



NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

NAB Group Economics

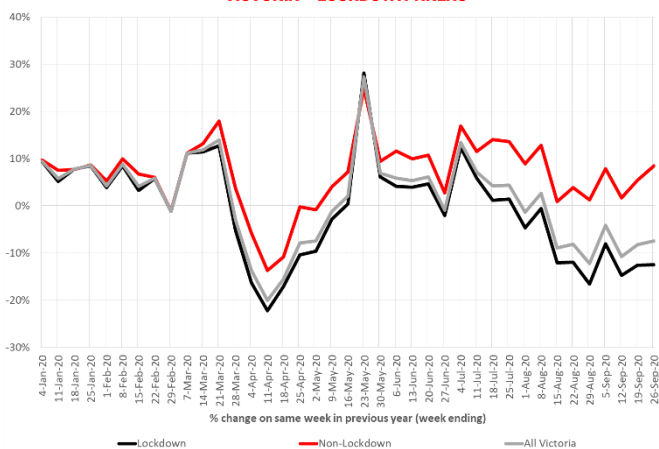
October 2020

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.

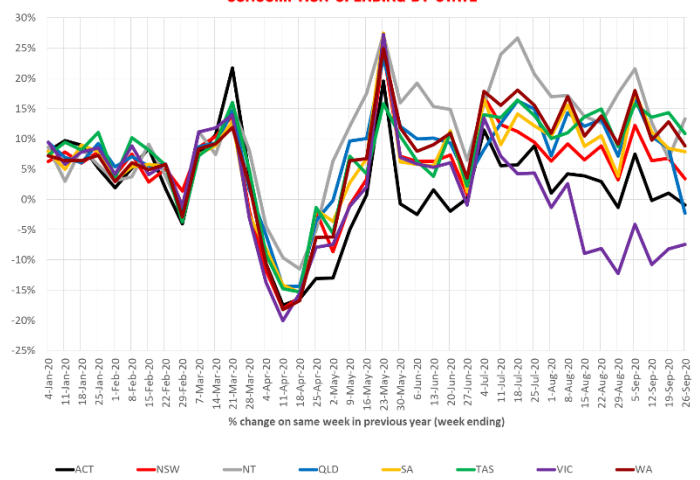
For the week ended September 26, NAB data showed a relatively flat (-0.2%) year-on-year fall in overall consumption spending. While still contracting, Vic (-7.4%) spending falls have moderated, with an improvement in non-lockdown areas (+8.4%) and lockdown areas (-12.5%) stabilising. Spending also fell in the ACT, and QLD, with other states remaining in growth territory. Across key sectors, retail trade is still above last year, and health and social assistance are also strongly positive. The slide in hospitality spend looks to have levelled out, but remain at very weak levels.

Total payment inflows into NAB merchants grew +5.2% in 6-week rolling year-on-year terms in the period ending September 26, continuing the growth trend reported in our last update. JobKeeper payments have likely inflated the growth rate. Removing the JobKeeper payments, the growth in payment inflows is around +3.6%. Hospitality, Transport, Postal & Warehousing remain weak. Other Services, Arts & Recreation Services, Manufacturing, Retail, Construction, and Healthcare are strongest. Mining has rebounded since the last report with growth of +8.8% but Wholesale Trade reversed its growth trajectory (-6.2%).

