

# NAB Monthly Data Insights December 2023



## NAB Group Economics

### Key Points

- **Consumer spending**, according to NAB’s transaction data, declined by 0.6% m/m in December. Estimated spending in November was revised up, now showing an increase of 0.9% m/m. **Retail spending** also declined in December, down 1.0% m/m.
- **Discretionary and non-discretionary** spending both declined in the month, though both categories remain higher in three-month average and year-on-year terms.
- **Business credits** eased -0.1% m/m in December but were broadly steady when excluding mining and agriculture.

### Comments from NAB Chief Economist Alan Oster

- “Our monthly transaction data showed a fall in spending in December in seasonally adjusted terms, with a notable fall in retail spending reflecting that Christmas spending has increasingly shifted from December to November.”
- “Notably, seasonally adjusted retail spending across the whole October-December period remained 1.2% higher in three month average terms, and was around 4.1% higher than in the same period in 2022.”
- “Nonetheless, the soft December spending number is likely a sign that the pressure on consumers resulted in some adjustments to spending behaviour across the Christmas period.”

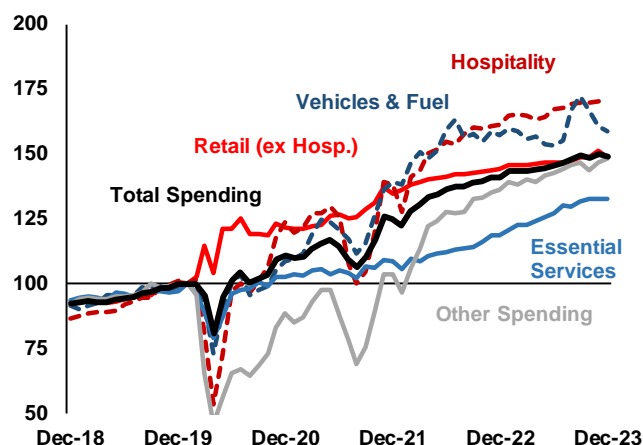
### Monthly Consumer Spending

- Total spending declined 0.6% m/m in December after a rise of 0.9% in November (revised up from 0.1%). With these revisions, total spending is now up 0.9% in three-month-average terms and 5.6% y/y.
- Retail spending fell 1.3% m/m, driven by a fall in goods spending which was partially offset by a rise in spending on hospitality. Total retail spending was up 1.2% in three-month-average terms and 3.7% y/y. For detail on retail spending, see **page 3**.
- Spending on essential services rose 0.3% m/m and the ‘other spending’ category rose 1.0%, while there was another fall in vehicles & fuel spending (down 1.2%). For detail on non-retail spending, see **page 4**.
- Total spending across goods categories declined 1.6% m/m while spending across services grew 0.7%. Spending fell across both discretionary and non-discretionary categories.

Table 1: Key Consumer Spending Growth Statistics (%)

	Oct-23	Nov-23	Dec-23		
	m/m	m/m	m/m	3m/3m	y/y
Goods Retail	0.0	1.6	-1.7	1.3	3.1
Hospitality	0.0	0.3	0.6	0.9	6.4
<b>Total Retail</b>	<b>0.0</b>	<b>1.4</b>	<b>-1.3</b>	<b>1.2</b>	<b>3.7</b>
Vehicles & Fuel	-3.1	-3.7	-1.2	-1.5	1.0
Essential Services	0.6	0.0	0.3	1.6	12.1
Other Spending	-2.1	2.2	1.0	0.5	8.9
<b>Total Spending</b>	<b>-0.6</b>	<b>0.9</b>	<b>-0.6</b>	<b>0.9</b>	<b>5.6</b>
Goods	-0.5	0.8	-1.6	0.8	2.8
Services	-0.8	1.1	0.7	0.9	9.2
Discretionary	-0.9	1.8	-0.6	0.9	5.7
Non-Discretionary	-0.2	-0.6	-0.7	0.8	5.5
Total ex Fuel	-0.4	1.4	-0.5	1.1	6.0

