



# NAB ECONOMICS DATA INSIGHTS

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

August 2020

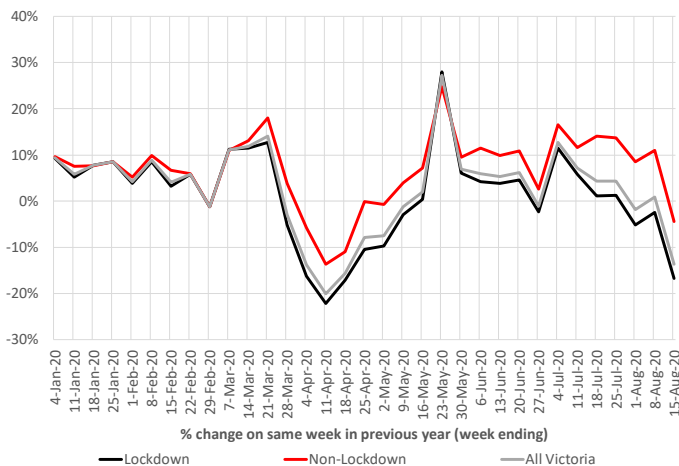
*NAB Group Economics*

*During these extraordinary times, NAB has 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.*

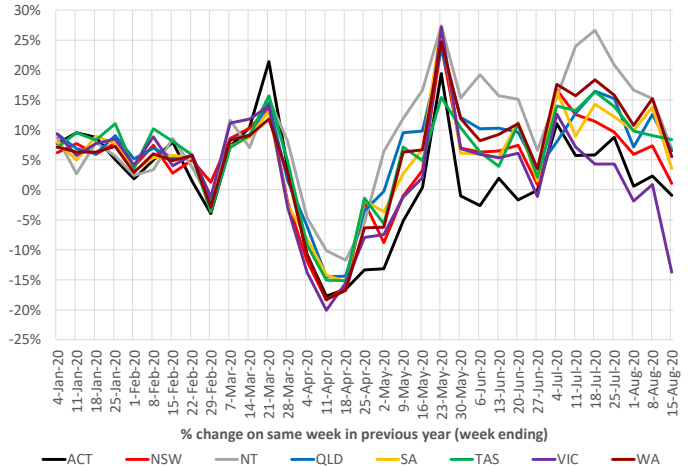
For the week ended August 15, NAB data shows a -1.5% year-on-year decline in overall consumption spending - the first fall in weekly spending since the week ending May 2. This was mainly driven by very sharp falls in VIC - particularly lockdown areas (down around 17%) - our data includes for the first time a full week of lockdown. Spending also slowed in other states, but was still positive (albeit barely in NSW, and TAS now out-performing). Across key industry sectors, we noted a significant slowdown in Retail spending relative to last week, with spending on Hospitality, Education and Health Care also much weaker and falling much faster than last week.

Total payment inflows into NAB merchants have also been hit hard. In 6-week moving average year-on-year terms, they fell -1.7% (3.0% last week), implying a very big hit in the latest week. Corporates (and small firms) were hit hardest, with inflows into corporates posting its biggest fall this year. Inflows into large and emerging firms were positive, but slowed relative to last week. By industry, the rate of decline into Mining continues to gather steam, with the rate of decline also accelerating in the under-performing Transport and Hospitality sectors.

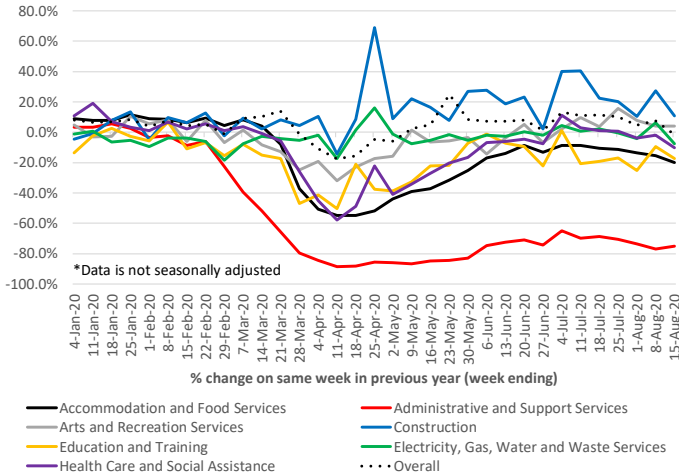
**CONSUMPTION SPENDING: VICTORIA - LOCKDOWN AREAS**



