



NAB ECONOMICS DATA INSIGHTS

IMPACTS OF CORONAVIRUS ON CONSUMPTION BASED SPENDING AND BUSINESS PAYMENT INFLOWS

NAB Group Economics

April 2020

During these extraordinary times we have taken the decision to publish aggregated customer data categorised by industry segment with the view of helping to 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.

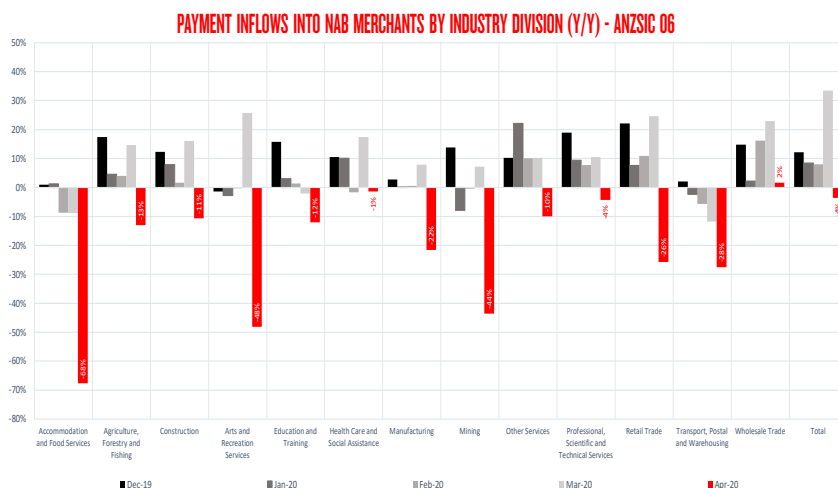
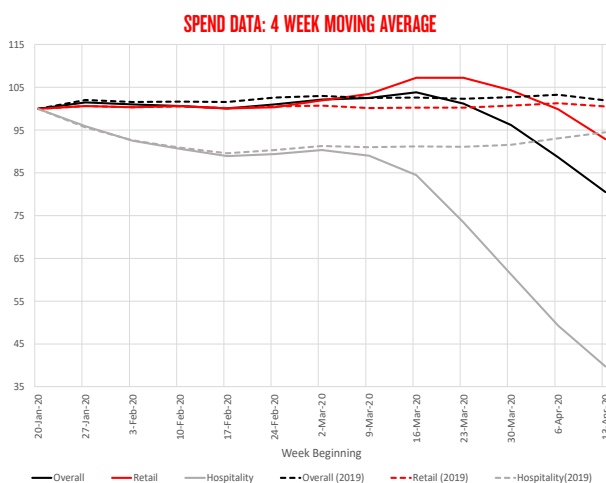
NAB data shows dramatic falls in consumption-based spending and business payment inflows post COVID-19 containment measures, with the pace of decline continuing to accelerate quite rapidly across many industries.

Spending in the year to date has fallen heavily in all states and territories, with Victoria leading the way. By industry sector, spending is down most in Administration & Support Services, Accommodation & Food Services and Transport, Postal & Warehousing, with Construction the only sector recording growth. A handful of sub-industries have seen spending growth including - Internet Publishing & Broadcasting, Construction Services, Gambling Activities, Food Retailing and Building Cleaning & Pest Control.

Business payment inflows into NAB merchants have also fallen sharply. Corporates continue to outperform (particularly compared to medium and small business) and inflows remain positive, but have fallen steeply in April. By industry, the hit to inflows has been most apparent in the Accommodation & Food Services (particularly Clubs, Pubs, Cafes, Restaurants & Takeaway Food) and Arts & Recreation Services (particularly Amusement & Other Activities and Sports & Physical Recreation) - sectors that have borne the brunt of forced business closures and social isolation measures. Inflows are also down heavily in Mining.

Inflows are holding up best in Wholesale Trade - the only sector recording growth in inflows. Other industries holding up comparatively well include Health Care & Social Assistance and Professional, Scientific & Technical Services, although payment incomes are well down on the previous month.

Big falls have also been recorded in parts of Retail including Clothing, Footwear & Personal Accessories, Department Stores and Motor Vehicles. Only two sub-sectors reported positive gains in payment inflows - Specialised Food Retailing and Hardware, Building & Garden Supplies.



By examining around 2.7 million daily transactions, NAB can see how much Australian consumers are spending and where this spending is taking place by industry. Given the size of NAB's customer base, this data provides a good indication of national and regional trends.

NAB uses the four-week average measure to smooth volatile weekly data. The latest data is for the four weeks ending 19 April 2020. Overall, consumption spending has fallen 19.5% (not seasonally adjusted) since the start of the year. Spending over the year to date has fallen heavily in all states and territories. The steepest falls over the year to date are in VIC (-23.0%), followed by the ACT (-20.7%), WA (-20.5%) and NSW (-20.4%). Spending is currently holding up best in TAS (-14.9%) and the NT (-15.0%).

By industry division, spending has fallen most heavily in Administration & Support Services (-87%), followed by Accommodation & Food Services (-60%) and Transport, Postal & Warehousing (-54%). Construction is the only industry divisions still recording growth (20%).

A look at spending on industries at a more disaggregated level provides a clearer picture of "winners and losers". Some industries have been hit particularly hard, such as Motion Picture & Sound Recording, down a staggering -98%, Administration Services (-91%), Other Transport (88%), Sport & Recreation Activities (85%), Sports & Recreation (85%), Air Transport (84%), Rail (80%) and Accommodation (75%). A handful of industries have seen growth in spending including Internet Publishing & Broadcasting (30%), Construction Services (20%), Gambling Activities (20%), Food Retailing (16%), and Building Cleaning & Pest Control (9%).

The latest data shows that spending continues to step down. Over the week ending 19 April, spending fell 9.2% in 4 week moving average terms, accelerating from 7.8% over the previous week. Relative to the previous week, the rate of spending decline has accelerated in all states and territories, and now ranges from 9.4% in WA to 7.2% in the NT.

The pace of decline is also accelerating quite rapidly in many industries. Spending on Administration & Support Services was down (34%) over the previous week, with relatively steep falls also seen in Healthcare & Social Assistance (21%), Transport, Postal & Warehousing (21%) and Accommodation & Food Services (19%). At the lower level of industry classification, spending is still growing in only 2 - Gambling (5%) and Internet (2%).

In addition to consumption based spending, NAB data can also be used to show payment inflows into NAB merchants. In this report, data has been extrapolated and estimated for April 2020 based on the first 3 weeks of the month. Overall payment inflows fell -4% over the year to April 2020, down from 33% in the previous month.

The hit to payment inflows has been significant irrespective of business size. Corporates continue out-performing and inflows remain positive. But they have fallen steeply to 22% in April from 72% in the previous month. Payment incomes were negative in all other sizes of business, with Medium (-17%) and Small (-14%) seeing the biggest falls.

Payment inflows are now falling in nearly all industries. The hit to inflows has been most apparent in the Accommodation & Food Services (-68%) and the Arts & Recreation Services sectors (-48%) - industries that have borne the brunt of forced business closures and social isolation measures. Payment inflows are also down heavily in the Mining sector (-44%).

Inflows are holding up best in Wholesale Trade (2%) - the only sector recording positive inflows. Other industries holding up relatively well were Health Care & Social Assistance (-1%) and Professional, Scientific & Technical Services (-4%), although payment incomes are well down on the previous month.

In this report we have taken a closer look at two key industries where payment inflows have been hit hardest - Accommodation & Food Services and Arts & Recreation Services - along with the Retail Trade sector.

Payment inflows credits into the Accommodation & Food Services Industry has been the hardest hit overall. At the industry group level, all sectors have taken significant hit to their payment inflows. The biggest falls have occurred in Clubs operating in hospitality (-81%) and Pubs Taverns & Bars (-72%). These are also among the industries that have been impacted hardest due to forced closures. Big falls in April were also apparent in Cafes, Restaurants & Takeaway Food Services (-67%) and in Accommodation (-53%).

In Arts & Recreation, inflows were down most in Amusement & Other Activities (-72%), Sports & Physical Recreation Activities (-65%) and Parks & Gardens Operations (-56%). The fall in payment inflows has been least severe in Gambling activities (-22%).

Finally, in retail Trade, inflows fell in nearly all sectors, with the biggest declines seen in Non-Store Retailing (-56%), Clothing, Footwear & Personal Accessory Retailing (-46%), Department Stores (-37%) and Motor Vehicle Retailing (-35%). Only 2 sectors reported positive gains in payment inflows - Specialised Food Retailing (46%) and Hardware, Building & Garden Supplies Retailing (25%).

Essentials like Supermarkets & Grocery Stores (-16%) are now also struggling after having reported a very strong increase in payment inflows in the previous month (62%), when coronavirus-related consumer behaviours resulted in the bulk buying of many household supplies, creating significant shortages in supermarkets.

