



# NAB Monthly Data Insights January 2023

## NAB Group Economics

### Key Points

- **Consumer spending** rose 1.7% in January, more than reversing the small fall seen in December. Spending rose across every major category, with notable increases in retail, ‘other’ spending, and vehicles & fuel. Total spending was 1.8% higher over the past three months.
- **Retail spending** rose 2.0%, with increases in both goods retail (up 1.9%) and hospitality (2.3%). The pickup followed a soft December reading as seasonal spending shifted earlier into November.
- **Business credits** rose 0.3% in January. Credits are up 9.4% from a year ago but have flattened out in level terms since mid-2022, with credits down 0.2% over the past three months.

### Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data indicates that spending picked back up in January after a small fall in December, with strength across most spending categories.”
- “The pick-up in January suggests that the softness seen in December was primarily the result of changing seasonal patterns with Christmas spending moving earlier into November to take advantage of Black Friday sales. Underlying spending behaviour appears to have remained fairly robust.”
- “Strong inflation continues to affect nominal spending measures, and ABS data has shown that retail spending fell slightly in Q4 2022 in real terms. Price increases also likely contributed to the January rise but it is difficult to say by how much. Regardless, these results suggest consumers remained resilient through the first month of 2023.”

### Monthly Consumer Spending

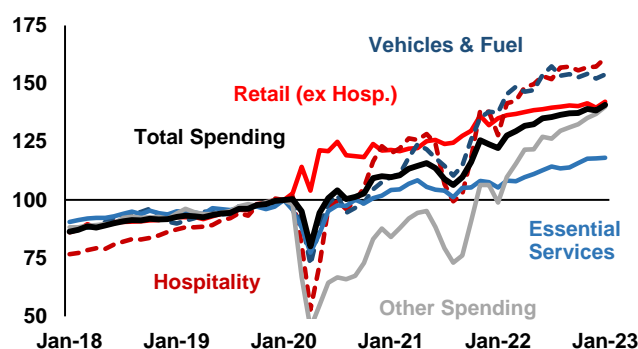
- Total spending rose 1.7% m/m in January after a slight decline in December. Total spending was up 1.8% over the past three months and 15.2% y/y.
- Retail spending rose 2.0% m/m, with increases in both goods retail (up 1.9%) and hospitality (2.3%). Total retail spending was up 0.7% over the past three months and 8.6% y/y. For more detail on retail spending, see **page 3**.
- Spending on essential services increased marginally (0.2% m/m) while the more discretionary ‘other spending’ category rose by 2.3%. Vehicle and fuel spending rose 1.9%. For more detail on non-retail spending, see **page 4**.
- Across the states, spending grew across the board with the strongest increases in NT, Qld, and ACT. Spending in all states is up over the past three months (compared to the previous three months).

Table 1: Key Consumer Spending Growth Statistics (%)

	Nov-22	Dec-22	Jan-23		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.8	-1.3	1.9	0.6	5.4
Hospitality	0.8	0.2	2.3	1.2	26.0
<b>Total Retail</b>	<b>0.8</b>	<b>-1.0</b>	<b>2.0</b>	<b>0.7</b>	<b>8.6</b>
Vehicles & Fuel	1.0	-1.4	1.2	0.1	12.0
Essential Services	1.6	0.1	0.2	3.0	12.2
Other Spending	2.1	1.2	2.3	4.8	41.6
<b>Total Spending</b>	<b>1.2</b>	<b>-0.4</b>	<b>1.7</b>	<b>1.8</b>	<b>15.2</b>

Excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision.

Chart 1: Consumer Spending Index (Jan 2020 = 100)



Next release date: 15 March 2023

# Monthly Consumer Spending - Detail by Category and State

Chart 2: Total Spending Growth (%)

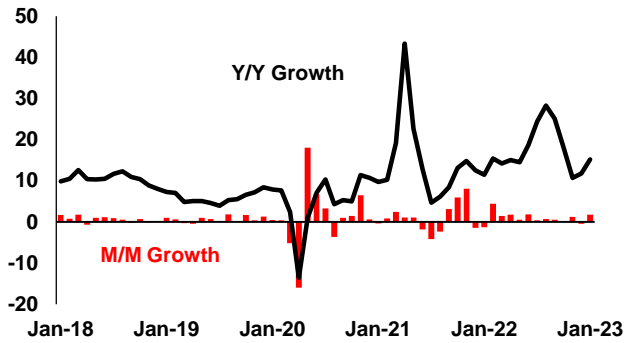


Chart 3: Comparison to ABS Consumption Growth (%)

