

# NAB Monthly Business Survey Nov-24



## A weak read as we head into late 2024

### NAB Economics

#### Summary

Overall, the survey weakened across most activity measures in the month. Business confidence fell sharply in November, reversing last month's gains and is now back well below average at -3 index points. Business conditions also softened in the month, with notable declines across most industries. The goods production and distribution sectors – particularly manufacturing and retail – are weakest in trend terms, while the services sectors remain significantly stronger. All three subcomponents of business conditions are now at or below average. Forward orders declined further in the month led by weakness in mining and retail – and continue to track below their long-run average as they have for most of the year. Overall, the survey points to ongoing soft growth in Q4 though with capacity utilisation unchanged at an above-average level it will likely take more time for price pressures to fully normalise. Indeed, price and cost growth indicators were broadly unchanged across the survey, though retail prices fell back to 0.6% in quarterly terms.

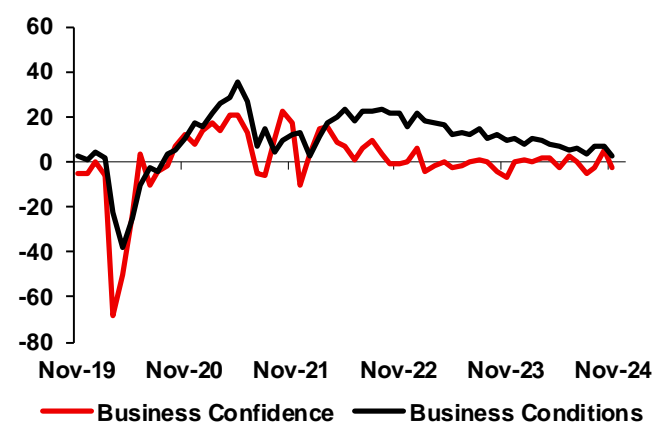
#### Survey Details

- **Business confidence** fell 8pts to -3 index points, with solid declines across most industries, except for construction (up 7pts) and mining (up 3pts). In trend terms, confidence remains weakest in retail (-10 index points) and wholesale (-4 index points).
- **Business conditions** fell 5pts. Trading conditions led the decline, falling 8pts, though profitability (down 6pts) and employment (down 1pt) also eased. All sub-components are now at or below average.
- **By industry**, conditions fell in all industries except construction and mining. Wholesale and manufacturing saw the largest declines, though finance, business & property, retail and rec & personal also declined by 5-8pts. In trend terms, conditions are now weakest in manufacturing and remain negative in retail. They are strongest in rec & personal, finance, business & property and transport & utilities.
- **By State**, conditions declined in WA, NSW and Vic and edged down in Tas. They edged up in Qld and were flat in SA. In trend terms, conditions are strongest in Qld and weakest in SA.
- **Forward orders** fell to -5 index points. **Capex** rose 1pt to +10 index points, while **capacity utilisation** was unchanged at 82.4%.
- **Labour cost growth** was unchanged at 1.4% in quarterly equivalent terms, while **purchase cost growth** ticked up to 1.1%.
- **Product price growth** was unchanged at 0.6%. **Retail price growth** slowed to 0.6% (from 1.1%), while **recreation & personal services price growth** fell to 0.7%.

Table 1: Key Monthly Business Survey Statistics

	Sep-24	Oct-24	Nov-24
	Net balance		
Business confidence	-2	5	-3
Business conditions	7	7	2
Trading	12	13	5
Profitability	5	5	-1
Employment	5	3	2
Forward Orders	-5	-3	-5
Capex	9	8	10
Stocks	5	8	2
Exports	-2	0	-1
	% change at quarterly rate		
Labour costs	1.9	1.4	1.4
Purchase costs	1.4	0.9	1.1
Final products prices	0.6	0.6	0.6
Retail prices	0.6	1.1	0.6
	Percent		
Capacity utilisation rate	83.1	82.4	82.4

Chart 1: Confidence & Conditions (Net Balance, SA)



All data seasonally adjusted and subject to revision. Survey conducted from 18 to 22 November 2024, covering around 500 businesses across the non-farm business sector.

Next release date: 28 January 2025.

