



NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

NAB Group Economics

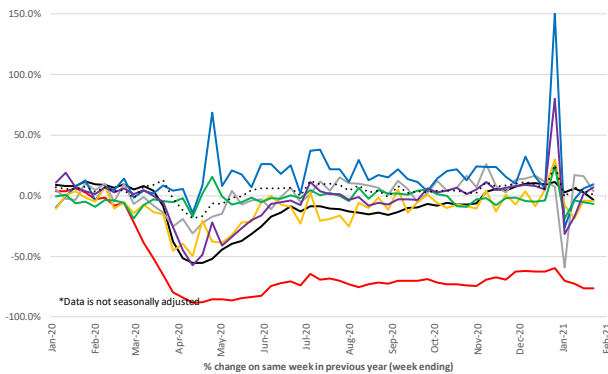
January 2021

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.

Our second Data Insights report for 2021 shows consumption growth slowing in year on year terms this year, although remaining positive overall. Overall consumption was up 0.7% (year-on-year) for the week ending 23 January and up 4.3% for the week ending 16 January. The retail sector remains relatively robust, up 8% year-on-year, but hospitality is weaker, with accommodation spending hit hard, likely reflecting state border closures in response to outbreaks in NSW, Vic and Qld. By state, the NT is fastest growing, followed by WA and Vic and NSW, while Tas, Qld and the ACT saw spending contract.

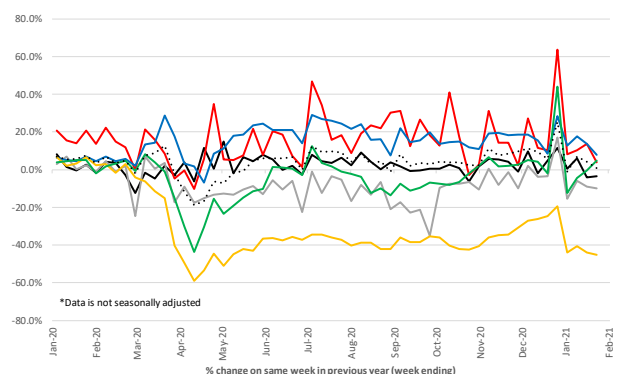
Business inflows have risen by 9.2% in six week rolling average terms on same period last year. By business size, corporates are once again seeing the strongest increases (about 13%), with the rest (bar emerging firms), experiencing relatively flat to moderate growth. By industry sector, payment inflows were again strongest in Arts & Recreation and Education & Training.

CONSUMPTION SPENDING: BY INDUSTRY



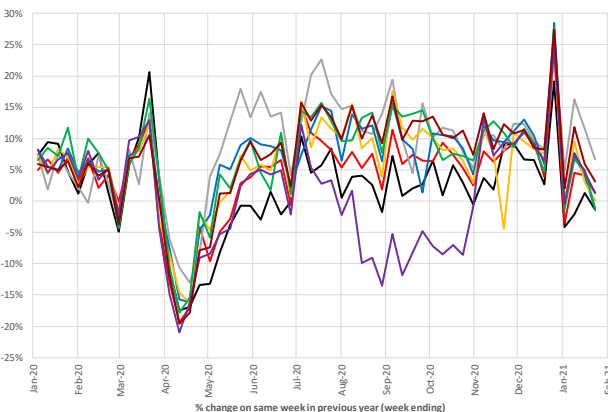
- Accommodation and Food Services
- Arts and Recreation Services
- Education and Training
- Health Care and Social Assistance
- Administrative and Support Services
- Construction
- Electricity, Gas, Water and Waste Services
- Overall

