



# NAB ECONOMICS DATA INSIGHTS

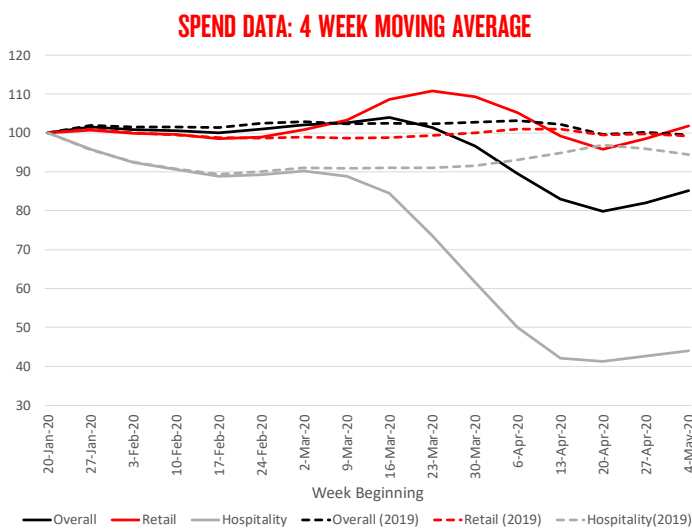
## IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

*NAB Group Economics*

May 2020

*During these extraordinary times we have taken the decision to publish aggregated customer data categorised by industry segment with the view to helping provide clarity around which segments of the economy have been most affected by the broader macroeconomic trends at play. NAB takes data privacy very seriously. All customer transaction data has been aggregated and no individual's data is specifically identified or analysed as part of this process. The data used in this report will not be sold or made publicly available, but insights from the data will be shared with the Australian people.*

Large falls in consumption-based spending post COVID-19 containment measures continued into May and across most industries (with some exceptions such as Construction), although the pace of decline looks to have stabilised. Business payment inflows however have weakened further across most industries, and remain deeply negative in key parts of the economy (particularly Accommodation & Food Services).



Consumption-based spending has stabilised in recent weeks, but is still down some 15% overall since the start of the year. The rate of decline in spending has slowed in all states and territories, with the heaviest falls since the start of the year now in the ACT.

By industry sector, consumption spending over the year to date is down most in Administration & Support Services, including Travel Agents (-88.9%), Accommodation & Food Services (-56.0%) and Health Care & Social Assistance (-40.3%). Spending has grown in a handful of industries - Construction (28.3%), Utilities (7.2%) and Retail Trade (1.9%).

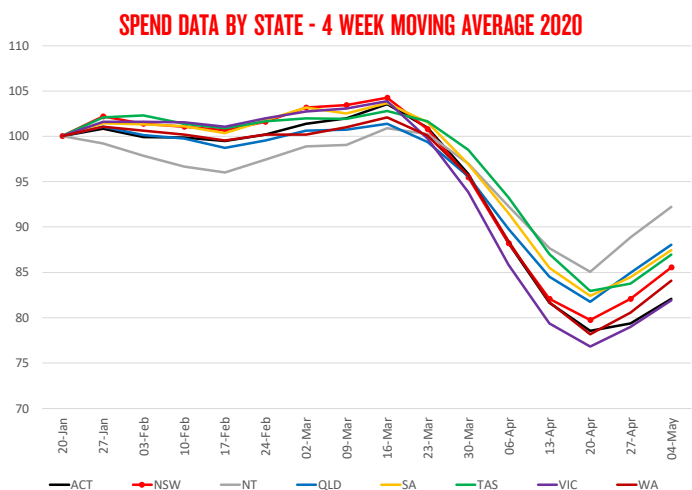
Some sub-industries have seen solid spending growth including Internet Publishing & Broadcasting (39.9%), Construction Services (23.4%) and Gambling (22.4%). But some - Motion Picture & Sound Recording Activities (-98.3%), Administration Services (-90.1%) and Other Transport (-88.2%) - are down heavily.

Business payment inflows into NAB merchants have also fallen sharply (see chart on page 2).

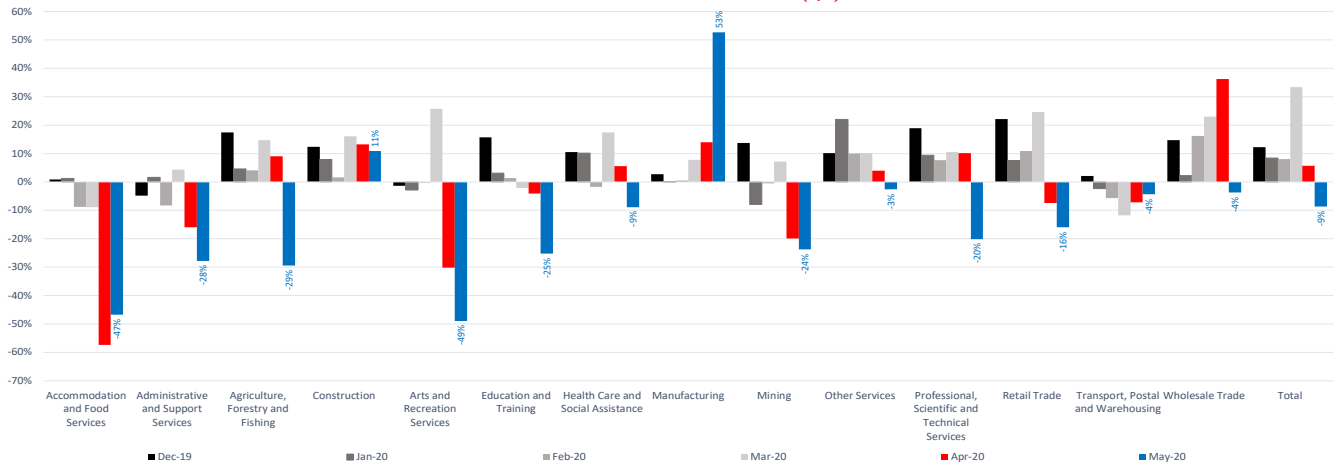
Business payment inflows into NAB merchants fell in May (-8.6%), after growing in the first 4 months of the year.

Inflows into Corporates were positive but have halved since April, and are falling for small, medium and large firms.

By industry, inflows are still falling most in Arts & Recreation Services (particularly Amusement & Other Activities and Sports & Physical Recreation) and in Accommodation & Food Services (particularly clubs), but at a slower rate. Inflows however rose sharply in Manufacturing (particularly in Pulp & Paper Manufacturing).



PAYMENT INFLOWS INTO NAB MERCHANTS BY INDUSTRY (Y/Y) - ANZSIC 06



## HIGHLIGHTS

### Consumption Spending:

- A slight improvement in overall consumption spending was recorded over the week ending May 10. Overall spending was up 3.8% in 4-week moving average terms, after climbing 2.8% in the previous week.
- Overall, spending however is still down 14.9% since the start of the year.
- Spending grew in all states and territories over the previous week in 4-week moving average terms, ranging from 4.4% in WA to 3.4% in the ACT. But overall spending over the year to date is still down heavily across the country, with the biggest decline in the ACT (down 17.9%). Spending has fallen least in the NT (down 7.8%).
- By industry, spending was positive in nearly all sectors, but only 3 sectors have recorded higher levels of spending since the start of the year - Construction (28.3%), Utilities (7.3%) and Retail Trade (1.9%), with spending on Professional, Scientific & Technical Services flat (0.1%). Spending down most for Administrative & Support Services (-88.9%) and Accommodation & Food Services (-56.0%).
- By industry sub-division, spending has grown in 14 sectors since the start of the year, ranging from 39.9% for Internet Publishing and Broadcasting to 0.3% for Electricity Supply. But 12 sectors are still reporting falls of over 50% (unchanged from our previous report), ranging from -98.3% for Motion Picture & Sound Recording Activities to -51.0% for Food & Beverage Services. Overall, customer spending is down in 28 of 42 industry sub-divisions
- Relative to the previous week, consumption spending grew in 29 industry sub-divisions, after having increased in just 2 sub divisions in our last update (4-weeks to April 19). Consumption growth ranged from 25.9% for Other Transport to 0.3% for Telecommunications Services.
- Spending fell in just 11 industry sub-divisions (from 37 in the last update) relative to the previous week. Falls ranged from -13.9% for Property Operators & Real Estate Services to -0.2% for Motion Picture & Sound Recording Activities.

### Payment Inflows:

- Overall payment inflows fell -8.6% over the year to May 2020, from 5.7% in the previous month (extrapolated from data to May 11). Payment inflows fell in nearly all industries.
- Biggest falls in Arts & Recreation Services (-48.9%), followed by Accommodation & Food Services (-46.8%) - albeit a touch better. Inflows also down heavily in Agriculture, Forestry & Fishing (-29.5%), Administration & Support Services (-27.8%), Education & Training (-25.2%) and Mining (-23.7%) - and falling faster than last month. Payment inflows grew in only 2 sectors - Manufacturing (52.7%) and Construction (10.9%).
- Inflows continued to fall across all business sizes. Corporates still out-performing, with inflows up 16.0%, but are down over half from April (36.1%). Inflows negative in all other businesses, with Medium firms (-25.6%) seeing the biggest falls.
- In the key Accommodation & Food Services sector (the largest sector of the economy), inflows are still falling heavily, but pace of decline has slowed. By industry group, inflows still down most in Clubs (-70.7%) and Pubs Taverns & Bars (-53.9%), but less than April. There was also a marked slowdown in Cafes, Restaurants & Takeaway (-34.5% vs. -51.6% in April).
- Payment inflows into the Retail sector fell in all but 4 industry groups - Furniture, Floor Coverings, Houseware & Textile Goods (34.8%), Department Stores (24.1%), Recreational Goods Retailing (18.3%) and Specialised Food (2.1%). The biggest falls were in Non-Store Retailing (-41.1%), Clothing, Footwear & Personal Accessories (-36.3%) and Fuel (-33.0%) and Motor Vehicle (-30.9%) Retailing.
- Inflows into Manufacturing were up steeply (by 52.7%), driven by big uplift in Pulp & Paper Manufacturing.
- By industry sub-division, inflows increased most for Pulp, Paper & Converted Paper Product Manufacturing (1,251.8%), Warehousing & Storage Services (39.7%) and Postal and Courier Pick-up & Delivery Services (37.2%). Inflows fell most for Oil & Gas Extraction (-70.9%), Air & Space Transport (-65.9%) and Forestry & Logging (-64.3%).