## Business Conditions and Confidence

Chart 2: Business Conditions, SA (Net Balance)

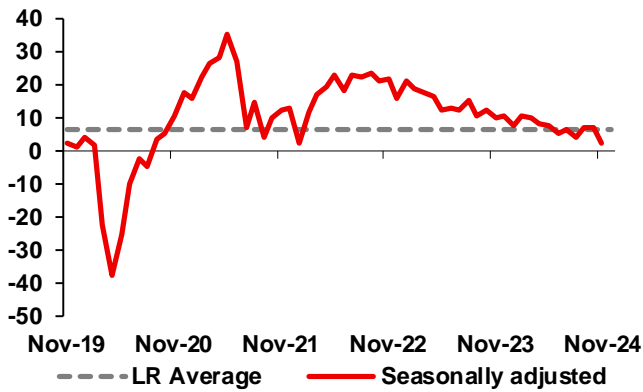


Chart 3: Components of Conditions, SA (Net Balance)

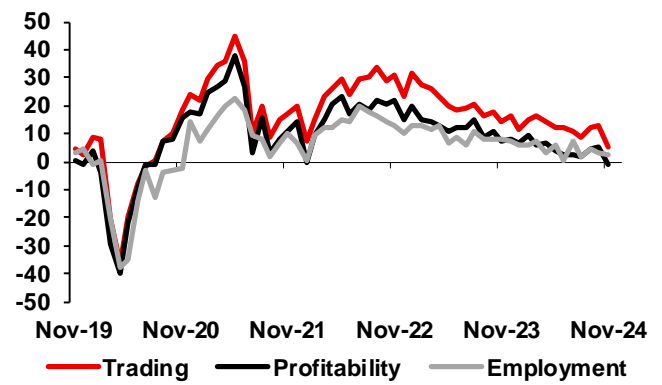


Chart 4: Business Confidence, SA (Net Balance)

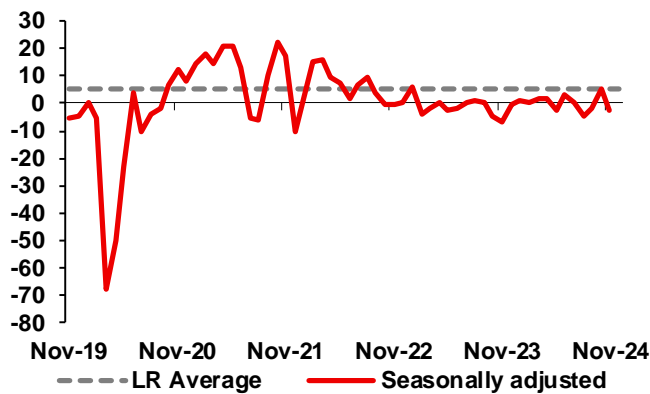


Chart 5: Conditions & Confidence, Trend (Net Balance)

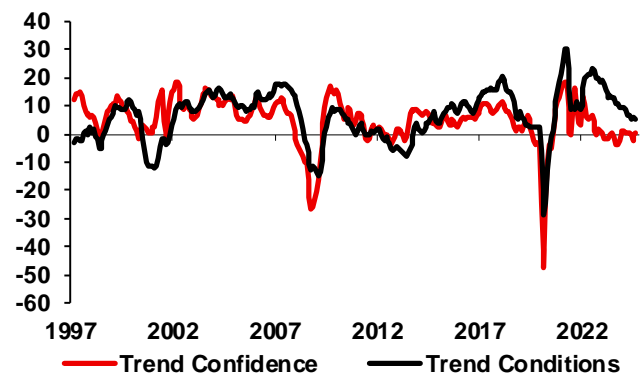


Chart 6: Conditions & Confidence by Industry, Trend (Net Balance)