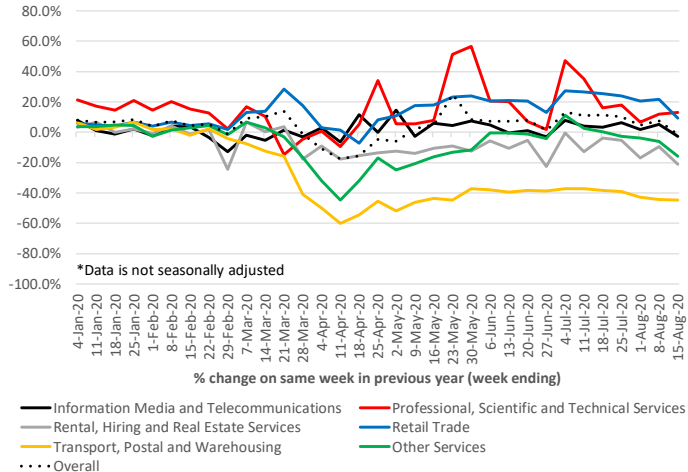
**CONSUMPTION SPENDING BY STATE**



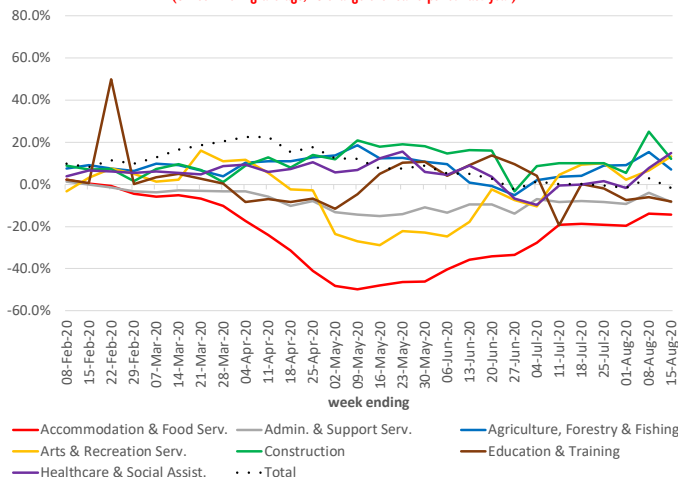
**CONSUMPTION SPENDING: BY INDUSTRY**



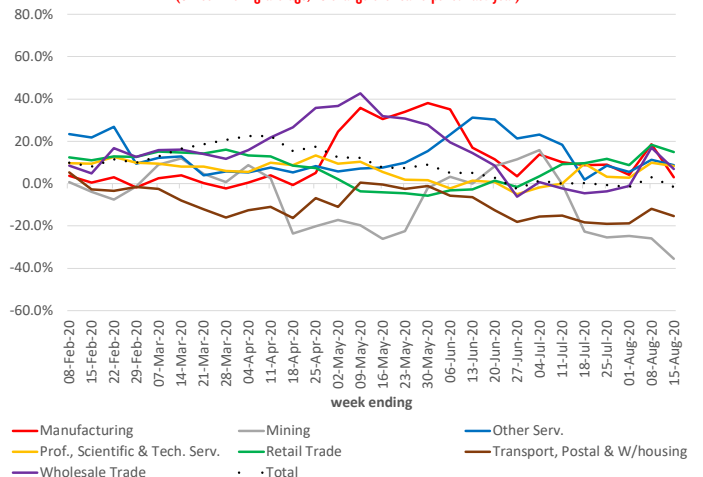
**CONSUMPTION SPENDING: BY INDUSTRY**



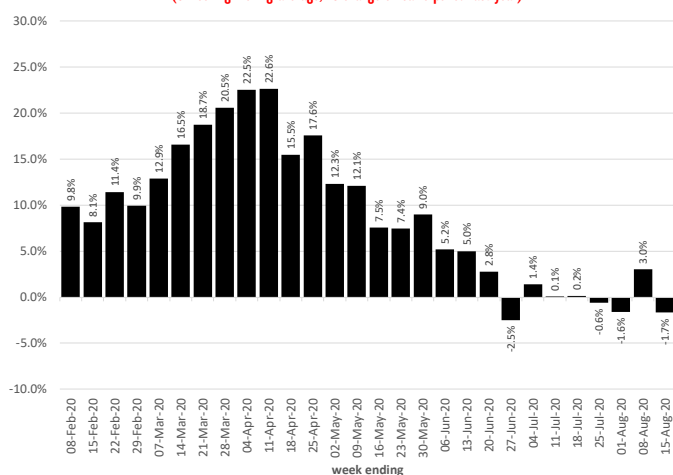
**PAYMENT INFLOWS INTO NAB MERCHANTS**  
(6-week moving average, % change over same period last year)



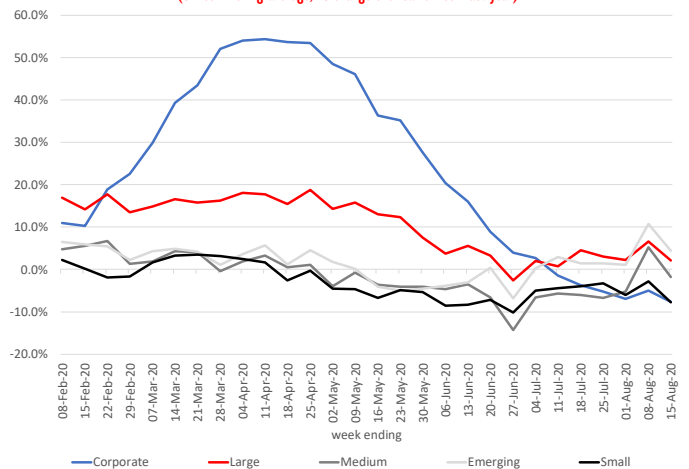
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**PAYMENT INFLOWS INTO NAB MERCHANTS - BY MERCHANT SIZE**  
(6-week moving average, % change over same week last year)



- NAB's latest Data Insights point to a -1.5% decline in consumption spending in the week ending August 15 (7.7% last week). This was the first weekly fall in spending growth since the week ending May 2.
- With a full week of lockdown data available, the impact on spending was significant in VIC. Overall, it fell -13.7%, led by a -16.7% fall in metropolitan lockdown areas, with non-lockdown areas also down (-4.4%). Spending growth eased quite substantially in most other states, with NSW edging closer to flat growth at 1.1% (7.4% last week). TAS was the exception, easing only mildly to 8.4% (9.1% last week) to lead the country.
- Spending growth slowed in most industries. It more than halved to 9.2% in Retail (21.8% last week), led down by Clothing and Fuel, and to just 10.8% on Construction (27.2% last week). Spending on Administration & Support Services (-75.0%) and Transport, Postal & Warehousing (-44.6%) remains very weak. And after showing promising signs in early-July, the rate of spend decline in Hospitality has accelerated in recent weeks to -20.0% now. Arts & Recreation however accelerated slightly to 4.1%, supported by a 65.5% rise in Gambling Activities.