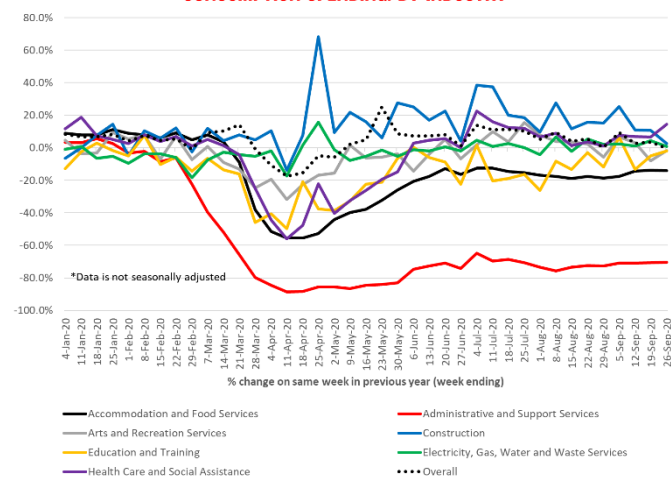
**CONSUMPTION SPENDING DATA: WEEKLY CHANGE (Y/Y)
VICTORIA - LOCKDOWN AREAS**



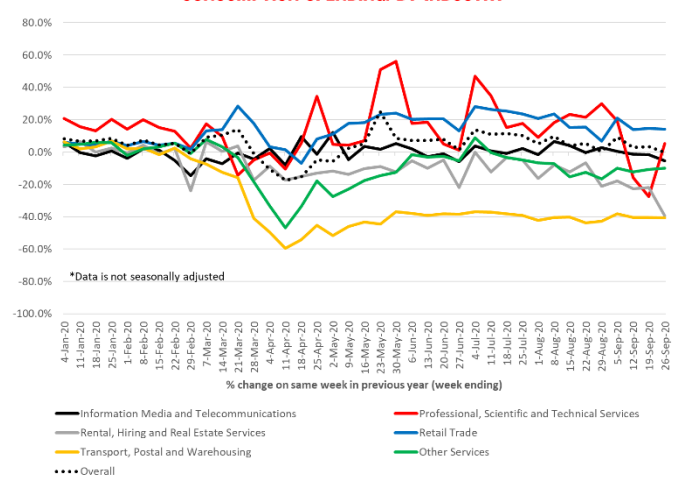
CONSUMPTION SPENDING BY STATE

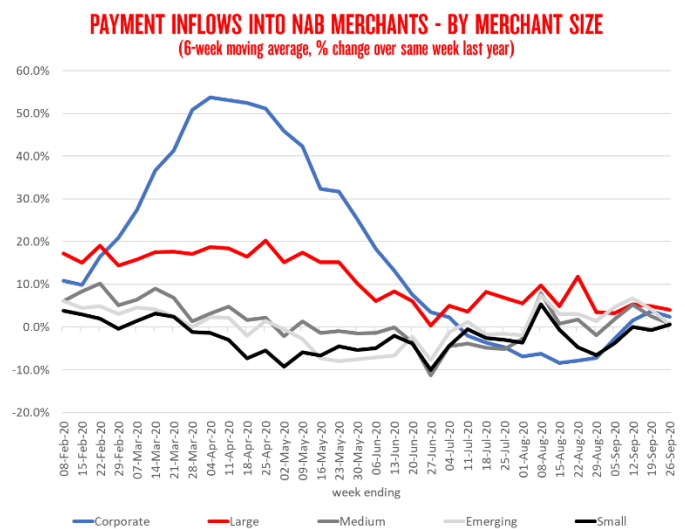
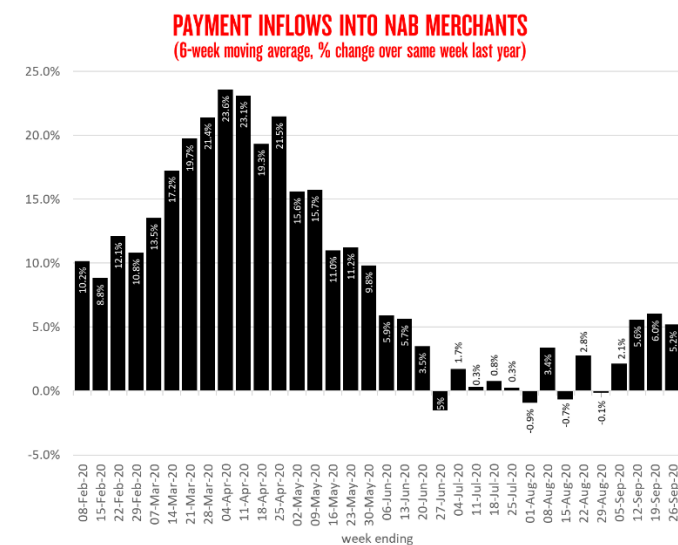
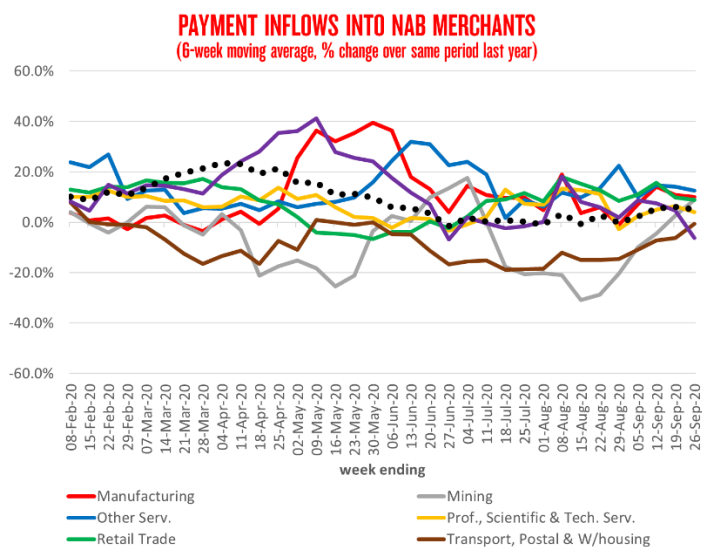
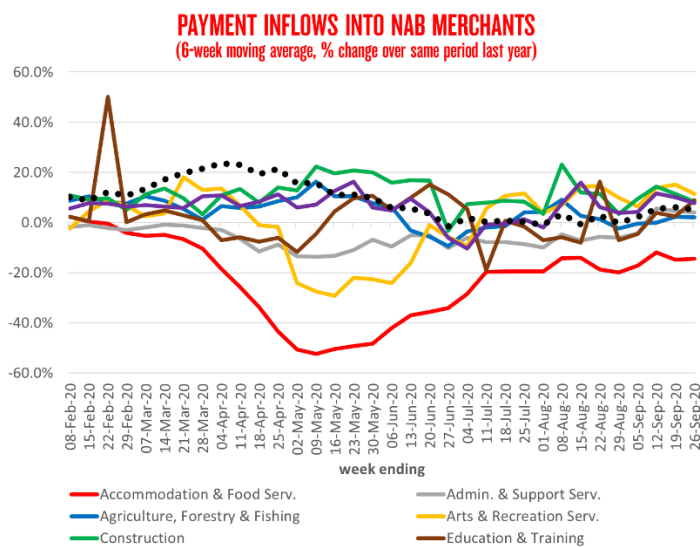


