



NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

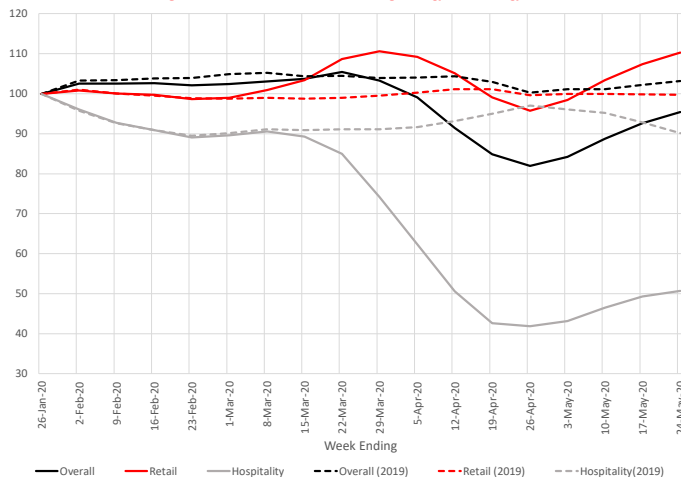
NAB Group Economics

May 2020

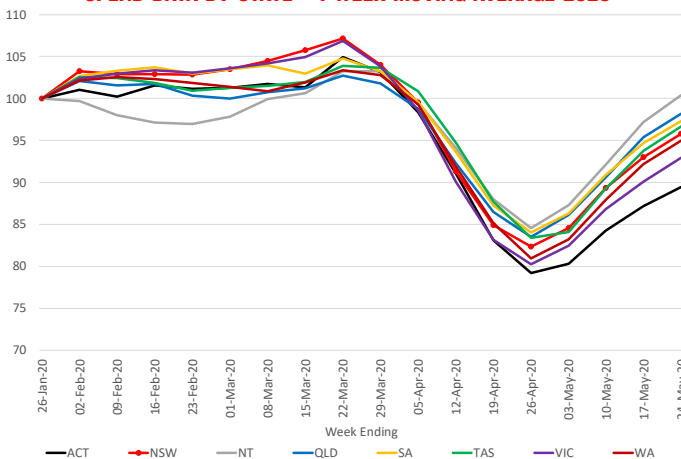
During these extraordinary times we have taken the decision to publish aggregated customer data categorised by industry segment with the view to helping provide clarity around which segments of the economy have been most affected by the broader macroeconomic trends at play. NAB takes data privacy very 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.

The trend improvement in consumption-based spending looks to have continued across most industries, although heavy falls are still being seen in key sectors such as Hospitality, Transport, Postal & Warehousing and Healthcare. Business payment inflows fell in most industries during May, with the heaviest falls in Hospitality and Arts & Recreation Services. Inflows in Manufacturing are however still quite strong.

SPEND DATA: 4 WEEK MOVING AVERAGE



SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2020



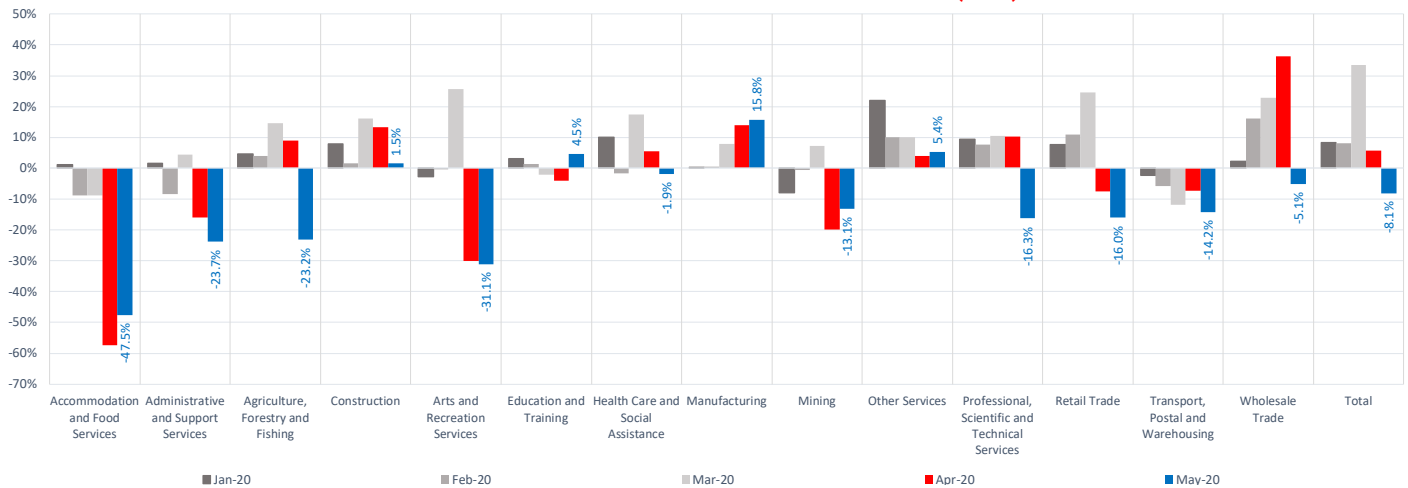
The overall trend in consumption spending continues to improve, but in 4-week moving average terms is down 7.8% over the same time last year and 5.8% since the start of 2020. The rate of spending decline eased further in all states and territories, and is now falling at single-digit levels in all areas bar the ACT.

By industry, spending is still falling very heavily in Administration & Support Services (down 85.9% since the start of the year). It is also very weak in Accommodation & Food Services (-49.3%) and Transport, Postal & Warehousing (-47.6%), although the pace of decline has slowed. In contrast, spending is up 29% in Professional, Scientific & Technical Services and Construction since the start of the year, but up only 1.0% and 7.4% respectively from the same time last year. Retail spend is 10% higher since the start of 2020 and from the same time last year.

Spending growth over the year is positive in 20 of 47 sub-industries - led by Gambling (71.5%), Internet Publishing & Broadcasting (44.2%) and Waste Collection (35.2%). Motion Picture & Sound Recording (-95.3%), Administration Services (-88.8%), Heritage Activities (-84.6%) and Rail (-83.8%) are down most.

Business payment inflows into NAB merchants fell 8.1% in May, after growing in the first 4 months of the year (based on data for the first 24 days of the month). Inflows into Corporates remain positive but have slowed sharply over the year. Inflows into medium and emerging firms are down heavily. By industry, the decline in inflows in Hospitality has slowed but is still down by around half over the same time last year (-47.5%). Inflows were strongest in Manufacturing (15.8%), underpinned by Pulp & Paper Manufacturing - see chart below.

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



HIGHLIGHTS

Consumption Spending:

- Overall consumption spending growth slowed to 2.8% in 4-week moving average terms over the week ending May 24, from 4.4% in the previous week. Overall, spending is now down just 5.8% since the start of the year (compared to 14.9% two weeks ago). Spending is however 7.8% lower compared to the same time last year.
- Spending grew in all states and territories over the previous week in 4-week moving average terms, ranging from 3.3% in the NT to 2.6% in the ACT. But compared to the same time last year, it is still down heavily in most states and territories except the NT (2.0%), with the biggest falls in the ACT (-13.0%) and VIC (-10.3%).
- By industry, spending grew in nearly all sectors over the week, and 7 sectors also recorded higher levels of spending since the start of the year, led by Professional, Scientific & Technical Services (29.1%) and Construction (29.0%), although the rate of growth is significantly slower when compared to the same time last year at 1.0% and 7.4% respectively. Retail spending is also up around 10%. Spending on Administrative & Support Services (-85.9%) is still down heavily since the start of 2020. Hospitality is also down nearly 50%, but the rate of decline is slowing. Healthcare is also down 21.0%.
- By industry sub-division, spending is higher in 20 of 47 sectors compared to the same time last year, led by Gambling Activities (71.5%). But 13 sectors are now reporting falls of over 50% (12 in our previous report), ranging from -95.3% for Motion Picture & Sound Recording Activities to -55.4% for Building Construction.
- Relative to the last week, consumption spending grew in 37 industry sub-divisions (29 in our last update). Spending increased most for Water Transport (42.9%), Medical & Other Healthcare (13.0%) and Other Transport (11.9%). It fell most for Internet Service Providers, Web Search Portals & Data Processing (-10.9%) but is still well up year-on-year, followed by Creative & Performing Arts (-4.7%), Library & Other Information Services (-3.7%) and Building Construction (-3.4%).

Payment Inflows:

- Overall payment inflows into NAB merchants fell -8.1% over the year to May 2020, from 5.7% in the previous month (extrapolated from data to May 24).
- Payment inflows fell in most industries, led by Accommodation & Food Services (-47.5%) - albeit a touch better as the pace of decline in inflows into Cafes, Restaurants and Takeaway almost halved to a still very weak -32.3%. Inflows in Agriculture, Forestry & Fishing were negative for the first time this year (-29.5%), with inflows down in all industry sub-divisions. Payment inflows remain quite strong in Manufacturing (15.8%), supported by Pulp & Paper Manufacturing. Modest growth in inflows also recorded in Other Services (5.4%), Education & Training (4.5%) and Construction (1.5%).
- Inflows fell across all business sizes, particularly in medium (-24.2%) and emerging (19.0%) firms. Corporates were the exception, although inflows slowed sharply to just 9.2% in May from 36.1% in April.
- Overall payment inflows into the Retail sector fell -16.0% - more than double the rate in April (-7.4%). Inflows fell in all but 4 Retail industry groups - Department Stores (38.7%), Furniture, Floor Coverings, Houseware & Textile Goods (37.3%), Department Stores (24.1%), Recreational Goods Retailing (17.9%) and Specialised Food (12.3%). The heaviest falls were in Non-Store Retailing (-42.3%), Supermarket & Grocery Stores (-28.9%) and Fuel Retailing (-23.3%).
- By industry sub-division, payment inflows in May increased most for Pulp, Paper & Converted Paper Product Manufacturing (564.7%), Preschool and School Education (26.7%), Postal and Courier Pick-up & Delivery Services (24.7%), Exploration & Other Mining Support Services (23.7%) and Rail Transport (22.1%).
- Inflows fell most in Private Households Employing Staff & Undiff. Goods & Services Activities (-67.7%), Air & Space Transport (-62.2%) and Forestry & Logging (-57.3%). Accommodation (-47.3%) also among the weakest industry groups.