## NAB CONSUMPTION-BASED SPENDING\* BY INDUSTRY SECTOR & SELECTED INDUSTRIES (4 weeks ending 4-10 April 2020)

	Percentage change since start of 2020**	Percentage change since previous week**
Accommodation & Food Services	-56.0%	3.1%
Administrative & Support Services (incl. Travel Agents)	-88.9%	1.1%
Arts & Recreation Services	-11.3%	4.6%
Construction	28.3%	5.3%
Education & Training	-8.6%	10.4%
Electricity, Gas & Water & Waste Services	7.2%	4.5%
Healthcare & Social Assistance	-40.3%	11.3%
Information, Media & Telecommunications	-1.6%	-0.5%
Professional, Scientific & Technical Services	0.1%	2.9%
Rental, Hiring & Real Estate Services	-52.9%	-4.3%
Retail Trade	1.9%	3.4%
Transport, Postal & Warehousing	-53.9%	6.0%
<b>TOTAL</b>	<b>-14.9%</b>	<b>3.8%</b>
<b>Best Performers (Sub-Division)</b>		
- Internet Publishing & Broadcasting	39.9%	-3.3%
- Construction Services	23.4%	5.1%
- Gambling Activities	22.4%	5.4%
- Auxiliary Finance & Insurance Services	16.3%	0.6%
- Food Retailing	16.2%	-1.1%
- Building Cleaning, Pest Control & Other Support Services	9.9%	4.2%
<b>Worst Performers (Sub-Division)</b>		
- Motion Picture & Sound Recording Activities	-98.3%	-0.2%
- Administrative Services	-90.1%	-0.3%
- Other Transport	-88.2%	25.9%
- Heritage Activities	-87.3%	1.1%
- Sports & Recreation Activities	-84.2%	4.8%
- Accommodation	-83.5%	-2.1%
- Air & Space Transport	-80.2%	-3.8%
- Rail Transport	-79.7%	-10.5%

\*This data excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments. Spending includes both online and offline transactions. Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and PayPal services where available.

\*\*Data is not seasonally adjusted.

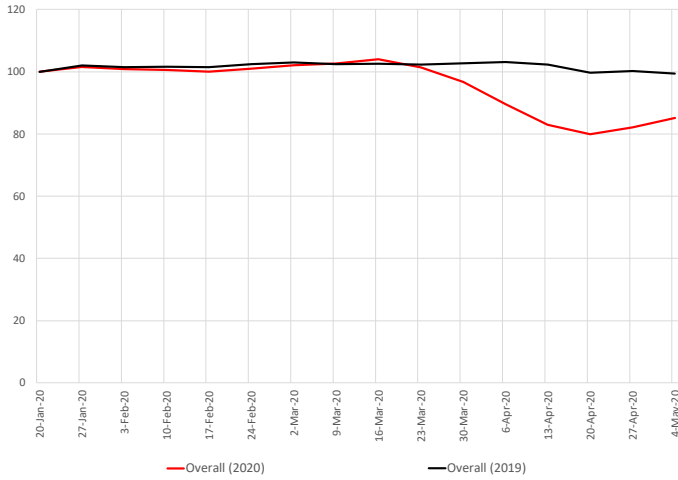
**PAYMENT INFLOWS INTO NAB MERCHANTS - SELECTED INDUSTRIES (% Y/Y)\***

	April 2020	May 2020
Accommodation & Food Services	-57.3%	-46.8%
Administration & Support Services	-15.9%	-27.8%
Agriculture, Forestry & Fishing	9.0%	-29.5%
Arts & Recreation Services	-30.1%	-48.9%
Construction	13.3%	10.9%
Education & Training	-4.1%	-25.2%
Healthcare & Social Assistance	5.6%	-8.8%
Manufacturing	14.0%	52.7%
Mining	-19.8%	-23.7%
Other Services	4.0%	-2.6%
Professional, Scientific & Technical Services	10.2%	-20.1%
Retail Trade	-7.4%	-16.0%
Transport, Postal & Warehousing	-7.2%	-4.3%
Wholesale Trade	36.2%	-3.7%
<b>TOTAL</b>	<b>5.7%</b>	<b>-8.6%</b>
<b>Business Size</b>		
- Small	-4.6%	-15.5%
- Emerging	0.4%	-19.0%
- Medium	-3.9%	-25.6%
- Large	7.4%	-14.9%
- Corporate	36.1%	16.0%
<b>Best Performers (Sub-Division)</b>		
- Pulp, Paper & Converted Paper Product Manufacturing	283.1%	1,251.8%
- Warehousing & Storage Services	-9.9%	39.7%
- Postal & Courier Pick-up & Delivery Services	-17.1%	37.2%
- Building Construction	3.8%	24.5%
- Residential Care Services	6.2%	24.4%
- Exploration & Other Mining Support Services	-12.1%	21.4%
<b>Worst Performers (Sub-Division)</b>		
- Oil & Gas Extraction	-20.4%	-70.9%
- Private H/hold Employing Staff & Undiff. G&S Activities	638.8%	-70.2%
- Air & Space Transport	-54.1%	-65.9%
- Forestry & Logging	-1.4%	-64.3%
- Motor Vehicle & Motor Vehicle Parts Wholesaling	-38.9%	-63.3%
- Heritage Activities	-76.8%	-58.5%
- Sports & Recreation Activities	-52.9%	-55.5%
- Adult, Community & Other Education	-10.1%	-52.1%

\* Payment Inflows are credits to a NAB merchant's account that is not a financing credit from NAB or a transfer from related accounts.

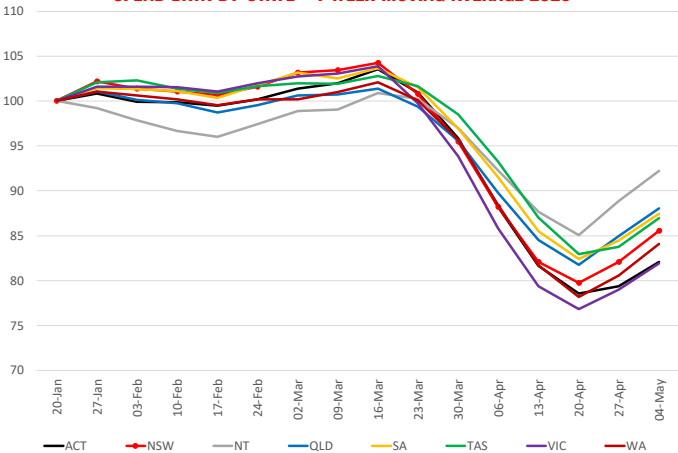
# PART 1: SPENDING PATTERNS: OVERALL, BY STATE & BY INDUSTRY

SPEND DATA: 4 WEEK MOVING AVERAGE - OVERALL

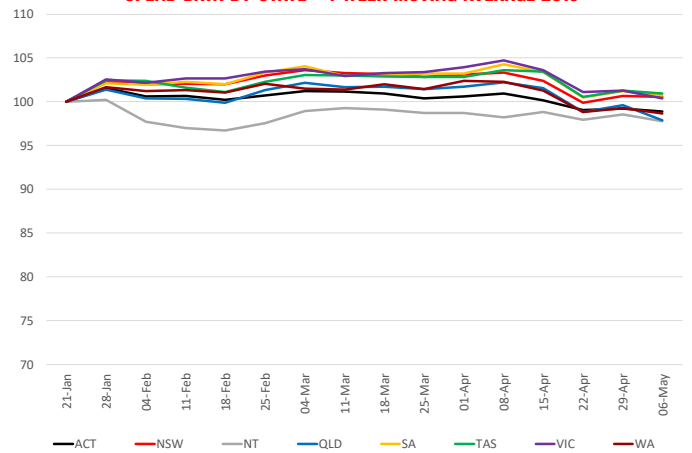


**Note:** Data excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments. Spending includes both online and offline transactions. Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and PayPal services where available. NAB uses the four-week average measure to smooth volatile data. The latest data is for the four weeks ending 4-10 May 2020.

