



# NAB ECONOMICS DATA INSIGHTS

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

NAB Group Economics

September 2020

*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.*

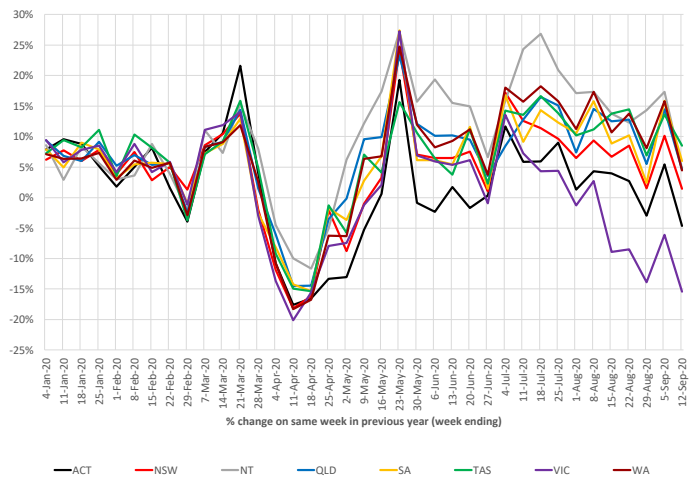
For the week ended September 12, NAB data showed a -2.5% year-on-year fall in overall consumption spending. Heavy falls in VIC (-15.4%) - in lockdown areas (-19.2%) and non-lockdown areas (-3.8%) - continue weighing heavily on the national result. That said, spending also fell in the ACT and was weaker (but positive) in all other states as well. Across key sectors, Retail is still above last year, though it has eased noticeably relative to last week. The slide in Hospitality spend looks to have levelled out, but at very weak levels.

Total payment inflows into NAB merchants grew 5.6% in 6-week rolling year-on-year terms in the period ending September 12. While this represented the fastest rate of growth since mid-June, a jump in Jobkeeper payments in the final week seems to have distorted the data. Inflows rebounded and were positive across all business sizes for the first time since late-March. By industry, Hospitality, Transport, Postal & Warehousing, and Mining are still very weak (but better than last week). Retail, Other Services, Construction, Manufacturing, Arts & Recreation Services, and Healthcare are strongest, with inflows into these industries growing at double-digit levels in the most recent 6-week period.

