Embargoed until 11.30 am AEDT, Thursday 11 February 2021

NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

NAB Group Economics

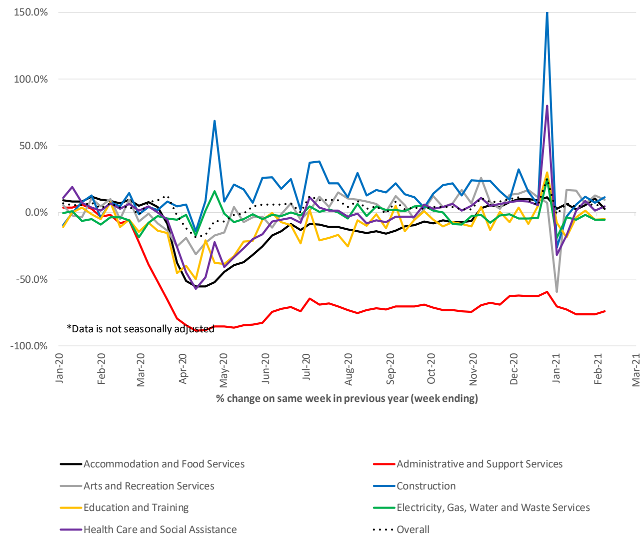
February 2021

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.

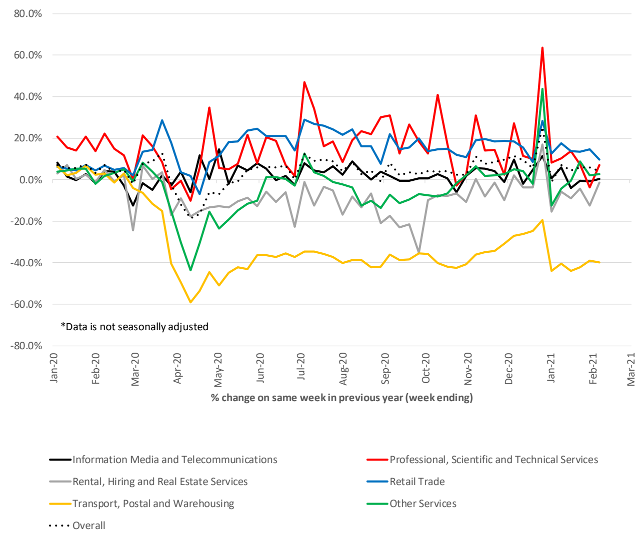
Our Data Insights report for the fortnight ending 6 February 2021 shows consumption growth continuing to moderate in the new year, but remaining positive overall. Overall consumption was up 5.9% (year-on-year) for the week ending 30 January and up 4.3% for the week ending 6 February. Retail is up 9.8% yoy, and hospitality (+2.8%) is also growing, but this is being driven by food. Accommodation, which was showing signs of recovery, has fallen back to levels not seen since November.

Business inflow data is rather more buoyant, with 6 week rolling average inflows showing a 14.3% yoy increase last week. This is the strongest result since last May, but unlike last year is not dependent on JobKeeper.