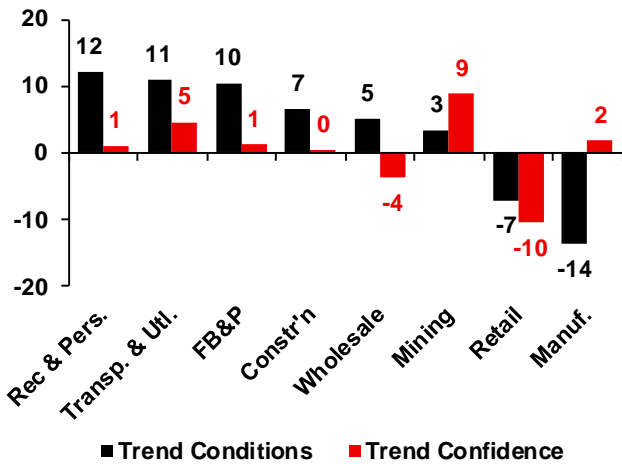
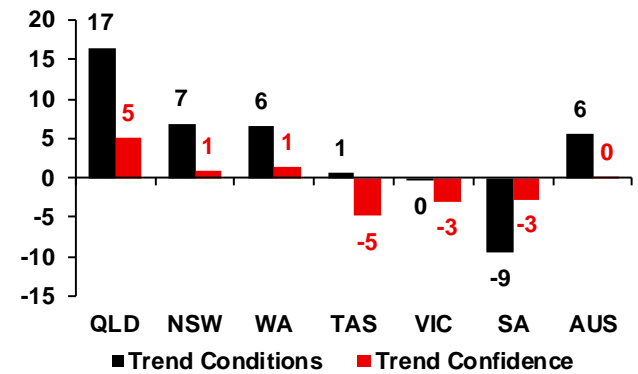


Chart 7: Conditions & Confidence by State, Trend (Net Balance)



## Leading Indicators and Other Key Measures

Chart 8: Forward Orders, SA (Net Balance)

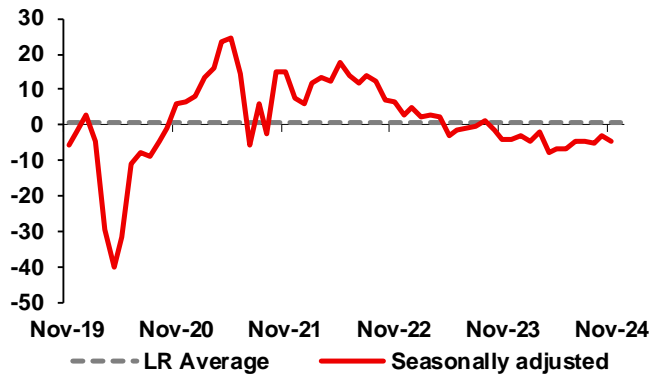


Chart 9: Fwd. Orders by Industry, Trend (Net Balance)

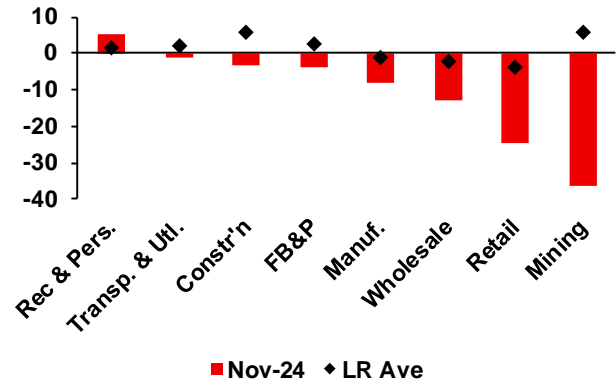


Chart 10: Capacity Utilisation, SA (%)

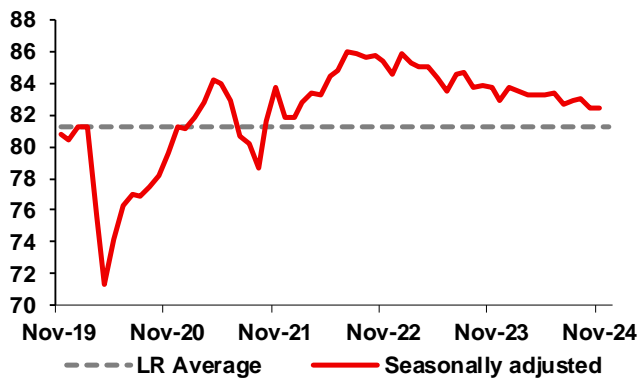


Chart 11: Capacity Util. by Industry, Trend

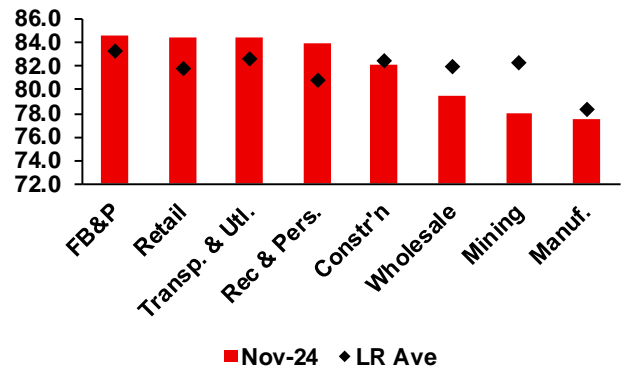


Chart 12: Capital Expenditure, SA (Net Balance)