NAB CONSUMPTION-BASED SPENDING* BY INDUSTRY SECTOR & SELECTED INDUSTRIES (4 weeks ending 18-24 May 2020)

	% change since same time last year**	% change since the start of year**	% change since previous week**
Accommodation & Food Services	-43.7%	-49.3%	2.9%
Administrative & Support Services (incl. Travel Agents)	-85.9%	-85.9%	5.7%
Arts & Recreation Services	-11.2%	-16.7%	1.2%
Construction	7.4%	29.0%	2.0%
Education & Training	-28.3%	14.2%	1.3%
Electricity, Gas & Water & Waste Services	-1.2%	15.4%	0.2%
Healthcare & Social Assistance	-36.2%	-21.0%	11.4%
Information, Media & Telecommunications	4.1%	2.3%	-0.6%
Professional, Scientific & Technical Services	1.0%	29.1%	8.6%
Rental, Hiring & Real Estate Services	-14.0%	-15.2%	0.0%
Retail Trade	10.6%	10.3%	2.7%
Transport, Postal & Warehousing	-49.3%	-47.6%	3.2%
TOTAL	-7.8%	-5.8%	2.8%
Best Performers (Sub-Division)			
- Gambling Activities	71.5%	55.7%	1.1%
- Internet Publishing & Broadcasting	44.2%	45.6%	-0.2%
- Waste Collection, Treatment & Disposal Services	35.2%	-5.3%	-0.6%
- Construction Services	20.0%	42.1%	2.2%
- Library & Other Information Services	19.8%	48.3%	-3.7%
- Building Cleaning, Pest Control & Other Support Serv.	19.1%	19.9%	3.3%
- Food Retailing	18.2%	14.0%	-0.2%
- Other Store-Based Retailing	16.3%	14.9%	4.6%
Worst Performers (Sub-Division)			
- Motion Picture & Sound Recording Activities	-95.3%	-96.9%	1.1%
- Administrative Services	-88.8%	-88.7%	6.5%
- Heritage Activities	-84.6%	-90.2%	4.7%
- Rail Transport	-83.7%	-85.5%	4.5%
- Air & Space Transport	-82.9%	-83.7%	0.7%
- Creative & Performing Arts Activities	-75.6%	-74.6%	-4.7%
- Accommodation	-75.5%	-80.4%	9.8%
- Other Transport	-72.4%	-73.8%	11.9%

*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.

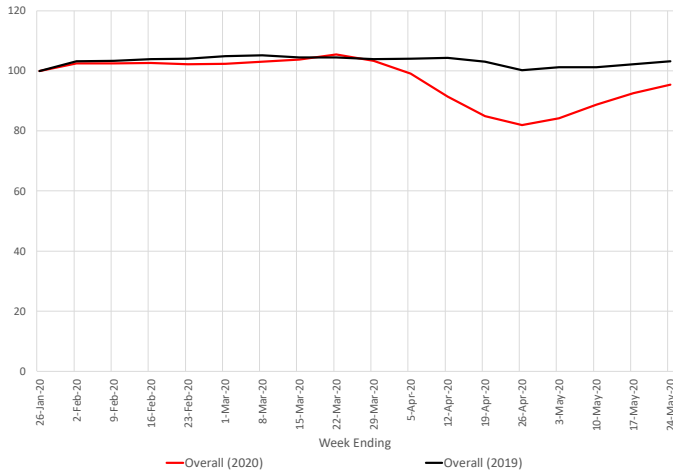
PAYMENT INFLOWS INTO NAB MERCHANTS - SELECTED INDUSTRIES (% Y/Y)*

	April 2020	May 2020
Accommodation & Food Services	-57.3%	-47.5%
Administration & Support Services	-15.9%	-23.7%
Agriculture, Forestry & Fishing	9.0%	-23.2%
Arts & Recreation Services	-30.1%	-31.1%
Construction	13.3%	1.5%
Education & Training	-4.1%	4.5%
Healthcare & Social Assistance	5.6%	-1.9%
Manufacturing	14.0%	15.8%
Mining	-19.8%	-13.1%
Other Services	4.0%	5.4%
Professional, Scientific & Technical Services	10.2%	-16.3%
Retail Trade	-7.4%	-16.0%
Transport, Postal & Warehousing	-7.2%	-14.2%
Wholesale Trade	36.2%	-5.1%
TOTAL	5.7%	-8.1%
Business Size		
- Small	-4.6%	-13.6%
- Emerging	0.4%	-19.0%
- Medium	-3.9%	-24.2%
- Large	7.4%	-11.1%
- Corporate	36.1%	9.2%
Best Performers (Sub-Division)		
- Pulp, Paper & Converted Paper Product Manufacturing	283.1%	564.7%
- Preschool & School Education	-20.4%	26.7%
- Postal & Courier Pick-up & Delivery Services	-17.1%	24.7%
- Exploration & Other Mining Support Services	-12.1%	23.7%
- Rail Transport	53.8%	22.1%
- Metal Ore Mining	21.2%	18.4%
Worst Performers (Sub-Division)		
- Private H/hold Employing Staff & Undiff. G&S Activities	638.8%	-67.7%
- Air & Space Transport	-54.1%	-62.2%
- Forestry & Logging	-1.4%	-57.3%
- Oil & Gas Extraction	-20.4%	-53.6%
- Motor Vehicle & Motor Vehicle Parts Wholesaling	-38.9%	-51.6%
- Heritage Activities	-76.8%	-49.0%
- Sports & Recreation Activities	-52.9%	-48.0%
- Creative & Performing Arts Activities	-7.8%	-47.4%
- Accommodation	-48.8%	-47.3%

* 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

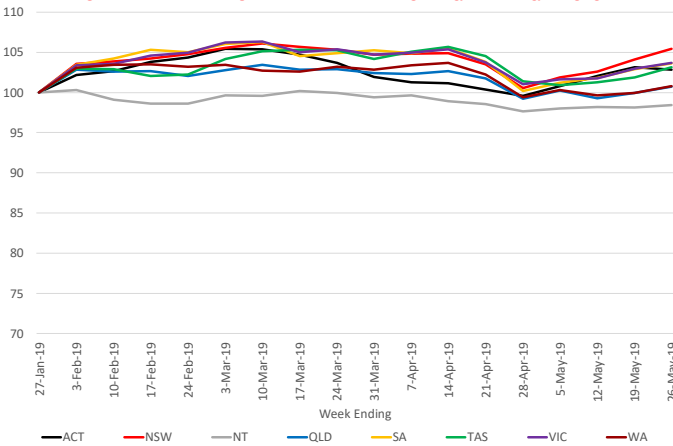
SPEND DATA: 4 WEEK MOVING AVERAGE - OVERALL



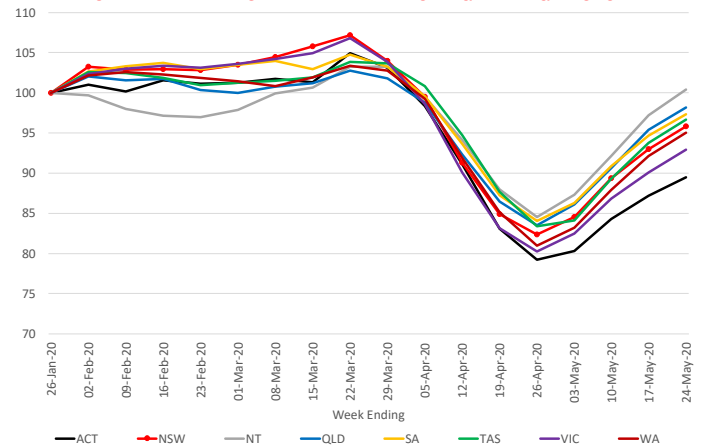
Note: Data excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments. Spending includes both online and offline transactions. Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and PayPal services where available.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

The latest data is for the four weeks ending 18-24 May 2020.

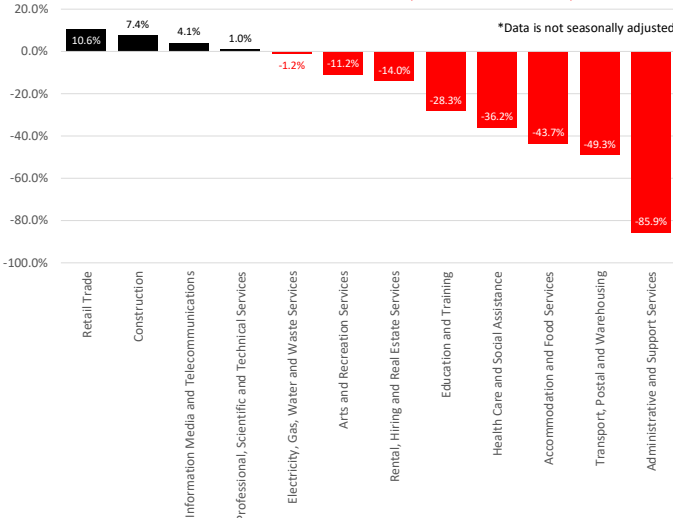
SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2019



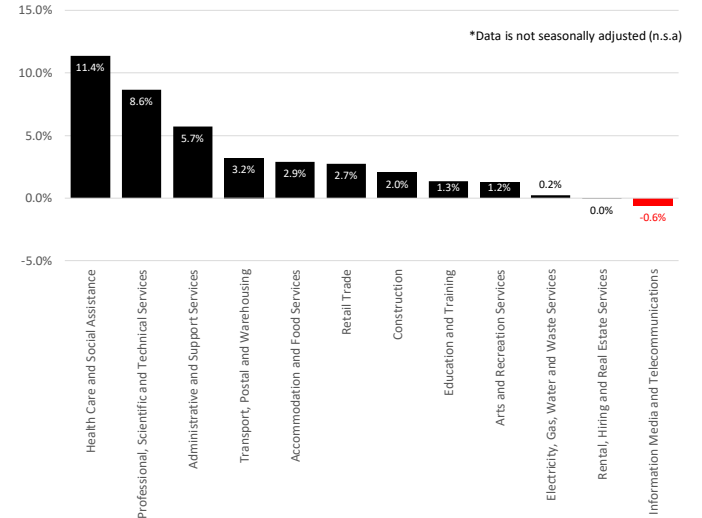
SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2020



CHANGE IN CONSUMPTION SPENDING OVER THE PREVIOUS YEAR BY INDUSTRY - WEEK ENDING 24 MAY 2020 (4 WEEK MOVING AVG)*



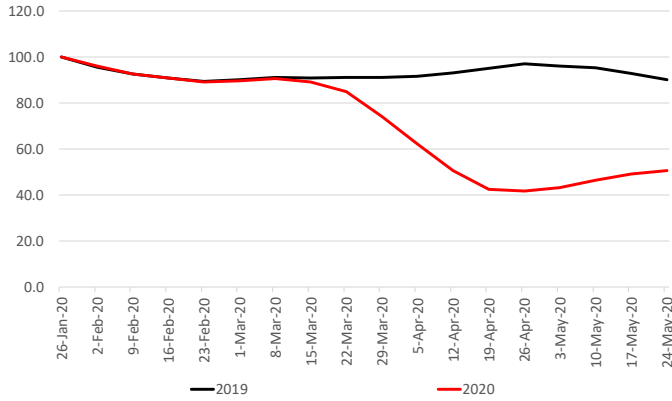
CHANGE IN CONSUMPTION SPENDING OVER THE PREVIOUS WEEK BY INDUSTRY - WEEK ENDING 24 MAY 2020 (4 WEEK MOVING AVG)*



