



# NAB ECONOMICS DATA INSIGHTS

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

NAB Group Economics

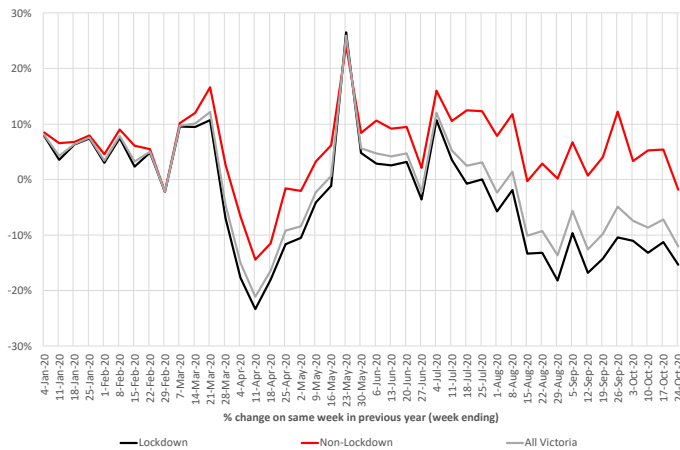
October 2020

*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.*

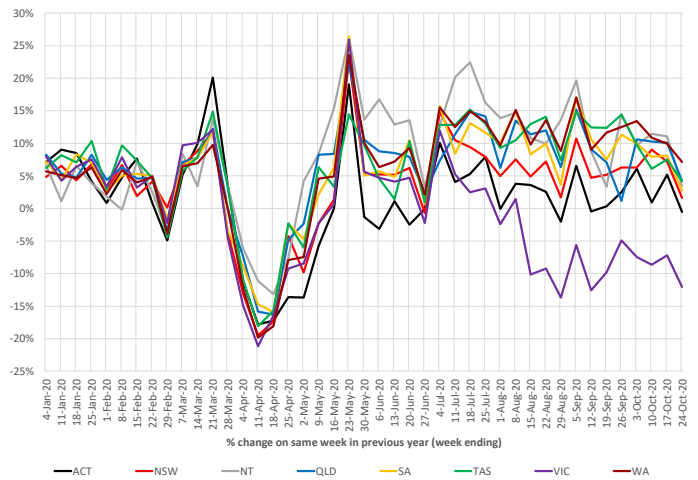
Consumer spending fell for the first time in 6 weeks, with NAB data showing a -1.3% y/y fall in overall consumption spending over the week ending October 24. Excluding VIC lockdown areas, overall spending was basically flat (+0.1% from +8.3% last week). All states recorded slower growth this week. VIC was down -12.0%, with falls in both lockdown (-15.3%) and non-lockdown (-1.8%) areas. Retail spend continued growing, but at half the rate last week, with bigger falls also seen in Hospitality. Spending in most other sectors levelled off or slowed this week.

The softening in consumer spend data seems to have also translated to less payments inflows into NAB merchants. Overall, inflows slowed to 0.6% in 6-week rolling y/y terms against 1.5% last week. Removing JobKeeper, the growth rate was negative (-0.8%). By business size, inflows are still growing fastest for SMEs (but also the most heavily influenced by JobKeeper payments). Inflows into Corporates remain negative. By sector, inflows were strongest for Other Services, Education, Healthcare and Mining, and weakest (and negative) in Hospitality, Administration & Support Services and Wholesale Trade.