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



Note: Spending data excludes taxes, rent, mortgages, gambling, finance, insurance, and other non-consumer transactions. Data are seasonally adjusted and subject to revision. “Goods” includes goods retail, vehicles and fuel, and “services” includes all other categories. “Non-discretionary” includes food, health, education, utilities, media & comms, and fuel, and “discretionary” includes all other categories. **Next release date: 14 February 2024.**

Chart 2: Total Spending Growth (%)

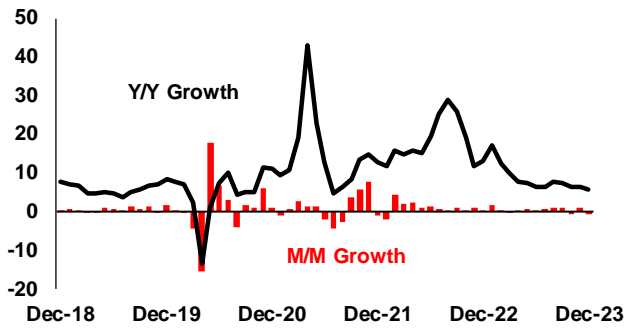


Chart 3: Comparison to ABS Consumption Growth (%)

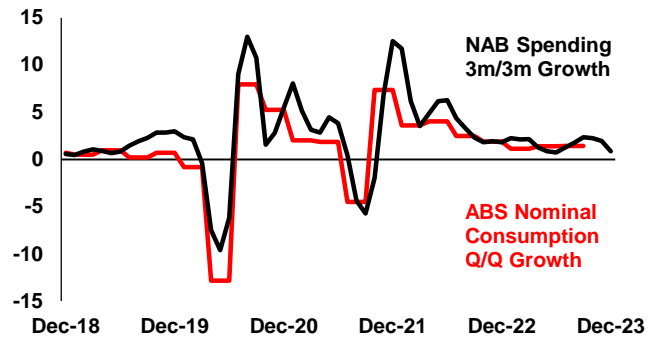


Chart 4: Goods vs Services Index (Jan 2020 = 100)

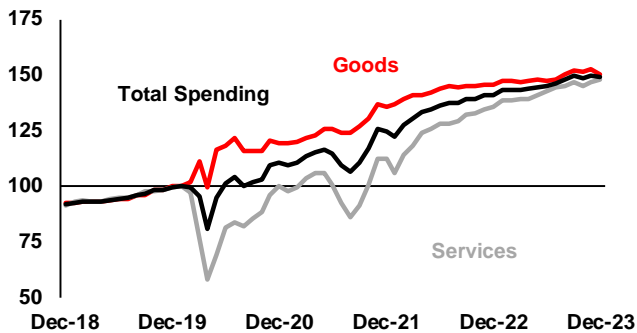
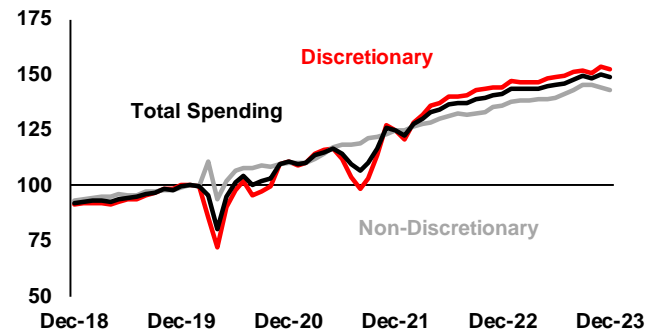


Chart 5: Discretionary Spending Index (Jan 2020 = 100)



## Monthly Consumer Spending – Detail by State

- Spending in the month edged up in Tas and WA but declined elsewhere. In three-month average terms, spending increased in all states except for the ACT with growth strongest in the NT at 3.1%.