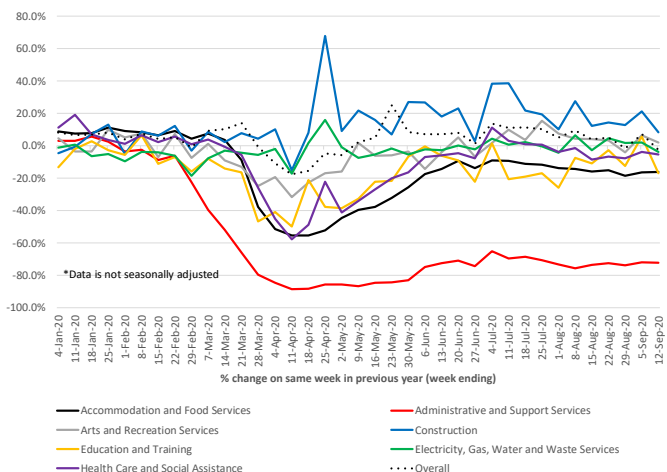
**CONSUMPTION SPENDING DATA: WEEKLY CHANGE (Y/Y)  
VICTORIA - LOCKDOWN AREAS**



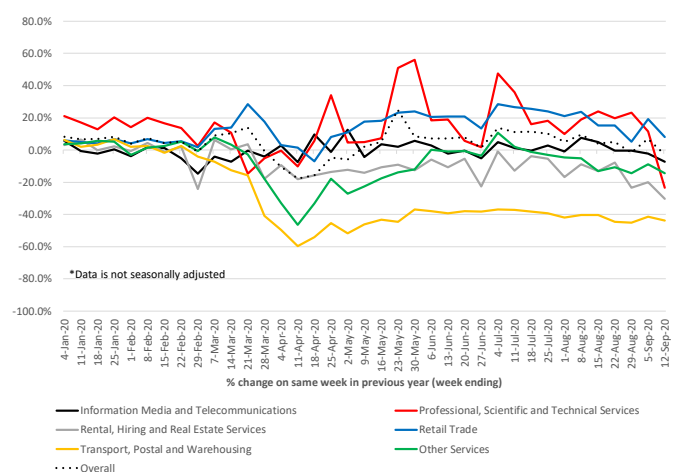
**CONSUMPTION SPENDING BY STATE**



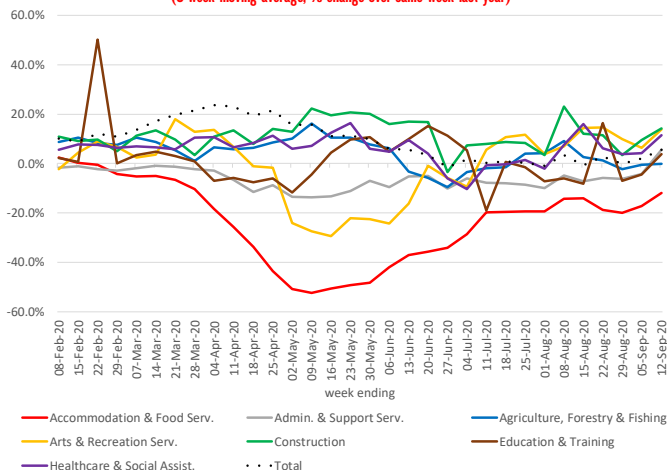
**CONSUMPTION SPENDING: BY INDUSTRY**



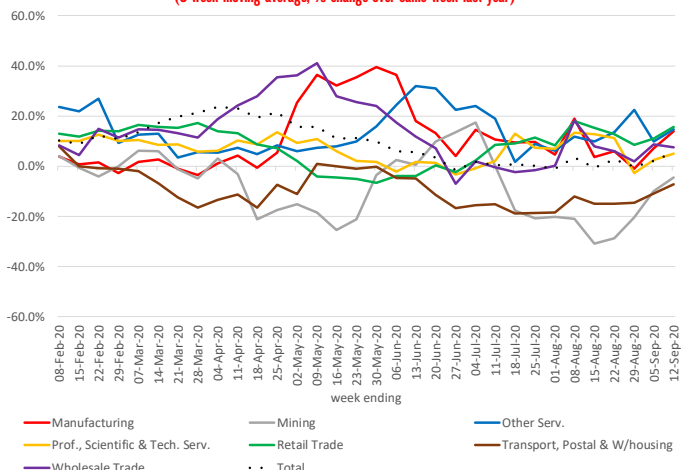
**CONSUMPTION SPENDING: BY INDUSTRY**



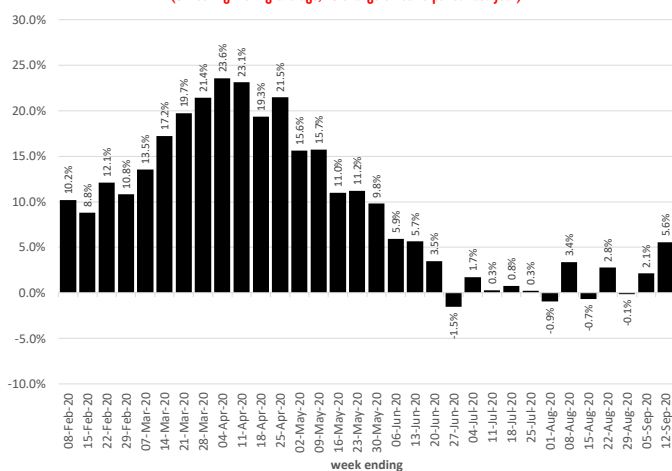
**PAYMENT INFLOWS INTO NAB MERCHANTS**  
(6-week moving average, % change over same week last year)



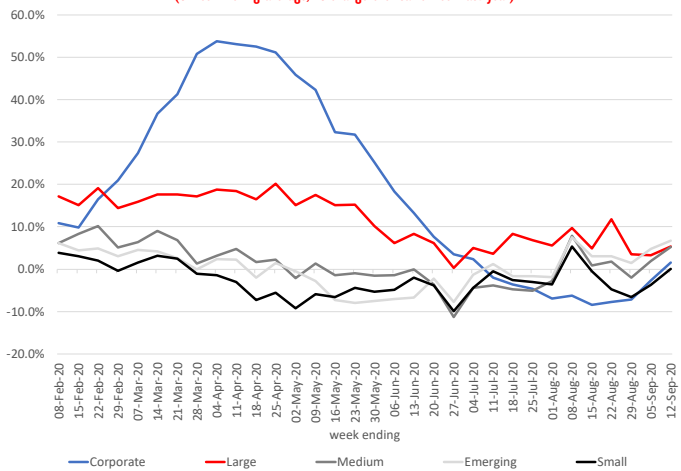
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**PAYMENT INFLOWS INTO NAB MERCHANTS**  
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**PAYMENT INFLOWS INTO NAB MERCHANTS - BY MERCHANT SIZE**  
(6-week moving average, % change over same week last year)