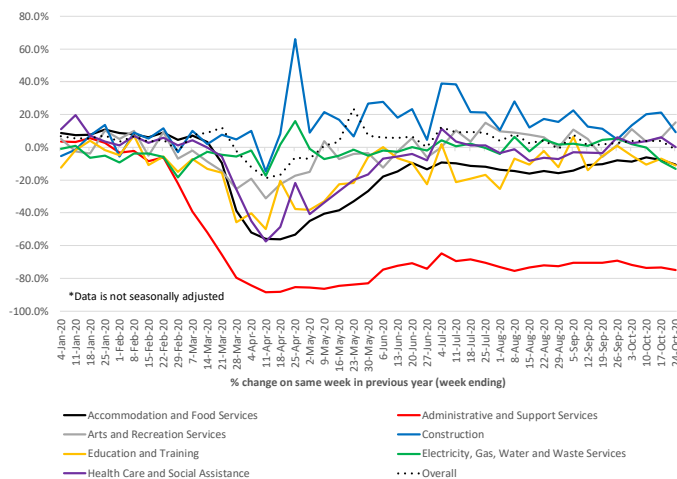
**CONSUMPTION SPENDING DATA: WEEKLY CHANGE (Y/Y)  
VICTORIA - LOCKDOWN AREAS**



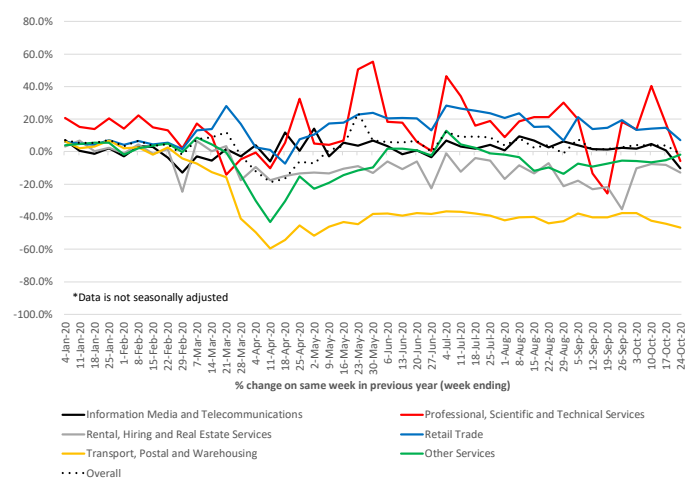
**CONSUMPTION SPENDING BY STATE**



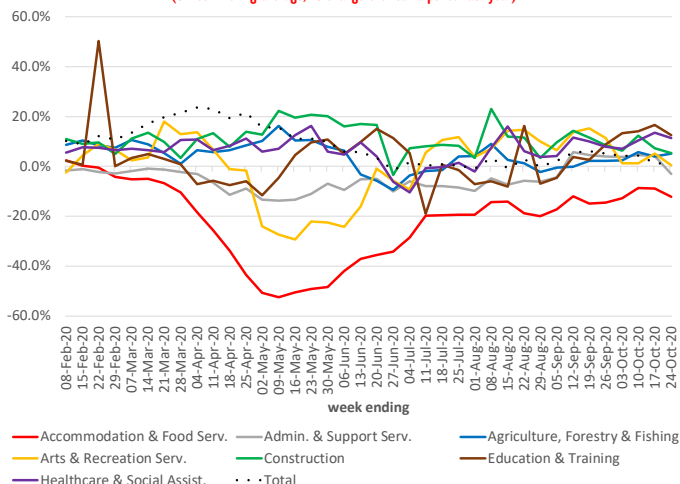
**CONSUMPTION SPENDING: BY INDUSTRY**



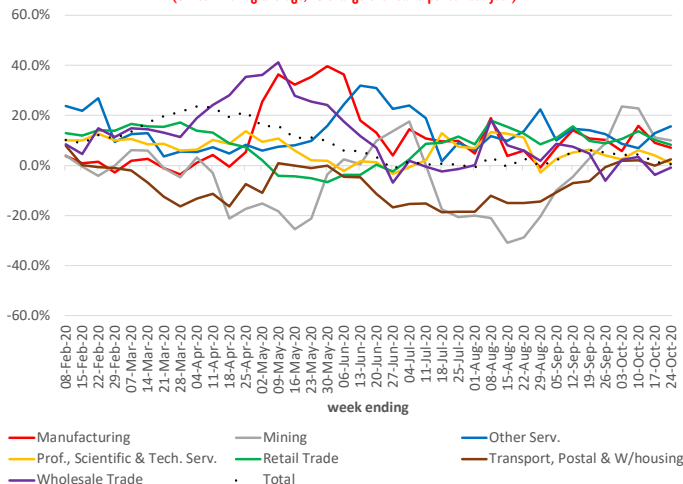
**CONSUMPTION SPENDING: BY INDUSTRY**



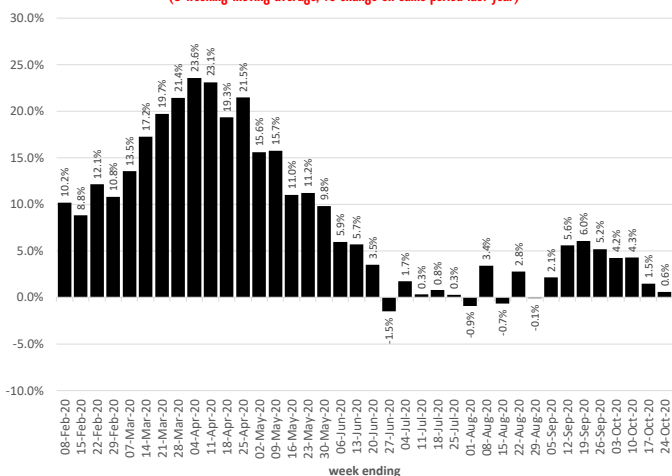
**PAYMENT INFLOWS INTO NAB MERCHANTS**  
(6-week moving average, % change over same period last year)



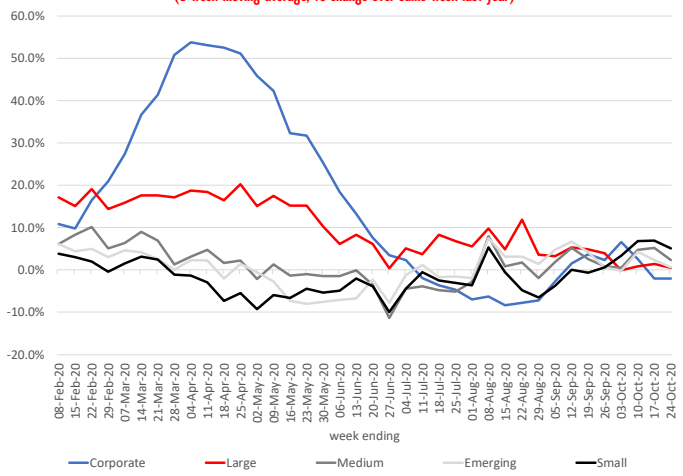
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**PAYMENT INFLOWS INTO NAB MERCHANTS**  
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**PAYMENT INFLOWS INTO NAB MERCHANTS - BY MERCHANT SIZE**  
(6-week moving average, % change over same week last year)



- NAB's latest Data Insights show a -1.3% y/y fall in overall consumption spending in the week ending October 24 (+3.8% last week). Australia (excluding Victorian lockdown areas), slowed to +0.1% (+8.3% last week).
- All states recorded lower growth this week. In VIC, overall spending fell -12.0% (-7.2% last week). Spending in lockdown areas fell -15.3% (-11.3% last week), with non-lock down areas also recording its first weekly fall since mid-August (-1.8%). Spending growth this week was highest in WA (+7.2%), QLD (+4.2%), TAS (+4.2%), and slowest in NSW (+1.6%), SA (2.7%) and the NT (+3.5%). Spending fell in the ACT (-0.5%).
- In key sectors, Retail spend was above last year, but slower (7.1% vs. 14.7% last week). Retail spend slowed in all sub-industries, with food retailing, motor vehicles & parts and other store-based retailing leading the way. At the group level, specialised food, electrical and hardware, building & gardening supplies led growth this week, with vehicle sales up for a sixth week. Clothing, footwear & personal and fuel still weak and worse than last week. Hospitality spend fell -10.5% (-7.8% last week), dragged down by big falls in Accommodation (-37.6%), with spend on Food & Beverages flat (-0.8%).