Table 2: Spending Growth by State (%)

	Oct-23	Nov-23	Dec-23		
	m/m	m/m	m/m	3m/3m	y/y
NSW	-1.0	0.9	-0.1	1.0	5.3
VIC	-2.0	2.4	-0.4	0.4	4.3
QLD	0.0	0.1	-0.9	0.3	6.0
WA	0.4	0.9	0.2	2.0	8.4
SA	-1.6	2.7	-1.7	0.8	4.9
TAS	-0.8	0.9	0.4	0.9	4.8
ACT	-1.7	1.7	-0.8	-0.1	4.5
NT	1.9	2.5	-1.2	3.1	8.4

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

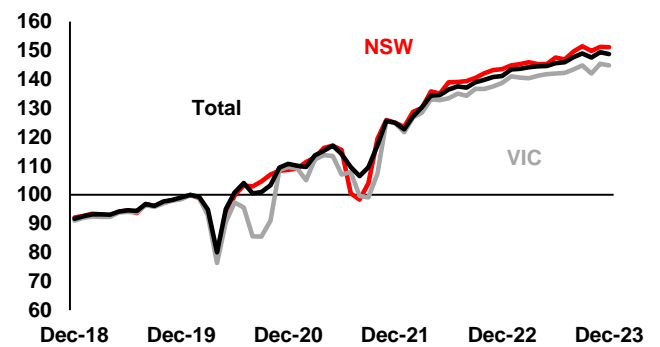


Chart 7: Spending by State (Index, Jan 2020 = 100)

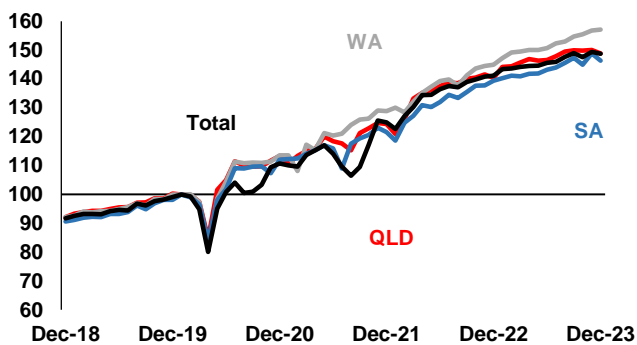
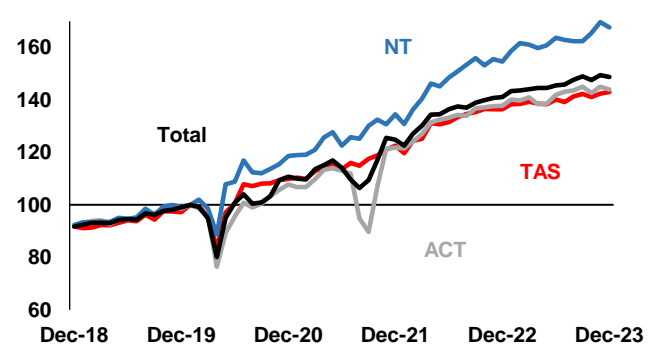


Chart 8: Spending by State (Index, Jan 2020 = 100)



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

## Monthly Consumer Spending – Retail Sector Detail

- Retail spending declined 1.3% m/m in December, with a fall in goods retail (down 1.7%) outweighing a lift in hospitality (up 0.6%). The November estimate for retail spending was revised higher, from 1.0% to 1.4% m/m. Total retail spending was up 1.2% in three-month average terms and 3.7% y/y.
- All goods spending subcategories declined in December with large falls in clothing (down 4.5%) and department stores (down 3.6%). Overall goods retail spending is up 1.3% in three-month-average terms and 3.1% y/y.
- Hospitality spending rose 0.6% m/m with spending now up 0.9% in three-month-average terms and 6.4% y/y.
- The fall in spending in December followed a strong rise in November, reflecting the ongoing pull forward in Christmas spending to the Black Friday sales. In non-seasonally adjusted terms, total retail spending rose around 9% m/m in November and a further 10% in December. Total retail spending over the October-December period was around 4.1% higher in 2023 than in the comparable period in 2022.

