



NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

NAB Group Economics

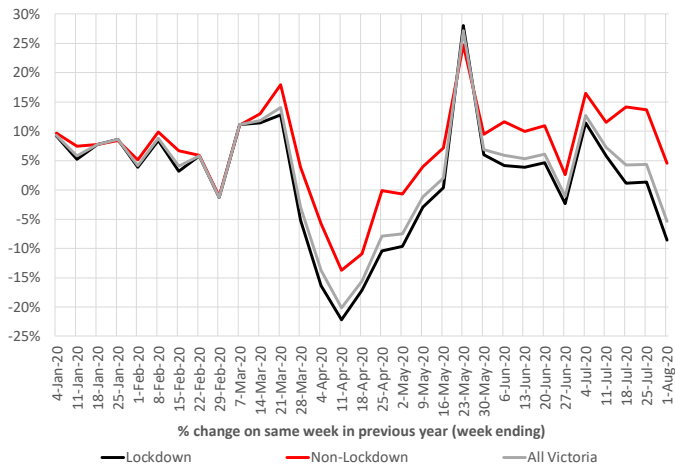
August 2020

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.

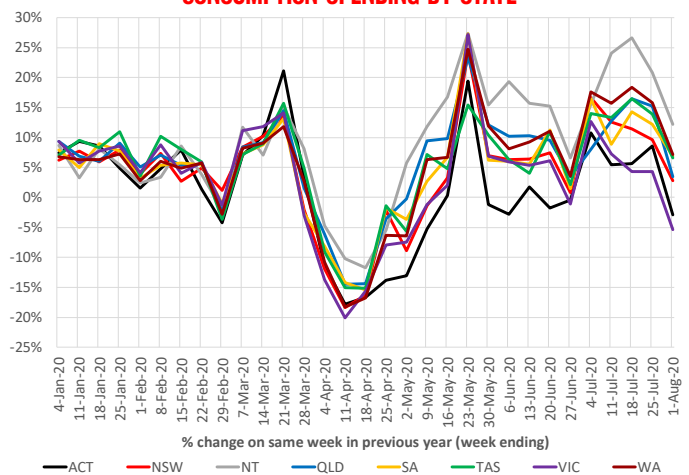
NAB data for the week ended August 1 suggests the trend decline in consumption spending seen in recent weeks has continued, with overall spending easing to 1.2% y/y (10.2% in the previous week). With stage 3 restrictions in effect, spending in VIC fell a sharper -5.3%, dragged down by steep falls in lockdown areas (-8.6%) - and predates stage 4 restrictions announced on August 2. A broad-based slowdown was also evident in all other states and territories, and in all industry sectors. Retail spending slowed noticeably (but was still positive and out-performing), but spending on Admin & Support Services, Transport and Education fell heavily.

Total payment inflows into NAB merchants fell -1.6% in the 6-weeks to August 1, accelerating from -0.6% in the previous week (we have moved to a 6-week comparison to avoid end of financial year distortions). By industry, inflows fell most in Mining, Hospitality and Transport. Growth was strongest in Agriculture, Retail Trade, Other Services and Construction. By business size, business inflows fell most (and accelerated) for corporates, and increased modestly in large and emerging firms.

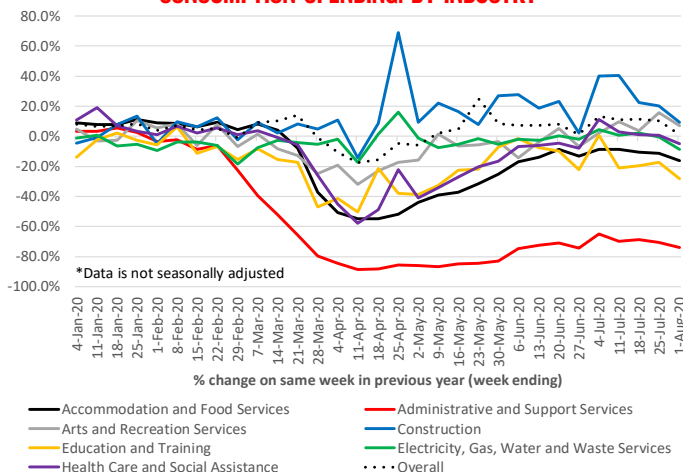
CONSUMPTION SPENDING: VICTORIA - LOCKDOWN AREAS