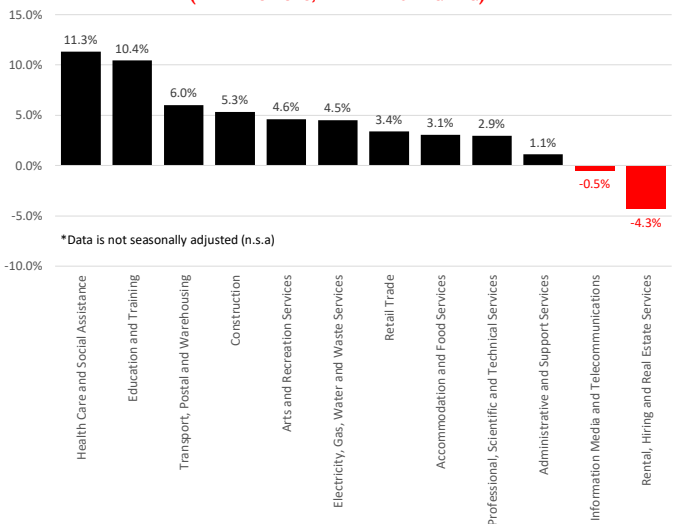
SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2020



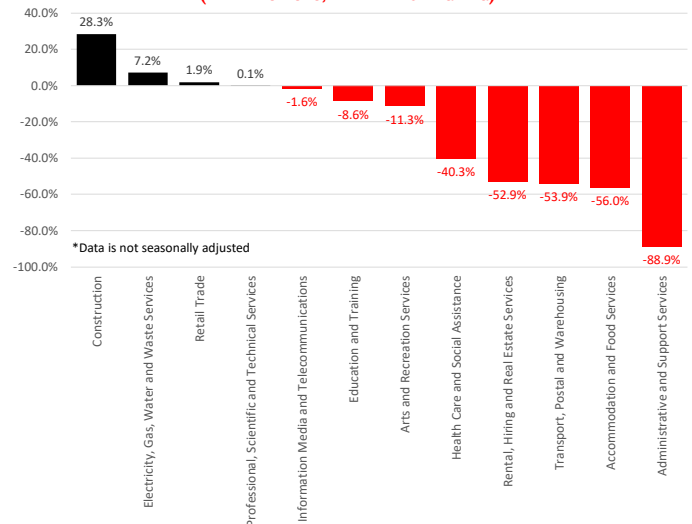
SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2019



CHANGE IN CONSUMPTION SPENDING FROM THE PREVIOUS WEEK (MAY 4-10 2020, 4 WEEK MOVING AVG)\*



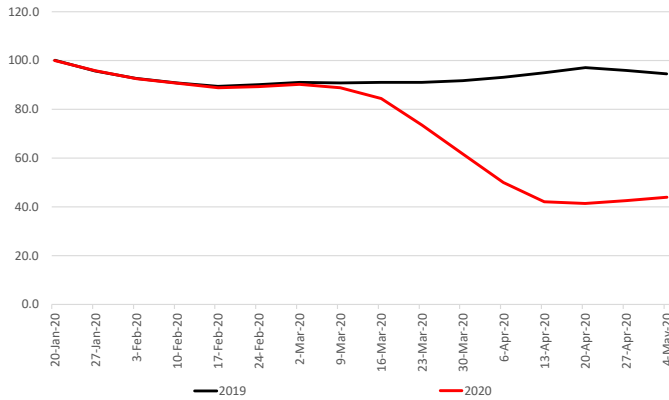
CHANGE IN CONSUMPTION SPENDING SINCE START OF 2020 (MAY 4-10 2020, 4 WEEK MOVING AVG)\*



# SPENDING CHANGES BY INDUSTRY

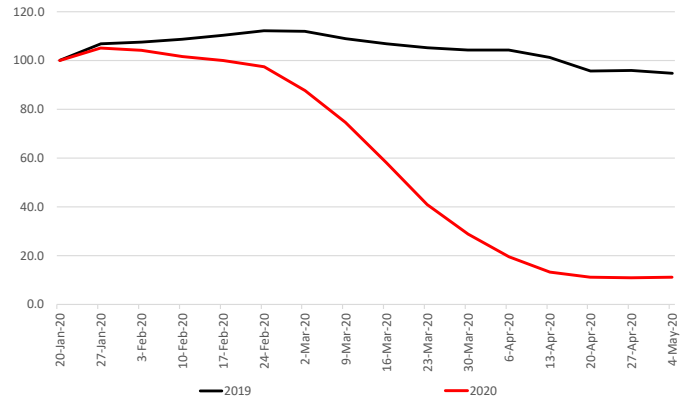
*Down 56.0% since the start of the year  
Up 3.1% over the previous week*

## ACCOMMODATION & FOOD SERVICES



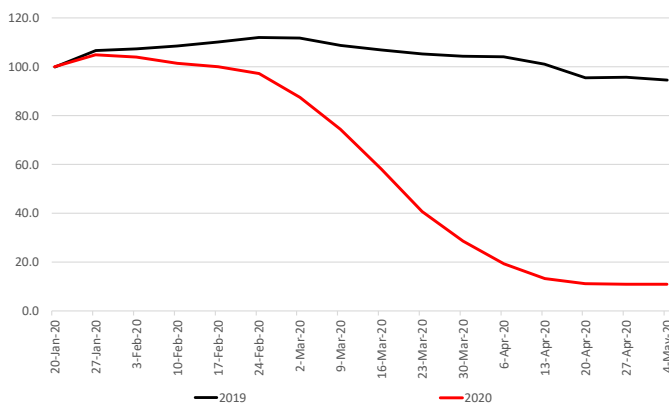
*Down 88.9% since the start of the year  
Up 1.1% over the previous week*

## ADMINISTRATIVE & SUPPORT SERVICES



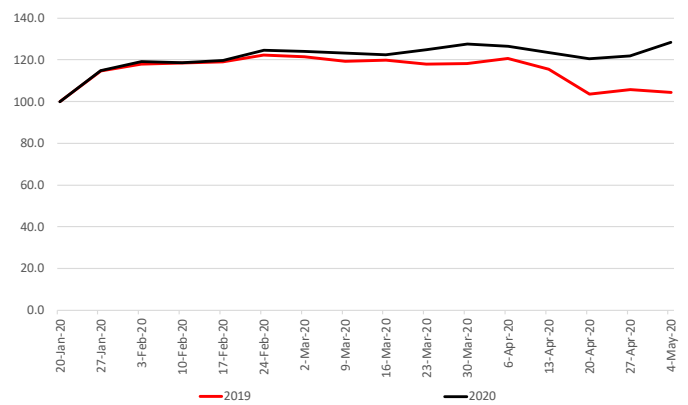
*Down 11.3% since the start of the year  
Up 4.6% over the previous week*

## ARTS & RECREATION SERVICES



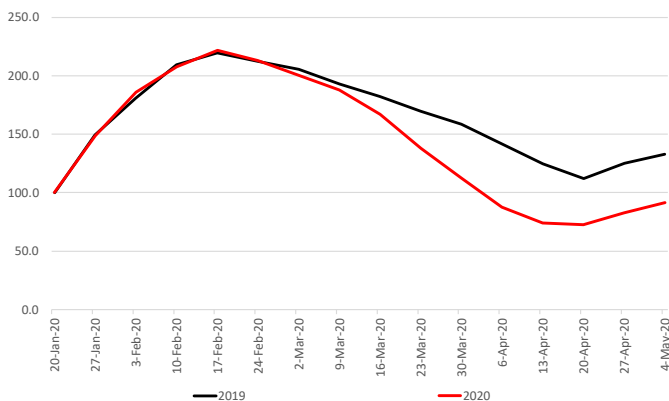
*Up 28.3% since the start of the year  
Up 5.3% over the previous week*

## CONSTRUCTION



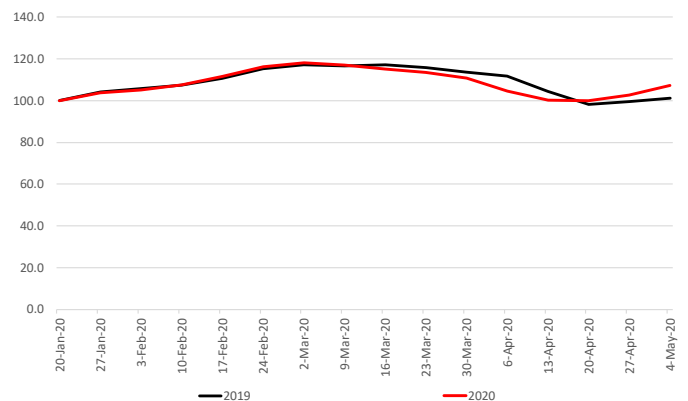
*Down 8.6% since the start of the year  
Up 10.4% over the previous week*

## EDUCATION & TRAINING



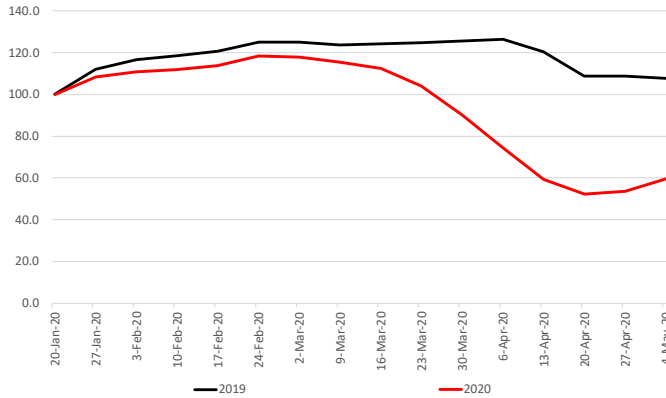
*Up 7.2% since the start of the year  
Up 4.5% over the previous week*