Table 3: Retail Spending Growth (%)

	Oct-23	Nov-23	Dec-23		
	m/m	m/m	m/m	3m/3m	y/y
Food	0.5	0.7	-1.0	1.3	3.3
Hhld Goods	0.0	1.2	-1.7	1.3	3.3
Clothing	-0.4	6.4	-4.5	3.5	1.5
Dept. Stores	-0.5	0.2	-3.6	-1.6	-1.0
Other Retail	-0.7	2.0	-1.5	0.8	4.4
<b>Total Goods Retail</b>	<b>0.0</b>	<b>1.6</b>	<b>-1.7</b>	<b>1.3</b>	<b>3.1</b>
Hospitality	0.0	0.3	0.6	0.9	6.4
<b>Total Retail</b>	<b>0.0</b>	<b>1.4</b>	<b>-1.3</b>	<b>1.2</b>	<b>3.7</b>

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

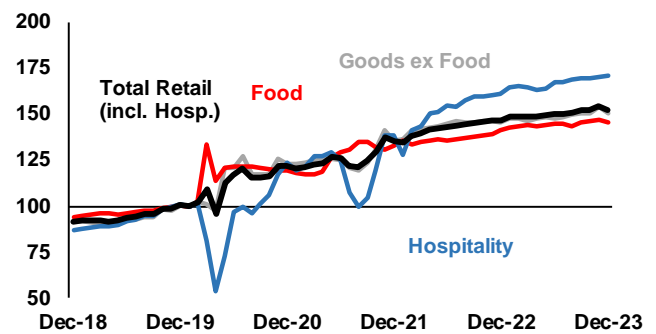


Chart 10: Total Retail Spending Growth (%)

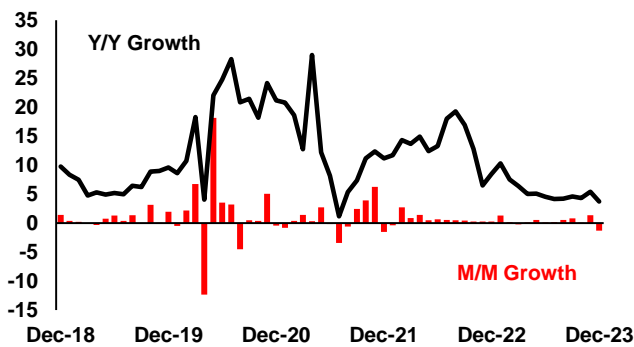


Chart 11: Comparison to ABS Retail Sales Growth (%)

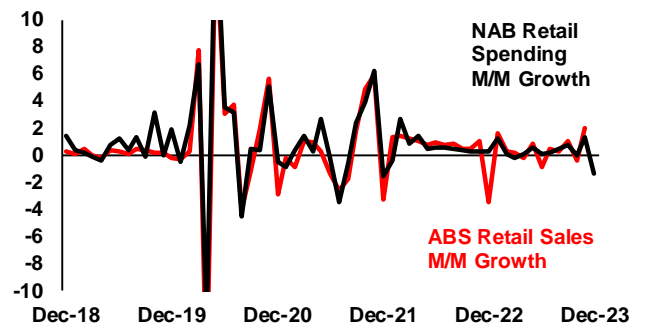


Chart 12: Spending Growth by Retail Category (%)

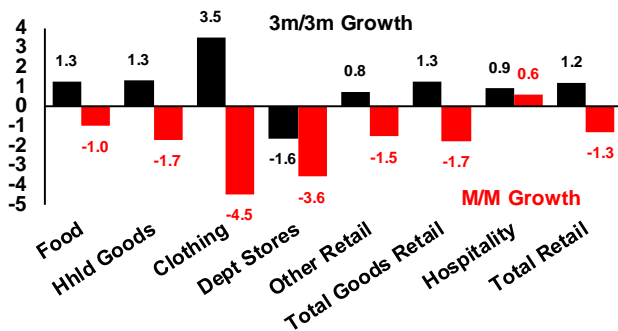
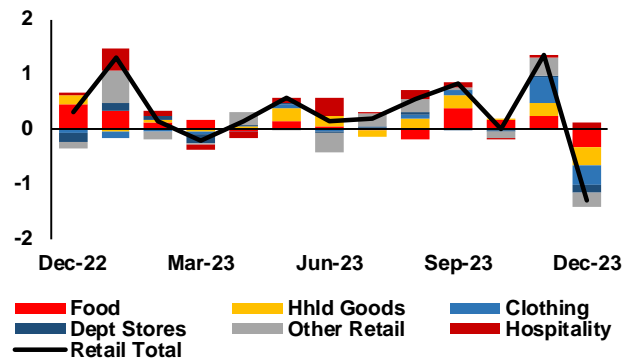