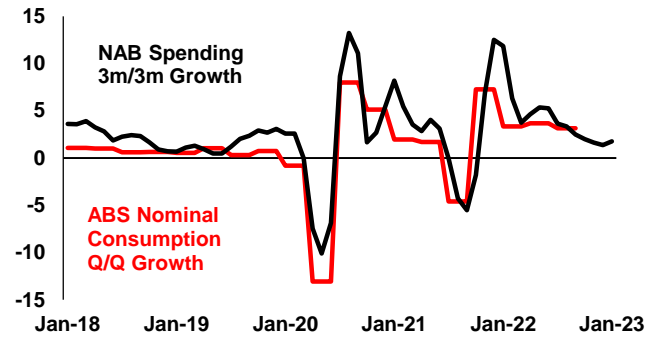


Chart 4: Spending Growth by Category (%)

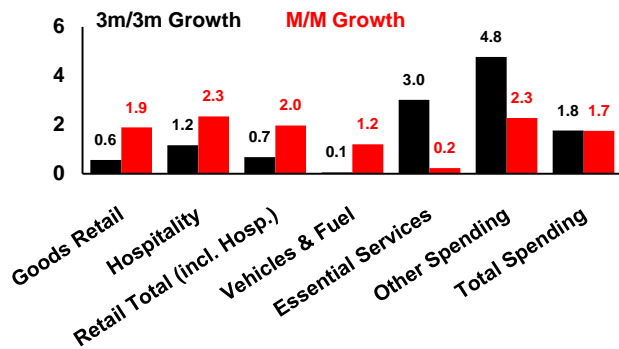


Chart 5: Contribution to Monthly Growth (%)

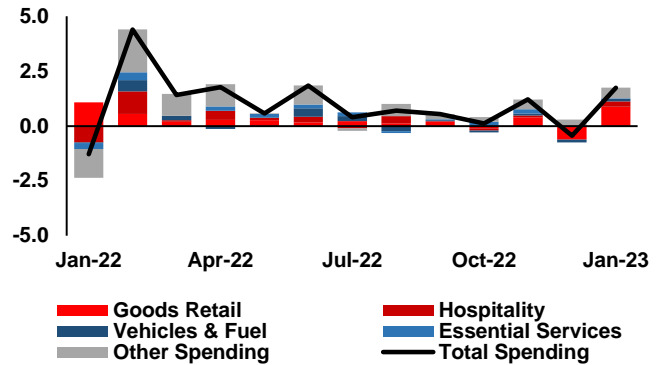


Table 2: Spending Growth by State (%)

	Nov-22	Dec-22	Jan-23		
	m/m	m/m	m/m	3m/3m	y/y
NSW	0.8	0.0	0.9	1.6	15.2
VIC	1.0	0.5	1.5	1.2	13.8
QLD	0.4	-1.6	2.8	0.6	17.1
WA	1.3	-0.4	0.5	2.6	10.8
SA	0.7	0.2	0.6	2.3	16.4
TAS	-0.1	-0.1	1.4	0.9	13.8
ACT	0.8	-0.6	2.1	1.2	13.5
NT	1.3	-1.9	3.0	0.8	17.8

Chart 6: Spending by State (Index, Jan 2020 = 100)

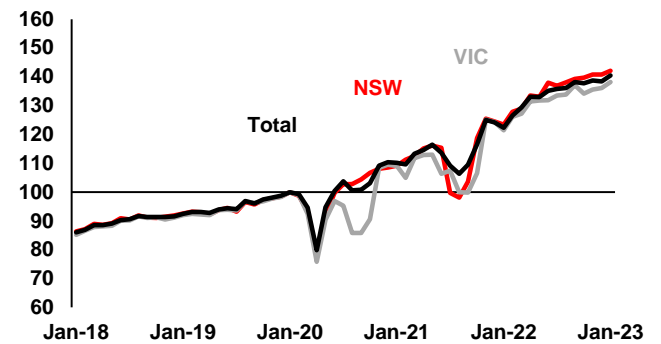


Chart 7: Spending by State (Index, Jan 2020 = 100)