## ELECTRICITY, GAS, WATER & WASTE SERVICES



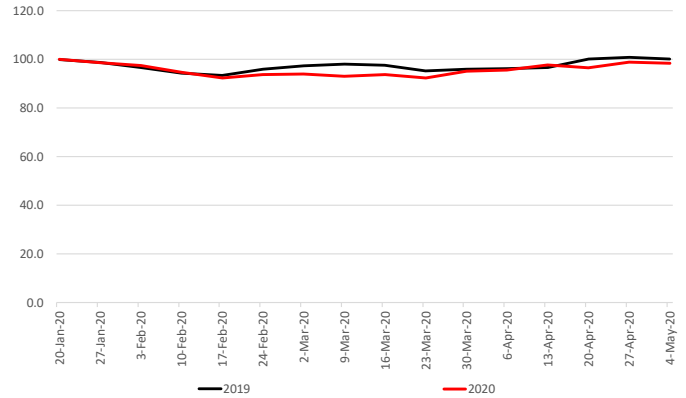
**Down 40.3% since the start of the year  
Up 11.3% over the previous week**

**HEALTHCARE & SOCIAL ASSISTANCE**



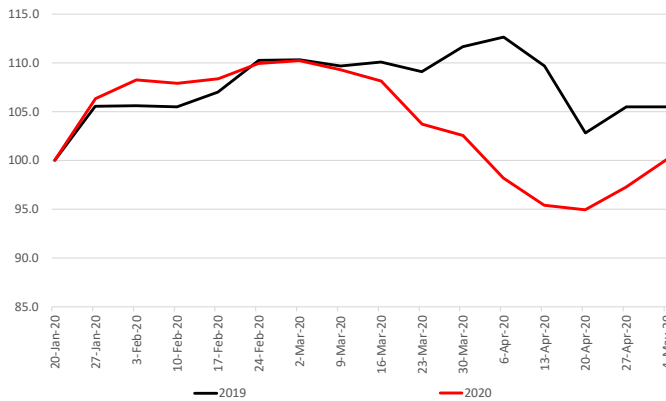
**Down 1.6% since the start of the year  
Down 0.5% over the previous week**

**INFORMATION, MEDIA & TELECOMMUNICATION**



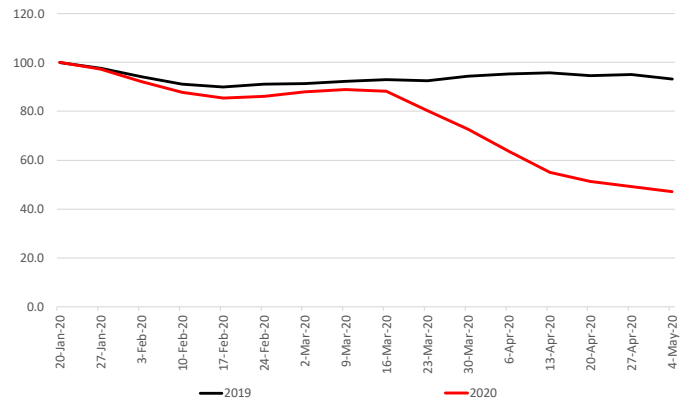
**Up 0.1% since the start of the year  
Up 2.9% over the previous week**

**PROFESSIONAL, SCIENTIFIC & TECH SERVICES**



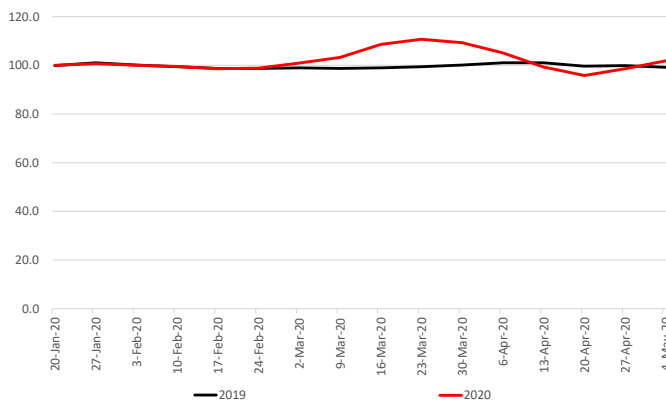
**Down 52.9% since the start of the year  
Down 4.3% over the previous week**

**RENTAL, HIRING & REAL ESTATE SERVICES**



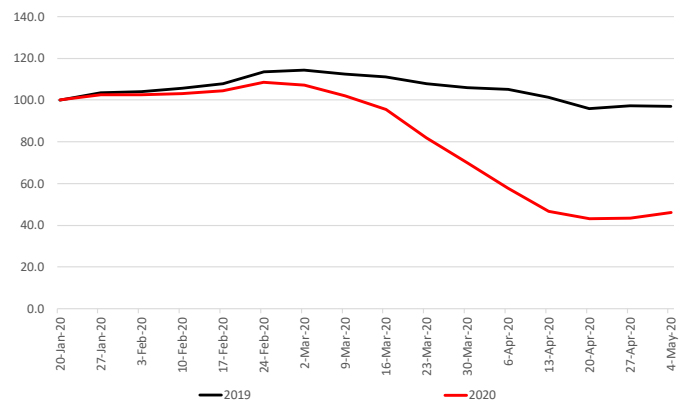
**Up 1.9% since the start of the year  
Up 3.4% over the previous week**

**RETAIL TRADE**



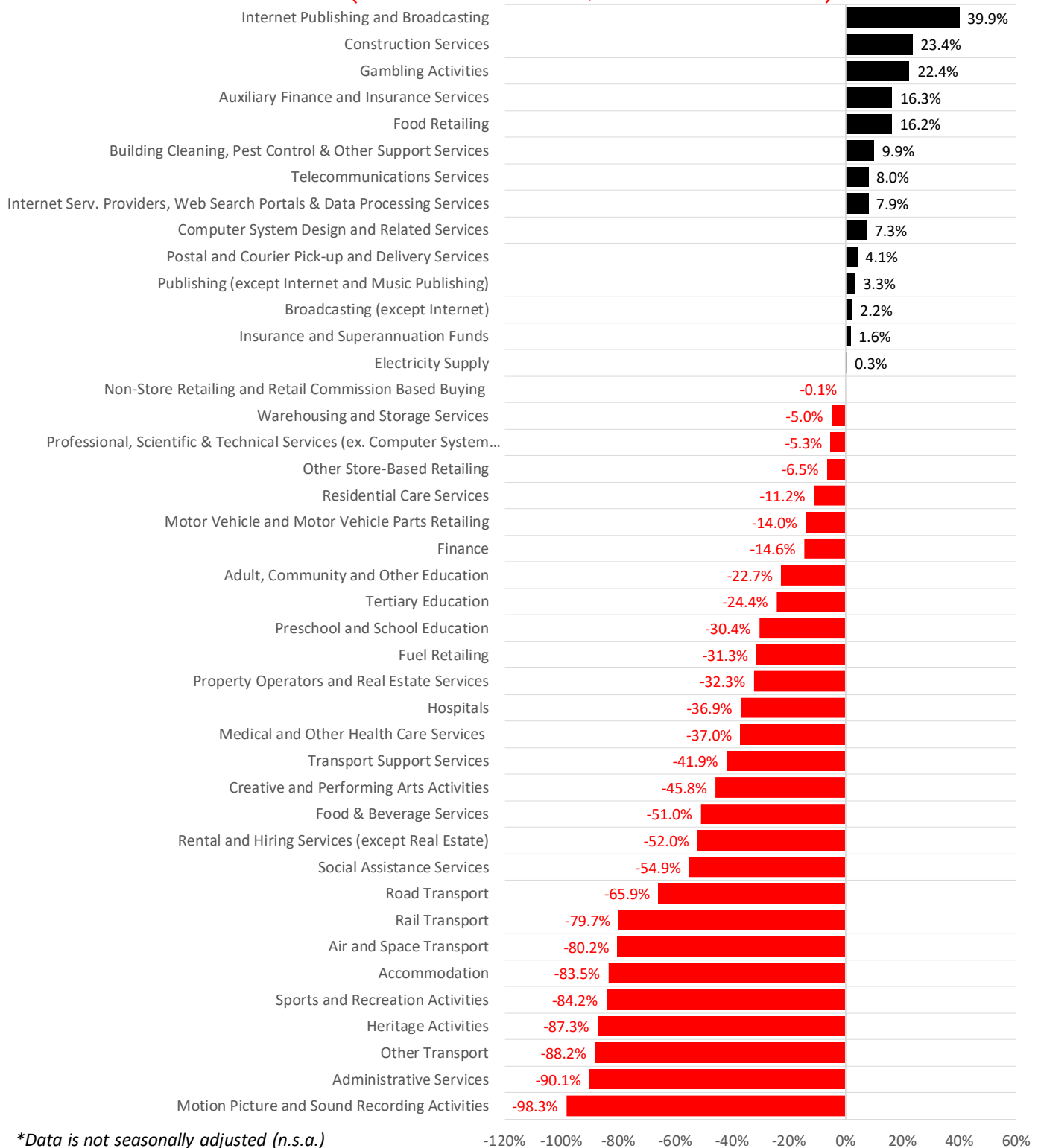
**Down 53.9% since the start of the year  
Up 6.0% over the previous week**