SPENDING CHANGES BY INDUSTRY & INDUSTRY SUB-DIVISION

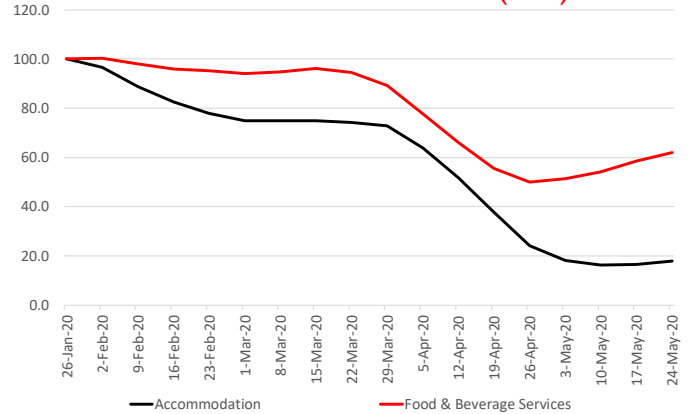
*Down 49.3% since start of the year
Up 2.8% over the previous week*

ACCOMMODATION & FOOD SERVICES



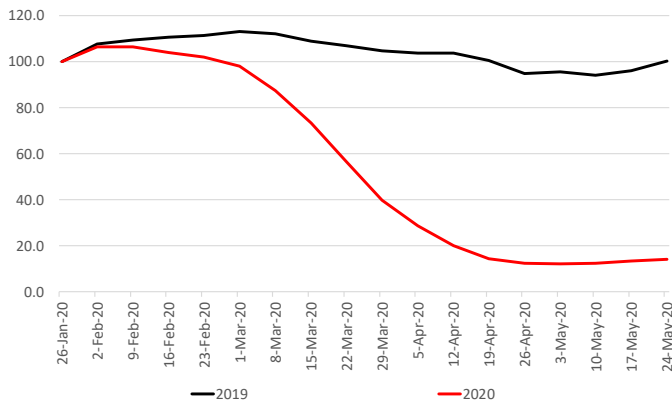
Food & Beverages leading modest recovery in this sector, with Accommodation still very weak.

ACCOMMODATION & FOOD SERVICES (2020)



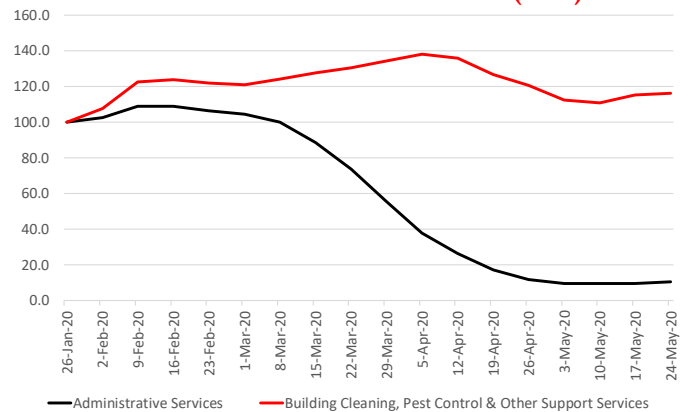
*Down 85.9% since start of the year
Up 5.7% over the previous week*

ADMINISTRATIVE & SUPPORT SERVICES



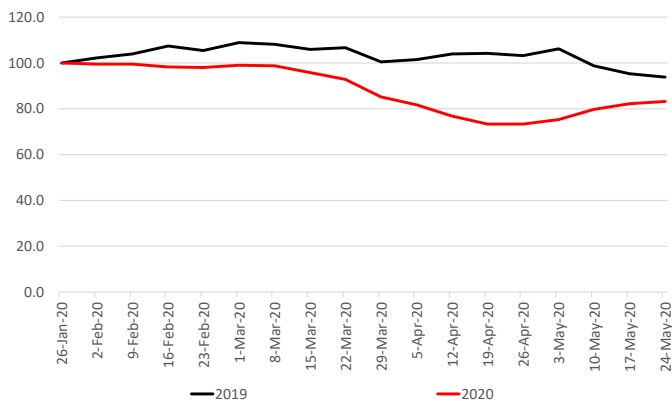
Spending on Building, Cleaning, Pest Control & Other Services holding up, but Admin very weak.

ADMINISTRATIVE & SUPPORT SERVICES (2020)



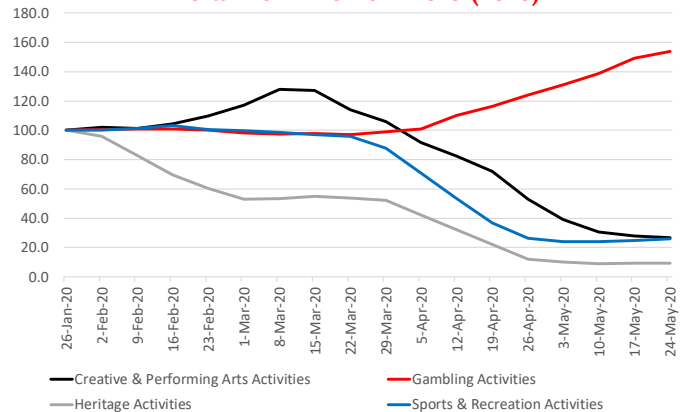
*Down 16.7% since the start of the year
Up 1.2% over the previous week*

ARTS & RECREATION SERVICES



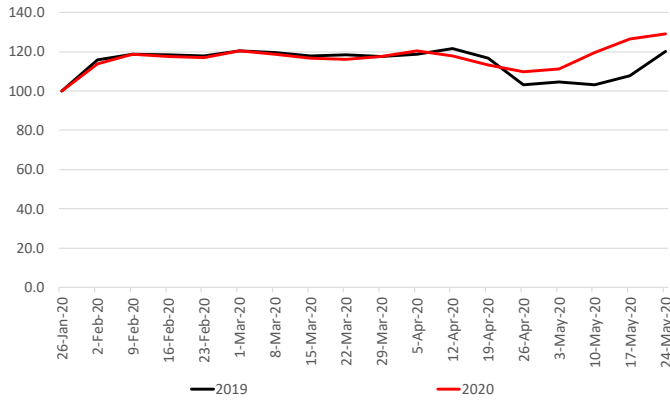
Spending in Arts & Recreation being supported solely by Gambling Activities.

ARTS & RECREATION SERVICES (2020)



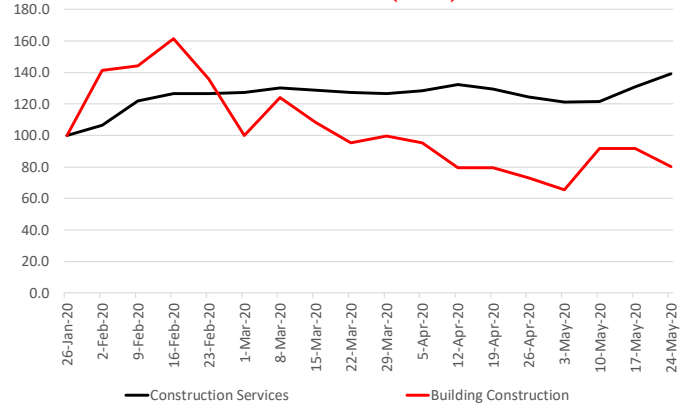
**Up 29.0% since the start of the year
Up 2.0% over the previous week**

CONSTRUCTION



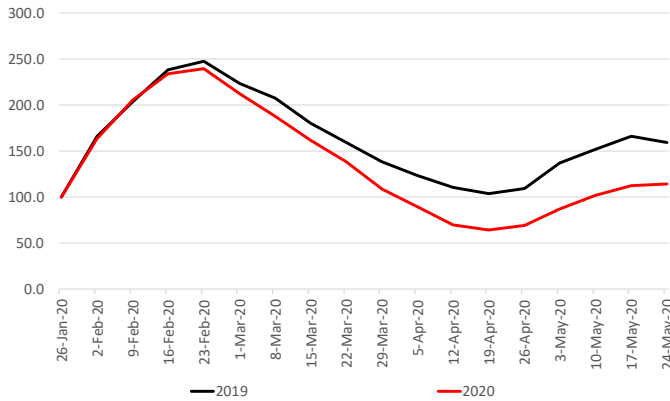
**Spending on Construction Activities up strongly
over year to date, but Building Construction down.**

CONSTRUCTION (2020)



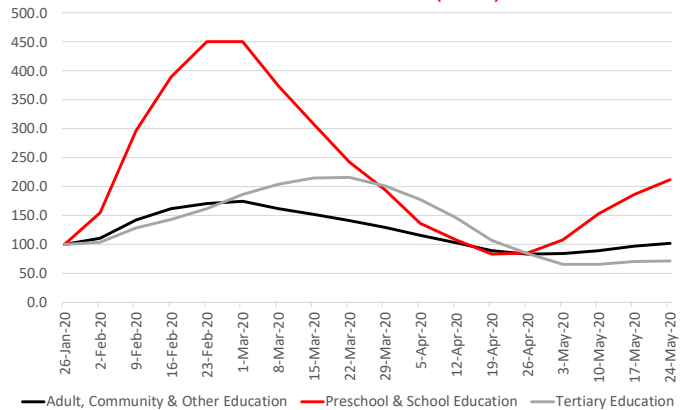
**Up 14.2% since the start of the year
Up 1.3% over the previous week**

EDUCATION & TRAINING



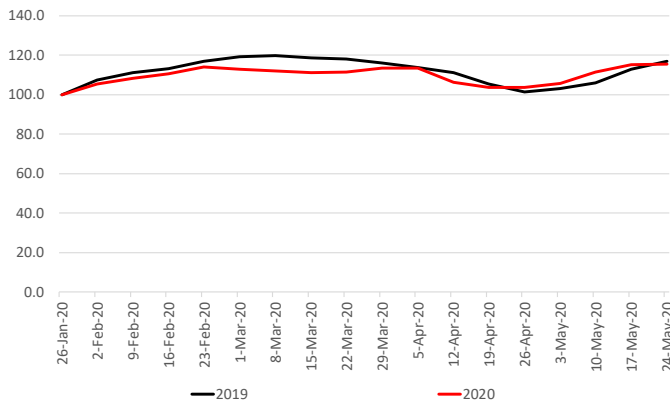
**Spending on Preschool & Schools Education
growing fastest; Tertiary floundering.**

EDUCATION & TRAINING (2020)



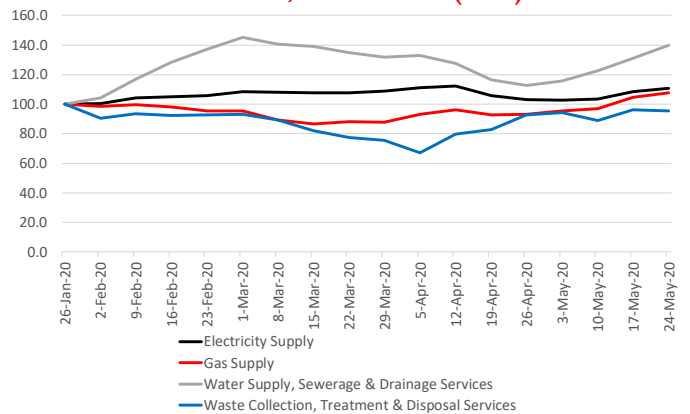
**Up 15.4% since the start of the year
Up 0.2% over the previous week**