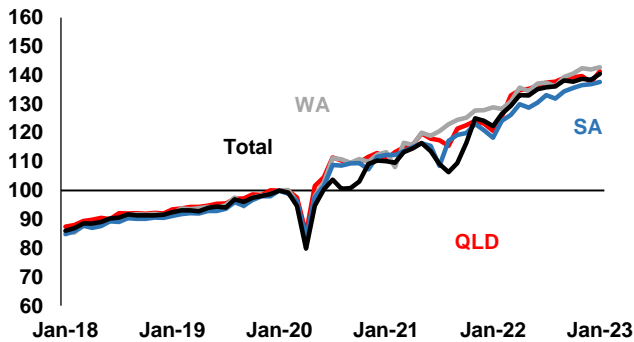
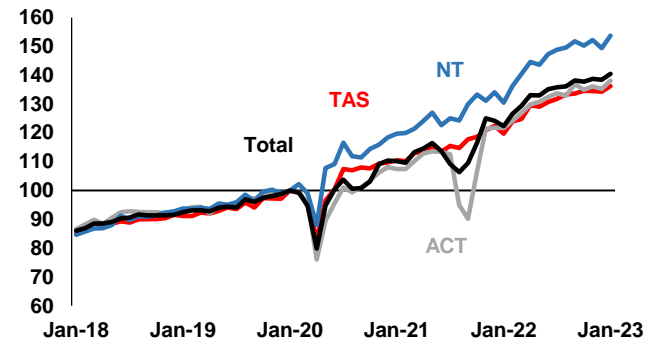


Chart 8: Spending by State (Index, Jan 2020 = 100)



Note: State spending totals differ from industry totals due to availability of geographic information.

## Monthly Consumer Spending – Retail Sector Detail

- Retail spending rose 2.0% m/m, with increases in both goods retail (up 1.9%) and hospitality (2.3%). The pickup followed a soft December, which was likely impacted by changes to seasonal spending patterns with Black Friday sales growing in importance. Total retail spending was up 0.7% over the past three months and 8.6% y/y.
- By subcategory, sectors that saw large declines in December largely reversed these declines in January. Department store spending rose 10.8% (after a 9.9% fall in the prior month) and clothing spending rose 2.3% (after a 1% fall). Food spending continued to show robust growth, up 1.1%. The household goods category grew more softly, at 0.3%, possibly reflecting ongoing rebalancing in spending.
- Hospitality spending grew 2.3% for the month after a soft 0.2% in December, to be up 1.2% over the past three months. Hospitality spending was up 26% y/y, likely reflecting the impact of the Omicron outbreak on hospitality spending in December 2021 and January 2022.
- While there are differences between NAB’s retail spending measures and ABS retail sales data, the two series have tracked closely through the pandemic period. The latest result suggests that retail sales will likely rebound from the decline reported for December.

Table 3: Retail Spending Growth (%)

	Nov-22	Dec-22	Jan-23		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.7	0.9	1.1	2.3	3.5
Hhld Goods	2.3	-3.5	0.3	-0.5	1.2
Clothing	0.9	-1.0	2.3	0.0	15.0
Dept. Stores	2.3	-9.9	10.8	-2.8	7.8
Other Retail	-1.2	-0.8	3.0	-0.2	9.1
<b>Total Goods Retail</b>	<b>0.8</b>	<b>-1.3</b>	<b>1.9</b>	<b>0.6</b>	<b>5.4</b>
Hospitality	0.8	0.2	2.3	1.2	26.0
<b>Total Retail</b>	<b>0.8</b>	<b>-1.0</b>	<b>2.0</b>	<b>0.7</b>	<b>8.6</b>

Chart 9: Retail Spending Index (Jan 2020 = 100)

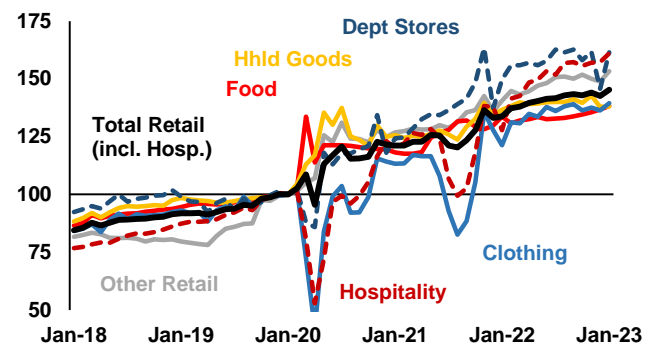


Chart 10: Total Retail Spending Growth (%)