**TRANSPORT, POSTAL & WAREHOUSING**



## CONSUMPTION SPENDING BY INDUSTRY SUB-DIVISION

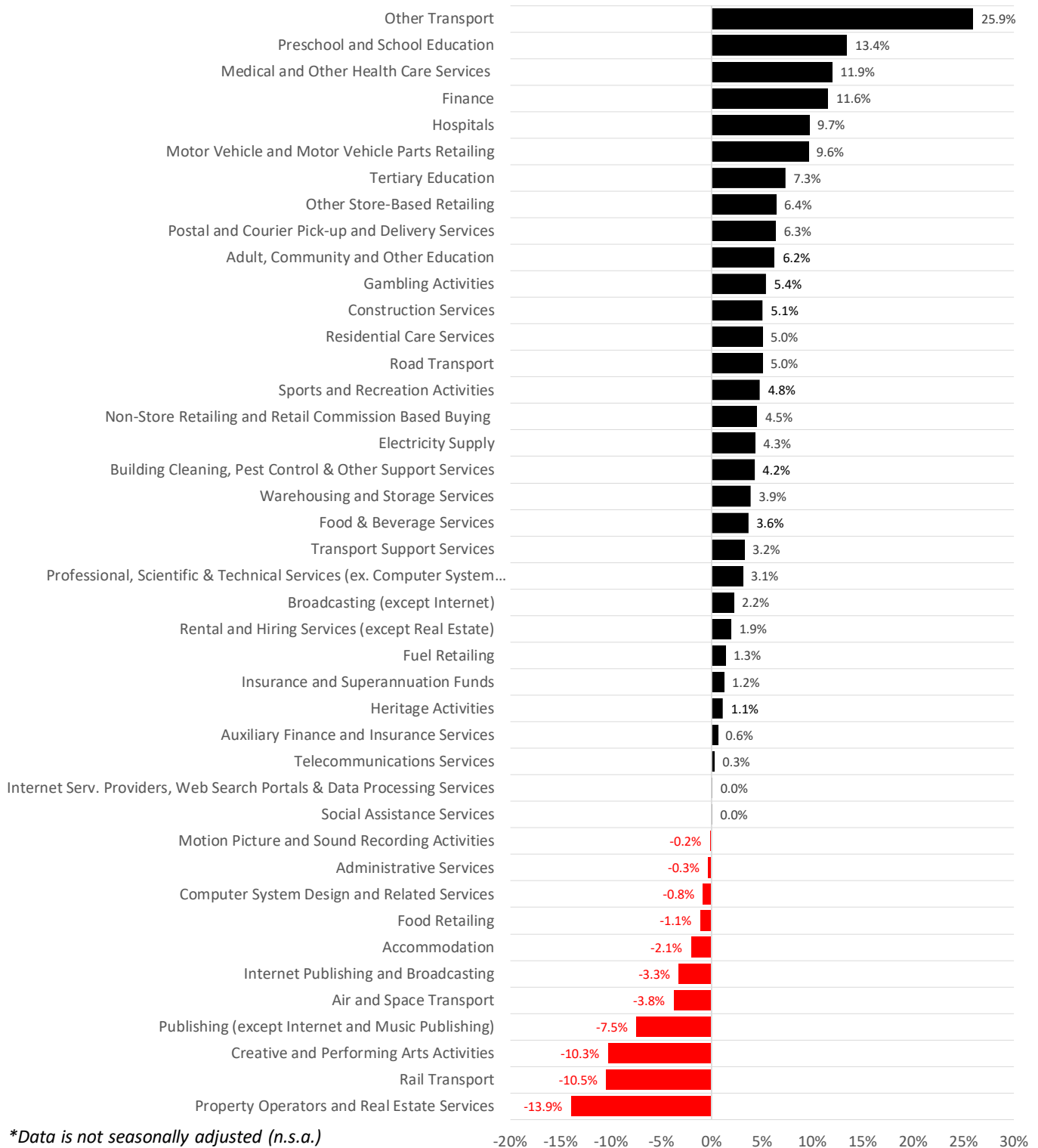
### CHANGE IN CONSUMPTION SPENDING SINCE START OF 2020 BY INDUSTRY SUB-DIVISION (WEEK MAY 4-10 2020, 4 WEEK MOVING AVG)\*



\*Data is not seasonally adjusted (n.s.a.)

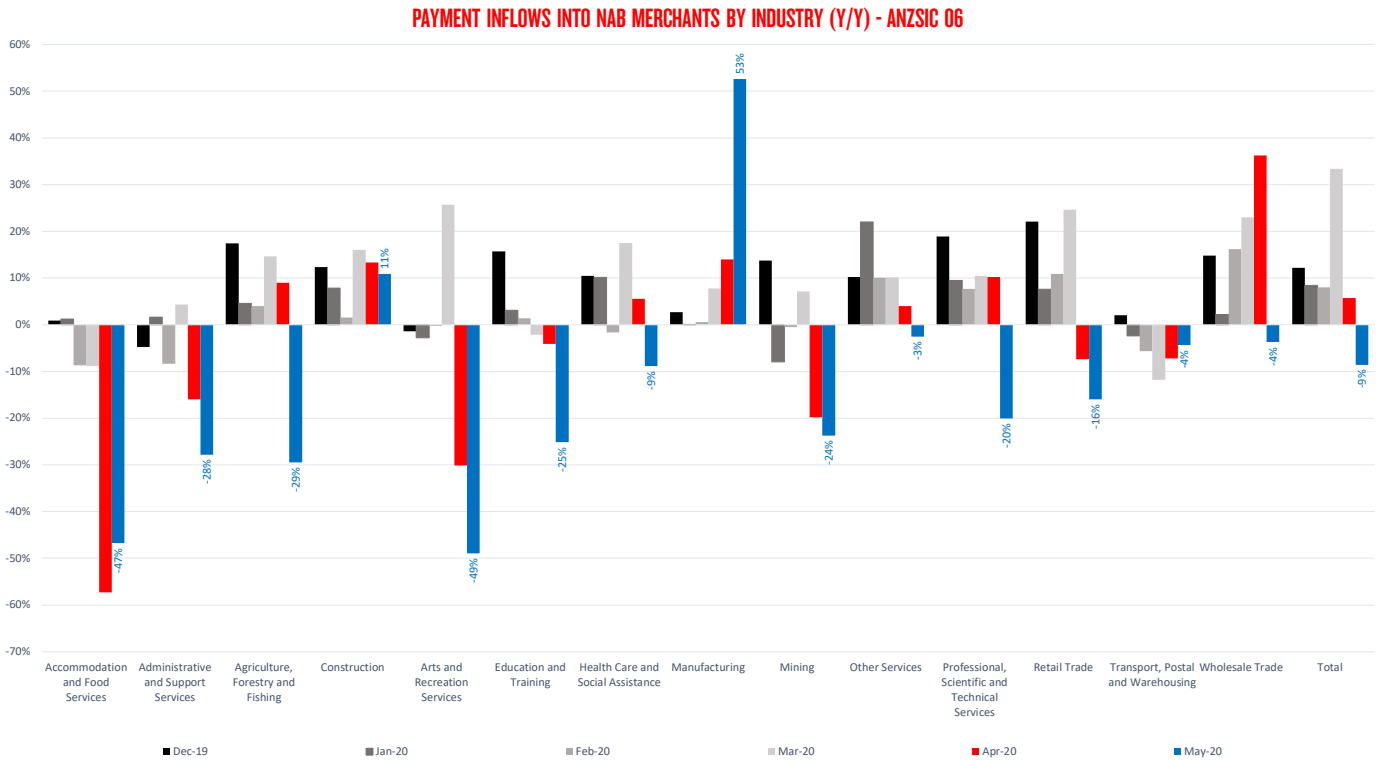


## CHANGE IN CONSUMPTION SPENDING SINCE THE PREVIOUS WEEK BY INDUSTRY SUB-DIVISION (WEEK MAY 4-10 2020, 4-WEEK MOVING AVG)\*

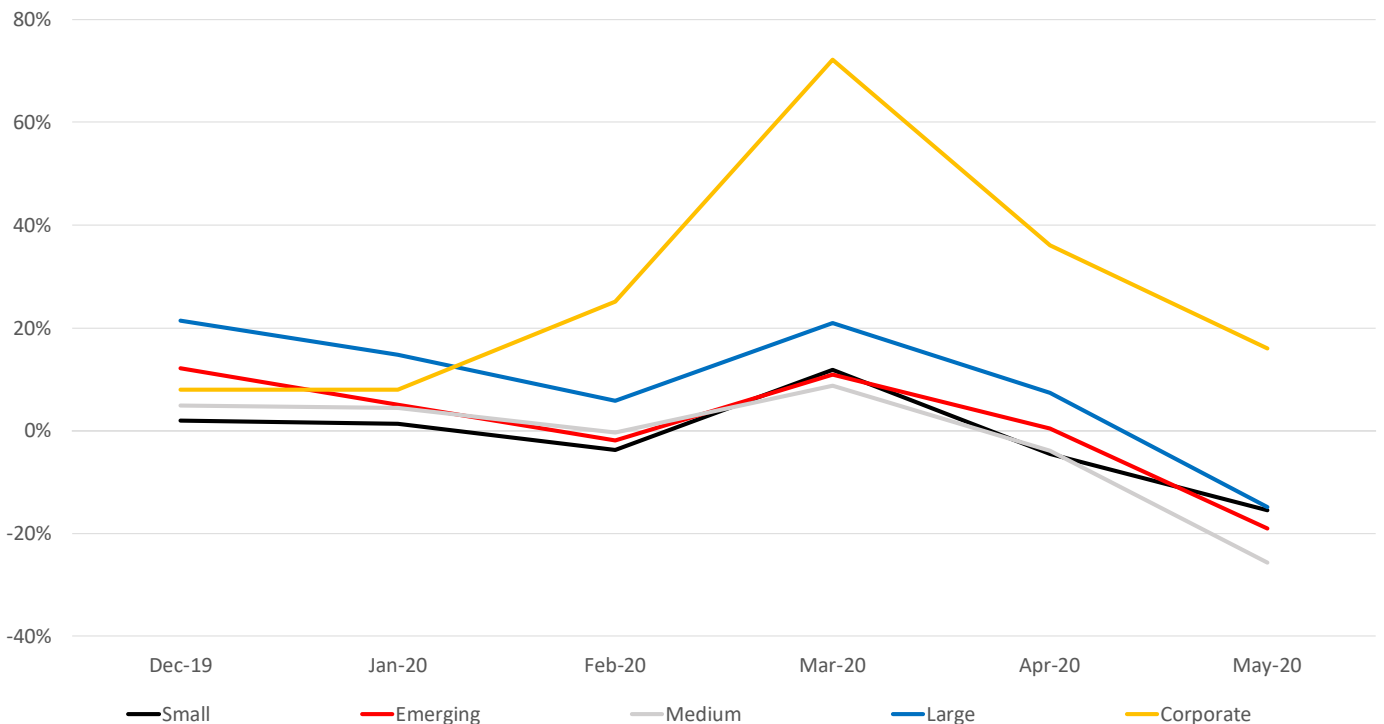


## PART 2: PAYMENT INFLOWS INTO NAB MERCHANTS BY INDUSTRY

Overall payment inflows fell -9% over the year to May 2020, down from 6% in the previous month. Data has been extrapolated for May 2020 based on the available data to May 11, and so needs to be treated with some caution.