CONSUMPTION SPENDING: BY INDUSTRY



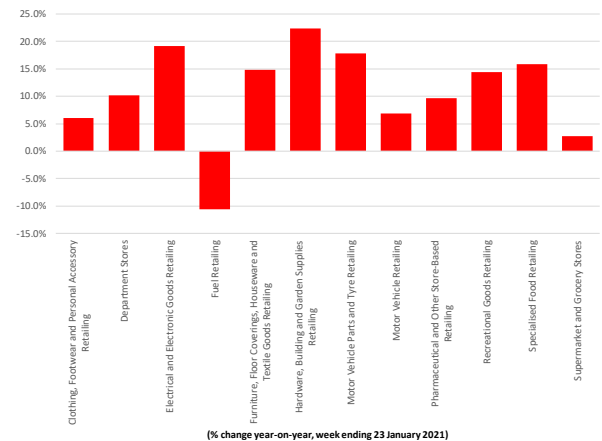
- Information Media and Telecommunications
- Rental, Hiring and Real Estate Services
- Transport, Postal and Warehousing
- Overall
- Professional, Scientific and Technical Services
- Retail Trade
- Other Services

CONSUMPTION SPENDING BY STATE



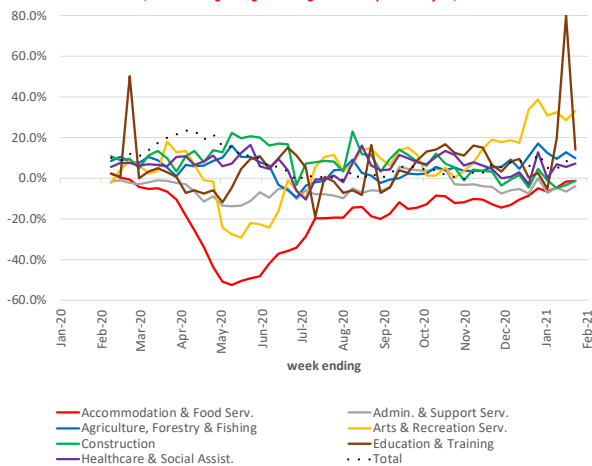
- ACT
- NSW
- NT
- QLD
- SA
- TAS
- VIC
- WA

RETAIL TRADE BY INDUSTRY GROUP

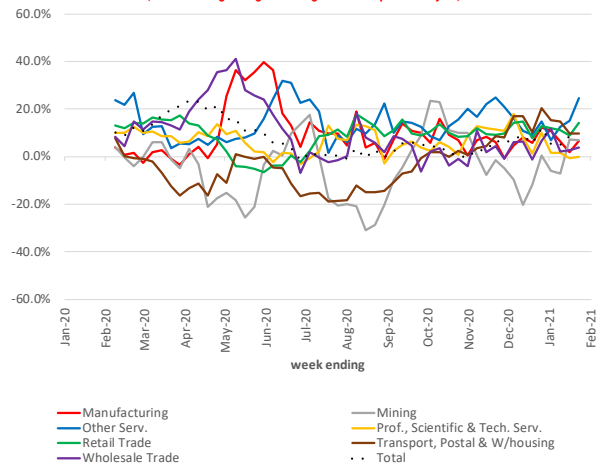


(% change year-on-year, week ending 23 January 2021)

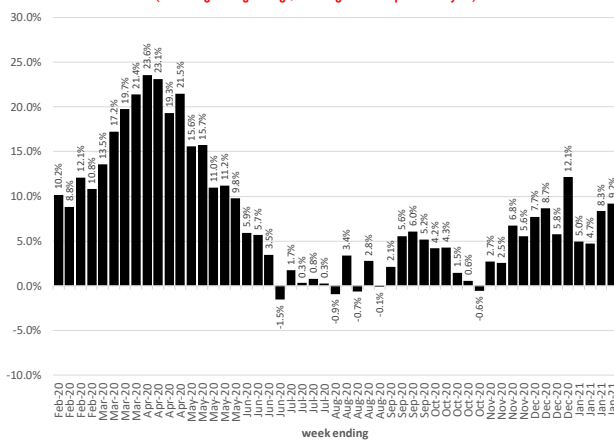
PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same period last year)