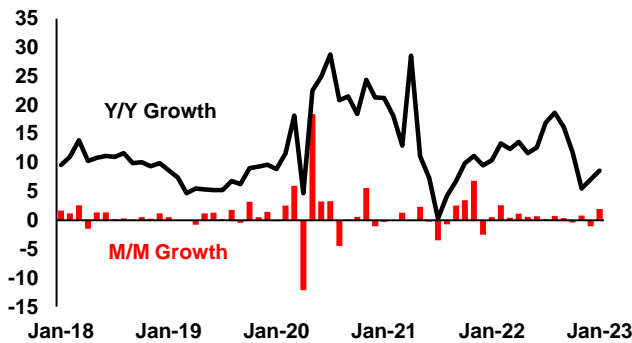


Chart 11: Comparison to ABS Retail Sales Growth (%)



Chart 12: Spending Growth by Retail Category (%)

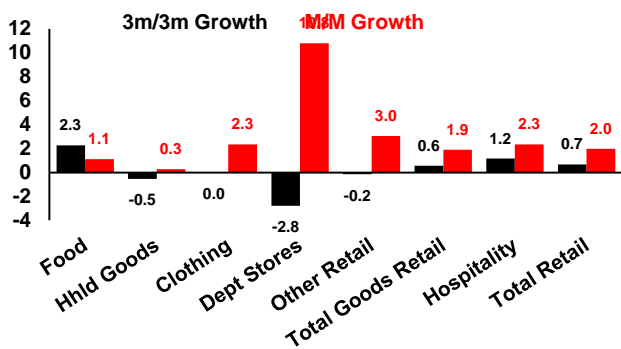
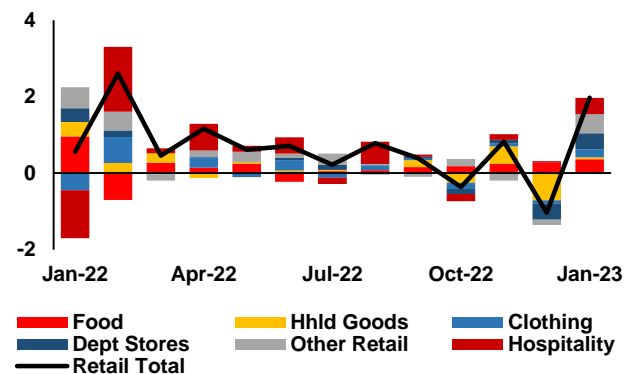


Chart 13: Contribution to Monthly Growth (%)



## Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel rose 1.2% in the month, consistent across both components. The rebound in fuel spending may in part have reflected changes in petrol prices.
- Spending on essential services increased marginally (0.2% m/m), largely reflecting strength in education spending (up 2.5%) as well as health & care (up 0.7%). Despite rising energy prices, spending on utilities fell.
- Other spending rose by 2.3% in the month, continuing a period of strong growth. All the major discretionary categories rose, led by “other services” and transport & postal services, as well as arts, recreation & travel. Spending on professional services was relatively flat, while spending on construction fell 2.5%.

Table 4: Spending Growth by Subcategory (excl. Retail) (%)

	Nov-22	Dec-22	Jan-23				Nov-22	Dec-22	Jan-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	-0.5	0.6	1.2	0.1	6.7	Arts, Rec. & Travel	2.8	3.3	2.3	7.9	68.9
Fuel	1.7	-2.2	1.2	0.0	14.6	Construction	1.9	1.1	-2.5	1.1	3.8
<b>Vehicles &amp; Fuel Total</b>	<b>1.0</b>	<b>-1.4</b>	<b>1.2</b>	<b>0.1</b>	<b>12.0</b>	Professional Services	4.4	2.2	0.2	6.4	8.1
Education	-2.0	-0.8	2.5	1.4	11.9	Transport & Postal	0.5	2.4	3.2	5.4	83.7
Utilities	2.3	0.5	-1.7	3.7	5.0	Other Services	1.1	-3.4	3.7	-0.3	19.6
Health & Care	-0.3	-0.7	0.7	-0.3	17.6	<b>Other Spending Total</b>	<b>2.1</b>	<b>1.2</b>	<b>2.3</b>	<b>4.8</b>	<b>41.6</b>
Media & Comms	6.7	1.7	0.0	9.0	12.1						
<b>Essential Svcs Total</b>	<b>1.6</b>	<b>0.1</b>	<b>0.2</b>	<b>3.0</b>	<b>12.2</b>						