NAB CONSUMPTION-BASED SPENDING* BY INDUSTRY SECTOR & SELECTED INDUSTRIES (4 weeks ending 13-19 April 2020)

	Percentage change since start of 2020**	Percentage change since previous week**
Accommodation & Food Services	↓ 60.2%	↓ 19.3%
Administrative & Support Services (incl. Travel Agents)	↓ 87.3%	↓ 34.3%
Arts & Recreation Services	↓ 21.2%	↓ 3.7%
Construction	↑ 20.5%	↓ 4.0%
Education & Training	↓ 32.6%	↓ 15.8
Electricity, Gas & Water & Waste Services	↓ 0.9%	↓ 5.3%
Healthcare & Social Assistance	↓ 40.7%	↓ 20.8%
Information, Media & Telecommunications	↓ 6.0%	↓ 0.1%
Professional, Scientific & Technical Services	↓ 9.1%	↓ 5.4%
Rental, Hiring & Real Estate Services	↓ 46.7%	↓ 16.0%
Retail Trade	↓ 3.3%	↓ 7.4%
Transport, Postal & Warehousing	↓ 54.4%	↓ 20.7%
TOTAL	↓ 19.5%	↓ 9.2%
Best Performers (Sub-Division)		
- Internet Publishing & Broadcasting	↑ 30.1%	↑ 2.1%
- Construction Services	↑ 20.5%	↓ 4.0%
- Gambling Activities	↑ 19.8%	↑ 4.8%
- Food Retailing	↑ 15.5%	↓ 9.8%
- Building Cleaning, Pest Control & Other Support Services	↑ 9.3%	↓ 6.6%
Worst Performers (Sub-Division)		
- Motion Picture & Sound Recording Activities	↓ 98.4%	↓ 62.6%
- Administrative Services	↓ 90.8%	↓ 41.8%
- Other Transport	↓ 88.1%	↓ 58.0%
- Sports & Recreation Activities	↓ 85.1%	↓ 36.7%
- Air & Space Transport	↓ 83.7%	↓ 52.9%
- Rail Transport	↓ 80.0%	↓ 25.8%
- Accommodation	↓ 76.0%	↓ 38.0%

*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.

**Not seasonally adjusted.

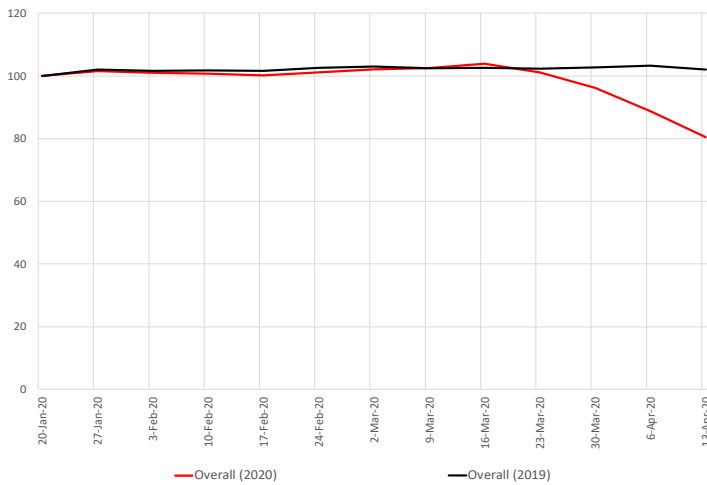
PAYMENT INFLOWS INTO NAB MERCHANTS - SELECTED INDUSTRIES (% Y/Y)*

	March 2020	April 2020
Accommodation & Food Services	↓ 8.8%	↓ 67.7%
Agriculture, Forestry & Fishing	↑ 14.7%	↓ 13.0%
Construction	↑ 16.1%	↓ 10.7%
Arts & Recreation Services	↑ 25.7%	↓ 48.2%
Education & Training	↓ 2.2%	↓ 12.1%
Healthcare & Social Assistance	↑ 17.5%	↓ 1.5%
Manufacturing	↑ 7.8%	↓ 21.6%
Mining	↑ 7.1%	↓ 43.6%
Other Services	↑ 10.2%	↓ 9.9%
Professional, Scientific & Technical Services	↑ 10.5%	↓ 4.3%
Retail Trade	↑ 24.6%	↓ 25.8%
Transport, Postal & Warehousing	↓ 11.8%	↓ 27.5%
Wholesale Trade	↑ 23.0%	↑ 1.6%
TOTAL	↑ 33.4%	↓ 3.6%
Business Size		
- Small	↑ 11.9%	↓ 14.4%
- Emerging	↑ 10.9%	↓ 7.8%
- Medium	↑ 8.8%	↓ 16.6%
- Large	↑ 20.9%	↓ 2.1%
- Corporate	↑ 72.2%	↑ 22.3%
Best Performers (Sub-Division)		
- Basic Materials Wholesaling	↑ 25.5%	↑ 33.1%
- Social Assistance Services	↑ 26.4%	↑ 14.6%
- Residential Care Services	↑ 16.1%	↑ 5.5%
Worst Performers (Sub-Division)		
- Food & Beverage Services	↓ 6.8	↓ 68.7
- Motor Vehicle & Motor Vehicle Parts Wholesaling	↓ 11.4%	↓ 68.1%
- Sports & Recreation Activities	↓ 9.3	↓ 65.3
- Accommodation	↓ 13.3	↓ 61.0
- Non-Store Retail & Retail Comm-Based Buying/Selling	↑ 2.8%	↓ 58.1%
- Air & Space Transport	↓ 25.1%	↓ 57.8%
- Agriculture, Forestry & Fishing Support Services	↑ 14.4 %	↓ 56.8%
- Forestry & Logging	↓ 25.1%	↓ 54.0%
- Oil & Gas Extraction	↓ 17.7	↓ 50.7

* Payment Inflows are credits to a NAB merchant's account that is not a financing credit from NAB or a transfer from related accounts.

APPENDIX 1: SPENDING PATTERNS: OVERALL, BY STATE & BY INDUSTRY

SPEND DATA: 4 WEEK MOVING AVERAGE - OVERALL

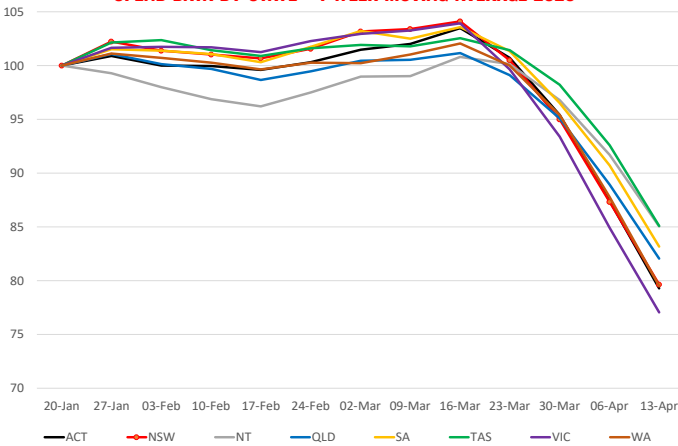


Over the week ending 19 April, spending fell 9.2% in 4 week moving average terms, accelerating from 7.8% over the previous week. Overall, spending has fallen 19.5% since the start of the year. This compares to a 2.0% increase over the same period in 2019.

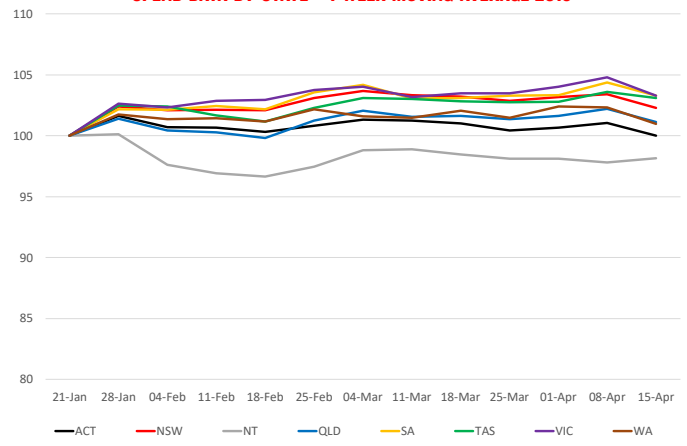
Note: Data excludes government services, taxes, direct to consumer manufacturers, mortgage and other credit facility repayments. Spending includes both online and offline transactions. Transaction data may include EFTPOS, Credit Card, BPAY, Bank Transfers, Direct Debits and PayPal services where available. NAB uses the four-week average measure to smooth volatile data. The latest data is for the four weeks ending 13-19 April 2020.

Spending over the year to date has fallen heavily in all states and territories. The steepest falls over the year to date are in VIC (-23.0%), followed by the ACT (-20.7%), WA (-20.5%) and NSW (-20.4%). Spending is holding up best in TAS (-14.9%) and the NT (-15.0%). In the corresponding period last year, customer spending growth was growing modestly in all states and territories except the NT (down) and the ACT (flat). Relative to the previous week, the rate of spending decline has accelerated in all states and territories, and now ranges from 9.4% in WA to 7.2% in the NT.

