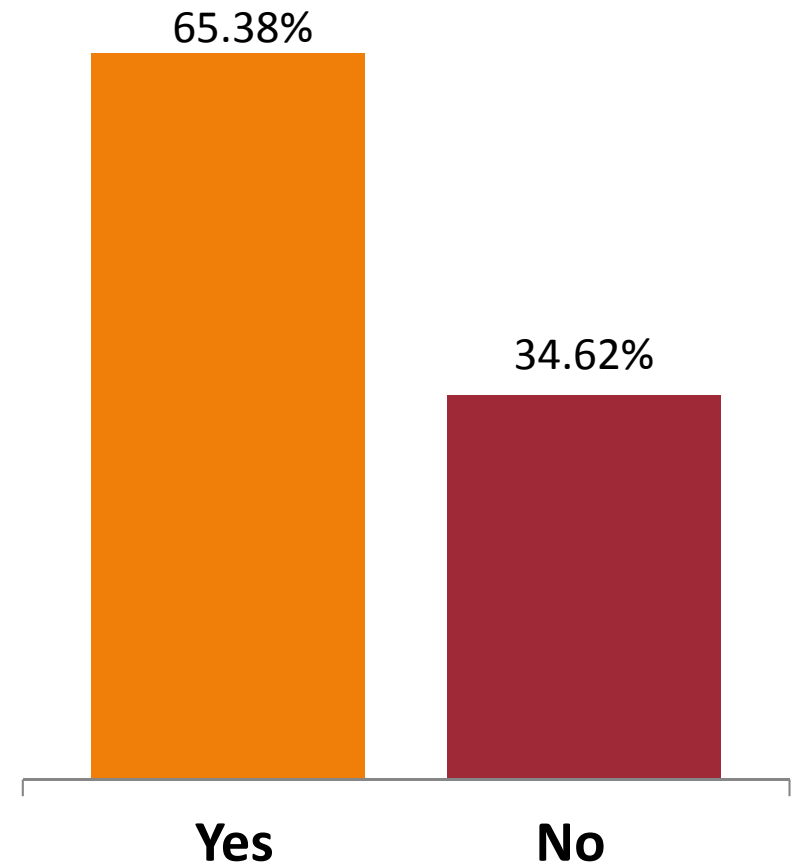
- A. It is a bogey created by emerging markets. They should learn to manage their economies without crying foul at advanced economies**
- B. Emerging markets have a point. Advanced economies must accept responsibility for the spillover impact of their policies, and agree to share the burden of adjustment**



9. Global agreement on redressing global imbalances is an *imperative* for preventing another crisis

Please select the statement you agree most with

- A. Yes
- B. **No. The problem of capital flows and global imbalances is being exaggerated. We have learnt the lesson from the last crisis. The market will take care of the problem of imbalances**



Thank you for your participation