Chart 13: Contribution to Monthly Growth (%)



## Monthly Spending – Detail for Non-Retail Subcategories

- Spending on vehicles & fuel declined 1.2% m/m in December, with fuel down 1.7% and vehicle spending unchanged in the month. Fuel price movements have likely contributed most of the volatility in this category in recent months.
- Spending on essential services rose a modest 0.3% m/m with the November result revised up from -0.8% to 0.0%. For December, there was a notable rise in education (up 3.9% m/m), while all other categories of essential services spending declined.
- Other spending rose 1.0% m/m in December. All categories rose except for transport & postal, with notable increases in professional services (up 3.4% m/m) and construction (up 3.3%). Overall, the other spending category remains 0.5% higher in three-month-average terms and up 8.9% y/y.

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

	Oct-23	Nov-23	Dec-23				Oct-23	Nov-23	Dec-23		
	m/m	m/m	m/m	3m/3m	y/y		m/m	m/m	m/m	3m/3m	y/y
Vehicles	-0.6	0.9	0.0	1.0	5.7	Arts, Rec. & Travel	-3.7	2.9	0.7	-0.2	7.7
Fuel	-4.2	-5.8	-1.7	-2.7	-1.1	Construction	0.5	-4.4	3.3	0.0	4.3
<b>Vehicles &amp; Fuel Total</b>	<b>-3.1</b>	<b>-3.7</b>	<b>-1.2</b>	<b>-1.5</b>	<b>1.0</b>	Professional Services	-3.5	3.3	3.4	1.9	14.4
Education	-0.7	-2.0	3.9	2.0	13.6	Transport & Postal	-3.3	5.3	-0.5	-0.5	9.5
Utilities	0.4	0.4	-0.2	1.1	7.2	Other Services	1.4	-0.3	0.7	1.5	7.6
Health & Care	1.2	-0.6	-0.5	0.4	12.5	<b>Other Spending Total</b>	<b>-2.1</b>	<b>2.2</b>	<b>1.0</b>	<b>0.5</b>	<b>8.9</b>
Media & Comms	0.6	1.8	-0.3	3.6	15.1						
<b>Essential Svcs Total</b>	<b>0.6</b>	<b>0.0</b>	<b>0.3</b>	<b>1.6</b>	<b>12.1</b>						

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

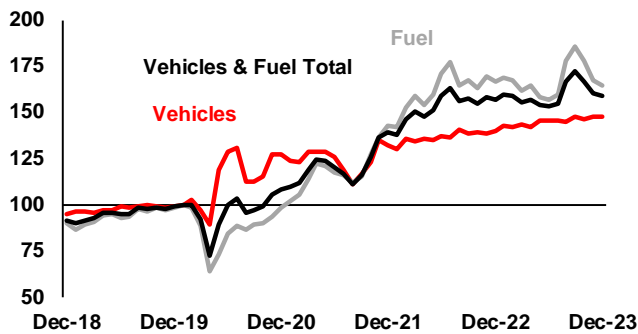


Chart 15: Other Spending Index (Jan 2020 = 100)