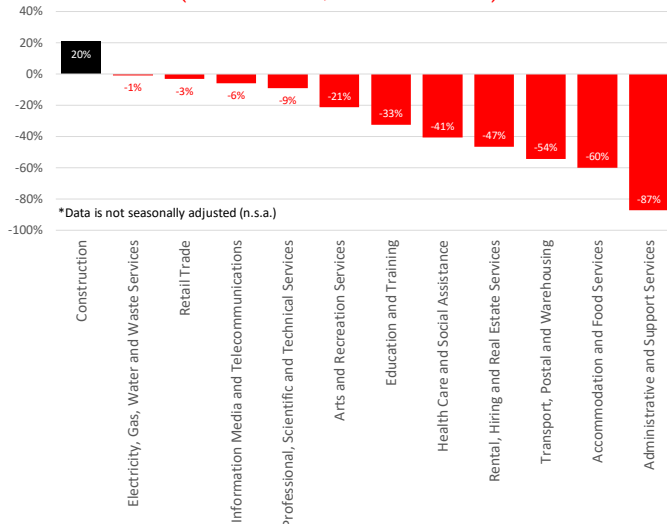
SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2020



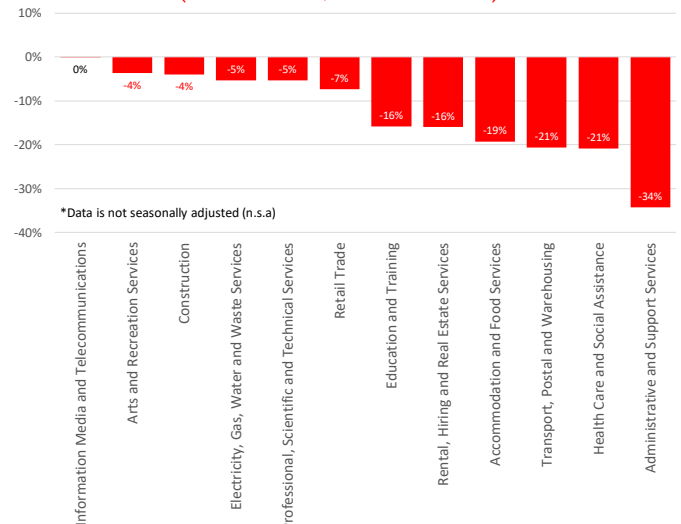
SPEND DATA BY STATE - 4 WEEK MOVING AVERAGE 2019



CHANGE IN CONSUMPTION SPENDING SINCE START OF 2020 (APRIL 12-19- 2020, 4 WEEK MOVING AVG)*

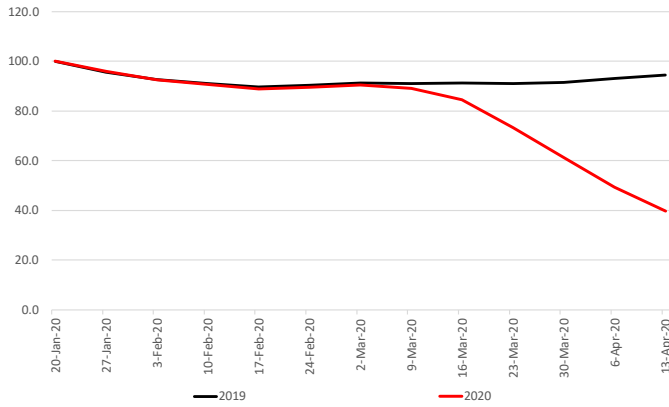


CHANGE IN CONSUMPTION SPENDING FROM THE PREVIOUS WEEK (APRIL 12-19- 2020, 4 WEEK MOVING AVG)*



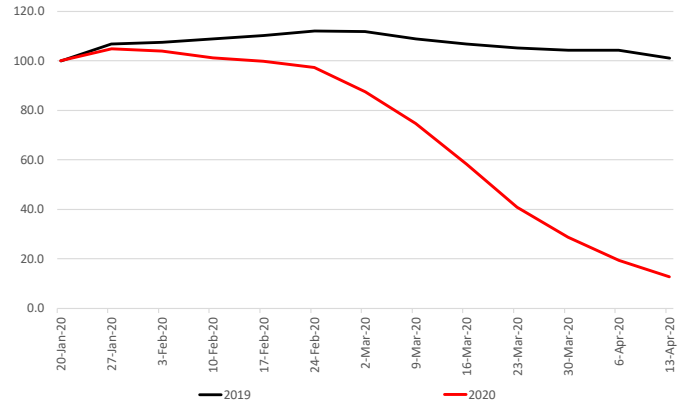
By industry division, spending has fallen most heavily in Administration & Support Services (-87.3%), followed by Accommodation & Food Services (-60%) and Transport, Postal & Warehousing (-54%). Construction is the only industry divisions still recording growth (20%). The pace of decline is also accelerating quite rapidly in many industries. Spending on Administration & Support Services was down (34%) over the previous week, with relatively steep falls also seen in Healthcare & Social Assistance (21%), Transport, Postal & Warehousing (21%) and Accommodation & Food Services (19%).

ACCOMMODATION & FOOD SERVICES



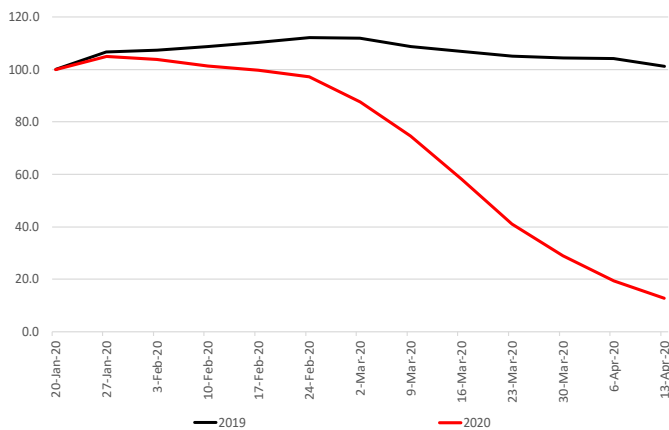
Down 62.2% since the start of the year
Down 19.3% over the previous week

ADMINISTRATIVE & SUPPORT SERVICES



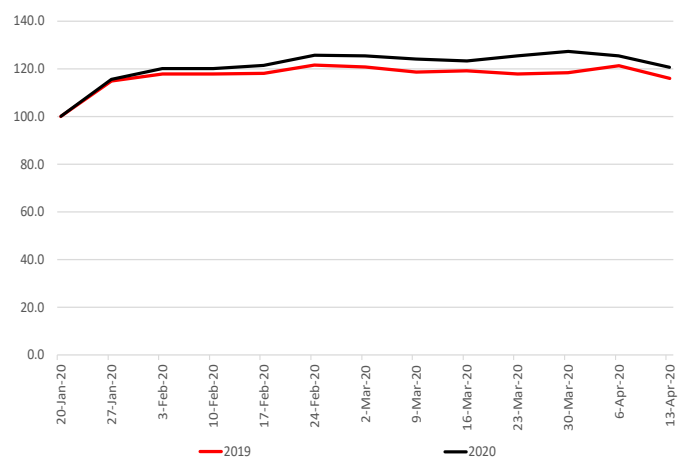
Down 87.3% since the start of the year
Down 34.3% over the previous week

ARTS & RECREATION SERVICES



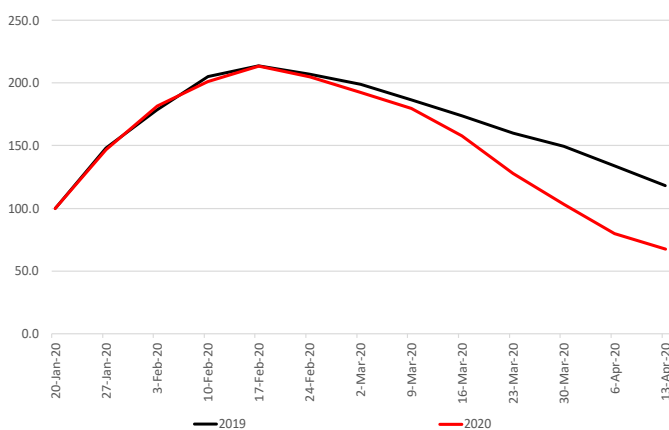
Down 21.2% since the start of the year
Down 3.7% over the previous week

CONSTRUCTION



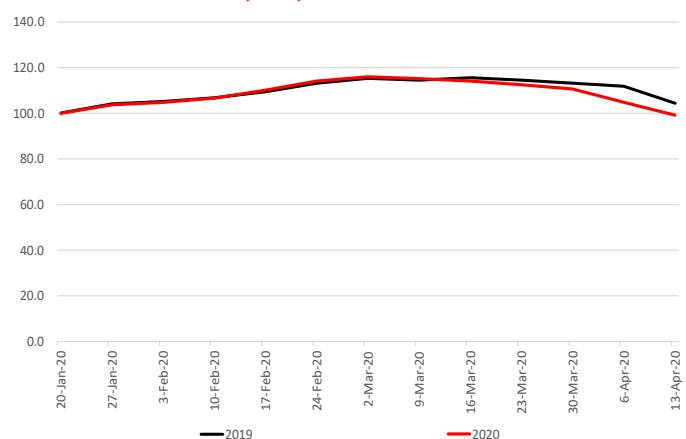
Up 20.5% since the start of the year
Down 4.0% over the previous week

EDUCATION & TRAINING



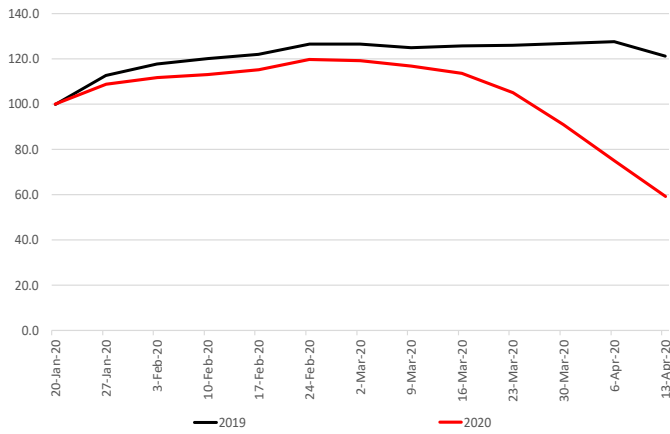
Down 32.6% since the start of the year
Down 15.8% over the previous week