ELECTRICITY, GAS, WATER & WASTE SERVICES



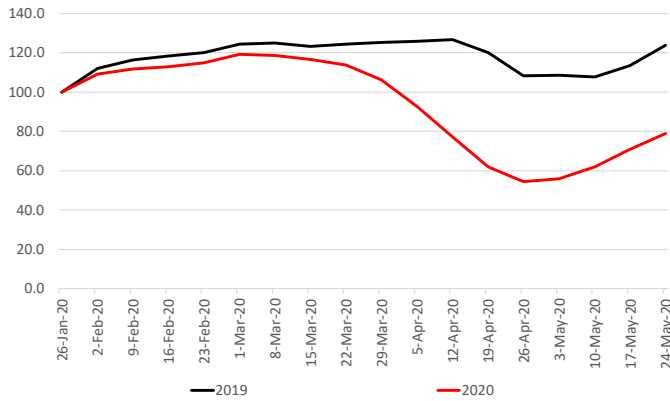
**Spending on utilities up in all sectors, bar Waste
Collection, Treatment & Disposal Services.**

ELECTRICITY, GAS & WATER (2020)



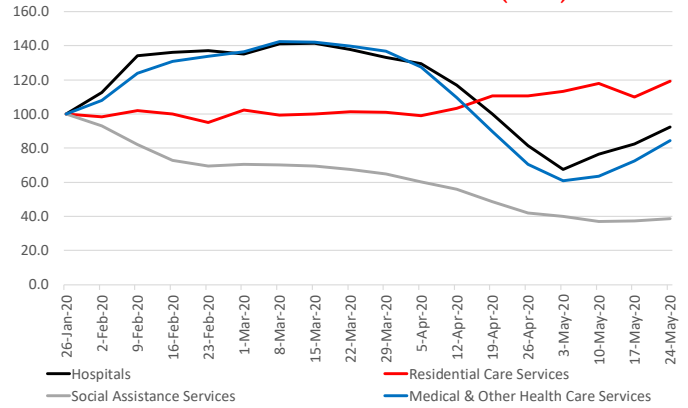
**Down 21.0% since the start of the year
Up 11.4% over the previous week**

HEALTHCARE & SOCIAL ASSISTANCE



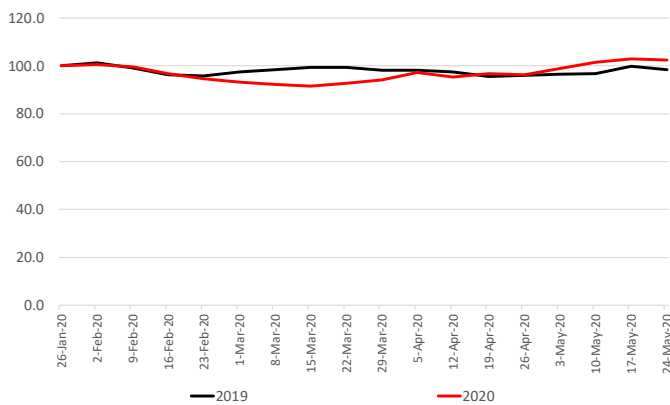
**Spending recovery accelerating in Hospitals and
Medical & Other Health Care Services.**

HEALTH CARE & SOCIAL ASSISTANCE (2020)



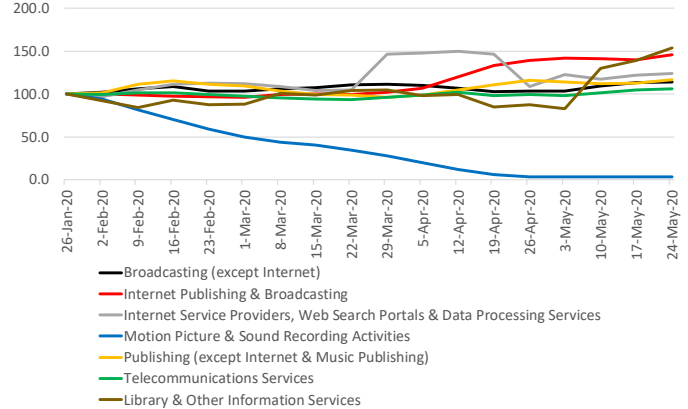
**Up 2.3% since the start of the year
Down 0.6% over the previous week**

INFORMATION, MEDIA & TELECOMMUNICATION



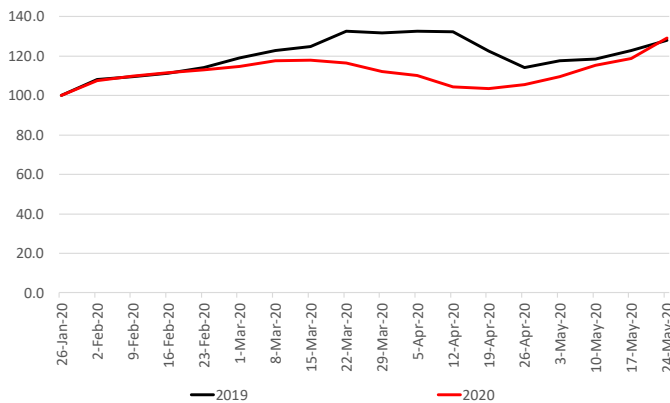
**Spend on Library & Other Information and Internet,
Publishing & Broadcasting up sharply this year.**

INFORMATION MEDIA & TELECOMS (2020)



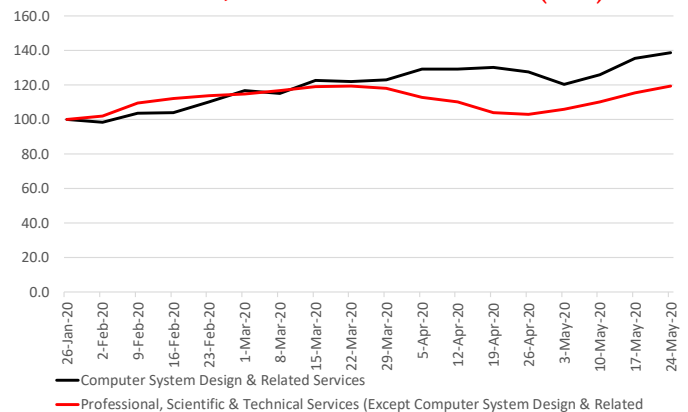
**Up 29.1% since the start of the year
Up 8.6% over the previous week**

PROFESSIONAL, SCIENTIFIC & TECHNICAL SERVICES



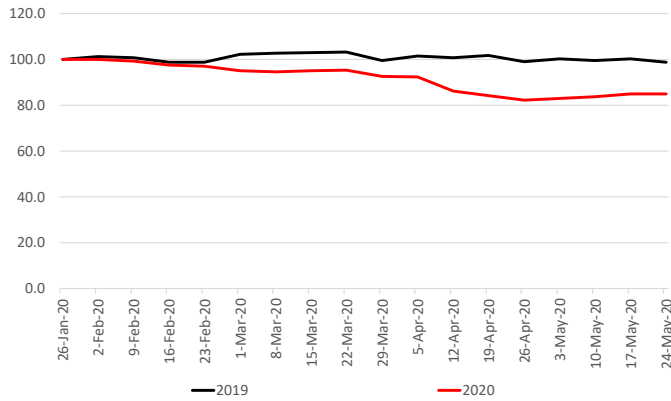
**Spending growth in all sub-divisions positive
through 2020 to date.**

PROFESSIONAL, SCIENTIFIC & TECHNICAL SERV. (2020)



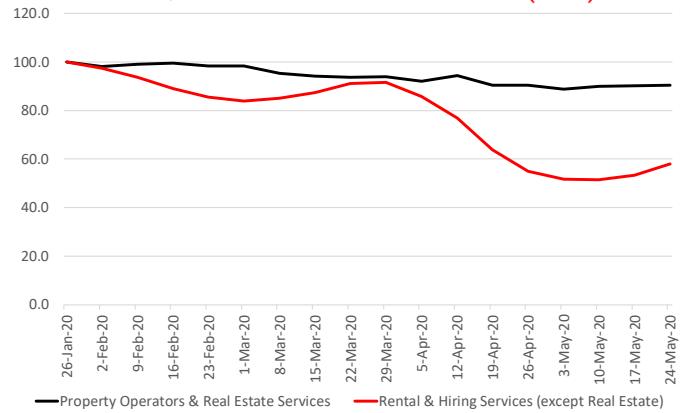
**Down 15.2% since the start of the year
Flat (0.0%) over the previous week**

RENTAL, HIRING & REAL ESTATE SERVICES



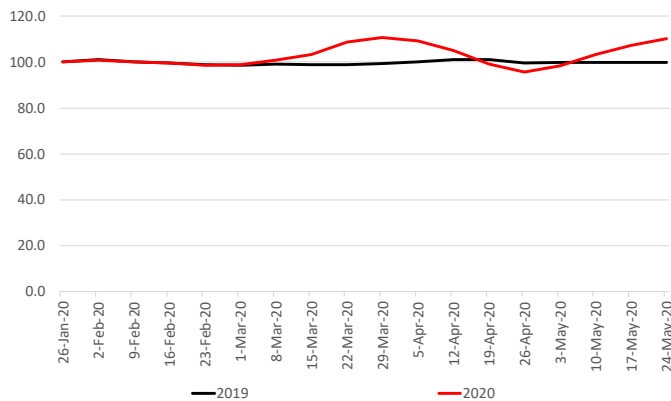
**Overall spending down, but much less so for
Property Operators & Real Estate Services.**

RENTAL, HIRING & REAL ESTATE SERVICES (2020)



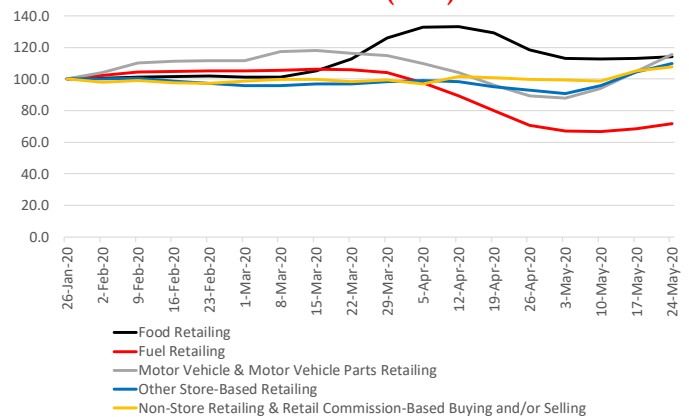
**Up 10.3% since the start of the year
Up 2.7% over the previous week**

RETAIL TRADE



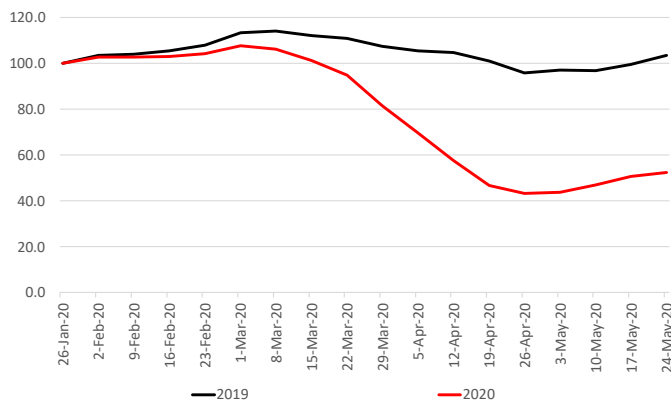
**Spending growth in all Retail sub-sectors up over
the year to date, except Fuel Retailing.**