Chart 14: Vehicles & Fuel Index (Jan 2020 = 100)

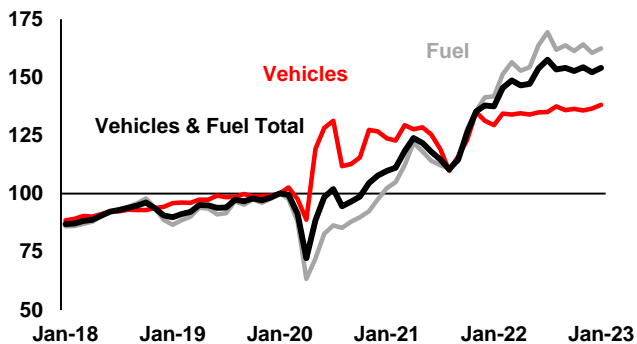


Chart 15: Other Spending Index (Jan 2020 = 100)

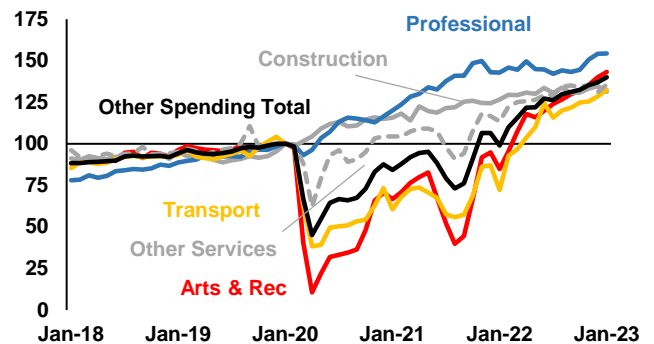
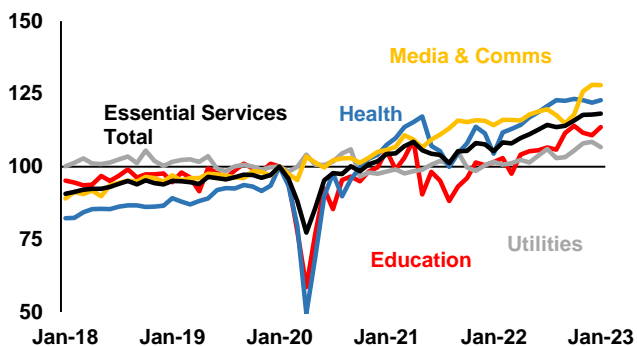


Chart 16: Essential Services Index (Jan 2020 = 100)



## Monthly Business Credits

- Business credits rose 0.3% in January. Credits are up 9.4% from a year ago but have flattened out since mid-22. Utilities, arts & recreation, mining, information & media and other services have all seen strong increases over recent months, while rental & real estate, transport & postal, and accommodation & food have declined.

Chart 17: Business Credits Growth (%)

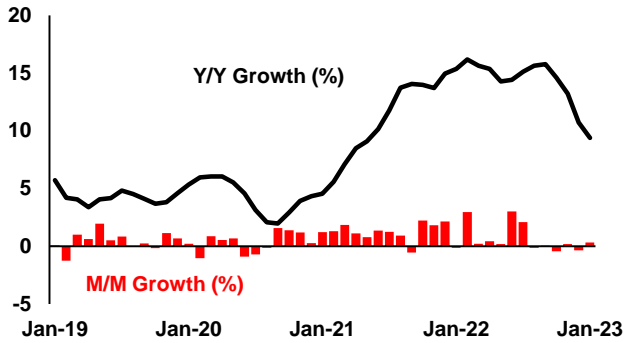


Chart 18: Business Credits Index (Jan 2020 = 100)