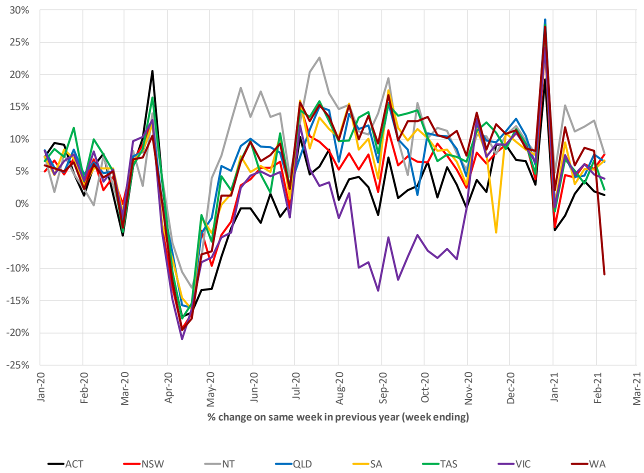
CONSUMPTION SPENDING: BY INDUSTRY



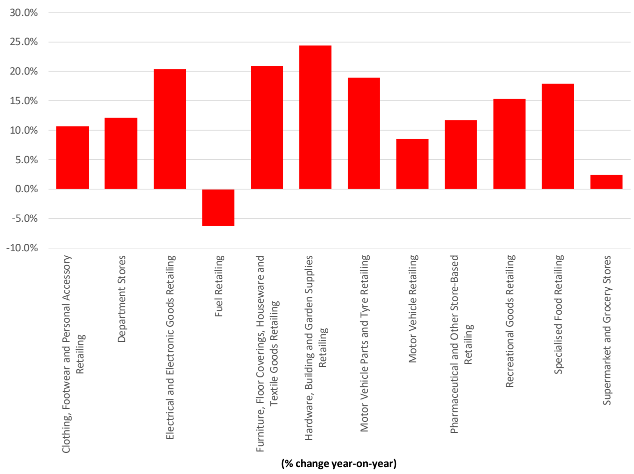
CONSUMPTION SPENDING: BY INDUSTRY

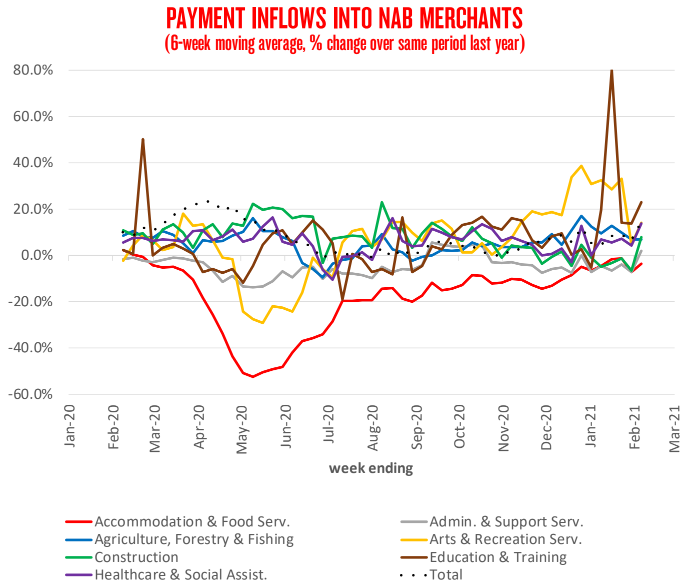


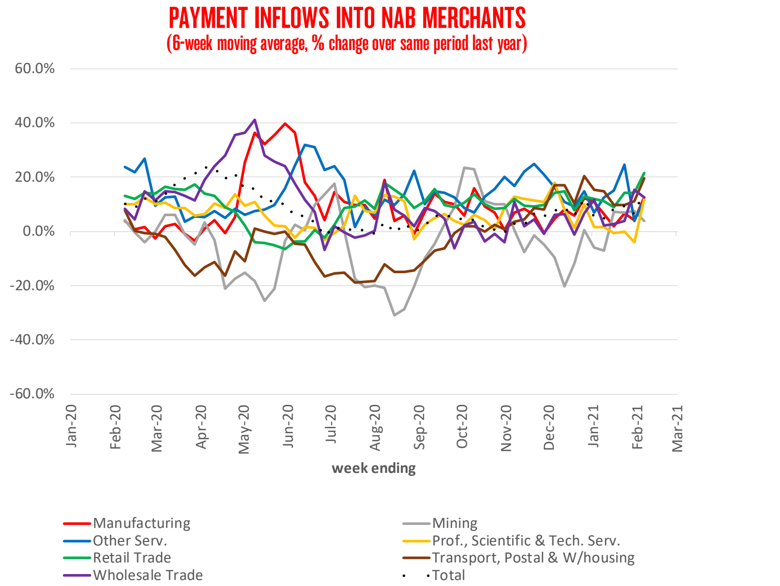
CONSUMPTION SPENDING BY STATE

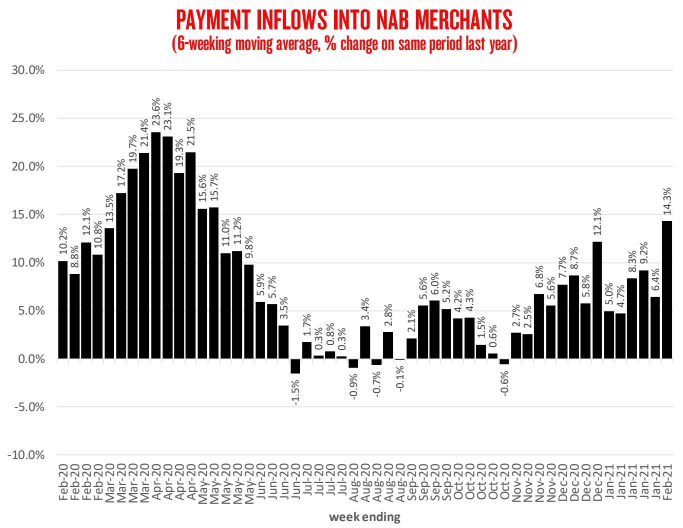


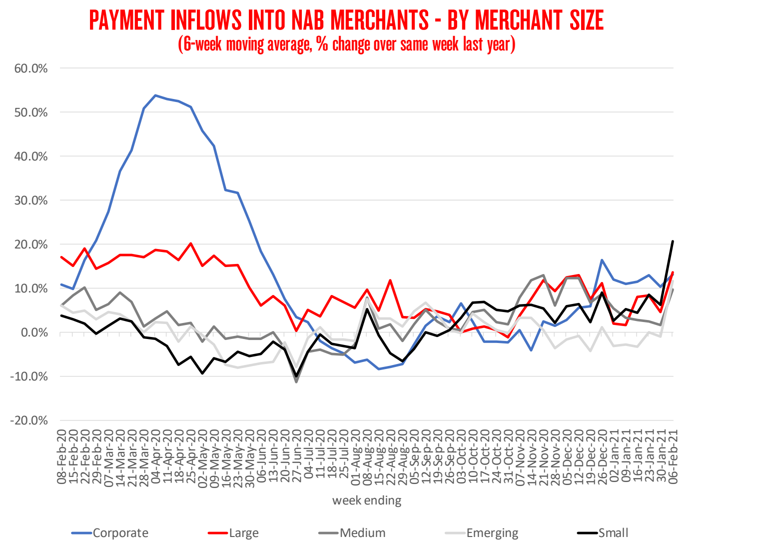
RETAIL TRADE BY INDUSTRY GROUP











Our consumption data shows a reasonably healthy level of consumer spending – particularly given the pandemic. While there are signs of moderation, most sectors are still growing. Overall consumption spending was up 4.3% yoy last week, while retail was 9.8% higher.

There are strong signs across a range of our data that consumers' spending habits have changed. Retail growth was again led by an acceleration in hardware, building and garden supplies (24.4%), along with household related furniture, floor coverings, housewares (+20.9%), electrical and electronic goods (+20.3%), and motor vehicle parts (19.0%). With travel still restricted, consumers are spending on their homes. Travel restrictions have however caused substantial problems for hospitality, particularly accommodation, which has fallen back to November levels. Accommodation is still down 22.9% yoy. Ongoing quarantine escapes and state border closures are likely to be a dampener on interstate tourism.

WA's snap lockdown saw a dramatic contraction in growth (-11% yoy), although with this now over and with no new cases, its impact is likely to be very short lived. All other states recorded growth last week, with NT(+7.8%) and NSW (+7.6%) leading.