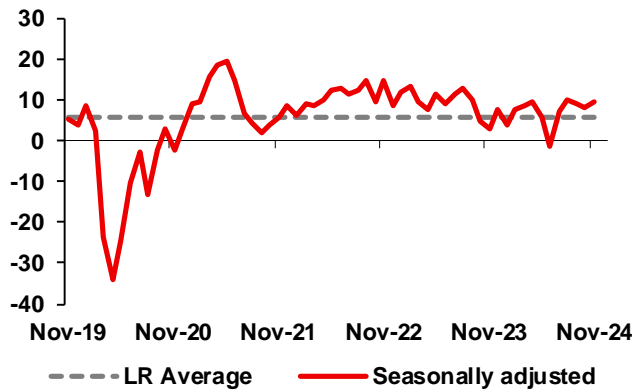


Chart 13: Exports & Stocks, SA (Net Balance)

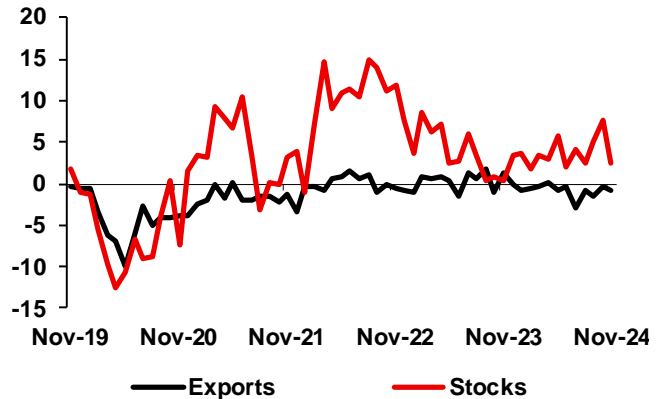


Chart 14: Change in Borrowing Conditions, Trend (% of Firms Requiring Borrowing)

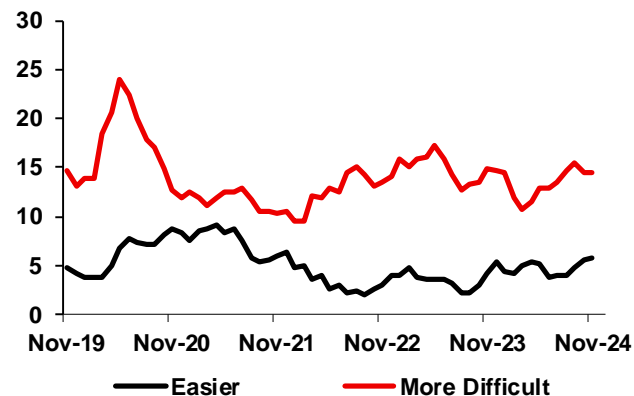
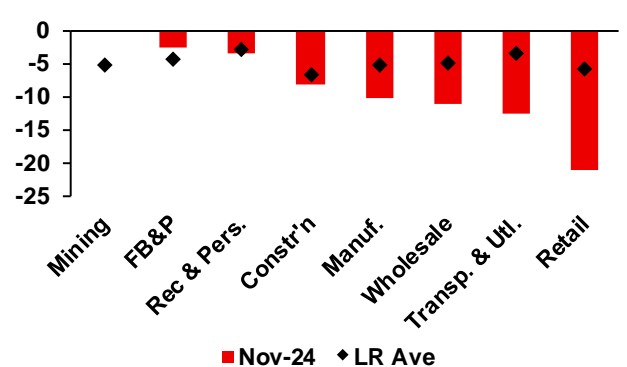


Chart 15: Borrowing Conditions by Industry (Net Balance)



## Employment, Wages and Prices

Chart 16: Employment, SA (Net Balance)