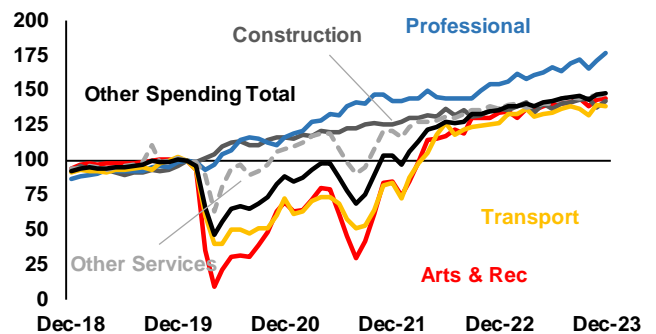
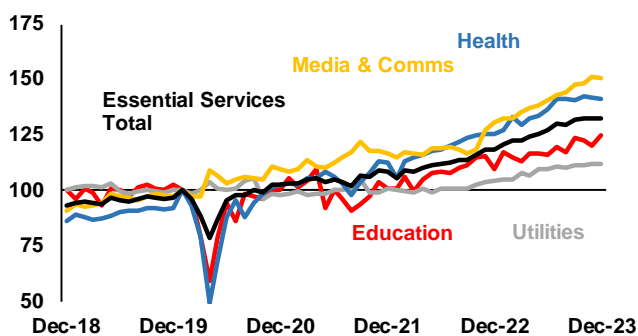


Chart 16: Essential Services Index (Jan 2020 = 100)



## Monthly Business Credits

- Business credits declined 0.1% m/m in December but were steady when excluding mining and agriculture. Credits were up 2.5% in three-month average terms and up 6.4% y/y. December saw notable declines in agriculture (down 5.2% m/m), transport & postal (down 3.1%) and health (down 2.6%), while business credits rose in arts & recreation, education and professional services. Note: this month's data includes improvements to the underlying methodology to better capture new businesses, resulting in some upward revisions to growth in 2023.

Table 5: Business Credits Growth by Industry (%)

	Oct-23	Nov-23	Dec-23		
	m/m	m/m	m/m	3m/3m	y/y
<b>Total</b>	<b>1.0</b>	<b>1.1</b>	<b>-0.1</b>	<b>2.5</b>	<b>6.4</b>
<i>Total ex Mining &amp; Agri</i>	<i>1.3</i>	<i>1.4</i>	<i>0.0</i>	<i>2.9</i>	<i>8.5</i>
Accom & Food	4.4	4.6	0.2	9.7	19.8
Admin & Support	1.3	0.8	0.7	2.0	17.4
Agriculture	-2.0	-0.8	-5.2	-3.7	-4.8
Arts & Rec.	-0.3	0.4	3.0	-0.5	3.2
Construction	2.6	1.1	-0.1	4.6	20.1
Education	0.5	-1.0	2.7	1.7	11.0
Utilities	-0.3	5.7	1.7	5.9	-8.2

	Oct-23	Nov-23	Dec-23		
	m/m	m/m	m/m	3m/3m	y/y
Health	0.8	0.7	-2.6	3.7	22.3
Info & Media	-4.6	0.7	-1.3	-11.0	-3.9
Manufacturing	0.7	1.6	-0.7	2.9	7.3
Mining	0.1	-1.2	1.6	1.6	-8.7
Other Services	-1.2	-0.9	1.1	1.0	14.6
Professional Services	1.9	2.9	2.2	4.7	5.5
Rental & Real Estate	-0.1	0.3	1.9	1.5	5.4
Retail Trade	4.2	2.6	-1.3	7.8	13.9
Transport & Postal	-1.7	-0.6	-3.1	-4.2	-9.3
Wholesale Trade	1.5	1.6	0.0	2.2	4.9

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

Chart 17: Business Credits Growth (%)

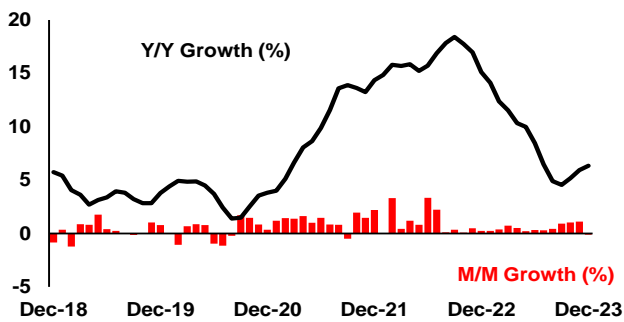


Chart 18: Business Credits Index (Jan 2020 = 100)