ELECTRICITY, GAS, WATER & WASTE SERVICES



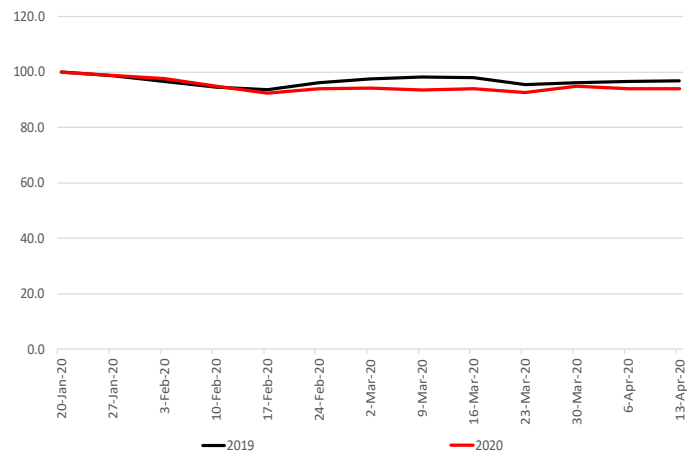
Down 0.9% since the start of the year
Down 5.3% over the previous week

HEALTHCARE & SOCIAL ASSISTANCE



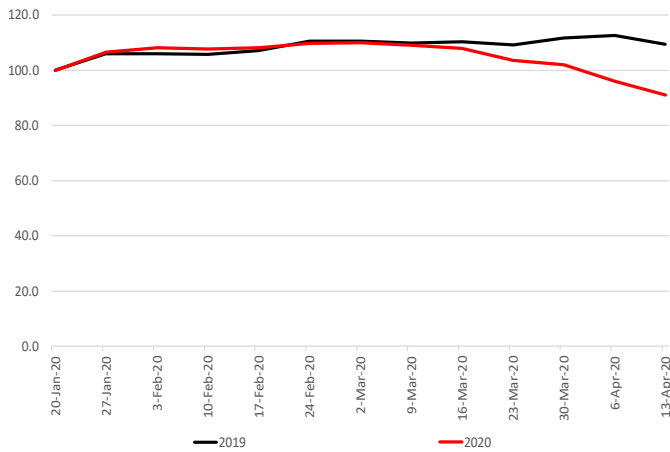
Down 40.7% since the start of the year
Down 20.8% over the previous week

INFORMATION, MEDIA & TELECOMMUNICATION



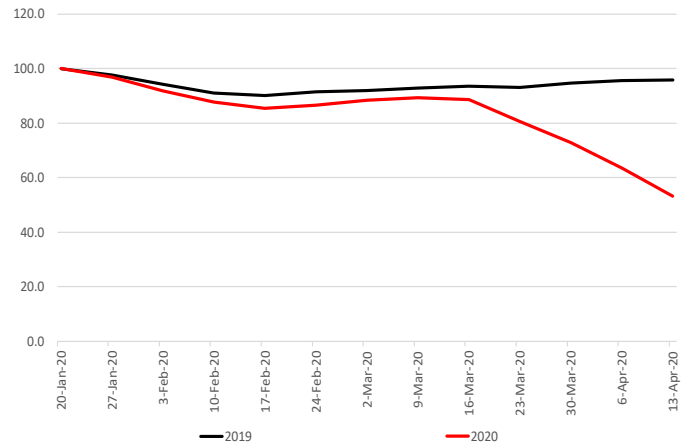
Down 6.0% since the start of the year
Basically flat (-0.1%) over the previous week

PROFESSIONAL, SCIENTIFIC & TECH SERVICES



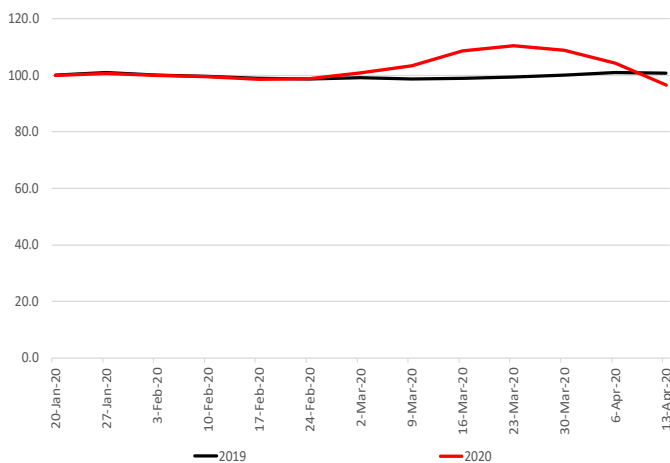
Down 9.1% since the start of the year
Down 5.4% over the previous week

RENTAL, HIRING & REAL ESTATE SERVICES



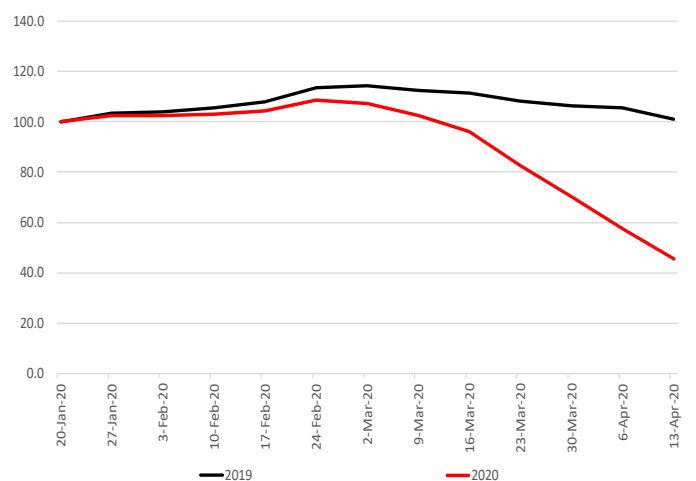
Down 46.7% since the start of the year
Down 16.0% over the previous week

RETAIL TRADE



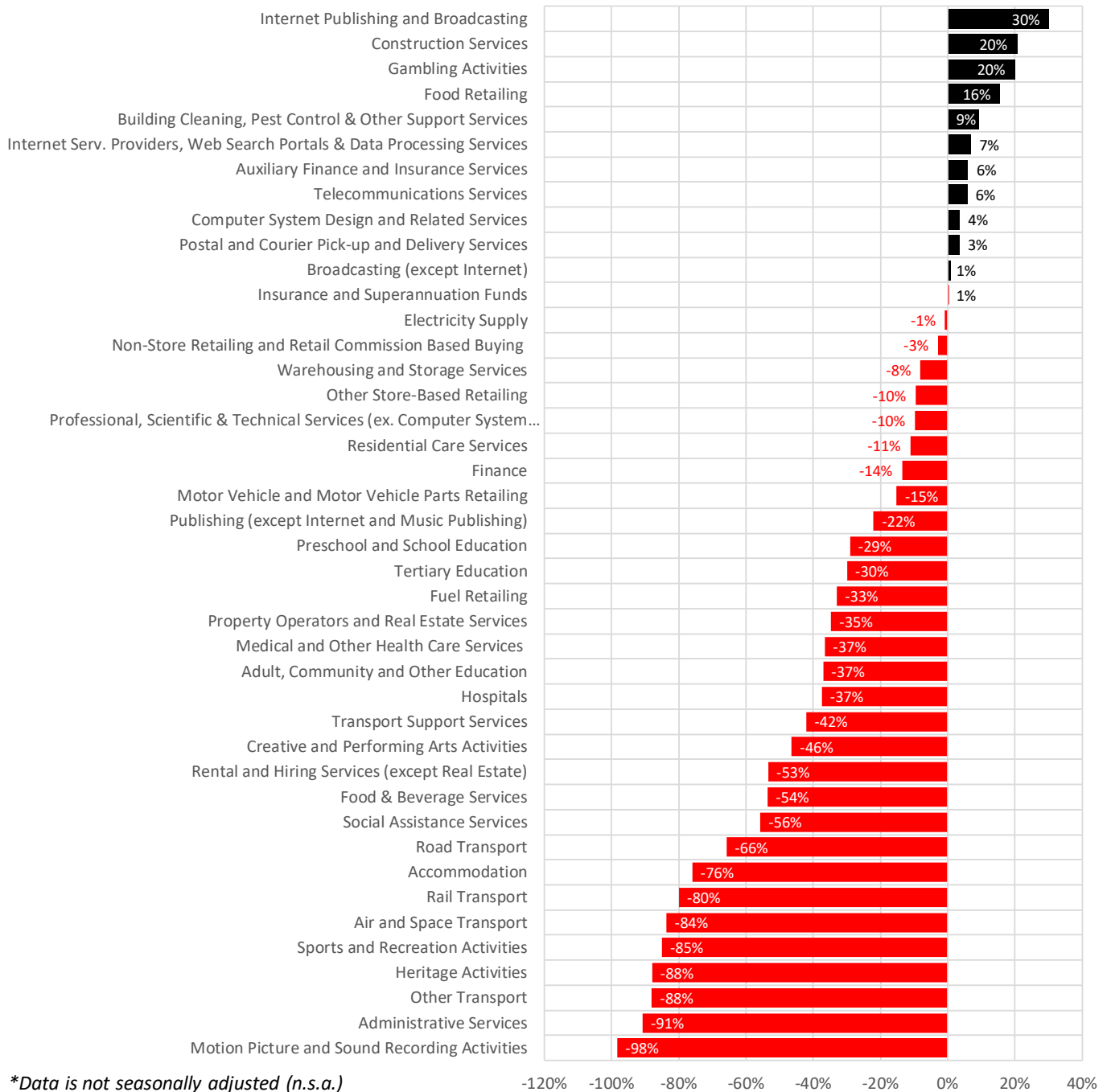
Down 3.3% since the start of the year
Down 7.4% over the previous week