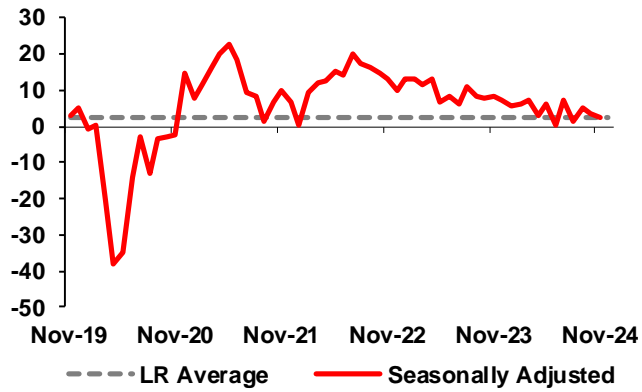


Chart 17: Employment, Selected Industries, Trend

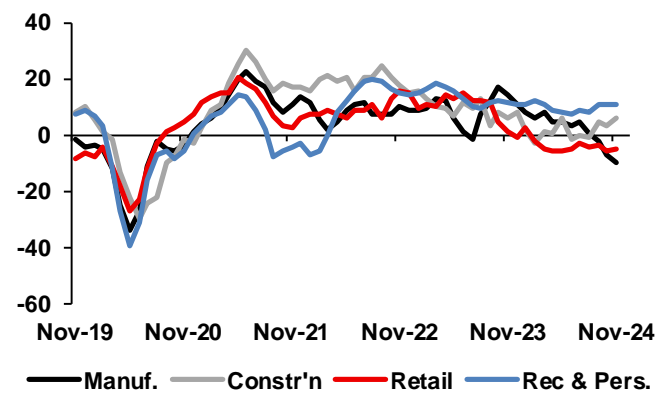


Chart 18: Cost Growth, SA (% Qtly Eq.)

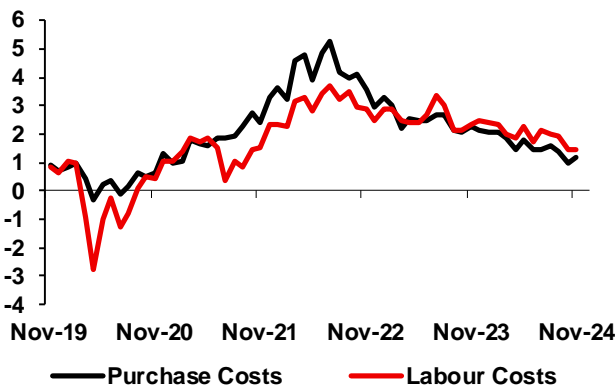


Chart 19: Labour Costs, Selected Industries, Trend (%)

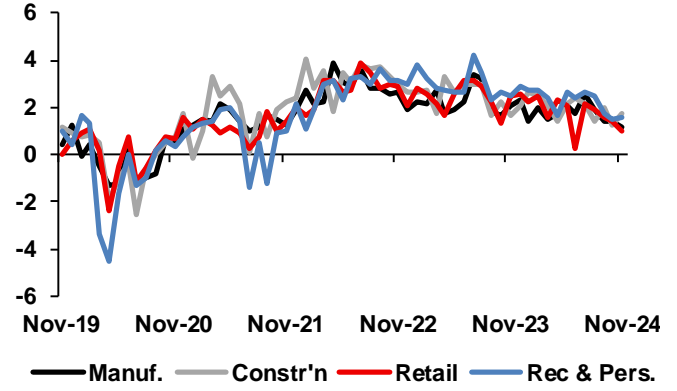


Chart 20: Output Price Growth, SA (% Qtly Eq.)