RETAIL TRADE (2020)



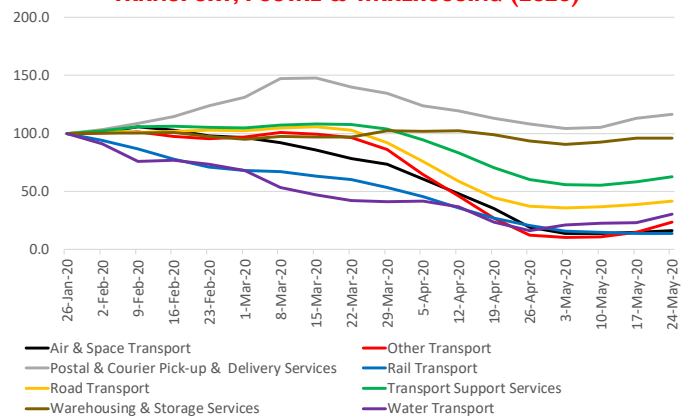
**Down 47.6% since the start of the year
Up 3.1% over the previous week**

TRANSPORT, POSTAL & WAREHOUSING



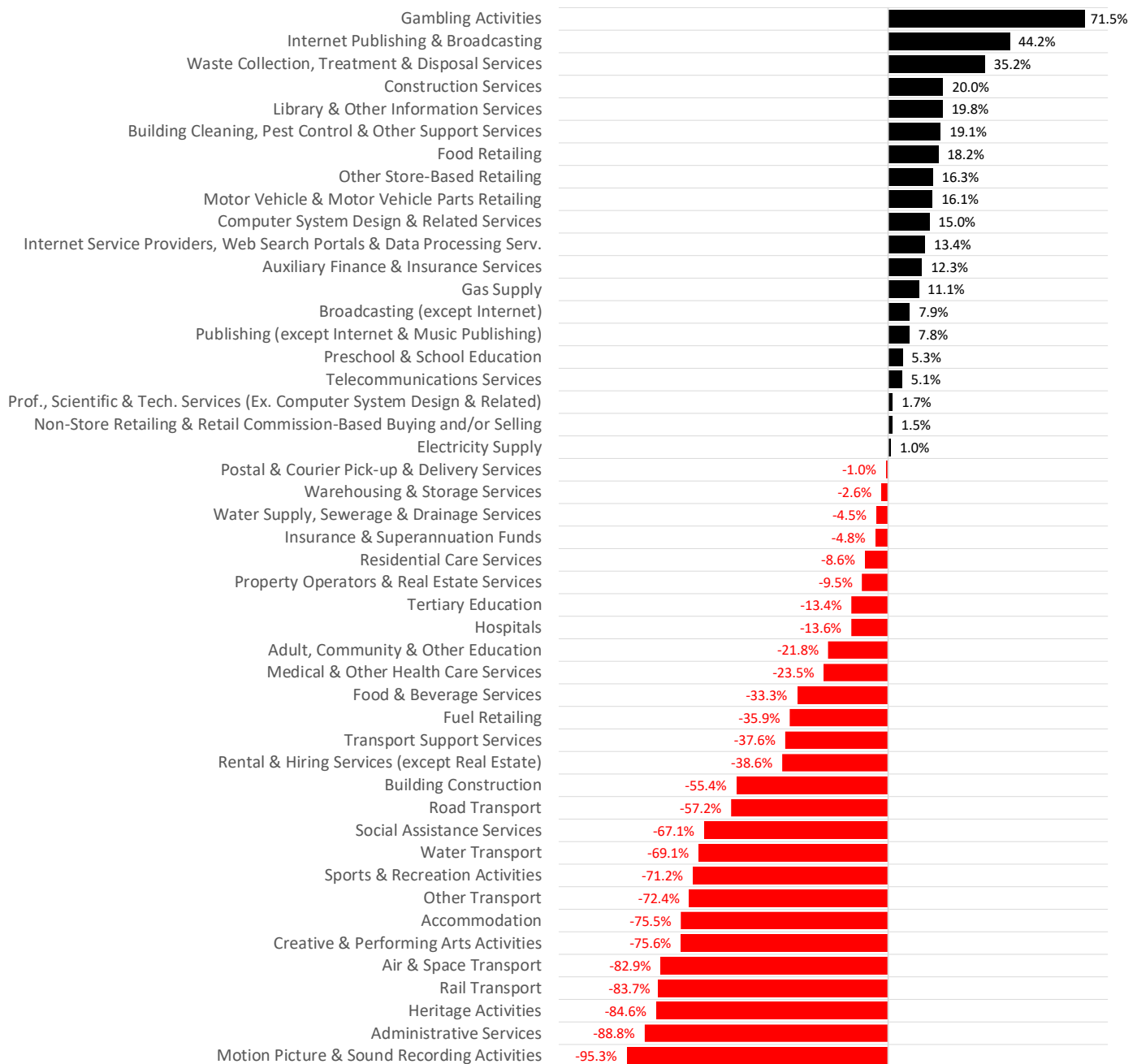
**Postal & Courier Pick-up/Delivery Services positive,
but most other sub-industries struggling.**

TRANSPORT, POSTAL & WAREHOUSING (2020)



CONSUMPTION SPENDING BY INDUSTRY SUB-DIVISION - RANKED

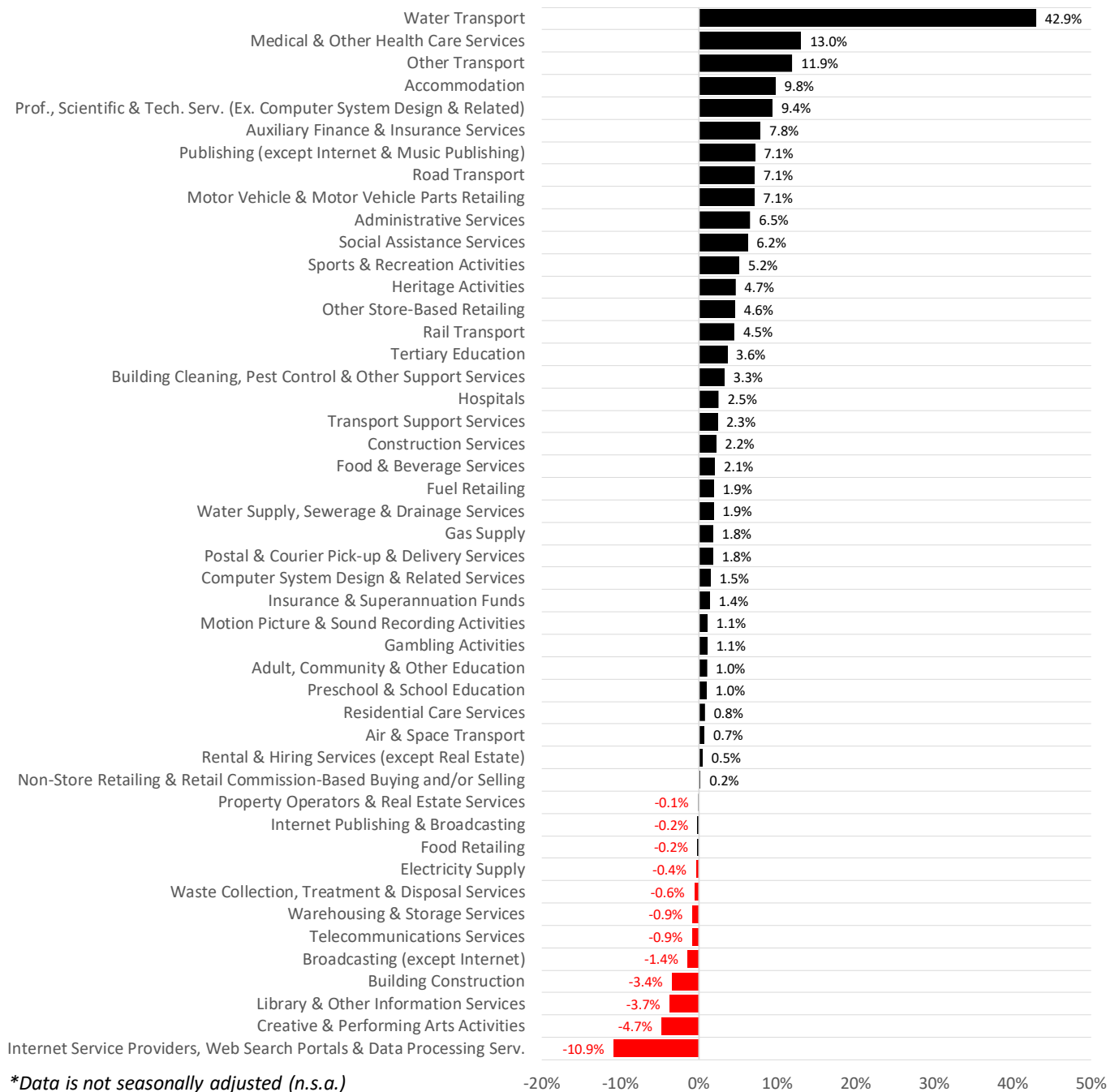
CHANGE IN CONSUMPTION SPENDING OVER THE PREVIOUS YEAR BY INDUSTRY SUB-DIVISION - WEEK ENDING 24 MAY 2020 (4 WEEK MOVING AVG)*