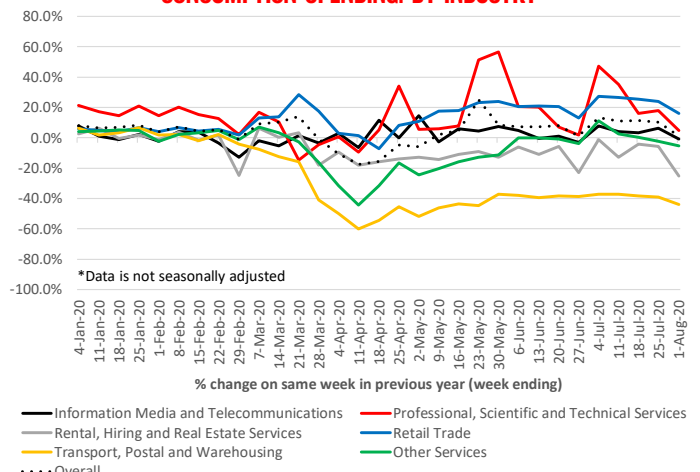
CONSUMPTION SPENDING BY STATE



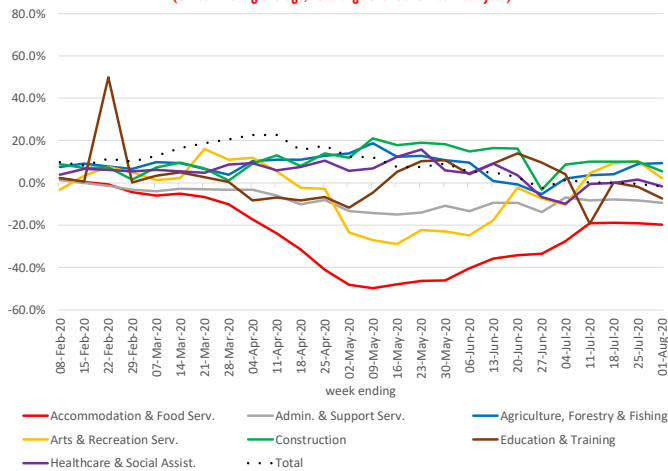
CONSUMPTION SPENDING: BY INDUSTRY



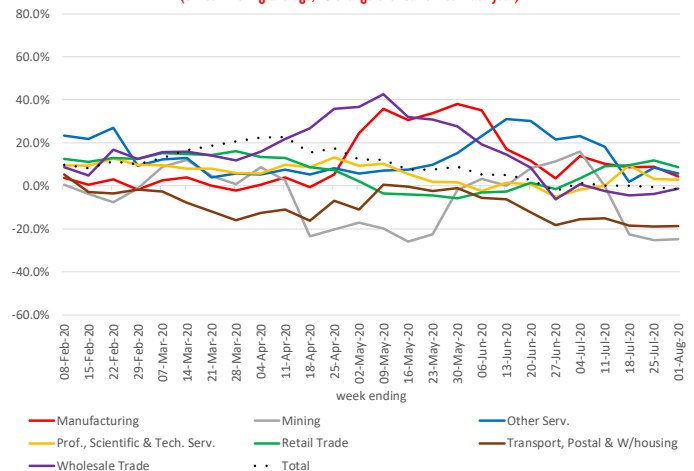
CONSUMPTION SPENDING: BY INDUSTRY



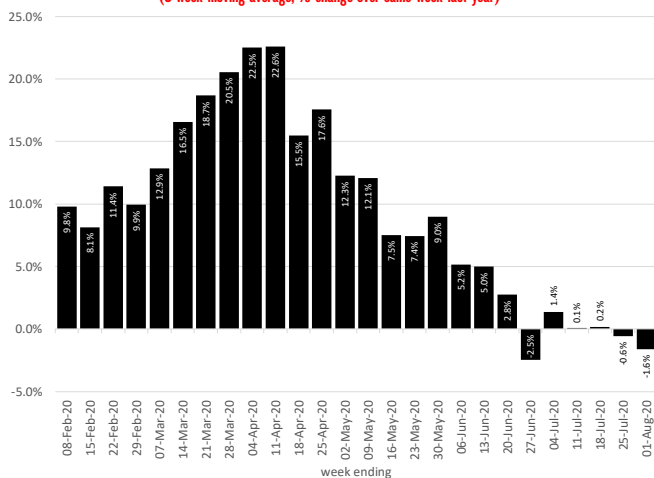
PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same week last year)



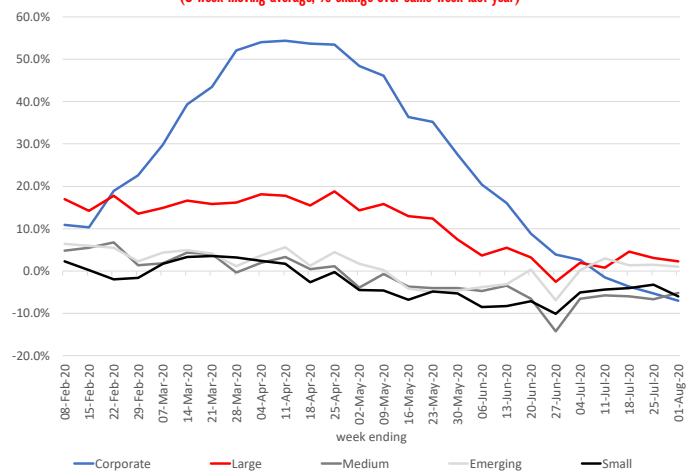
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PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same week last year)



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



- NAB's latest Data Insights show a further slowdown in consumption spending, with overall growth easing to 1.2% y/y in the week ending August 1 (10.2% last week). This was the slowest rate of growth since week ended June 27.
- Consumption spending continued to ease in all states. It fell -5.3% in VIC, heavily influenced by steep falls in lockdown areas during stage 3 restrictions (-8.6%), with non-lockdown areas up 4.5% (data pre-dates stage 4 restrictions). Spending also fell in the ACT (-2.9%), and slowed sharply in QLD (3.5%) and NSW (2.8%). It grew fastest in the NT (12.2%), WA (7.2%) and TAS (6.6%) - but at around half the rate in the previous week.
- The slowdown in spending growth was also broad based by sector. Retail Trade continued to lead the way, but slowed to 16.0% (23.8% last week), followed by Construction which also eased to 9.3% (20.1% last week). Spending on Hospitality (the largest sector of the economy) slipped -16.3% (-11.2% last week), with big falls persisting in Admin & Support Services (-73.8%), Transport, Postal & Warehousing (-43.8%) and Education & Training (-28.0%). Spending on Rental, Hiring & Real Estates Services also fell by a steep -25.1% (-5.6% last week).