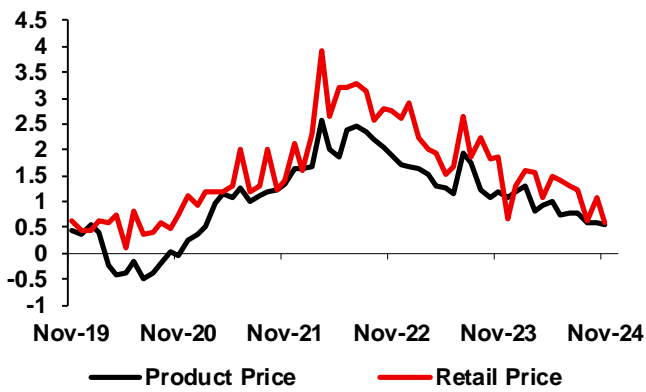
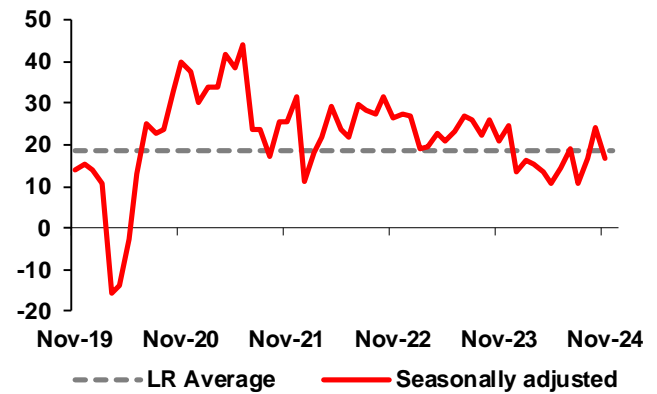


Chart 21: Cash Flow, SA (Net Balance)



## Conditions and Confidence by State and Industry

Chart 22: Conditions by State (Net Balance, Trend)

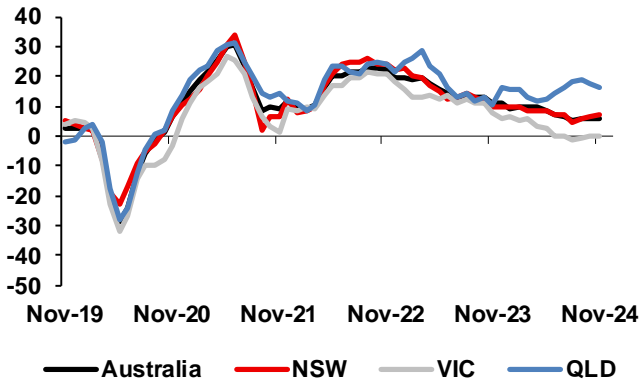


Chart 23: Conditions by State (Net Balance, Trend)

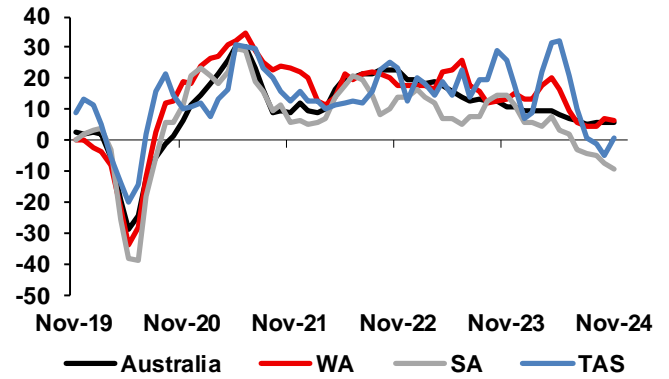


Chart 24: Confidence by State (Net Balance, Trend)

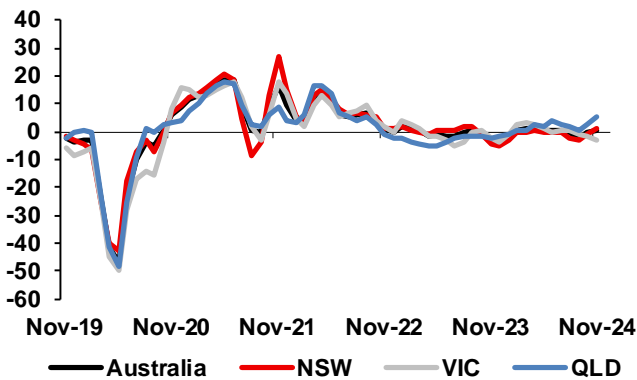


Chart 25: Confidence by State (Net Balance, Trend)