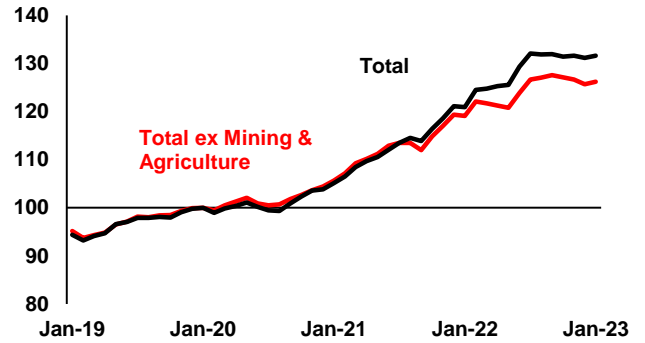


Chart 19: Credits Index by Industry (Jan 2020 = 100)

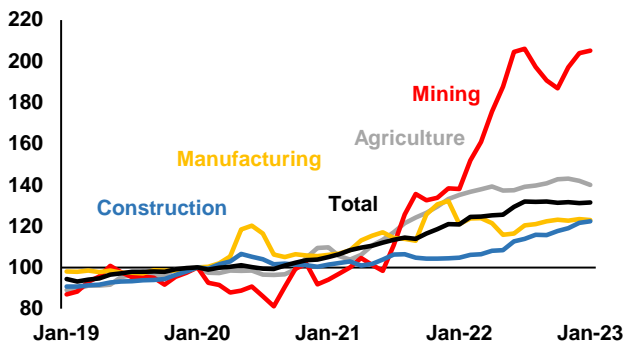


Chart 20: Credits Index by Industry (Jan 2020 = 100)

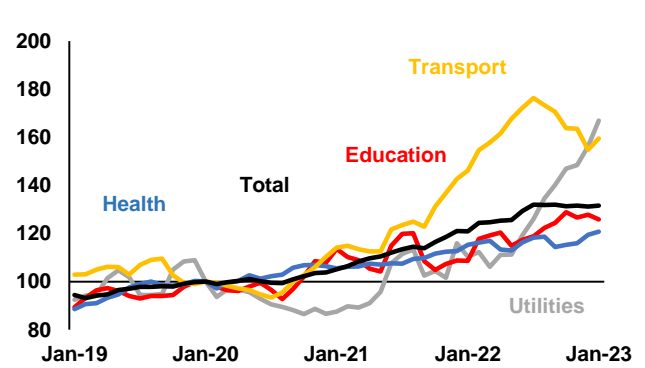


Chart 21: Credits Index by Industry (Jan 2020 = 100)

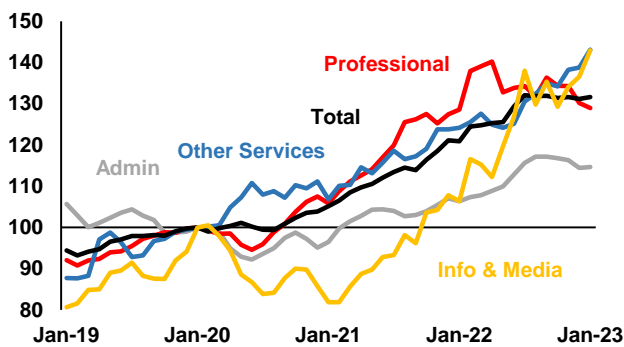


Chart 22: Credits Index by Industry (Jan 2020 = 100)

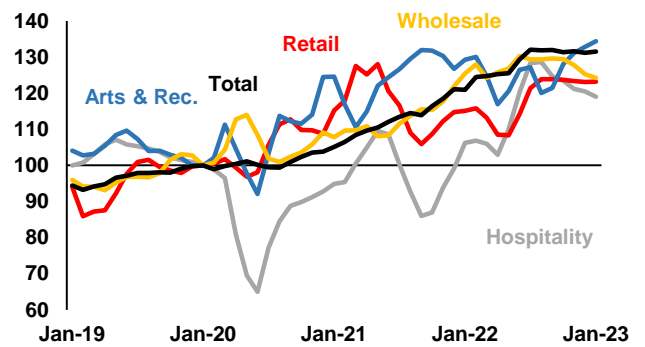


Table 5: Business Credits Growth by Industry (%)