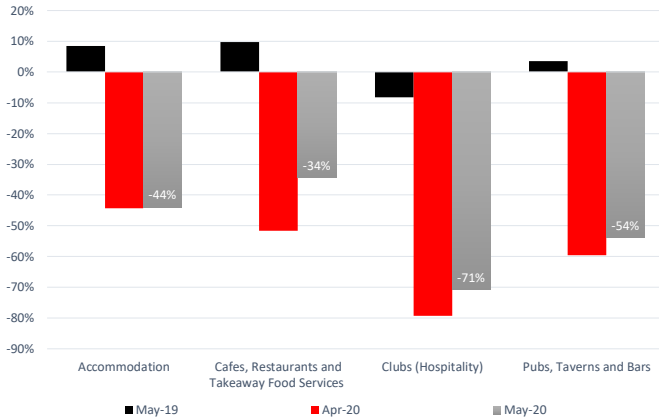


### PAYMENT INFLOWS INTO NAB MERCHANTS BY MERCHANT SIZE (Y/Y)



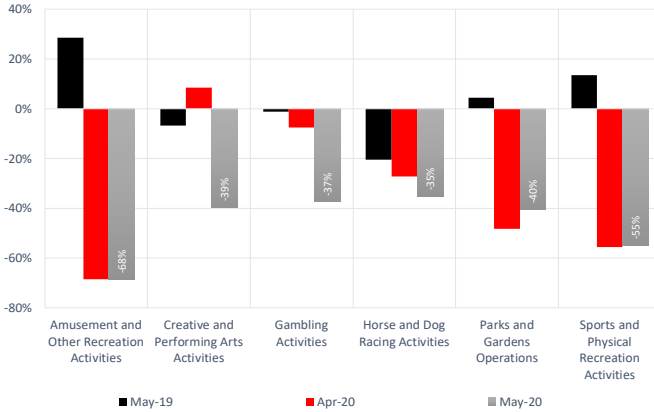
# INDUSTRY DEEP DIVE: ACCOMMODATION & FOOD SERVICES, ARTS & RECREATION SERVICES & RETAIL TRADE

**PAYMENT INFLOWS INTO NAB MERCHANTS:  
ACCOMMODATION & FOOD SERVICES (Y/Y)**



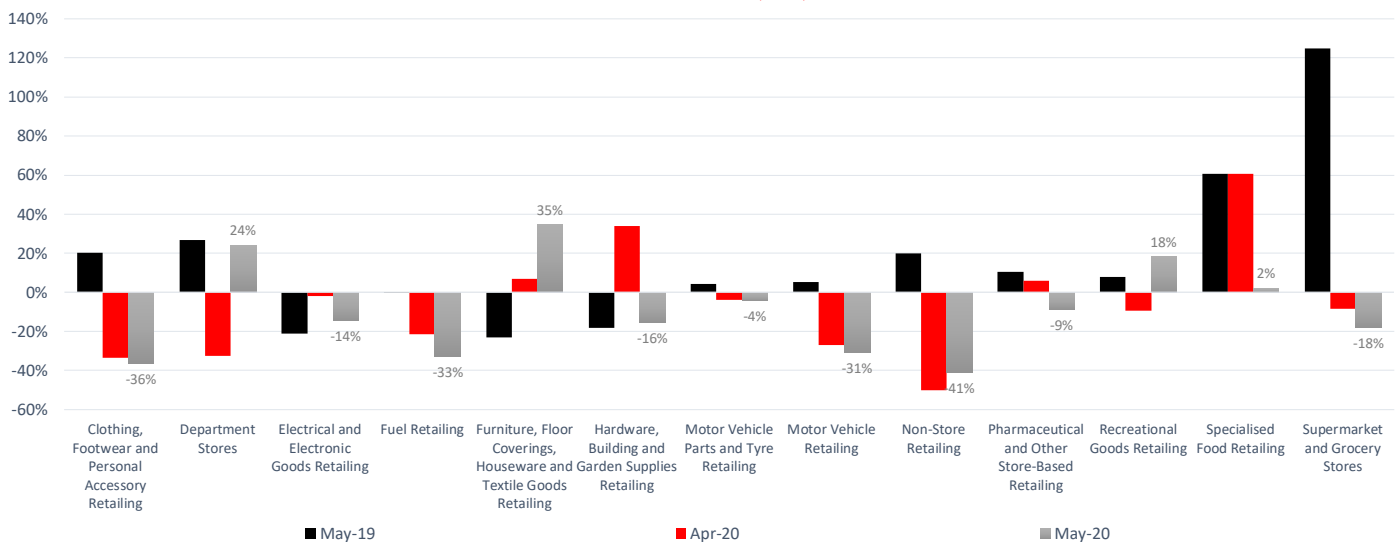
*Signs of stabilisation in all industry groups, particularly Cafes, Restaurants & Takeaway Food Services.*

**PAYMENT INFLOWS INTO NAB MERCHANTS:  
ARTS & RECREATION SERVICES (Y/Y)**



*Overall payment inflows in Arts & Recreation now negative in all industry groups. Noticeable worsening in payments inflows in Creative & Performing Arts Activities and Gambling from April.*

**PAYMENT INFLOWS INTO NAB MERCHANTS:  
RETAIL TRADE (Y/Y)**

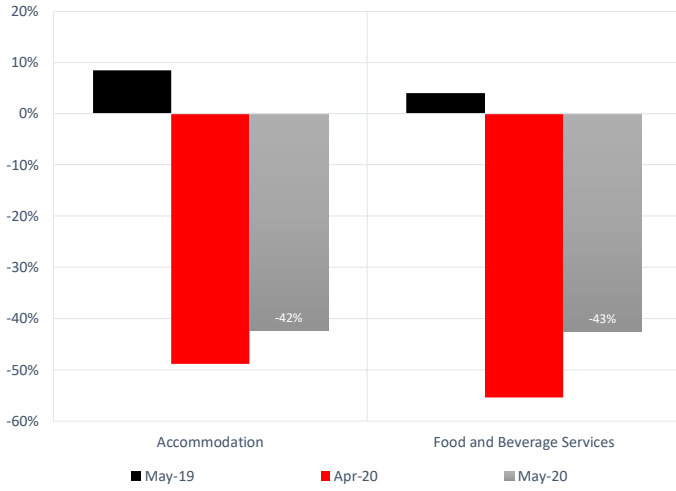


*Inflows falling in all but 4 groups - Furniture, Floor Coverings, Houseware & Textile Goods, Department Stores, Recreational Goods and Specialised Food.*

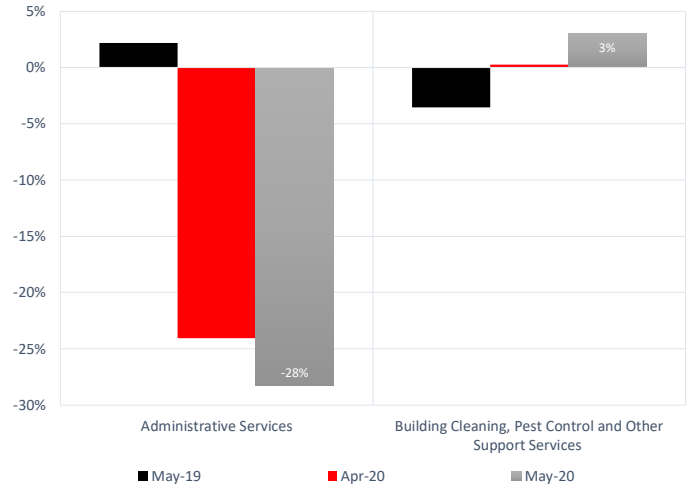
*Biggest falls in Non-Store Retailing, Clothing, Footwear & Personal Accessories and Fuel Retailing.*

## PAYMENT INFLOWS BY INDUSTRY SUB-DIVISION

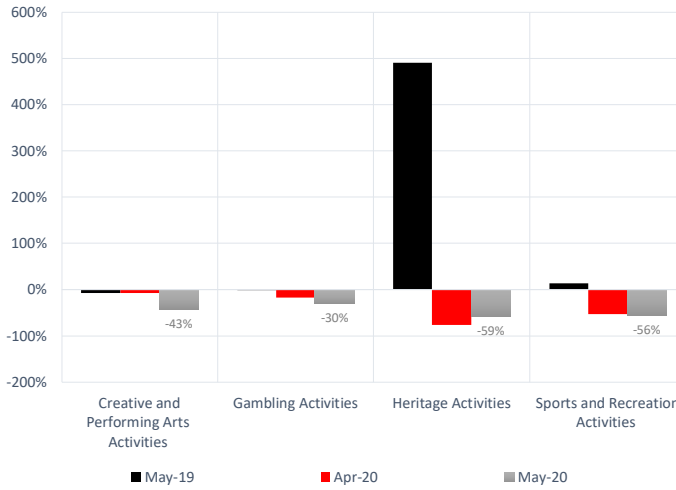
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
ACCOMMODATION & FOOD SERVICES (Y/Y)**