TRANSPORT, POSTAL & WAREHOUSING



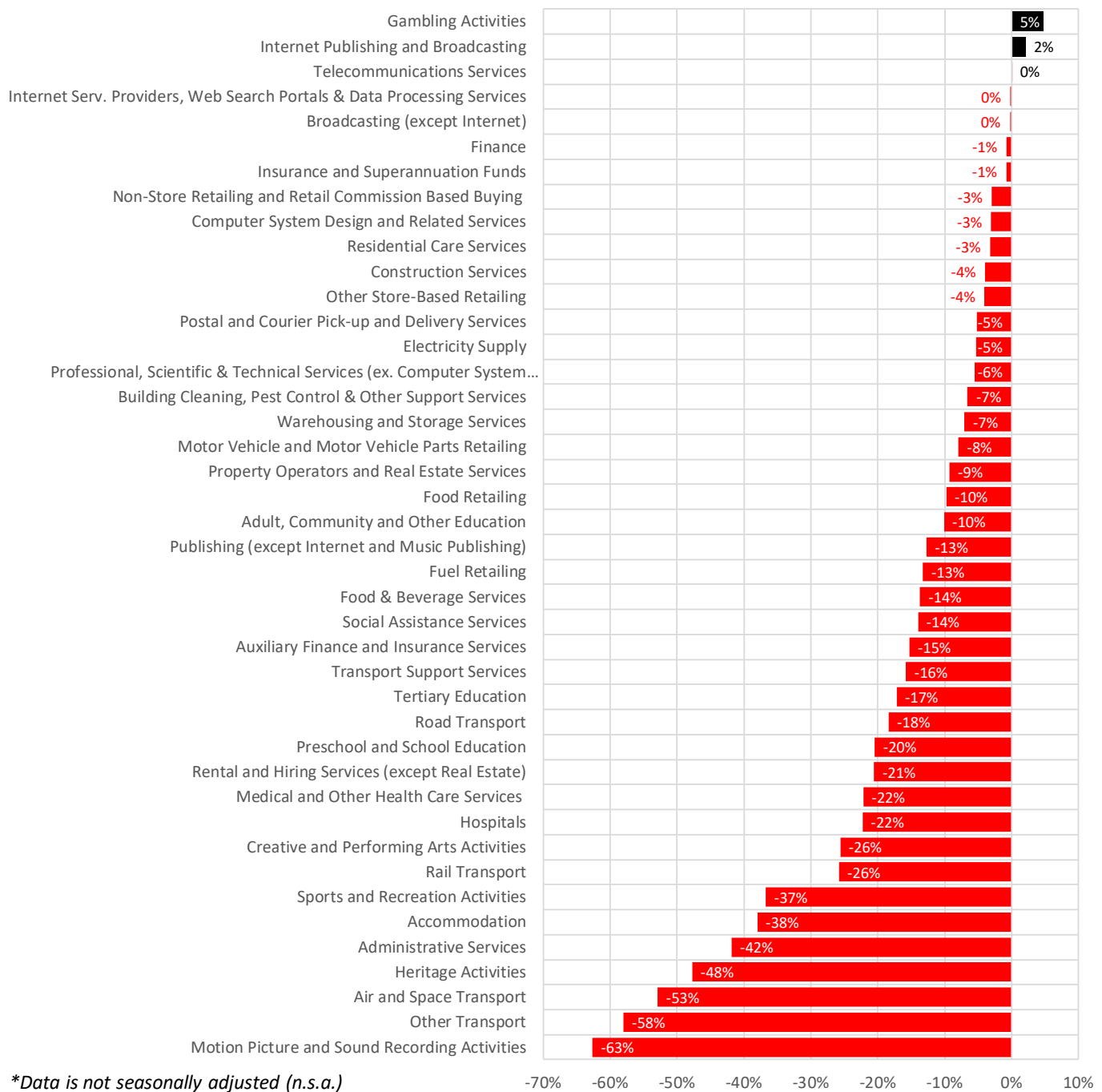
Down 54.4% since the start of the year
Down 20.7% over the previous week

CHANGE IN CONSUMPTION SPENDING SINCE START OF 2020 BY INDUSTRY SUB-DIVISION (WEEK APRIL 12-19, 4 WEEK MOVING AVG)*



*Data is not seasonally adjusted (n.s.a.)

CHANGE IN CONSUMPTION SPENDING SINCE THE PREVIOUS WEEK BY INDUSTRY SUB-DIVISION (WEEK APRIL 12-19, 4-WEEK MOVING AVG)*

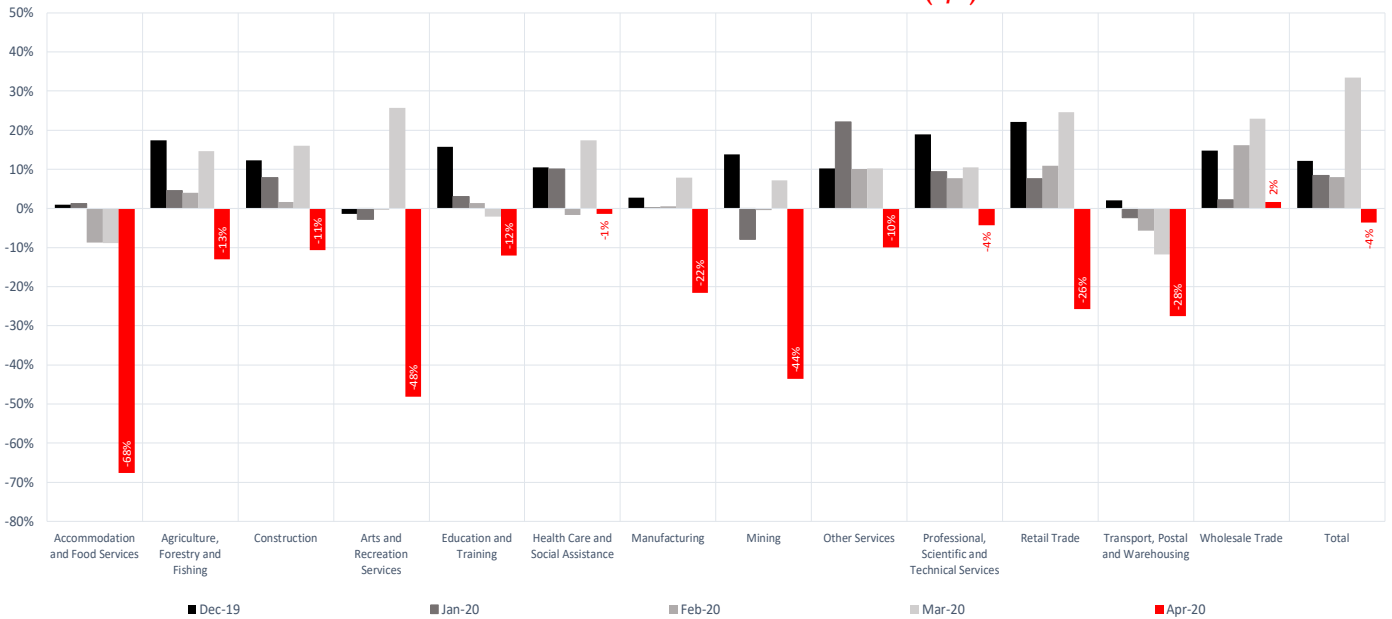


APPENDIX 2: PAYMENT INFLOWS INTO NAB MERCHANTS BY INDUSTRY

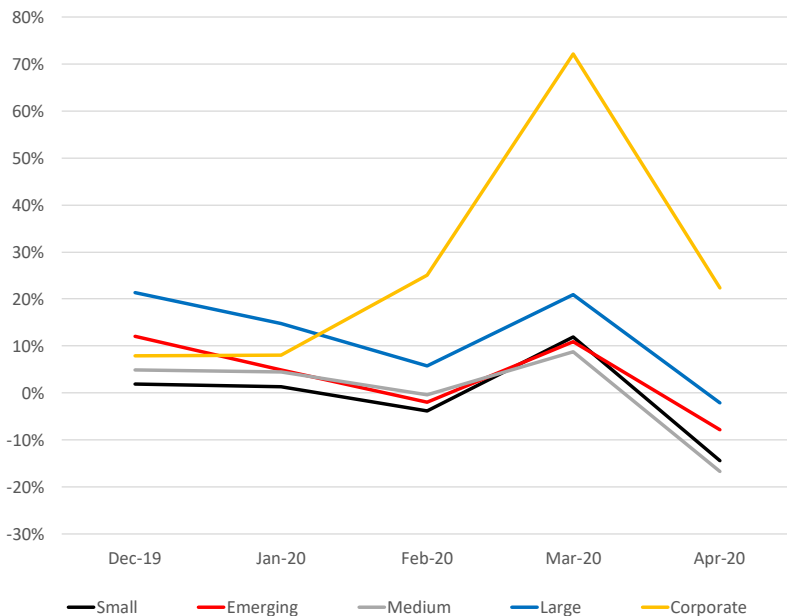
Overall payment inflows fell -4% over the year to April 2020, down from 33% in the previous month. Data has been extrapolated an estimate for April 2020 based on the first 3 weeks of the month. Payment inflows are now falling in nearly all industries. The hit has been most apparent in the Accommodation & Food Services (-68%) and the Arts & Recreation Services sectors (-48%). Payment inflows are also down heavily in the Mining sector (-44%).