CONSUMPTION SPENDING: BY INDUSTRY



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- NAB’s latest Data Insights point to a relatively small -0.2% y/y decline in overall consumption spending in the week ending September 26, down from +3.4% in the previous week.
- The gap between VIC (-7.4%) and other states narrowed, following an improvement in non-lockdown areas (+8.4%), while lockdown areas (-12.5%) remained weak, but stable. This week, overall spending also fell in QLD (-2.3%) after strong growth last week. Most other states slowed, except NT, which rebounded (after a dip last week), while the rate of slowing in SA was far more moderate. The large spend state, NSW (+3.4%), is now middle of the pack.
- By industry, spending is still down most for Admin & Support Services (-70.3%), with Travel Agents contributing heavily to the result. Transport, Postal & Warehousing (-40.6%) is still very weak, with heavy spending falls in passenger transport (Air, Rail, Water, Bus) offsetting modest growth in Postal & Warehousing activities. Spending weakness was also evident in Rental, Hiring & Real Estate Services (-39.6%), particularly Motor Vehicle Hiring, Real Estate Services, and Property Operators. Spending on Health Care & Social Assistance has improved over the past few weeks, driven by Allied Health Care, Medical Services and Other Health, while Childcare remains weak.
- Retail Trade is still above last year (+14.1%), with strong growth in Furniture, Floor Coverings and Housewares, Hardware, Building & Garden, Pharmaceuticals, Recreational Goods, and Food. Fuel, Clothing, and Department Stores continue to contract, albeit more moderately than in recent weeks. The slide in Hospitality (-14.0%) spend levelled off, with weakness driven by Accommodation (-41.1%), compared with Cafes & Restaurants (+4.6%).
- Overall, payment inflows into NAB Merchants rose +5.2% in 6 week rolling year-on-year terms in the week ending September 26. JobKeeper inflows still represents a large part of the extra inflows. Removing JobKeeper, the 6-week rolling change is around +3.6%.
- All business sizes have reported positive gains. Corporates and Large business however are strongest with growth of +2.4% and +4% respectively. SME gains were smaller with Small (+0.6%), Medium (+0.8%) and Emerging (+0.6%) all recording modest growth.
- By industry, inflows are still falling in Hospitality (-14.4%), Transport, Postal & Warehousing (-0.6%), with Wholesale Trade (-6.2) also down this week. Mining rebounded with growth of +8.8%. Across the other industries, the strongest growth was in Other Services (+12.5%), Arts & Recreation Services (+11.4%), Manufacturing (+10.1%), Education & Training (+8.9%), Retail Trade (+8.8%), Construction (+8.4%), and Healthcare (+7.8%).

NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 26 September 2020)

	% change on same week in previous year**
Accommodation & Food Services (Hospitality)	-14.0%
Administrative & Support Services (incl. Travel Agents)	-70.3%
Arts & Recreation Services	-1.6%
Construction	2.6%
Education & Training	-1.9%
Electricity, Gas & Water & Waste Services	1.0%
Healthcare & Social Assistance	14.4%
Information, Media & Telecommunications	-5.3%
Other Services	-10.0%
Professional, Scientific & Technical Services	5.2%
Rental, Hiring & Real Estate Services	-39.6%
Retail Trade	14.1%
Transport, Postal & Warehousing	-40.6%
TOTAL	-0.2%
Best Performers (Sub-Division)	
- Publishing (except Internet & Music Publishing)	55.9%
- Gambling Activities	38.5%
- Medical & Other Health Care Services	19.0%
- Food Retailing	17.9%
- Other Store-Based Retailing	11.2%
- Internet Publishing & Broadcasting	15.2%
- Waste Collection, Treatment & Disposal Services	13.1%
- Postal & Courier Pick-up & Delivery Services	11.8%
- Motor Vehicle & Motor Vehicle Parts Retailing	11.1%
Worst Performers (Sub-Division)	
- Water Transport	-98.6%
- Air & Space Transport	-86.1%
- Rail Transport	-79.9%
- Other Transport	-73.3%
- Creative & Performing Arts Activities	-73.2%
- Administrative Services	-72.7%
- Rental & Hiring Services (except Real Estate)	-71.9%
- Motion Picture & Sound Recording Activities	-64.5%

*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-wks ended 26 September 2020)

	6-weeks ending 26 September 2020
Accommodation & Food Services	-14.4%
Administration & Support Services	4.0%
Agriculture, Forestry & Fishing	2.2%
Arts & Recreation Services	11.4%
Construction	8.4%
Education & Training	8.9%
Healthcare & Social Assistance	7.8%
Manufacturing	10.1%
Mining	8.8%
Other Services	12.5%
Professional, Scientific & Technical Services	3.9%
Retail Trade	8.8%
Transport, Postal & Warehousing	-0.6%
Wholesale Trade	-6.2%
TOTAL	5.2%
Business Size	
- Small	0.6%
- Emerging	0.6%
- Medium	0.8%
- Large	4.0%
- Corporate	2.4%
Best Performers (Sub-Division)	
- Postal and Courier Pick-up and Delivery Services	134.8%
- Rail Transport	71.7%
- Non-Metallic Mineral Product Manufacturing	56.6%
- Aquaculture	56.2%
- Exploration and Other Mining Support Services	51.1%
- Gambling Activities	40.2%
- Metal Ore Mining	31.8%
Worst Performers (Sub-Division)	
- Air & Space Transport	-57.5%
- Coal Mining	-45.8%
- Warehousing and Storage Services	-44.6%
- Creative and Performing Arts Activities	-36.6%
- Accommodation	-35.6%
- Oil and Gas Extraction	-32.1%
- Heritage Activities	-31.3%

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

AUTHORS

Alan Oster

Group Chief Economist
Alan.Oster@nab.com.au
+61 (0)414 444 652

Brien McDonald

Associate Director - Economics
Brien.McDonald@nab.com.au
+613 8634 3837

Steven Wu

Associate Director - Economics
Steven.A.Wu@nab.com.au
+(613) 9208 2929

Dean Pearson

Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+613 8634 2331

Robert De lure

Associate Director - Economics
Robert.De.lure@nab.com.au
+613 8634 4611

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