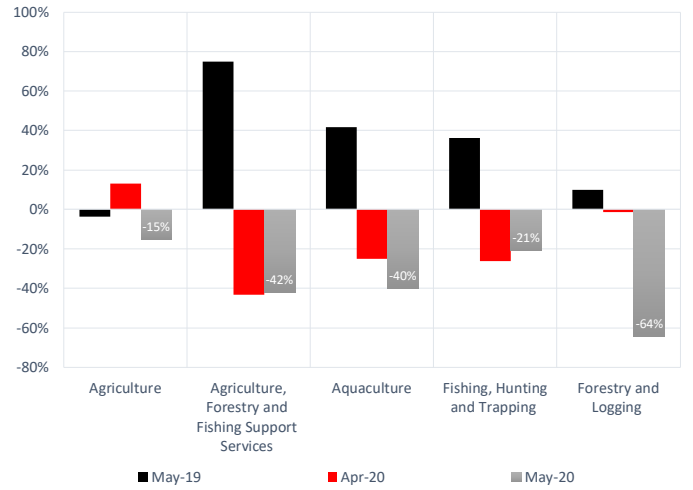
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
ADMINISTRATION & SUPPORT SERVICES (Y/Y)**



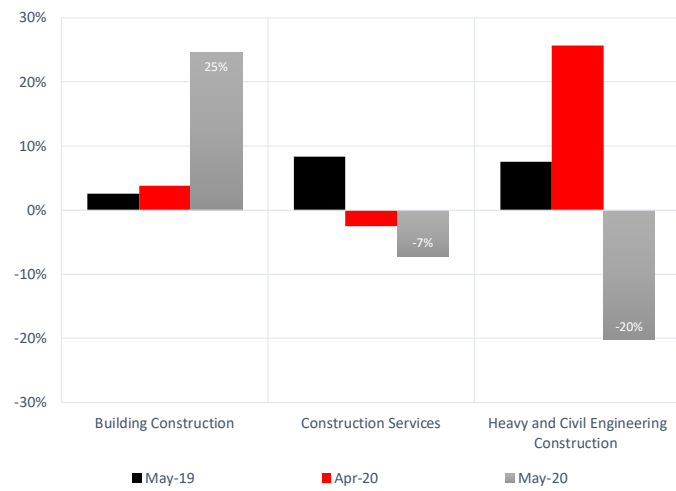
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
ARTS & RECREATION SERVICES (Y/Y)**



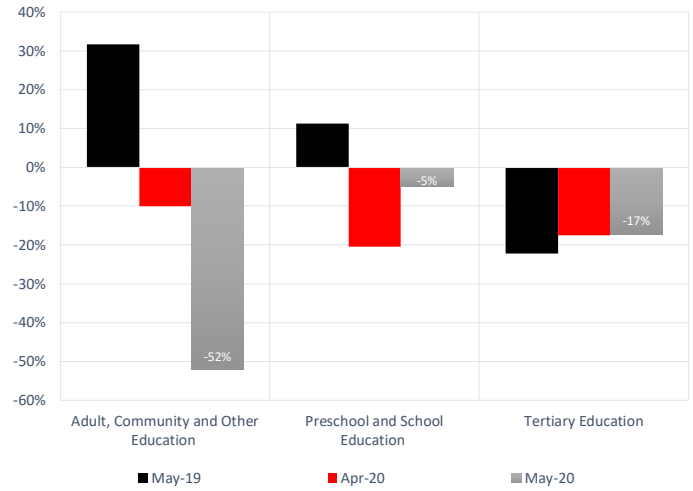
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
AGRICULTURE, FORESTRY & FISHING (Y/Y)**



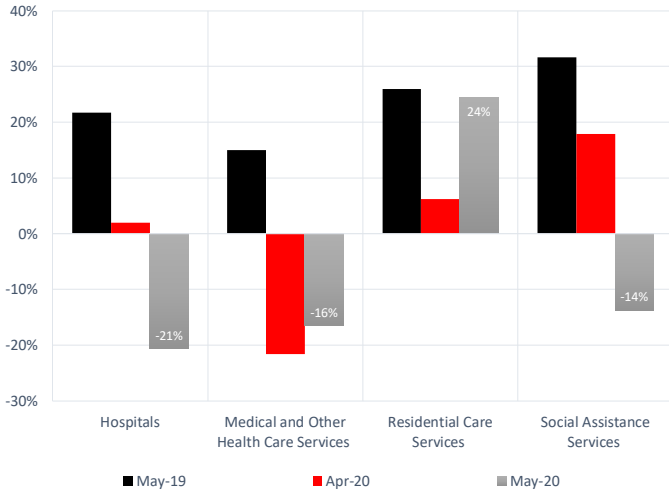
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
CONSTRUCTION (Y/Y)**



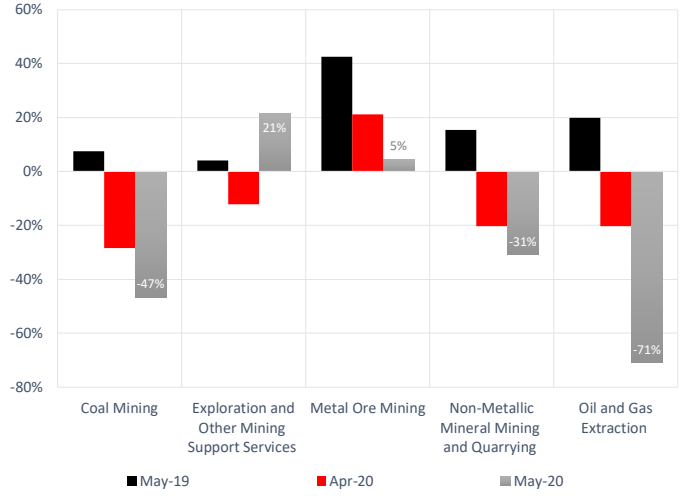
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
EDUCATION & TRAINING (Y/Y)**



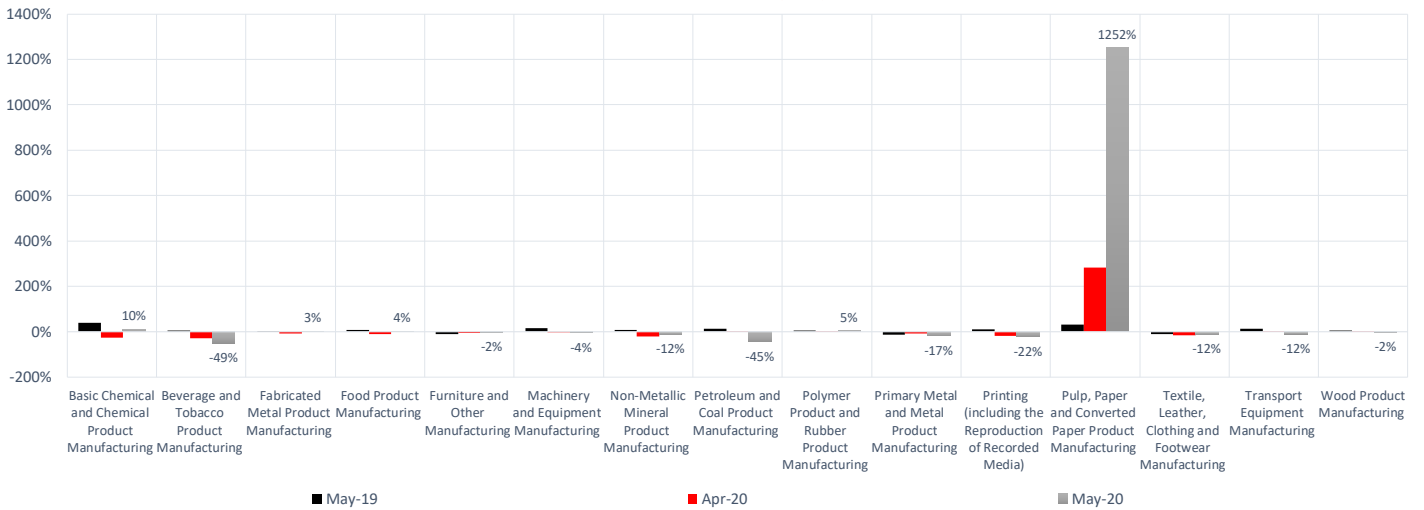
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
HEALTH CARE & SOCIAL ASSISTANCE (Y/Y)**



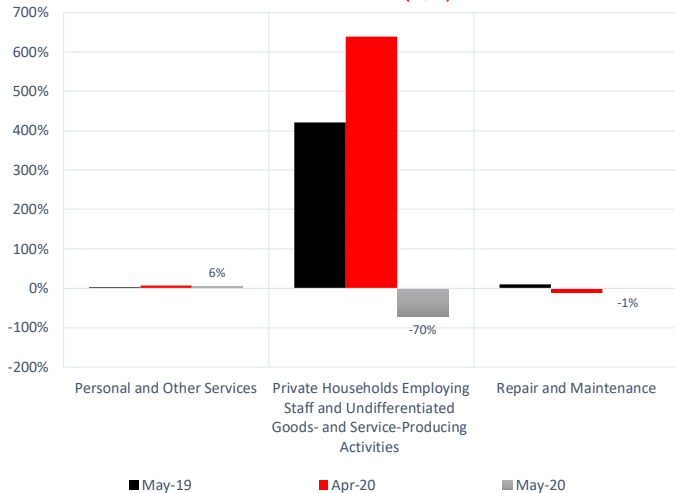
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
MINING (Y/Y)**