- By industry sub-division, spending growth was fastest for Publishing excluding Internet & Music (75.4%), Gambling (59.7%), Internet Publishing & Broadcasting (42.4%), Other Store-Based Retailing (23.8%) and Motor Vehicles & Parts Retailing (23.8%). Spending fell most for Air & Space Transport (-83.3%), Motion Picture & Sound Recording (-81.4%), Rail Transport (-77.4%), Admin Services (-76.2%), Water Transport (-75.3%) and Other Transport (-75.3%).
- We have moved temporarily to 6-week moving average comparison as the usual 4-week comparison was distorted by end of financial year impacts. This shows total payment inflows fell -1.6% for the 6 weeks ending August 1 compared to the same time last year, down from -0.6% in the previous week. By business size, inflows fell most for corporates (-7.0%) and were also lower in small (-6.0%) and medium (-5.2%) firms. Large (2.2%) and emerging (1.0%) firms reported positive inflows, albeit slowing from the previous week.
- By industry, payment inflows into Mining (-24.7%) continue falling steeply. Payment inflows into Hospitality (-19.7%) and Transport, Postal & Warehousing (-18.7%) firms were also very weak. Inflows were strongest and increased 9.2% into Agriculture (8.9% in the previous week), Retail Trade (8.7% down from 11.8% last week), Other Services (5.6% down from 8.5% last week) and Construction (5.4% down from 10.1% last week).
- By industry sub-division, inflows increased most for firms in Pulp, Paper & Converted Paper Product Manufacturing (61.1%), Non-Metallic Mineral Product Manufacturing (40.2%), Gambling Activities (35.2%) and Exploration & Other Mining Support Services (24.8%). Inflows fell most for firms in Air & Space Transport (-61.0%), Coal Mining (-48.6%), Heritage Activities (-41.4%), Non-Metallic Mineral Mining & Quarrying (-34.5%) and Accommodation (-34.3%).

NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 1 August 2020)

	% change on same week in previous year**
Accommodation & Food Services	-16.3%
Administrative & Support Services (incl. Travel Agents)	-73.8%
Arts & Recreation Services	7.0%
Construction	9.3%
Education & Training	-28.0%
Electricity, Gas & Water & Waste Services	-8.8%
Healthcare & Social Assistance	-4.7%
Information, Media & Telecommunications	-0.9%
Other Services	-5.2%
Professional, Scientific & Technical Services	5.0%
Rental, Hiring & Real Estate Services	-25.1%
Retail Trade	16.0%
Transport, Postal & Warehousing	-43.8%
TOTAL	1.2%
Best Performers (Sub-Division)	
- Publishing (except Internet & Music Publishing)	75.4%
- Gambling Activities	59.7%
- Internet Publishing & Broadcasting	42.4%
- Other Store-Based Retailing	23.8%
- Motor Vehicle & Motor Vehicle Parts Retailing	16.3%
- Food Retailing	15.2%
- Repair & Maintenance	15.0%
- Construction Services	10.2%
Worst Performers (Sub-Division)	
- Air & Space Transport	-83.3%
- Motion Picture & Sound Recording Activities	-81.4%
- Rail Transport	-77.4%
- Administrative Services	-76.2%
- Water Transport	-75.3%
- Other Transport	-75.3%
- Creative & Performing Arts Activities	-63.3%
- Building Construction	-55.5%

*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 BY INDUSTRY SECTOR & SELECTED SUB INDUSTRIES (6-week moving avg, year-on-year chg on same period in previous year, 6-weeks ending 1 August 2020)

	6-weeks ending 1 August 2020
Accommodation & Food Services	-19.7%
Administration & Support Services	-9.3%
Agriculture, Forestry & Fishing	9.2%
Arts & Recreation Services	2.2%
Construction	5.4%
Education & Training	-7.5%
Healthcare & Social Assistance	-1.6%
Manufacturing	4.3%
Mining	-24.7%
Other Services	5.6%
Professional, Scientific & Technical Services	2.9%
Retail Trade	8.7%
Transport, Postal & Warehousing	-18.7%
Wholesale Trade	-1.2%
TOTAL	-1.6%
Business Size	
- Small	-6.0%
- Emerging	1.0%
- Medium	-5.2%
- Large	2.2%
- Corporate	-7.0%
Best Performers (Sub-Division)	
- Pulp, Paper & Converted Paper Product Manufacturing	61.1%
- Non-Metallic Mineral Product Manufacturing	40.2%
- Gambling Activities	35.2%
- Exploration & Other Mining Support Services	24.8%
- Private Households Employing Staff & Undiff. Goods & Services	20.4%
- Heavy & Civil Engineering Construction	20.0%
- Building Cleaning, Pest Control & Other Support Services	18.6%
Worst Performers (Sub-Division)	
- Air & Space Transport	-61.0%
- Coal Mining	-48.6%
- Heritage Activities	-41.4%
- Non-Metallic Mineral Mining & Quarrying	-34.5%
- Accommodation	-34.3%
- Beverage & Tobacco Product Manufacturing	-27.4%
- Creative & Performing Arts Activities	-27.2%

* 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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