- NAB's latest Data Insights point to a -2.5% y/y decline in overall consumption spending in the week ending September 12, from a revised 7.0% in the previous week.
- The gap between VIC (-15.4%) and other states widened, and continues to weigh heavily on the national average. In VIC lockdown areas, spending fell -19.2% (-10.1% last week), with non-lockdown VIC areas negative as well (-3.8%). Overall spending also fell in the ACT (-4.7%), and was positive (but weaker) in all other states and territories. It was highest in TAS (8.5%) and SA (6.0%), while large spend state, NSW, was third slowest (1.4%).
- By industry, spending is still down most for Admin & Support Services (-72.1%). Transport, Postal & Warehousing also down further (-43.8%), with heavy spending falls in transport, offsetting modest growth in postal and warehousing activities. Spending weakness was also evident in Rental, Hiring & Real Estate Services (-30.1%), particularly motor vehicle hiring, other goods & equipment hiring and real estate services. Spending on Professional Services was down -23.5%, its first negative read since early April, reversing a trend of consistently strong weekly growth rates in recent months. Spending on Education & Training also fell (-16.8%) and was weaker across all industry sub-divisions, along with Other Services (-14.5%), especially personal care services.
- Retail Trade is still above last year, but eased to 8.1% (19.1% last week). Fuel, clothing, and motor vehicle are particularly weak, while food, hardware, furniture, electrical garden supplies, and pharmaceutical outperform. The slide in Hospitality spend levelled off (unchanged from last week at -16.3%), with weakness mainly driven by heavier falls in Accommodation spend (-50.3%), compared with Food & Beverage (-3.7%).
- Overall, payment inflows into NAB Merchants rose 5.6% in 6 week rolling year-on-year terms in the week ending September 12. This was impacted by ATO payments (JobKeeper) received last week of around \$1.5 billion - twice as much as received the week before and represents 4.3% of overall inflows. Removing JobKeeper, the 6-week rolling change is around 3.9% and largely unchanged from last week.
- Inflows rebounded across all business sizes with positive gains ranging from 6.7% in emerging firms to just 0.1% in small firms. Inflows into corporates (1.6%) were positive for the first time since early-July.
- By industry, inflows still falling in Hospitality (-11.9%), Transport, Postal & Warehousing (-7.1%) and Mining (-4.5%) - although the pace of decline eased in all 3 industries relative to last week. Inflows into all other industries were positive, with growth strongest in Retail Trade (15.6%), Other Services (14.7%), Construction (14.3%), Manufacturing (14.0%), Arts & Recreation Services (13.8%) and Healthcare (11.5%).

## NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 12 September 2020)

	% change on same week in previous year**
Accommodation & Food Services	-16.3%
Administrative & Support Services (incl. Travel Agents)	-72.1%
Arts & Recreation Services	1.9%
Construction	8.2%
Education & Training	-16.8%
Electricity, Gas & Water & Waste Services	-3.6%
Healthcare & Social Assistance	-5.5%
Information, Media & Telecommunications	-7.2%
Other Services	-14.5%
Professional, Scientific & Technical Services	-23.5%
Rental, Hiring & Real Estate Services	-30.1%
Retail Trade	8.1%
Transport, Postal & Warehousing	-43.8%
<b>TOTAL</b>	<b>-2.5%</b>
<b>Best Performers (Sub-Division)</b>	
- Gambling Activities	38.4%
- Publishing (except Internet & Music Publishing)	35.2%
- Internet Publishing & Broadcasting	25.4%
- Food Retailing	12.4%
- Waste Collection, Treatment & Disposal Services	11.2%
- Other Store-Based Retailing	10.9%
- Construction Services	9.7%
- Building Cleaning, Pest Control & Other Support Services	5.3%
- Postal & Courier Pick-Up & Delivery Services	5.3%
<b>Worst Performers (Sub-Division)</b>	
- Air & Space Transport	-91.5%
- Rail Transport	-79.0%
- Other Transport	-76.3%
- Administrative Services	-74.6%
- Creative & Performing Arts Activities	-73.9%
- Motion Picture & Sound Recording Activities	-56.7%
- Rental & Hiring Services (except Real Estate)	-56.6%
- Accommodation	-50.3%

\*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-wks ended 12 September 2020)

	6-weeks ending 12 September 2020
Accommodation & Food Services	-11.9%
Administration & Support Services	5.7%
Agriculture, Forestry & Fishing	-0.1%
Arts & Recreation Services	13.8%
Construction	14.3%
Education & Training	3.9%
Healthcare & Social Assistance	11.5%
Manufacturing	14.0%
Mining	-4.5%
Other Services	14.7%
Professional, Scientific & Technical Services	5.1%
Retail Trade	15.6%
Transport, Postal & Warehousing	-7.1%
Wholesale Trade	7.5%
<b>TOTAL</b>	<b>5.6%</b>
<b>Business Size</b>	
- Small	0.1%
- Emerging	6.7%
- Medium	5.2%
- Large	5.3%
- Corporate	1.6%
<b>Best Performers (Sub-Division)</b>	
- Postal & Courier Pick-Up & Delivery Services	80.4%
- Non-Metallic Mineral Product Manufacturing	72.9%
- Rail Transport	65.2%
- Private H/holds Emp. Staff & Undiff. Goods & Services Activities	59.5%
- Gambling Activities	45.8%
- Exploration & Other Mining Support Services	43.9%
- Food Retailing	30.8%
<b>Worst Performers (Sub-Division)</b>	
- Air & Space Transport	-56.3%
- Coal Mining	-43.3%
- Forestry & Logging	-35.1%
- Creative & Performing Arts Activities	-34.5%
- Accommodation	-29.9%
- Warehousing & Storage Services	-25.6%
- Adult, Community & Other Education	-24.3%

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

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