Inflows are holding up best in Wholesale Trade (2%) and it was the only sector recording positive inflows. Other industries holding up relatively well were Health Care & Social Assistance (-1%) and Professional, Scientific & Technical Services (-4%), although payment incomes are well down on the previous month.

PAYMENT INFLOWS INTO NAB MERCHANTS BY INDUSTRY DIVISION (Y/Y) - ANZSIC 06



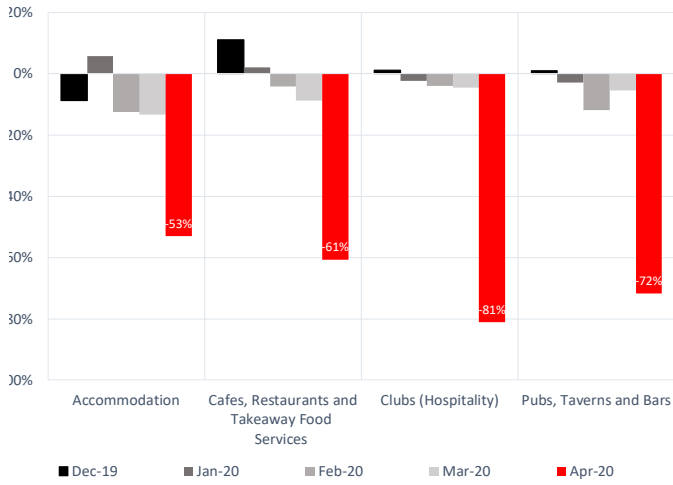
PAYMENT INFLOWS INTO NAB MERCHANTS BY BUSINESS SIZE (Y/Y)



The hit to payment inflows has been significant irrespective of business size. Corporates continue out-performing and inflows remain positive. But they have fallen steeply to 22% in April from 72% in the previous month. Payment incomes were negative in all other sizes of business, with Medium (-17%) and Small (-14%) seeing the biggest falls.

INDUSTRY DEEP DIVE: ACCOMMODATION & FOOD SERVICES, ARTS & RECREATION SERVICES & RETAIL TRADE

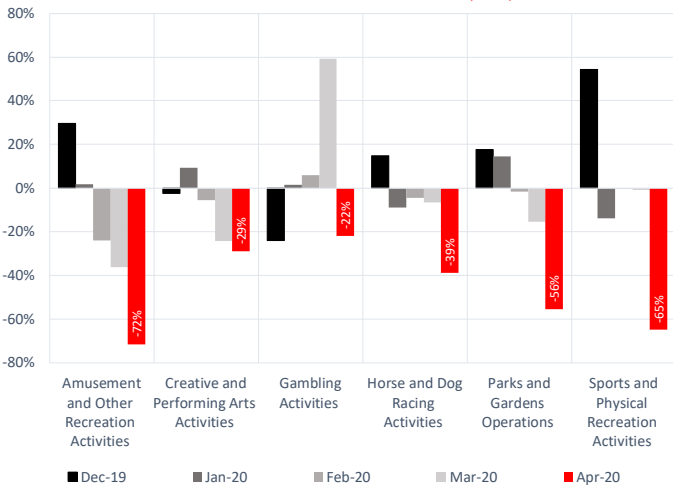
PAYMENT INFLOWS INTO NAB MERCHANTS: ACCOMMODATION & FOOD SERVICES (Y/Y)



Payment inflows credits into the Accommodation & Food Services Industry has been the hardest hit overall - down 68%. At the industry group level, all sectors have taken significant hit to their payment inflows. The biggest falls have occurred in Clubs operating in hospitality (-81%) and Pubs Taverns & Bars (-72%). These are also among the industries that have been impacted hardest due to forced closures.

Big falls in April were also apparent in Cafes, Restaurants & Takeaway Food Services (-67%) and in Accommodation (-53%).

PAYMENT INFLOWS INTO NAB MERCHANTS: ARTS & RECREATION SERVICES (Y/Y)



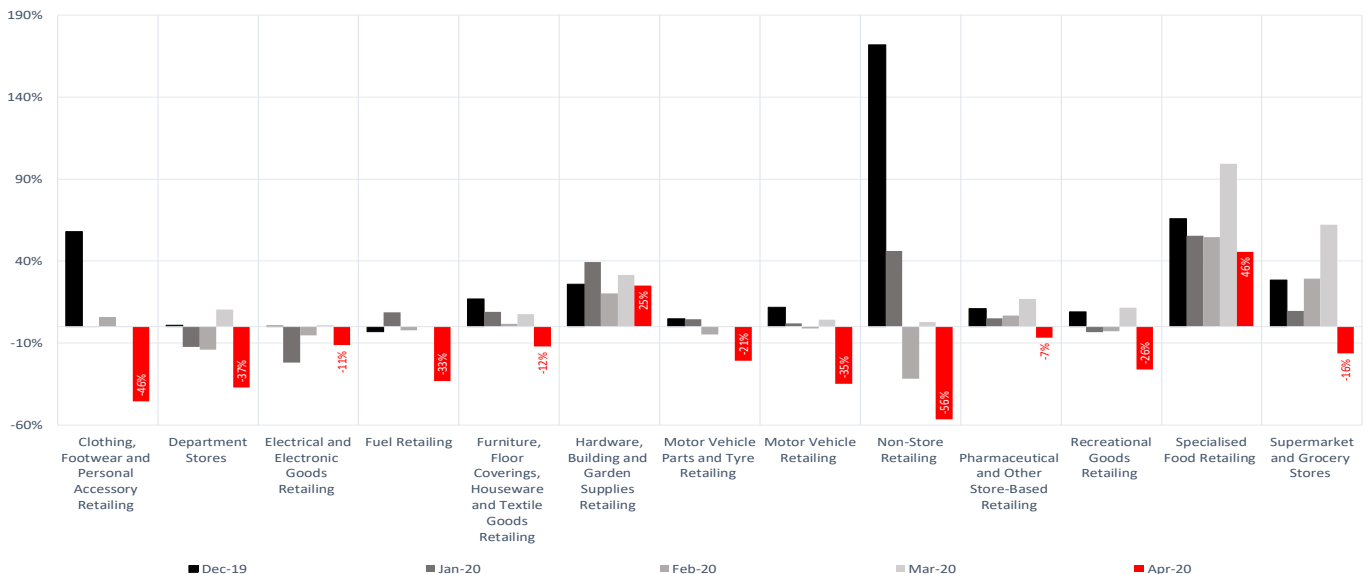
Overall payment inflows were down heavily in Arts & Recreation in April (-48%). Inflows were down most in Amusement & Other Activities (-72%), Sports & Physical Recreation Activities (-65%) and Parks & Gardens Operations (-56%). The fall in payment inflows has been least severe in Gambling activities (-22%).

Payment inflows into Retail Trade were down 26% in April, after increasing 25% in the previous month. Inflows fell in most sectors, with the biggest declines in Non-Store Retailing (-56%), Clothing, Footwear & Personal Accessories (-46%), Department Stores (-37%) & Motor Vehicles (-35%).

Only 2 sectors reported positive gains in payment inflows - Specialised Food (46%) and Hardware, Building & Garden Supplies (25%).

Supermarkets & Grocery (-16%) are now also slowing after a very strong increase in the previous month (62%), reflecting the bulk buying of many household supplies, creating significant shortages in supermarkets.

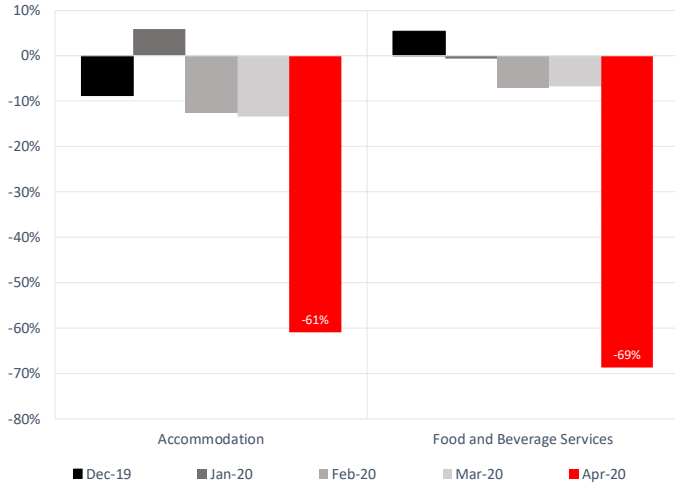
PAYMENT INFLOWS INTO NAB MERCHANTS: RETAIL TRADE (Y/Y)



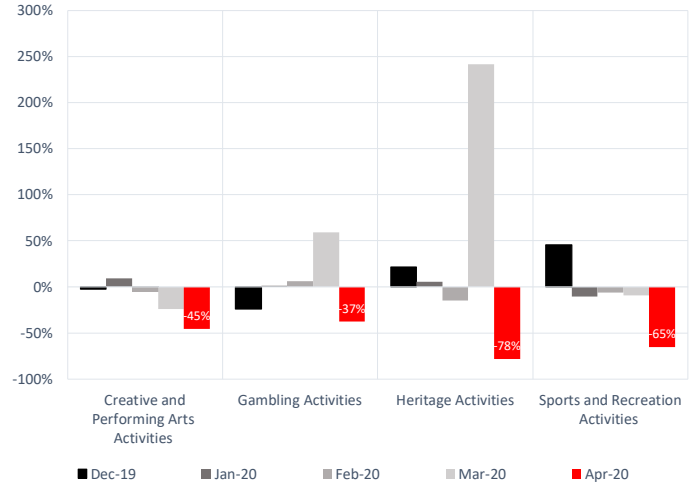
PAYMENT INFLOWS BY INDUSTRY SUB-DIVISION

At the sub-division level, we noted very few industries that reported positive inflows during April, namely Basic Metal Wholesaling (33%), Social Assistance Services (15%), Residential Care Services (6%). Payment inflows in Hospitals were flat (0%).