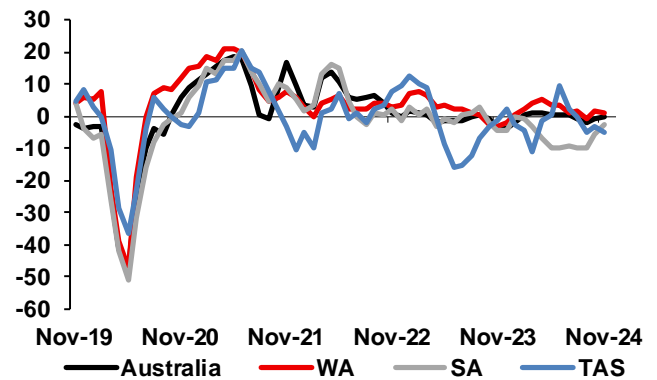


Chart 26: Conditions by Industry (Net Balance, Trend)

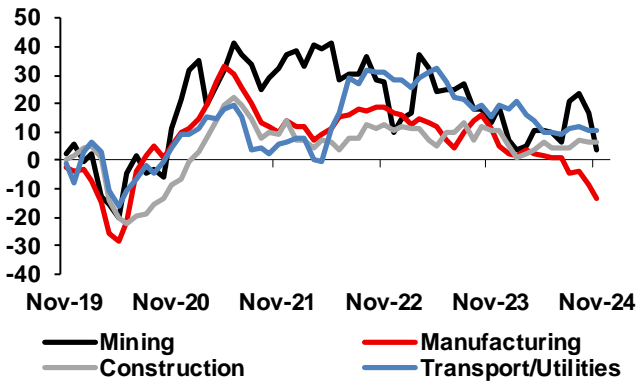


Chart 27: Conditions by Industry (Net Balance, Trend)

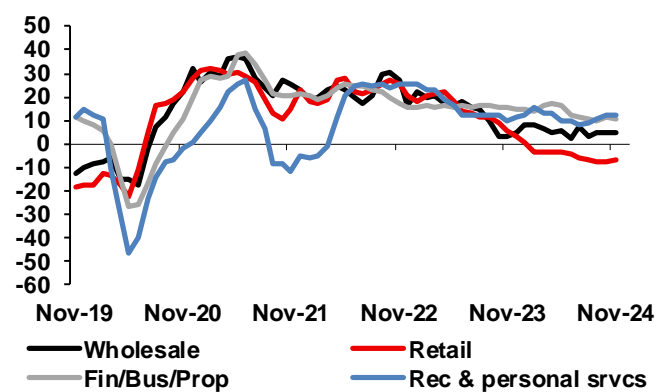


Chart 28: Confidence by Industry (Net Balance, Trend)

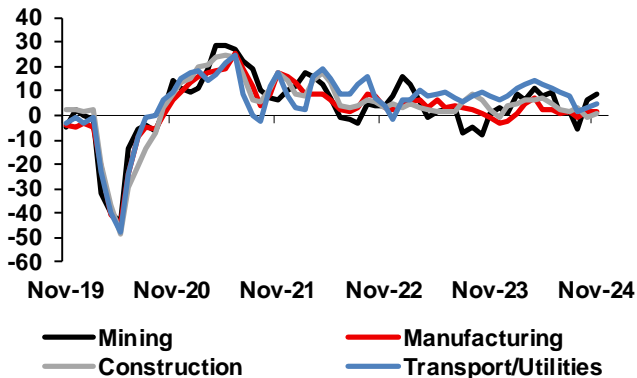
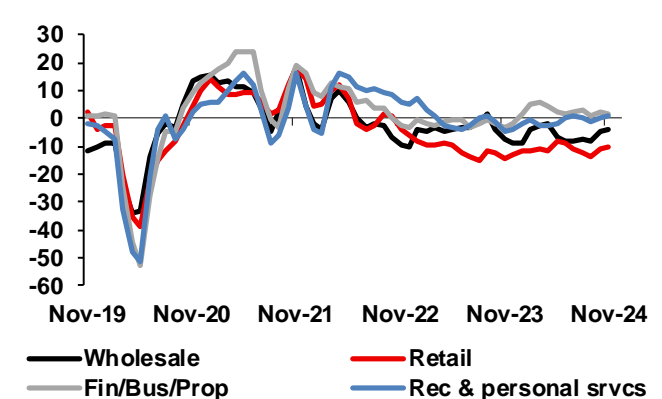


Chart 29: Confidence by Industry (Net Balance, Trend)



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## Appendix: list of series available to subscribers<sup>^</sup>