Our business inflows data last week paints an encouraging picture, particularly when paired with the latest SME survey results. Industries with the highest growth last week were education (22.9%), retail (21.6%), transport, postal & warehousing (19.5%). Accommodation & food services was only industry still recording negative growth, off 3.4% year on year. Within hospitality, accommodation is clearly the major drag, down 14.3% yoy, while cafes & restaurants saw 8.5% growth.

Small businesses recorded the strongest growth in inflows, up 20.7% yoy, followed by Large (13.6%), Corporates (13.1%), Emerging (11.6%) and Medium (9.6%).

NAB CONSUMPTION-BASED SPENDING BY INDUSTRY SECTOR & SELECTED SUB-INDUSTRIES
(year-on-year change on same week in previous year - week ending 6 February 2021)

	% change on same week in previous year**
Accommodation & Food Services (Hospitality)	2.8%
Administrative & Support Services (incl. Travel Agents)	-73.9%
Arts & Recreation Services	9.4%
Construction	11.2%
Education & Training	--5.2%
Electricity, Gas & Water & Waste Services	-5.2%
Healthcare & Social Assistance	4.5%
Information, Media & Telecommunications	0.4%
Other Services	2.8%
Professional, Scientific & Technical Services	7.1%
Rental, Hiring & Real Estate Services	1.4%
Retail Trade	9.8%
Transport, Postal & Warehousing	-40.0%
TOTAL	**4.3%**
Best Performers (Sub-Division)	
- Water Transport	124.0%
- Building Construction	75.8%
- Internet Publishing & Broadcasting	37.0%
- Gambling Activities	29.8%
- Building Cleaning, Pest Control & Other Support Services	26.4%
- Computer System Design & Related Services	25.7%
- Publishing (except Internet & Music Publishing)	21.2%
- Other Store-Based Retailing	15.6%
- Gas Supply	14.4%
Worst Performers (Sub-Division)	
- Air & Space Transport	-92.9%
- Administrative Services	-77.5%
- Other Transport	-62.8%
- Rail Transport	-59.7%
- Motion Picture & Sound Recording Activities	-52.6%
- Creative & Performing Arts Activities	-34.8%
- ISPs , Web Search Portals & Data Processing Services	-34.1%
- Road Transport	-28.3%
- Library & Other Information Services	-24.1%

*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 6 February 2021)

	6-weeks ending 6 Febarury 2021
Accommodation & Food Services	-3.4%
Administration & Support Services	-2.1%
Agriculture, Forestry & Fishing	6.9%
Arts & Recreation Services	14.1%
Construction	7.9%
Education & Training	22.9%
Healthcare & Social Assistance	13.7%
Manufacturing	12.6%
Mining	3.9%
Other Services	11.7%
Professional, Scientific & Technical Services	12.1%
Retail Trade	21.6%
Transport, Postal & Warehousing	19.5%
Wholesale Trade	12.5%
TOTAL	**14.3%**
Business Size	
- Small	20.7%
- Emerging	11.6%
- Medium	9.6%
- Large	13.6%
- Corporate	13.1%
Best Performers (Sub-Division)	
- Rail Transport	45.8%
- Computer System Design and Related Services	45.5%
- Tertiary Education	42.5%
- Printing (including the Reproduction of Recorded Media)	40.0%
- Warehousing and Storage Services	39.4%
- Exploration and Other Mining Support Services	38.7%
Worst Performers (Sub-Division)	
- Broadcasting (except Internet)	-67.9%
- Air and Space Transport	-51.4%
- Non-Store Retailing & Retail Comm-Based Buying/Selling	-38.3%
- Private H/holds Emp. Staff & Undiff. G&S Producing Activities	-35.2%
- Coal Mining	-32.6%
- Motion Picture and Sound Recording Activities	-25.3%
- Oil and Gas Extraction	-24.2%
- Aquaculture	-17.0%

* 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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