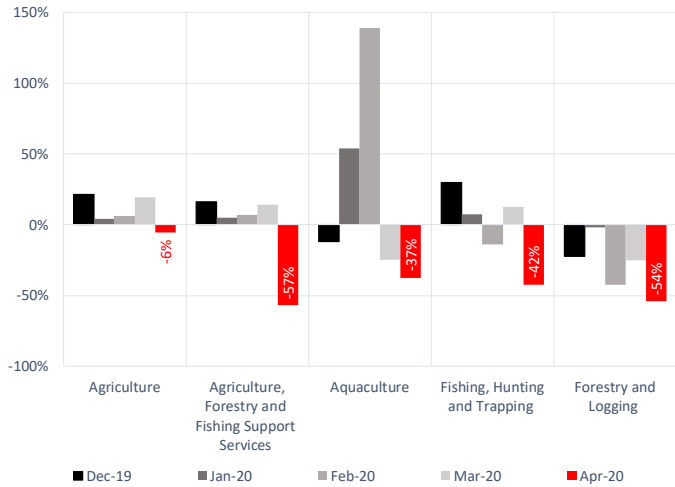
**PAYMENT INFLOWS INTO NAB MERCHANTS:
ACCOMMODATION & FOOD SERVICES (Y/Y)**



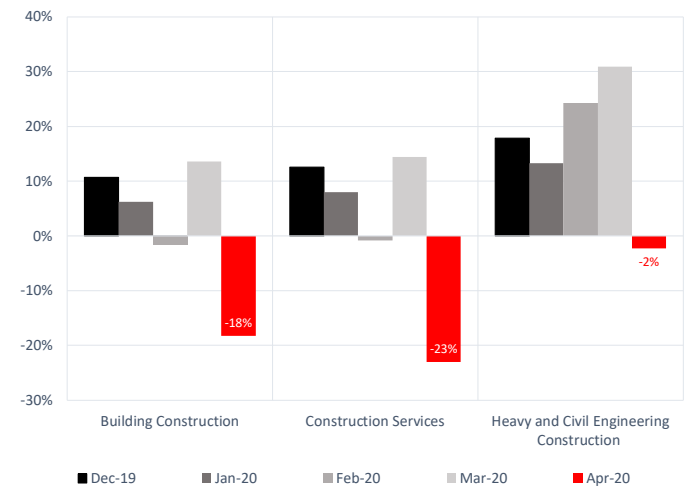
**PAYMENT INFLOWS INTO NAB MERCHANTS:
ARTS & RECREATION SERVICES (Y/Y)**



**PAYMENT INFLOWS INTO NAB MERCHANTS:
AGRICULTURE, FORESTRY & FISHING (Y/Y)**



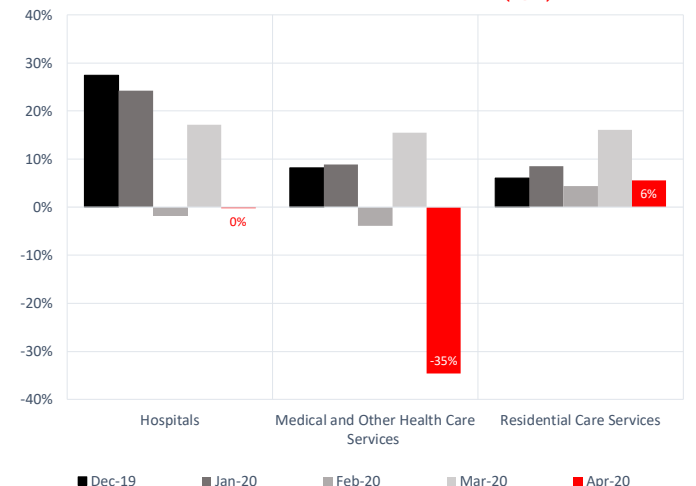
**PAYMENT INFLOWS INTO NAB MERCHANTS:
CONSTRUCTION (Y/Y)**



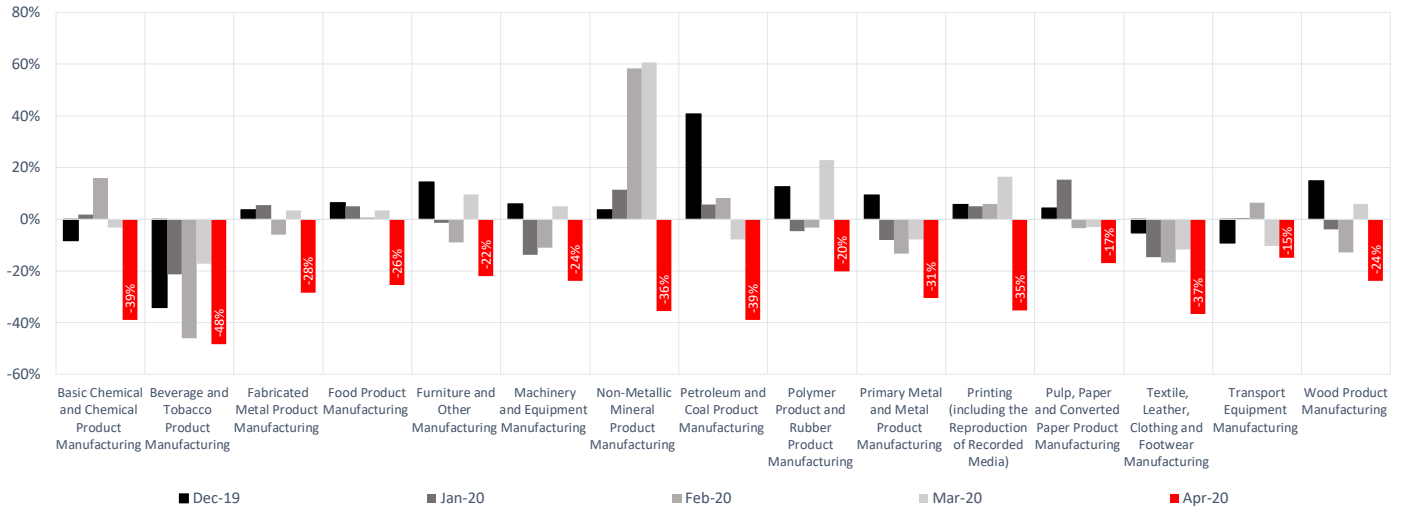
**PAYMENT INFLOWS INTO NAB MERCHANTS:
EDUCATION & TRAINING (Y/Y)**