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

-120% -100% -80% -60% -40% -20% 0% 20% 40% 60% 80%

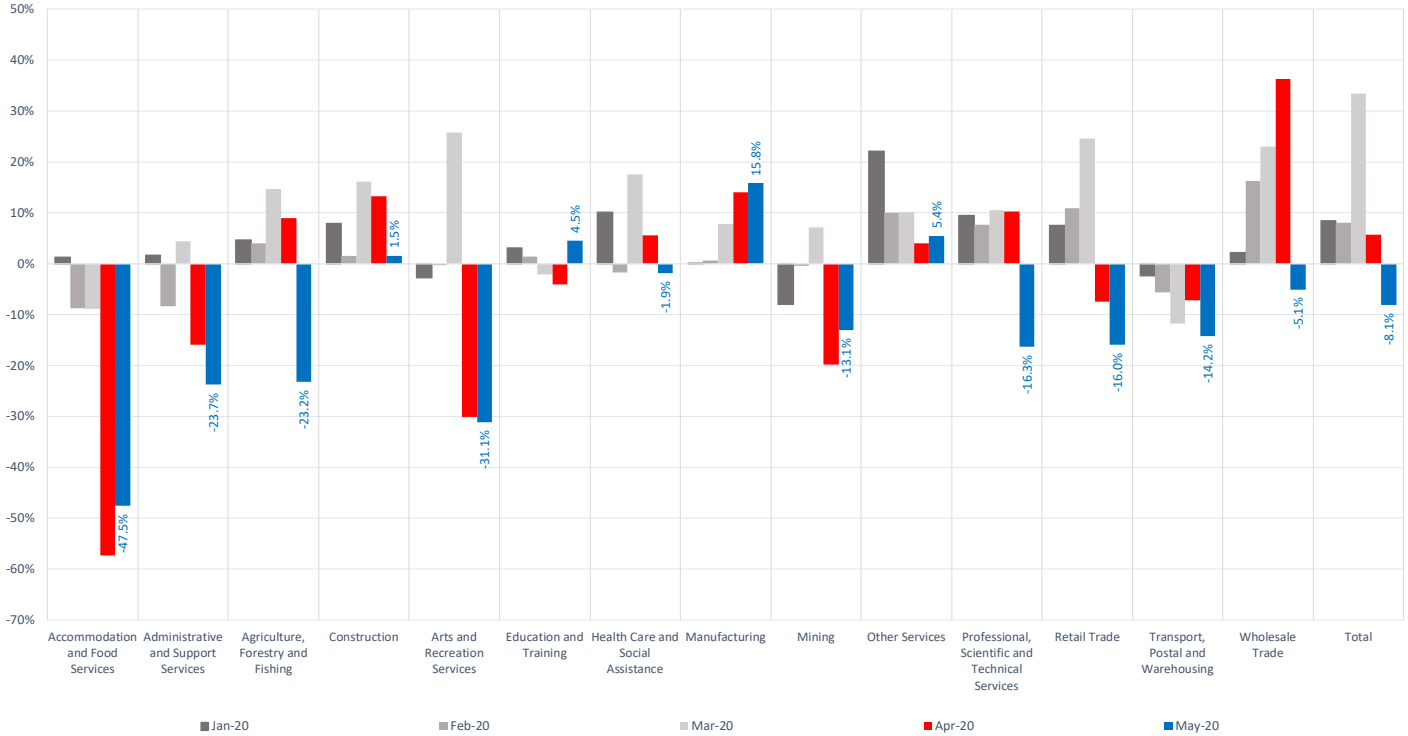
CHANGE IN CONSUMPTION SPENDING OVER THE PREVIOUS WEEK BY INDUSTRY SUB-DIVISION - WEEK ENDING 24 MAY 2020 (4-WEEK MOVING AVG)*



PART 2: PAYMENT INFLOWS INTO NAB MERCHANTS BY INDUSTRY

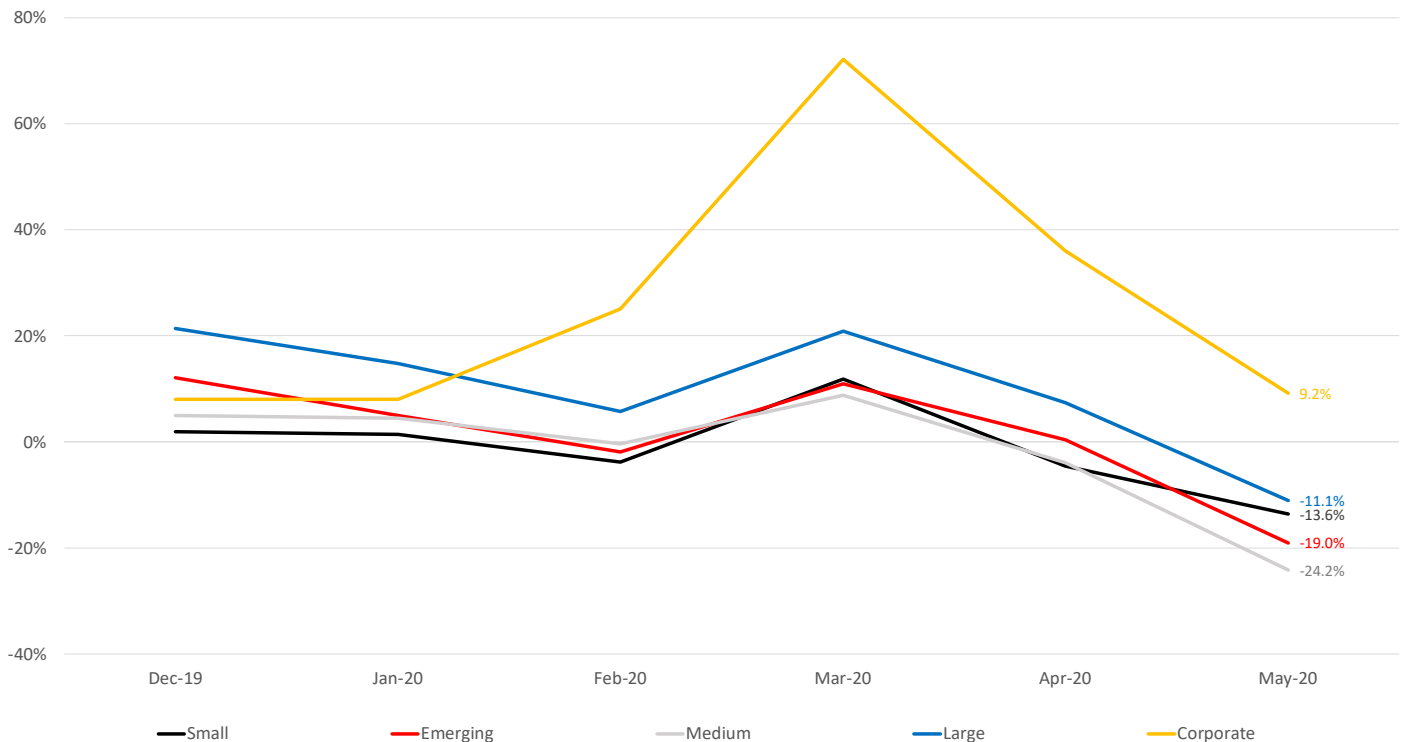
Overall payment inflows fell -8.1% over the year to May 2020, down from 5.7% in the previous month. Data has been extrapolated for May 2020 based on the available data to May 24.

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



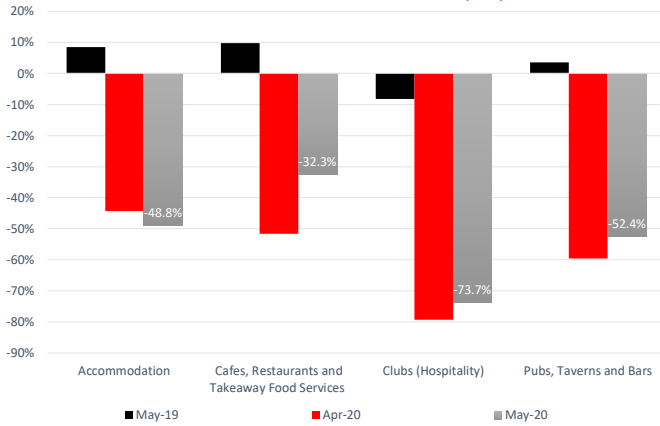
Inflows down by all sizes of businesses, but remain positive for corporates

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



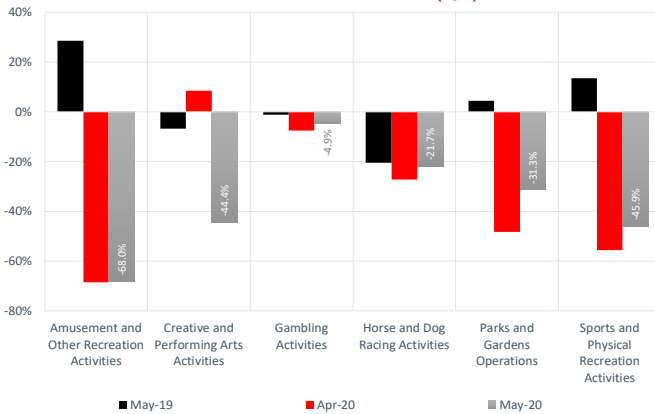
INDUSTRY DEEP DIVE: ACCOMMODATION & FOOD SERVICES, ARTS & RECREATION SERVICES & RETAIL TRADE

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



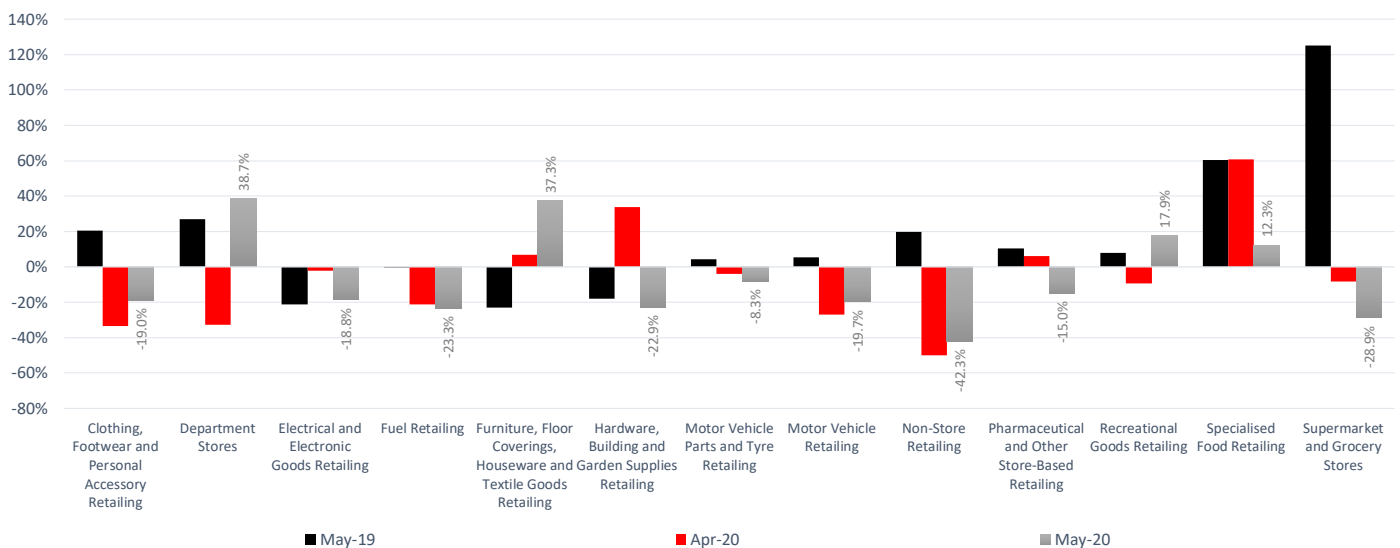
Inflows still falling steeply across industry groups, but stabilising in all industry groups except Accommodation.

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



Overall payment inflows negative in all industry groups. Amusement & Other Recreation Services down most, but biggest decline noted in Creative & Performing Arts Activities relative to last month.