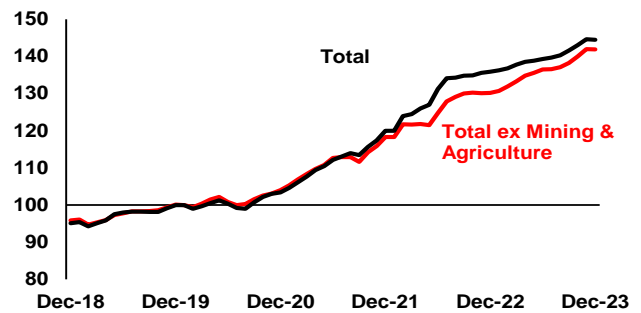


Chart 19: Credits Index by Industry (Jan 2020 = 100)

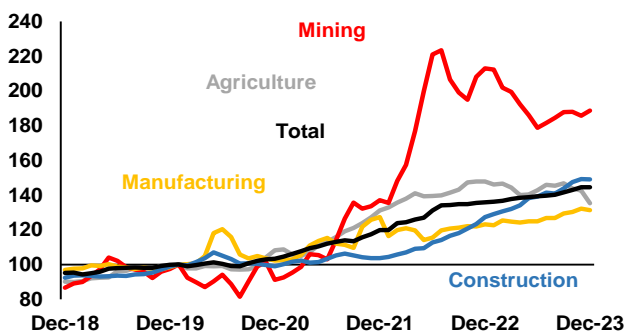


Chart 20: Credits Index by Industry (Jan 2020 = 100)

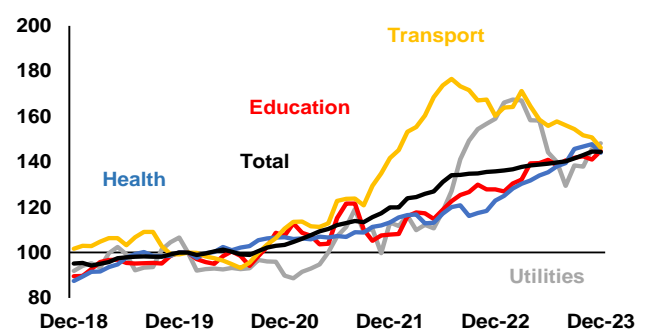


Chart 21: Credits Index by Industry (Jan 2020 = 100)

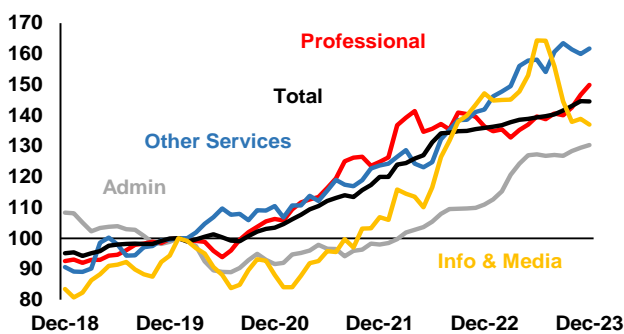
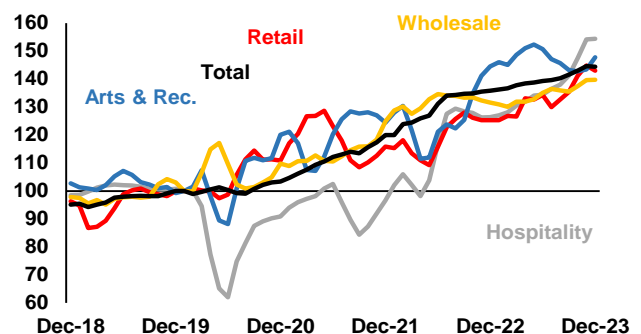


Chart 22: Credits Index by Industry (Jan 2020 = 100)



## 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.

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