- By industry sub-division, out-performers again included Gambling Activities (65.5%), Internet Publishing & Broadcasting (42.1%), and Publishing excluding Internet & Music (36.4%). Spending again fell most for Air & Space Transport (-90.2%), followed by Rail Transport (-80.3%) and Water Transport (-80.1%).
- Total payment inflows into NAB merchants were also hit hard. In 6-week moving average year-on-year terms, inflows fell -1.7% in the week ending August 15 (3.0% last week), implying a very big hit in the latest week.
- By business size, inflows fell most for small firms (-7.7%) and corporates (-7.6%). Inflows into corporates have now been falling since mid-July, with the latest result the biggest fall in 2020. Inflows into emerging (4.4%) and large (2.1%) firms are still positive, but the rate of growth has slowed substantially from last week (10.8% and 6.6% respectively).
- By industry, inflows into Mining is still weakest (-35.4%), followed by Transport, Postal & Warehousing (-18.7%) and Hospitality (-14.4%), with all 3 sectors reporting slower growth than in the last week. Inflows grew fastest in Retail at 15.0% (from 18.4% last week) and Health Care at 14.9% (7.8% in the previous week). Inflows into Construction firms halved to 12.1%, with Arts & Recreation doubling to 13.4% on the back of strong inflows into gambling.
- By sub-division, inflows increased most for firms in Gambling (49.2%), Heavy & Civil Engineering Construction (40.4%) and Private Households Employing Staff & Undifferentiated Goods & Services Producing Activities (35.5%). They fell most in Air & Space Transport (-58.3%), Coal Mining (-53.9%) and Metal Ore Mining (-43.9%) firms.

## NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 15 August 2020)

	% change on same week in previous year**
Accommodation & Food Services	-20.0%
Administrative & Support Services (incl. Travel Agents)	-75.0%
Arts & Recreation Services	4.1%
Construction	10.8%
Education & Training	-17.4%
Electricity, Gas & Water & Waste Services	-7.5%
Healthcare & Social Assistance	-10.1%
Information, Media & Telecommunications	-2.7%
Other Services	-15.7%
Professional, Scientific & Technical Services	13.0%
Rental, Hiring & Real Estate Services	-20.9%
Retail Trade	9.2%
Transport, Postal & Warehousing	-44.6%
<b>TOTAL</b>	<b>-1.5%</b>
<b>Best Performers (Sub-Division)</b>	
- Gambling Activities	65.5%
- Internet Publishing & Broadcasting	42.1%
- Publishing (except Internet & Music Publishing)	36.4%
- Waste Collection, Treatment & Disposal Services	30.5%
- Computer System Design & Related Services	18.6%
- Construction Services	14.3%
- Other Store-Based Retailing	14.1%
- Food Retailing	12.9%
<b>Worst Performers (Sub-Division)</b>	
- Air & Space Transport	-90.2%
- Rail Transport	-80.3%
- Water Transport	-80.1%
- Motion Picture & Sound Recording Activities	-77.8%
- Administrative Services	-77.4%
- Creative & Performing Arts Activities	-73.0%
- Other Transport	-72.9%
- Building Construction	-53.1%

\*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 BY INDUSTRY SECTOR & SELECTED SUB INDUSTRIES (6-week moving avg, year-on-year chg on same period in previous year, 6-weeks ending 15 August 2020)

	6-weeks ending 15 August 2020
Accommodation & Food Services	-14.4%
Administration & Support Services	-8.5%
Agriculture, Forestry & Fishing	7.1%
Arts & Recreation Services	13.4%
Construction	12.1%
Education & Training	-8.2%
Healthcare & Social Assistance	14.9%
Manufacturing	3.1%
Mining	-35.4%
Other Services	8.8%
Professional, Scientific & Technical Services	8.3%
Retail Trade	15.0%
Transport, Postal & Warehousing	-15.3%
Wholesale Trade	7.0%
<b>TOTAL</b>	<b>-1.7%</b>
<b>Business Size</b>	
- Small	-7.7%
- Emerging	4.4%
- Medium	-1.8%
- Large	2.1%
- Corporate	-7.6%
<b>Best Performers (Sub-Division)</b>	
- Gambling Activities	49.2%
- Heavy & Civil Engineering Construction	40.4%
- Private Households Employing Staff & Undiff. Goods & Services	35.5%
- Textile, Leather, Clothing & Footwear Manufacturing	33.1%
- Medical & Other Health Care Services	27.0%
- Oil & Gas Extraction	25.6%
<b>Worst Performers (Sub-Division)</b>	
- Air & Space Transport	-58.3%
- Coal Mining	-53.9%
- Metal Ore Mining	-43.9%
- Non-Store Retail & Commission-Based Buying/Selling	-40.7%
- Forestry & Logging	-31.9%
- Heritage Activities	-31.4%
- Non-Metallic Mineral Mining & Quarrying	-29.0%
- Accommodation	-25.6%

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

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