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

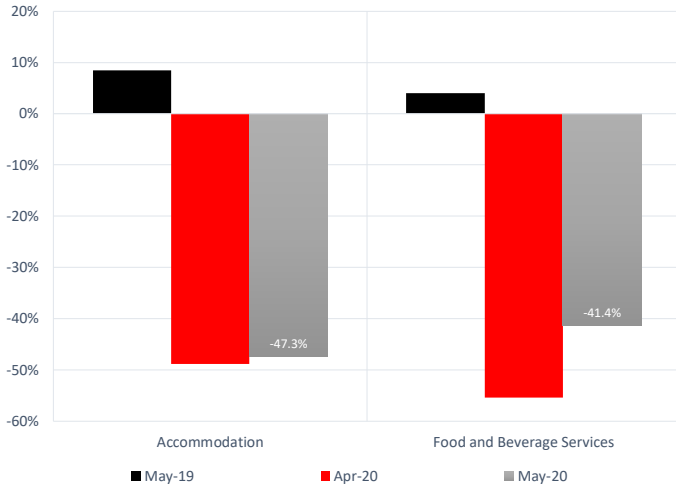


Inflows falling in all but 4 groups - Furniture, Floor Coverings, Houseware & Textile Goods, Department Stores, Recreational Goods and Specialised Food.

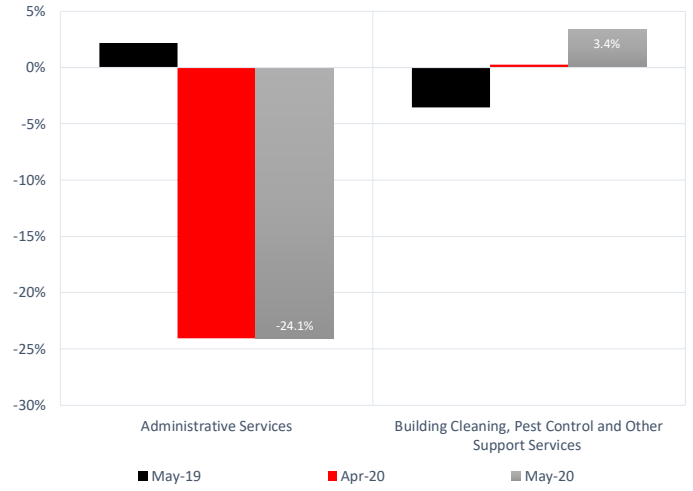
Biggest falls in Non-Store Retailing, Supermarket & Grocery Stores and Fuel Retailing.