### Monthly Business Survey\*

Business Confidence	Net balance
Business Conditions	Net balance
Trading Conditions	Net balance
Profitability	Net balance
Employment	Net balance
Forward Orders	Net balance
Stocks	Net balance
Exports	Net balance
Capital Expenditure (Capex)	Net balance
Cash Flow	Net balance
Labour Costs	% change at quarterly rate
Purchase Costs	% change at quarterly rate
Final Prices	% change at quarterly rate
Capacity Utilisation	Per cent
Borrowing Demand & Conditions	%; net balance

**All series available on an industry basis for:**

Mining  
 Manufacturing  
 Construction  
 Retail trade  
 Wholesale trade  
 Transport / Utilities  
 Finance / Property / Business Services  
 Recreation / Personal Services

**All available on a state basis for:**

New South Wales  
 Victoria  
 Queensland  
 WA  
 SA/NT  
 Tasmania

\*All data available in original, seasonally adjusted and trend terms.

<sup>^</sup>Subscribers also receive a copy of the Subscriber details publication which contains a variety of extra charts and tables.

## Quarterly Business Survey\*

The Quarterly NAB Business Survey provides a more in-depth probe into the conditions facing Australian business than the monthly survey, and also examines additional information about how firms perceive the outlook for their industries.

Business Confidence

Business Conditions (current, next 3 mth, next 12 mth)

Trading conditions (current, next 3 mth, next 12 mth)

Profitability (current, next 3 mth, next 12 mth)

Employment (current, next 3 mth, next 12 mth)

Forward orders (current, next 3 mth)

Stocks (current, next 3 mth)

Export orders (current, next 3 mth)

Capital expenditure (current, next 3 mth, next 12 mth, fiscal year)

Required rate of return on investment

Cash flow

Labour costs (current, next 3 mth)

Purchase costs (current, next 3 mth)

Final prices (current, next 3 mth)

Capacity Utilisation

Borrowing index (current, next 3 mth)

Borrowing demand (current, next 3 mth)

Constraints on output (demand, labour, materials, premises & plant, finance/working capital)

Constraints on profit (capital, demand, high AUD, low AUD, interest rates, labour, tax, wages, energy costs, other)

Constraint on employment (demand, confidence, cashflow, suitable labour, high wages, government policy, labour not at full capacity, other, don't know)

### **All series available on an industry basis for:**

Mining (sub-groups: Mining Extraction, Mining Services)

Manufacturing (sub-groups: food beverage & tobacco, textile clothing footwear & leather, wood & paper product, printing publishing & recorded media, petroleum coal chemical & associated products, non-metallic mineral product, metal product, machinery & equipment, other)

Construction (sub-groups: Residential Building, Non-residential Building, Other Construction, Construction Services)

Retail trade (sub-groups: Food, Personal & Household Goods, Motor Vehicle Retailing & Services, Other Retail)

Wholesale trade

Transport / Utilities

Finance / Property / Business Services (sub-groups: Finance, Insurance, Services to Finance & Insurance, Property Services, Business Services)

Recreation / Personal Services (Sub-groups: Motion picture, Radio & Television Services, Libraries Museums & the Arts), Sports & Recreation, Personal Services, Accommodation Cafes & Restaurants, Health Services, Education, Other Services)

### **All series available on a state basis for:**

New South Wales

Victoria

Queensland,

WA

SA/NT

Tasmania

Margins (current, next 3 mth)

Overheads (current, next 3 mth)

Productivity growth

Number of employees

Hours worked

Gross Sales

Output/sales growth (current fiscal year)

Average earnings (current fiscal year)

Short term interest rate

Exporters hedged FX exposure (%)

Importers hedged FX exposure (%)

Months hedged (exporters)

Months hedged (importers)

Favourable hedge position (% of exporters)

Favourable hedge position (% of importers)

Affected vs not affected by AUD

Response to AUD (downsized, reduced, overheads, hedging, import substitution, focus on domestic market, other, don't know)

Driver of trading conditions (demand, wages/jobs, house prices, rates, exchange rate, tax/govt policy, seasonal, finance/working capital, company specific, other)

What will improve confidence (lower rates, more suitable labour, easier funding, government policy, higher demand, higher AUD, lower AUD, easier compliance, other)

\*Data available in original, seasonally adjusted and trend terms.