	Nov-22	Dec-22	Jan-23				Nov-22	Dec-22	Jan-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Accom & Food	-1.8	-0.6	-1.2	-4.3	20.6	Mining	5.5	3.5	0.6	5.5	47.8
Admin & Support	-0.4	-1.7	0.2	-1.6	8.3	Other Services	3.0	0.4	3.1	4.6	13.0
Agriculture	0.3	-0.7	-1.4	0.5	6.8	Professional Services	-0.1	-3.1	-1.0	-2.2	3.2
Arts & Rec.	2.4	1.3	1.2	7.8	3.1	Rental & Real Estate	-3.4	-1.8	0.3	-5.8	-3.7
Construction	1.1	2.3	0.6	4.0	15.8	Retail Trade	-0.3	-0.2	0.0	-0.5	8.1
Education	-1.7	0.9	-1.5	1.3	17.1	Transport & Postal	-0.2	-5.3	3.0	-5.9	12.2
Utilities	1.0	5.3	6.9	11.8	43.8	Wholesale Trade	-1.3	-1.9	-0.9	-2.9	3.4
Health	0.6	3.1	1.0	2.2	4.6	<b>Total</b>	<b>0.2</b>	<b>-0.4</b>	<b>0.3</b>	<b>-0.2</b>	<b>9.4</b>
Info & Media	3.7	1.9	4.6	4.8	29.9	Total ex Mining & Agri	-0.3	-0.7	0.4	-0.8	6.5
Manufacturing	-0.4	0.6	-0.4	0.7	-3.9						

All data calculated as a three month moving average of seasonally adjusted monthly data.

## About this report

NAB publishes aggregated customer transaction data with the view to providing real-time insights into economic activity in Australia. 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 underlying data used in this report are not sold or made publicly available. This monthly report replaced the fortnightly *Data Insights* report and the monthly *NAB Cashless Retail Sales Index*, which were discontinued in October 2022.

### Consumer Spending Methodology

Data on consumer spending are derived from NAB electronic transactions data, encompassing more than 4 million transactions per day. The data include transactions made by EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and Paypal services where available, and include transactions with Australian and international merchants. Spending includes both online and offline transactions. The data excludes cash withdrawals made during a purchase and purchases made offline in an overseas location. As the data only capture electronic transactions, results can be affected by changes in the take-up rate of electronic payment methods relative to cash. State splits of spending are based on where the customer lives, which may or may not be where the actual spending activity occurs. Customers without an Australian residential address are excluded. Transactions attributable to non-consumer sectors including Manufacturing, Mining, and Wholesale are excluded, as are Financial & Insurance Services transactions and Public Administration transactions (largely tax payments). Gambling spending and rental and mortgage payments are also excluded. Opportunities to expand coverage to include these sectors will be explored in the future. Individual industry and state series are seasonally adjusted using the X-11 method.

### Business Inward Credits Methodology

Data on business inward credits are derived from credits paid into the accounts of NAB business banking customers, and are intended to approximate business revenues. Data do not account for business expenses and therefore are not reflective of profits or margins. Credits related to financing arrangements and capital raising are excluded where possible. Industry growth rates can also be affected by significant changes in the composition of NAB's business banking customer base. Businesses in the Financial & Insurance Services sector and Public Administration & Safety are excluded. Individual industry series are seasonally adjusted using the X-11 method and a three-month moving average is used to smooth volatility related to the timing of payments made to businesses. History for these series are limited and as such seasonal variation remains difficult to capture accurately. Opportunities to extend the available history to improve analysis will be explored in the future.

## 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

**Brody Viney**

Senior Economist  
Brody.Viney@nab.com.au  
+(61 0) 452 673 400

**Dean Pearson**

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

**Robert De lure**

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

**Phin Ziebell**

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

## Important notice

This document has been prepared by National Australia Bank Limited ABN 12 004 044 937 AFSL 230686 ("NAB"). Any advice contained in this document has been prepared without taking into account your objectives, financial situation or needs. Before acting on any advice in this document, NAB recommends that you consider whether the advice is appropriate for your circumstances.

NAB recommends that you obtain and consider the relevant Product Disclosure Statement or other disclosure document, before making any decision about a product including whether to acquire or to continue to hold it.

Please click [here](#) to view our disclaimer and terms of use.