PAYMENT INFLOWS BY INDUSTRY SUB-DIVISION

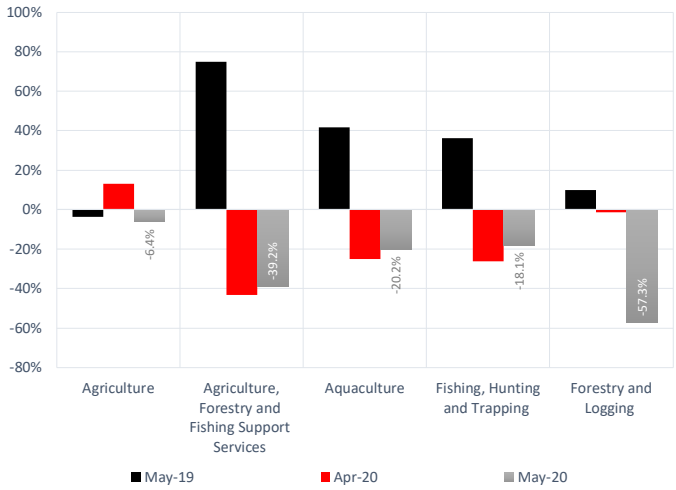
**PAYMENT INFLOWS INTO NAB MERCHANTS:
ACCOMMODATION & FOOD SERVICES (Y/Y)**



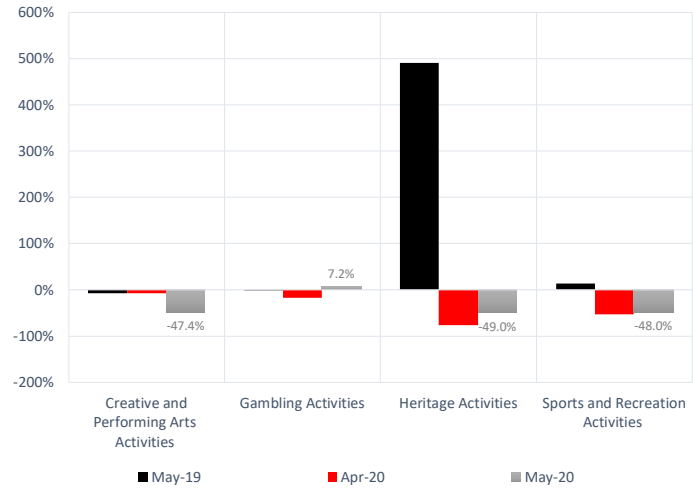
**PAYMENT INFLOWS INTO NAB MERCHANTS:
ADMINISTRATION & SUPPORT SERVICES (Y/Y)**



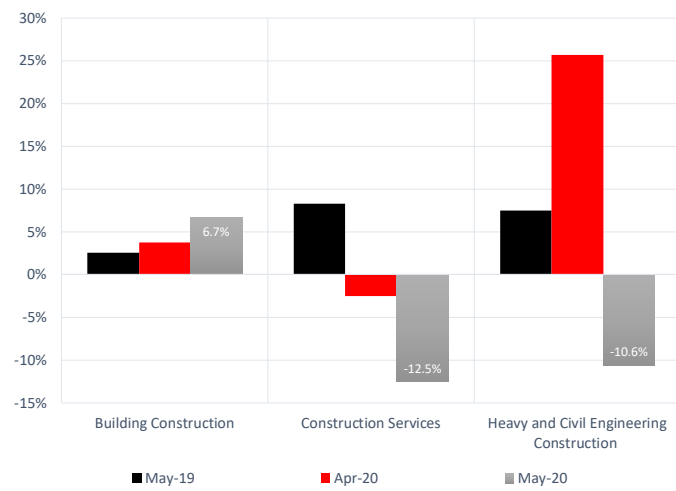
**PAYMENT INFLOWS INTO NAB MERCHANTS:
AGRICULTURE, FORESTRY & FISHING (Y/Y)**



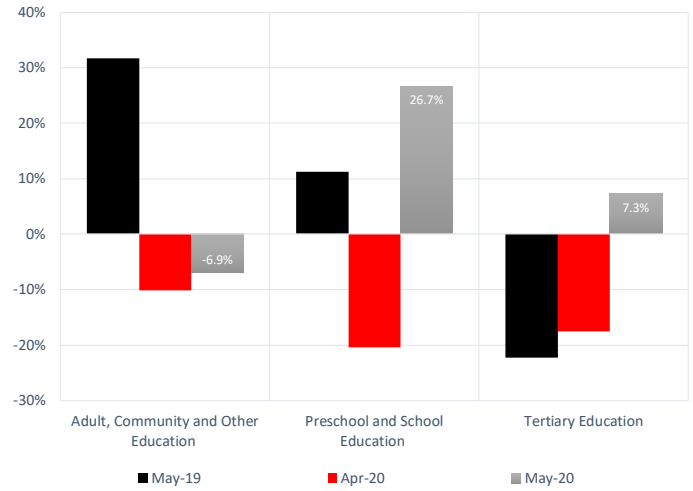
**PAYMENT INFLOWS INTO NAB MERCHANTS:
ARTS & RECREATION SERVICES (Y/Y)**



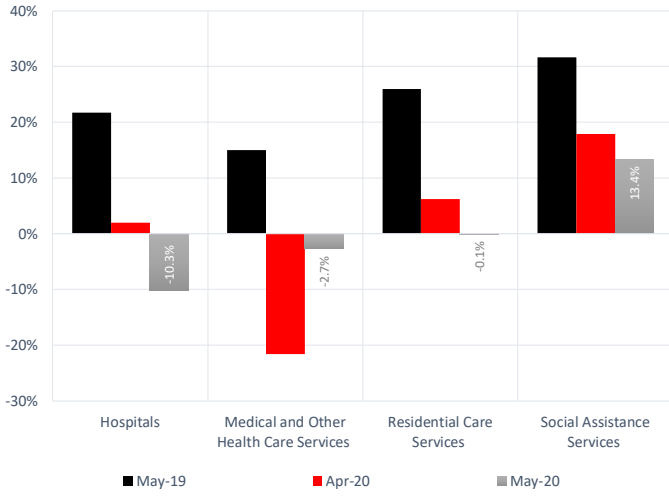
**PAYMENT INFLOWS INTO NAB MERCHANTS:
CONSTRUCTION (Y/Y)**



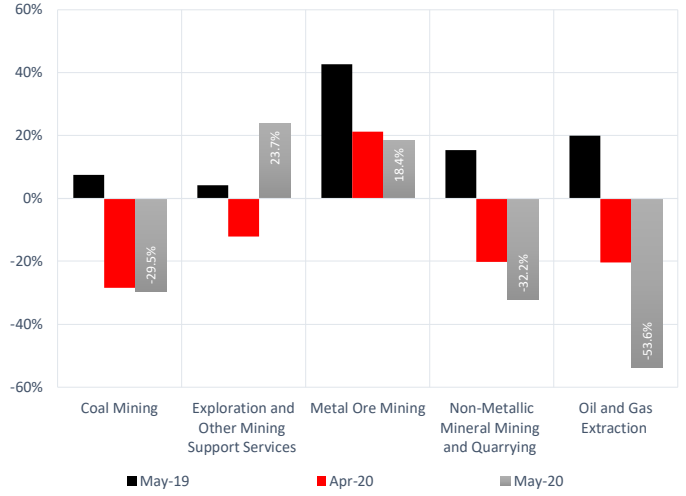
**PAYMENT INFLOWS INTO NAB MERCHANTS:
EDUCATION & TRAINING (Y/Y)**



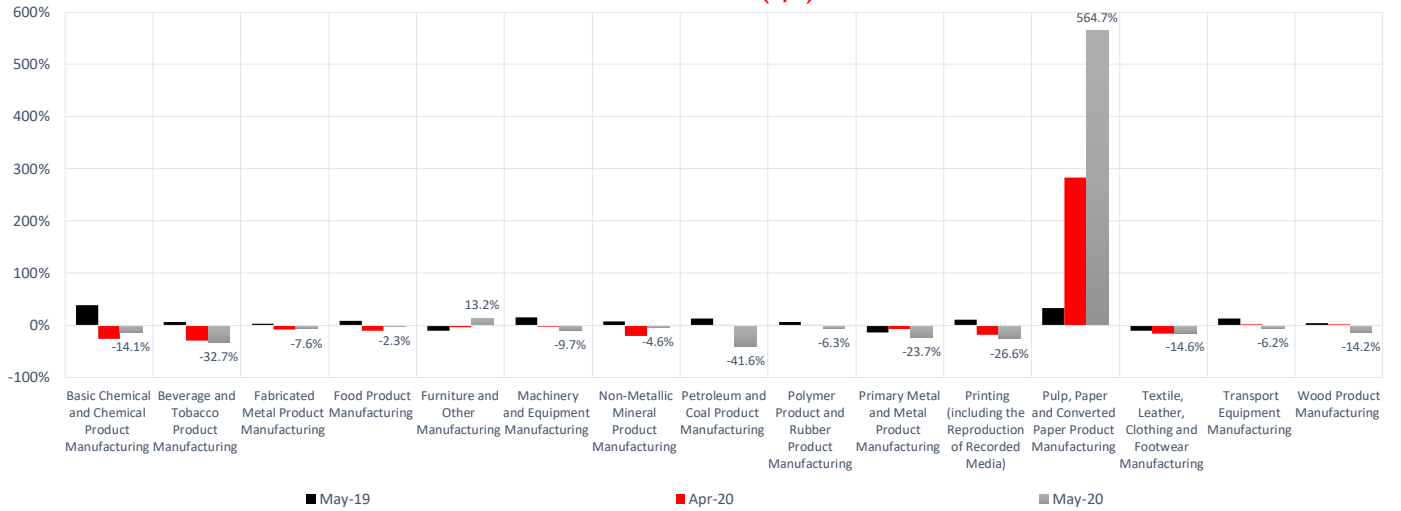
**PAYMENT INFLOWS INTO NAB MERCHANTS:
HEALTH CARE & SOCIAL ASSISTANCE (Y/Y)**



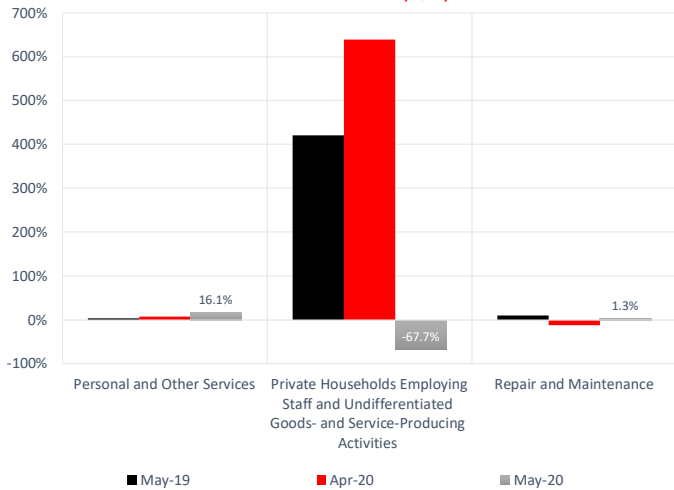
**PAYMENT INFLOWS INTO NAB MERCHANTS:
MINING (Y/Y)**



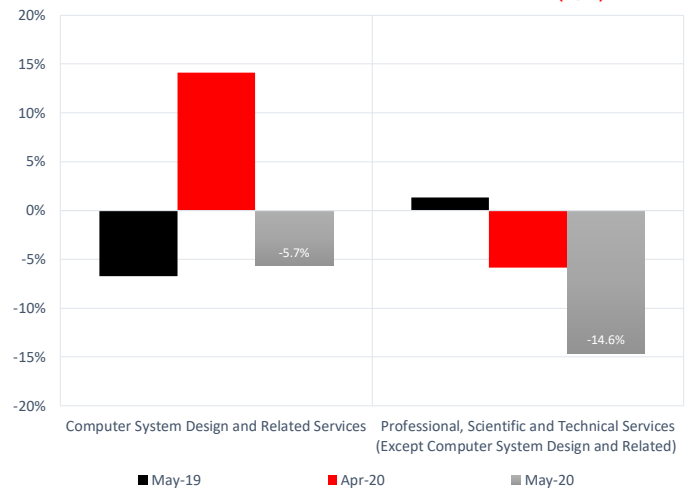
**PAYMENT INFLOWS INTO NAB MERCHANTS:
MANUFACTURING (Y/Y)**



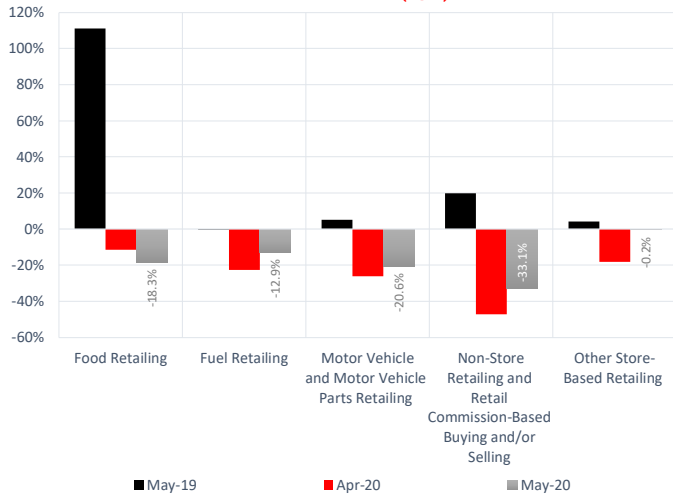
**PAYMENT INTO NAB MERCHANTS:
OTHER SERVICES (Y/Y)**



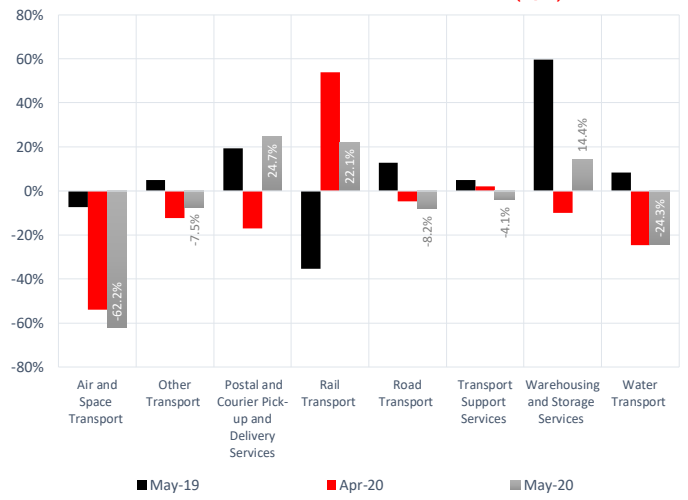
**PAYMENT INFLOWS INTO NAB MERCHANTS:
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERV. (Y/Y)**



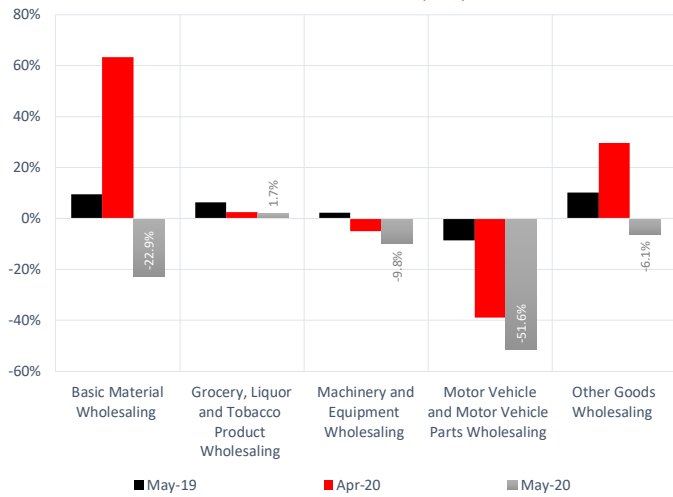
**PAYMENT INFLOWS INTO NAB MERCHANTS:
RETAIL TRADE (Y/Y)**



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

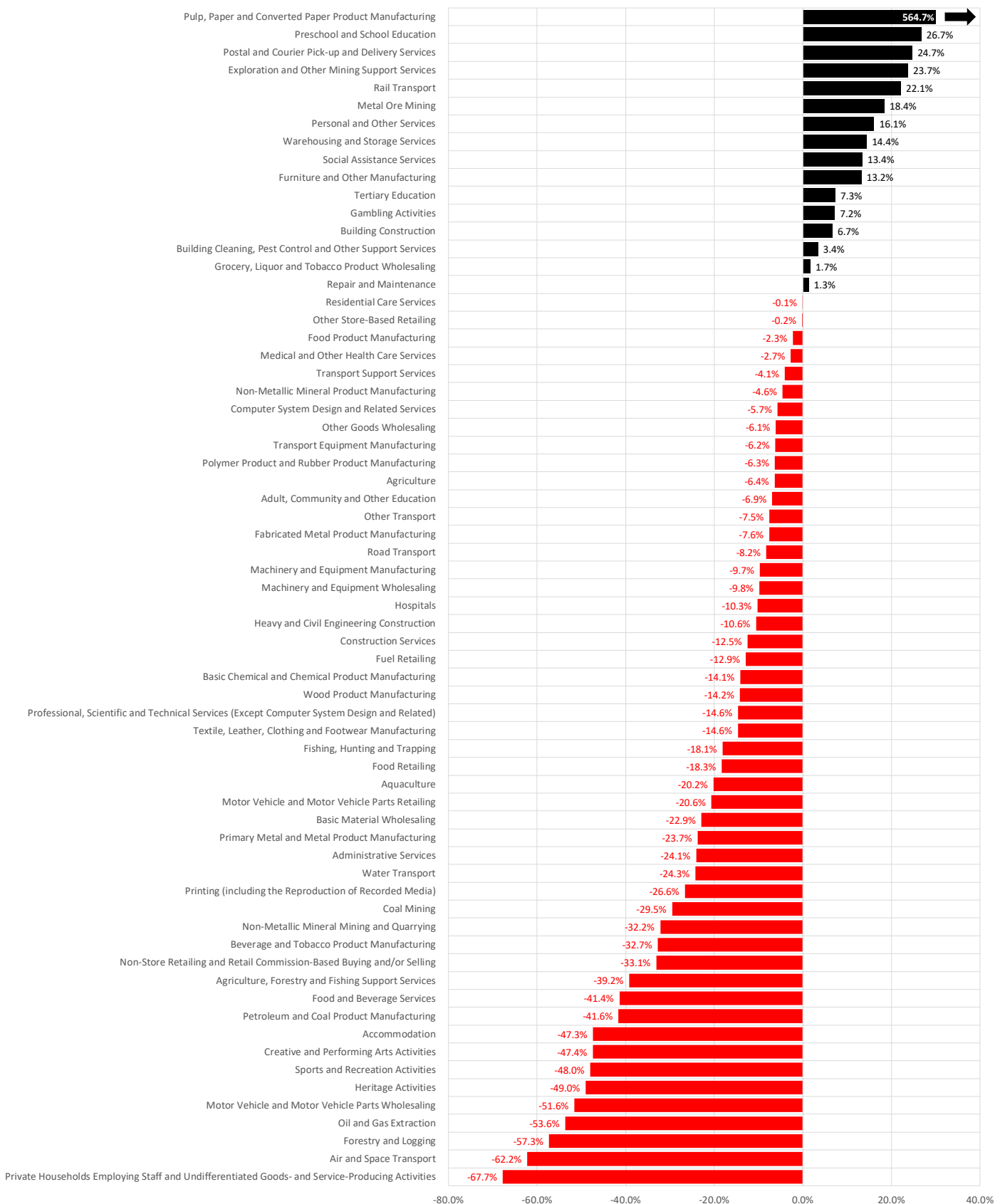


**PAYMENT INFLOWS INTO NAB MERCHANTS:
WHOLESALE TRADE (Y/Y)**



PAYMENT INFLOWS BY INDUSTRY SUB-DIVISION - RANKED

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



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