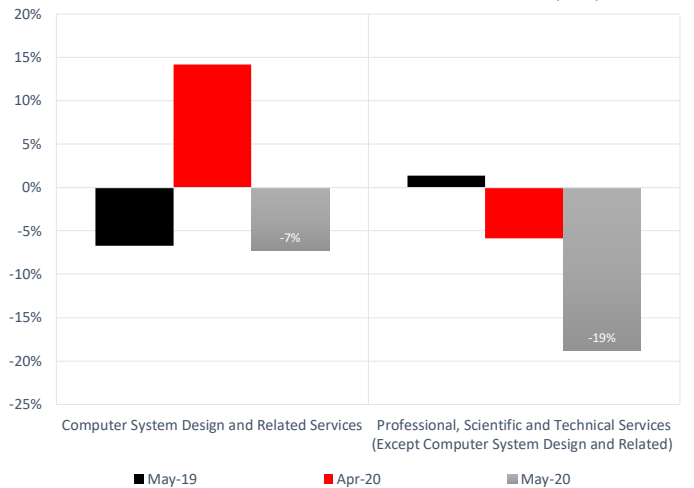
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
MANUFACTURING (Y/Y)**



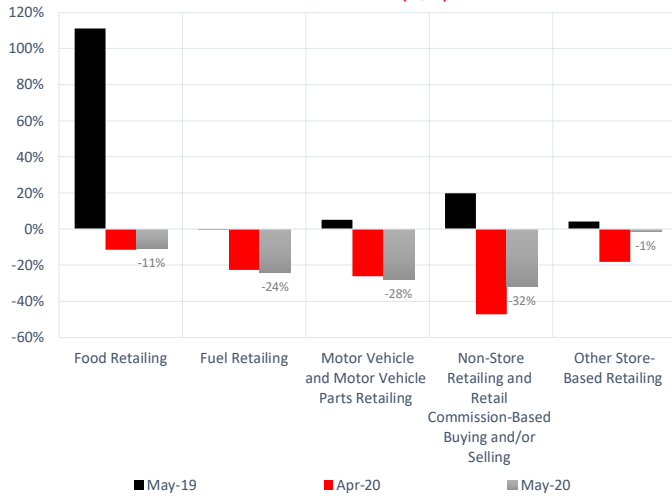
**PAYMENT INTO NAB MERCHANTS:  
OTHER SERVICES (Y/Y)**



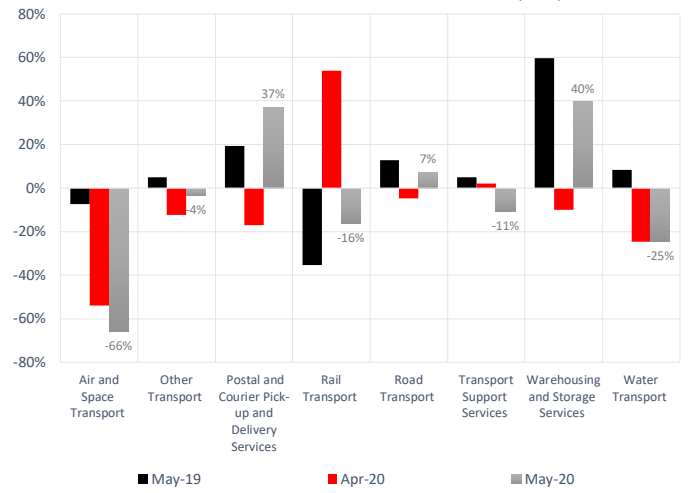
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERV. (Y/Y)**



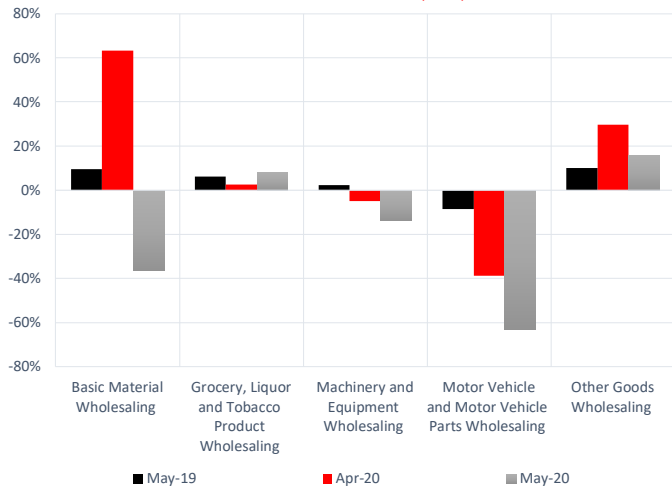
**PAYMENT INFLOWS INTO NAB MERCHANTS:  
RETAIL TRADE (Y/Y)**



**PAYMENT INFLOWS INTO NAB MERCHANTS:  
TRANSPORT, POSTAL & WAREHOUSING (Y/Y)**

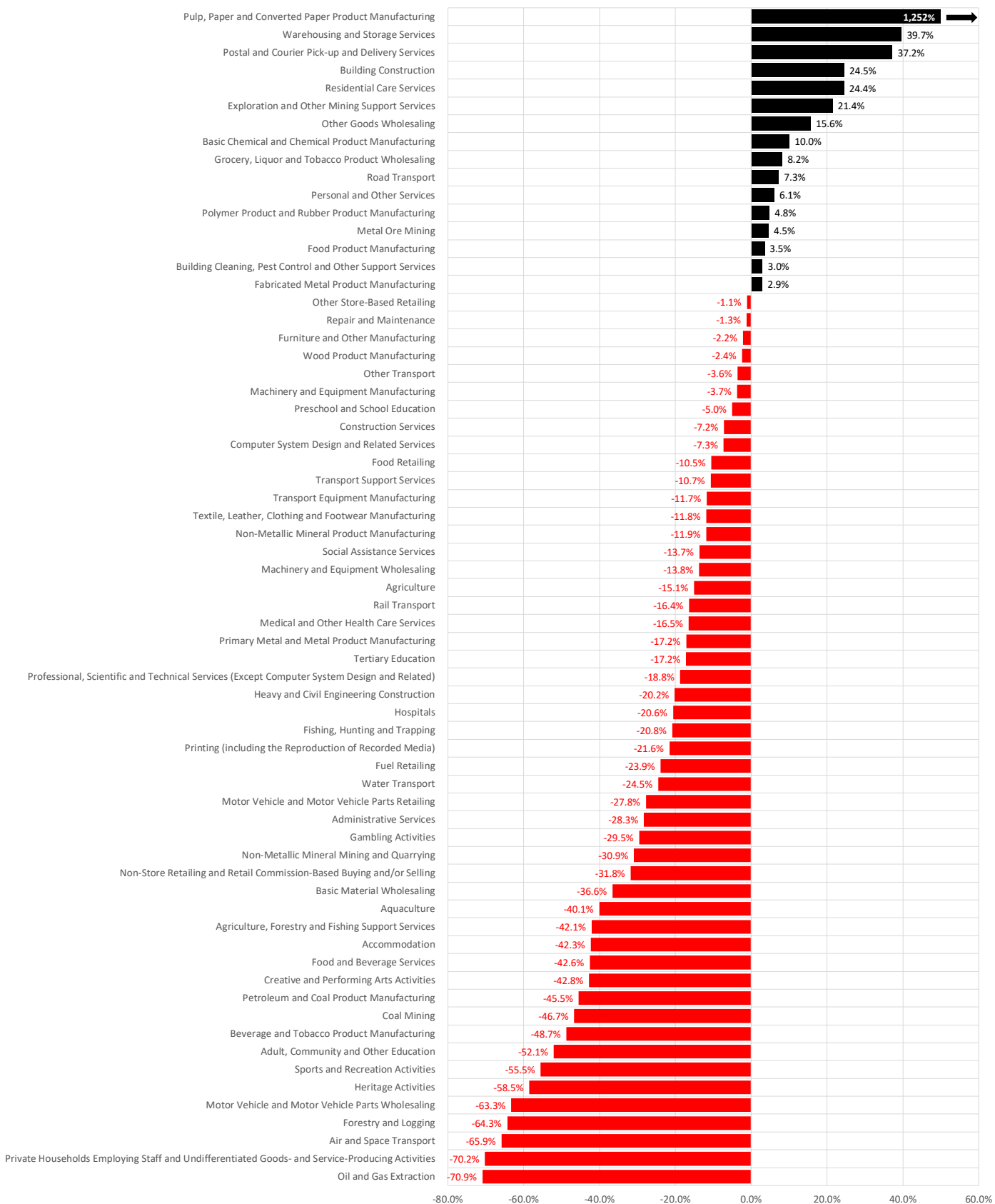


**PAYMENT INFLOWS INTO NAB MERCHANTS:  
WHOLESALE TRADE (Y/Y)**



# PAYMENT INFLOWS BY INDUSTRY SUBDIVISION

## PAYMENT INFLOWS INTO NAB MERCHANTS INDUSTRY SUB-DIVISION RANKED (MAY 2020, Y/Y)



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