- Most other sectors levelled off or slowed this week. Construction eased to 9.3% (21.3% last week), driven by building completion services, after a boost from residential building last week. Admin & Support Services was down -74.8%, led by employment services and ongoing weakness in travel agents. Transport, Postal & Warehousing (-46.6%) also down further (with airlines, airport operators and scenic tour operators still weakest, and postal & courier also falling for the second week after previously strong growth). Health spend was back to neutral (+0.1%), with growth slowing in many sub-sectors bar residential care. Arts & Recreation spend rose 15.3% (5.9% last week), with very strong growth in gambling activities.
- Overall, payment inflows into NAB Merchants slowed to 0.6% in 6 week rolling year-on-year terms in the week ending October 24, against 1.5% last week. Removing JobKeeper, the growth rate is negative (-0.8%).
- On Corporate size, SME growth is still the highest at 5.1%, but down from 7.0% last week. This segment is also most heavily driven by JobKeeper (around one-quarter of small business inflows). Inflows remain weakest for Corporates, and fell for the second straight week (-2.0%).
- By industry, inflows fell further in Hospitality (-12.2%), with heavier falls in both Accommodation and Food & Beverage Services. Inflows also fell in Admin & Support Services (-3.0%) and Wholesale (-0.8%). Out-performers this week were Other Services (15.7% from 12.9% last week), Education & Training (12.4% from 16.7% last week), Healthcare (11.4% from 13.4% last week) and Mining (10.0% from 11.1% last week).
- Total inflows into Retail slowed to 8.3% (weakest result since early-July). Payment inflows slowed across all Retail sub-industries, but remains strongest for Food Retailing (13.1%) and Other Store-Based Retailing (12.8%). Inflows into Fuel Retailing still falling heavily (-14.4%).

## NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 24 October 2020)

	% change on same week in previous year**
Accommodation & Food Services (Hospitality)	-10.5%
Administrative & Support Services (incl. Travel Agents)	-74.8%
Arts & Recreation Services	15.3%
Construction	9.3%
Education & Training	-11.1%
Electricity, Gas & Water & Waste Services	-13.1%
Healthcare & Social Assistance	0.1%
Information, Media & Telecommunications	-10.2%
Other Services	-1.9%
Professional, Scientific & Technical Services	-5.8%
Rental, Hiring & Real Estate Services	-12.9%
Retail Trade	7.1%
Transport, Postal & Warehousing	-46.6%
<b>TOTAL</b>	<b>-1.3%</b>
<b>Best Performers (Sub-Division)</b>	
- Building Construction	132.1%
- Gambling Activities	59.9%
- Waste Collection, Treatment & Disposal Services	34.0%
- Library & Other Information Services	34.0%
- Internet Publishing & Broadcasting	31.7%
- Publishing (except Internet & Music Publishing)	28.4%
- Residential Care Services	12.8%
- Food Retailing	12.5%
- Construction Services	9.9%
- Motor Vehicle & Motor Vehicle Parts Retailing	8.5%
<b>Worst Performers (Sub-Division)</b>	
- Air & Space Transport	-83.9%
- Administrative Services	-77.6%
- Motion Picture & Sound Recording Activities	-75.1%
- Other Transport	-73.1%
- Rail Transport	-69.2%
- Water Transport	-67.2%
- Creative & Performing Arts Activities	-54.3%

\*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 24 October 2020)

	6-weeks ending 24 October 2020
Accommodation & Food Services	-12.2%
Administration & Support Services	-3.0%
Agriculture, Forestry & Fishing	5.1%
Arts & Recreation Services	0.5%
Construction	5.3%
Education & Training	12.4%
Healthcare & Social Assistance	11.4%
Manufacturing	7.0%
Mining	10.0%
Other Services	15.7%
Professional, Scientific & Technical Services	0.8%
Retail Trade	8.3%
Transport, Postal & Warehousing	2.5%
Wholesale Trade	-0.8%
<b>TOTAL</b>	<b>0.6%</b>
<b>Business Size</b>	
- Small	5.1%
- Emerging	0.6%
- Medium	2.3%
- Large	0.5%
- Corporate	-2.0%
<b>Best Performers (Sub-Division)</b>	
- Postal & Courier Pick-up & Delivery Services	159.7%
- Rail Transport	40.8%
- Exploration & Other Mining Support Services	40.4%
- Petroleum & Coal Product Manufacturing	38.1%
- Gambling Activities	29.5%
- Basic Chemical & Chemical Product Manufacturing	27.9%
- Machinery & Equipment Manufacturing	27.9%
<b>Worst Performers (Sub-Division)</b>	
- Heritage Activities	-59.0%
- Air & Space Transport	-56.2%
- Creative & Performing Arts Activities	-40.5%
- Warehousing & Storage Services	-38.4%
- Sports & Recreation Activities	-26.1%
- Coal Mining	-25.3%
- Accommodation	-23.3%

\* 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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