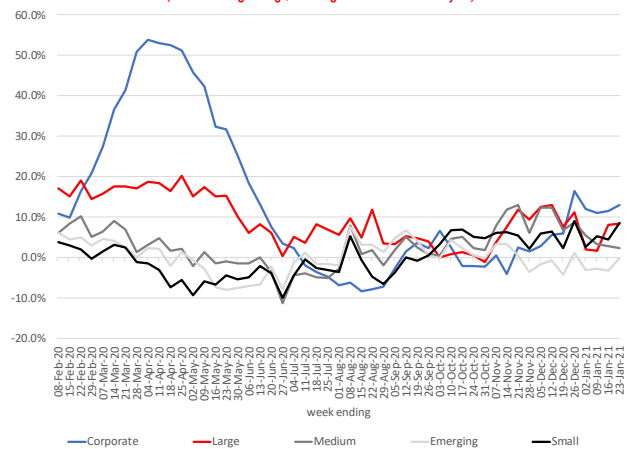
PAYMENT INFLOWS INTO NAB MERCHANTS
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PAYMENT INFLOWS INTO NAB MERCHANTS
(6-week moving average, % change over same period last year)



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



- NAB's second data insights report for 2021 shows overall spending growth slowing but still positive in year-on-year terms. Overall spending was up 0.7% yoy in the week ending 23 January, compared to +4.3% the week prior.
- Retail spending is 8% higher than the same week of 2020. While all retail categories except fuel recorded growth last week, most categories slowed relative to the prior week. Growth was led by hardware, building and garden supplies (22.3%), along with electrical and electronic goods (19.2%), other household related furniture, floor coverings, housewares (+14.8%), and motor vehicle parts (17.9%). Clothing sales (+6.1%) accelerated last week, along with department stores (10.2%). There was also strong growth for recreational goods and specialised food (including alcohol). Car sales (6.9%) slowed after two strong weeks, although fuel remains very weak.
- While still above the lows of April 2020, Transport (-45.2%) has deteriorated, driven by airlines, and water, coinciding with a seasonal post-Christmas slowdown for couriers. Construction returned to growth (+9.5%) after considerable end of year volatility, with both construction services and building up. Accommodation and food contracted (-3.2% yoy), with accommodation deteriorating (-29.4%) while cafes and restaurants are still growing (+5.8%). While there had been great anticipation of a domestic tourism resurgence since late last year, quarantine escapes in NSW (spreading to Vic) and Qld saw state borders again closed. It is not yet clear to what extent tourists will chance interstate travel before the vaccine is rolled out. The worst performing sector, admin and support services, is still struggling but showing signs of stabilising, with travel agents bottoming (-82%) this week, and employment services still negative but improving. Health and social services (+6.9% yoy) rebounded after a slump two weeks prior, driven by allied health, medical services, and pathology and diagnostics. Childcare and social assistance remains negative but is improving. Rental, hiring and real estate (-9.8%) continues to contract, driven by transport equipment hire and real estate services.
- Consumption continued to slow across all states in the week ending 23 January. NT leads (+6.6% yoy), followed by WA (+3.1%), while Vic and NSW were on par (+1.3%) and above the national average (0.7%). Tas (-1.2), Qld (-1.3%), and the ACT (-1.4%) all saw consumption contract.
- Business inflows have risen by 9.2% in six week rolling average terms on the same period last year. Arts and Recreation had posted 33.2% growth last week and 28.6% the week prior. Education grew by 14.2% last week and a massive 80% the week prior. While it is normal to see elevated education spending in January as the school year begins, this data is on a year-on-year basis and is smoothed with a six-week average, suggesting that activity is stronger than last year. Retail business inflows were up 14.2% last week and 8.9% the week prior.
- By business size, corporates saw inflows grow 13% last week and 11.5% the week prior. Corporates saw the strongest growth in the first half of 2020 but lagged smaller businesses in the second half of the year. This year, however, they have returned to the fastest growing. Large businesses grew by 8.4% last week and 8% the week prior. Medium businesses grew 2.4% last week and 2.8% the week prior. Meanwhile small businesses grew 8.5% last week and 4.5% the week prior, while emerging businesses saw lower inflows (-0.1% last week and this week -3.2% the prior week).

NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES (year-on-year change on same week in previous year - week ending 23 January 2021)

	% change on same week in previous year**
Accommodation & Food Services (Hospitality)	-3.2%
Administrative & Support Services (incl. Travel Agents)	-76.7%
Arts & Recreation Services	3.6%
Construction	-9.5%
Education & Training	-4.4%
Electricity, Gas & Water & Waste Services	-7.7%
Healthcare & Social Assistance	6.9%
Information, Media & Telecommunications	-3.6%
Other Services	4.8%
Professional, Scientific & Technical Services	3.8%
Rental, Hiring & Real Estate Services	-9.8%
Retail Trade	8.0%
Transport, Postal & Warehousing	-45.2%
TOTAL	0.7%
Best Performers (Sub-Division)	
- Building Construction	54.9%
- Residential Care Services	30.1%
- Waste Collection, Treatment & Disposal Services	28.7%
- Internet Publishing & Broadcasting	26.3%
- Gambling Activities	21.0%
- Computer System Design & Related Services	14.6%
- Construction Services	13.9%
- Repair & Maintenance	13.3%
- Other Store-Based Retailing	12.9%
Worst Performers (Sub-Division)	
- Air & Space Transport	-93.5%
- Administrative Services	-79.7%
- Rail Transport	-67.4%
- Other Transport	-65.9%
- Water Transport	-58.6%
- Motion Picture & Sound Recording Activities	-55.7%
- Creative & Performing Arts Activities	-45.6%
- Road Transport	-29.7%
- Accommodation	-29.4%

*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 23 January 2021)

	6-weeks ending 23 January 2021
Accommodation & Food Services	-1.4%
Administration & Support Services	-3.9%
Agriculture, Forestry & Fishing	9.9%
Arts & Recreation Services	33.2%
Construction	-1.2%
Education & Training	14.2%
Healthcare & Social Assistance	7.2%
Manufacturing	6.5%
Mining	6.9%
Other Services	24.5%
Professional, Scientific & Technical Services	-0.2%
Retail Trade	14.2%
Transport, Postal & Warehousing	9.6%
Wholesale Trade	3.8%
TOTAL	9.2%
Business Size	
- Small	8.5%
- Emerging	-0.1%
- Medium	2.4%
- Large	8.4%
- Corporate	13.0%
Best Performers (Sub-Division)	
- Gambling Activities	92.4%
- Beverage and Tobacco Product Manufacturing	41.7%
- Computer System Design and Related Services	39.9%
- Motor Vehicle and Motor Vehicle Parts Wholesaling	38.4%
- Food Retailing	34.1%
- Exploration and Other Mining Support Services	29.0%
Worst Performers (Sub-Division)	
- Private H/holds Emp. Staff & Undiff. G&S Producing Activities	-80.6%
- Oil and Gas Extraction	-49.1%
- Air and Space Transport	-48.5%
- Coal Mining	-31.2%
- Sports and Recreation Activities	-25.7%
- Agriculture, Forestry and Fishing Support Services	-11.7%
- Accommodation	-10.3%
- Petroleum and Coal Product Manufacturing	-9.4%

* 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
+(61 0) 455 052 520

Steven Wu

Associate Director - Economics
Steven.A.Wu@nab.com.au
+(61 0) 472 808 952

Dean Pearson

Head of Behavioural & Industry Economics
Dean.Pearson@nab.com.au
+(61 0) 457 517 342

Robert De Iure

Associate Director - Economics
Robert.De.Iure@nab.com.au
+(61 0) 477 723 769

Phin Ziebell

Associate Director - Economics
Phin.Ziebell@nab.com.au
+(61 0) 475 940 662

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