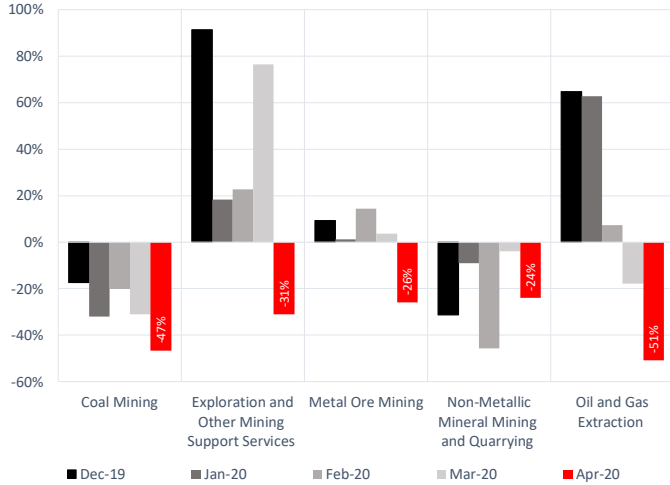
**PAYMENT INFLOWS INTO NAB MERCHANTS:
HEALTH CARE & SOCIAL ASSISTANCE (Y/Y)**



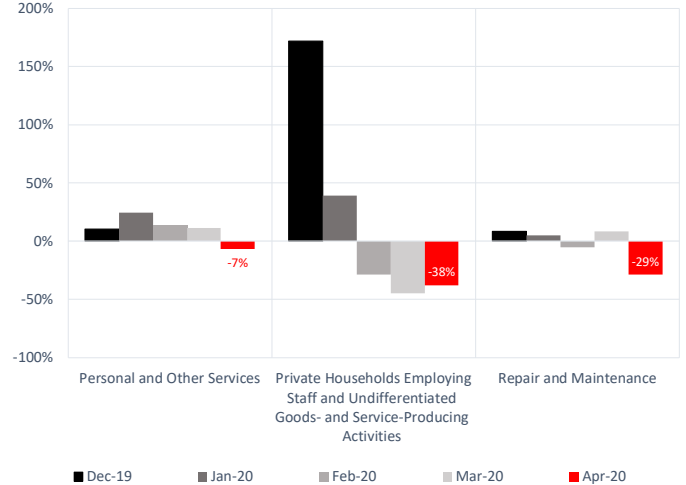
**PAYMENT INFLOWS INTO NAB MERCHANTS:
MANUFACTURING (Y/Y)**



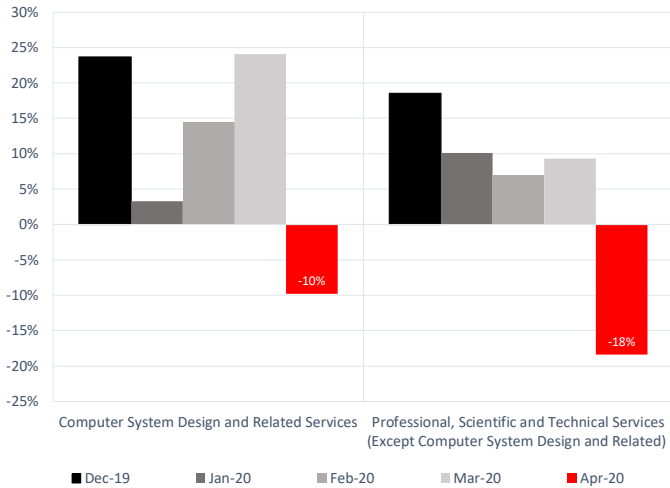
**PAYMENT INFLOWS INTO NAB MERCHANTS:
MINING (Y/Y)**



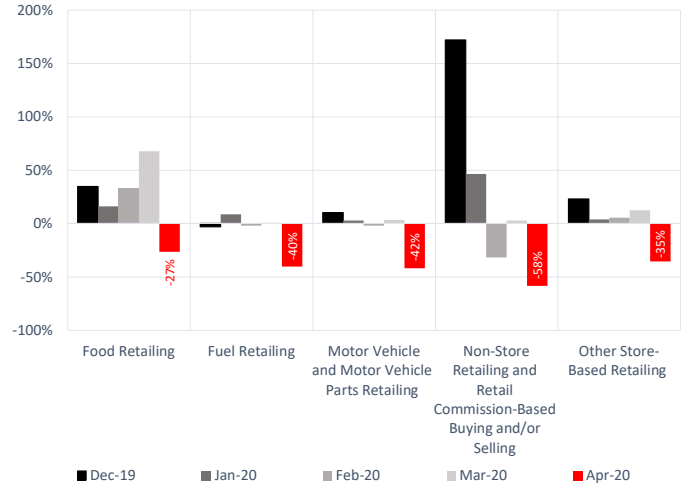
**PAYMENT INTO NAB MERCHANTS:
OTHER SERVICES (Y/Y)**



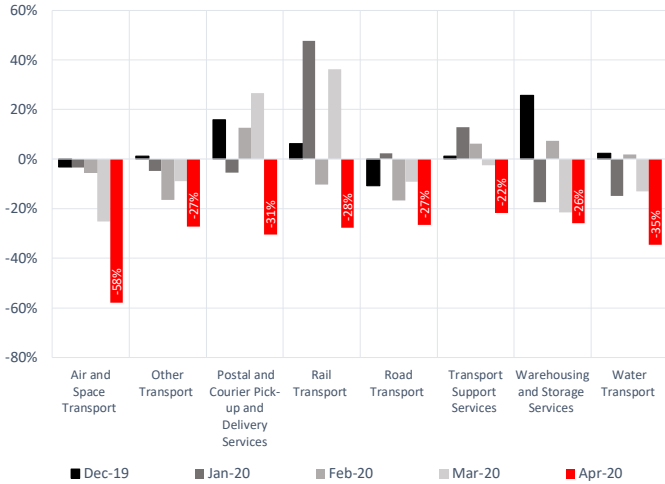
**PAYMENT INFLOWS INTO NAB MERCHANTS:
PROFESSIONAL, SCIENTIFIC & TECHNICAL SERV. (Y/Y)**



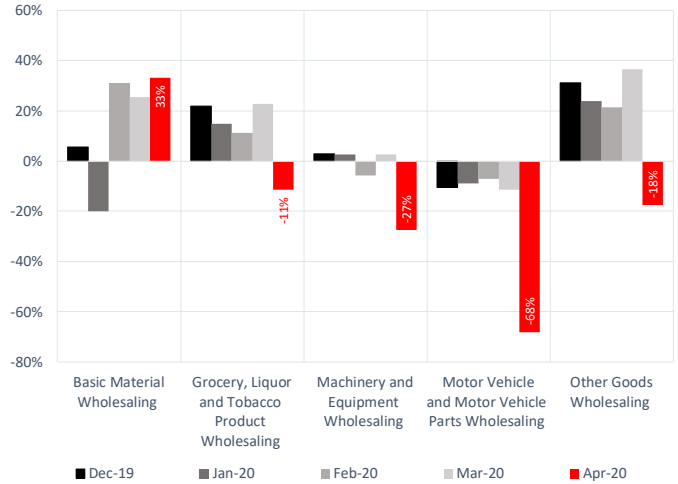
**PAYMENT INFLOWS INTO NAB MERCHANTS:
RETAIL TRADE (Y/Y)**



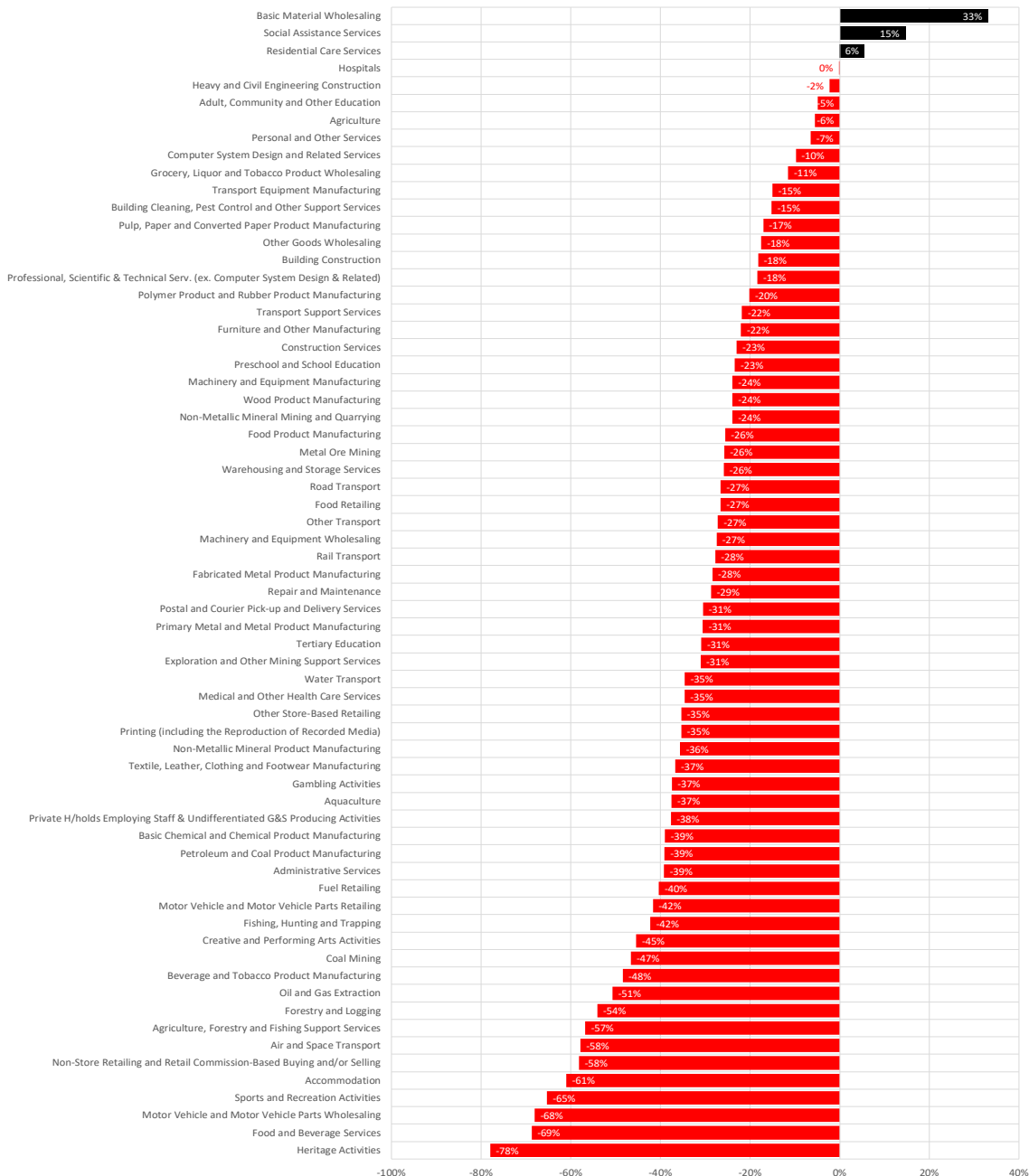
**PAYMENT INFLOWS INTO NAB MERCHANTS:
TRANSPORT, POSTAL & WAREHOUSING (Y/Y)**



**PAYMENT INFLOWS INTO NAB MERCHANTS:
WHOLESALE TRADE (Y/Y)**



**PAYMENT INFLOWS INTO NAB MERCHANTS
INDUSTRY SUB-DIVISION RANKED (APRIL 2020, Y/Y)**



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