

Another positive month for economy-wide sales

- Economy-wide spending expanded for the 19th consecutive month in March according to a new survey. The Commonwealth Bank Business Sales Indicator (BSI) – a measure of economy-wide spending – rose by 0.6 per cent in trend terms in March, down from 0.7 per cent in February and 0.9 per cent in January. Despite the on-going expansion, it was the slowest growth of sales in seven months.
- The more volatile seasonally adjusted estimate of spending also grew by 0.6 per cent in March after easing by 0.3 per cent in February. Annual growth slowed for the second month, down from 10.7 per cent to 9.7 per cent in the month.
- The seasonally adjusted and trend estimates of the BSI results are derived via the SEASABS statistical program from the Australian Bureau of Statistics.
- At a sectoral level, 17 of the 19 industry sectors expanded in trend terms in March, a similar result to February but down from 18 industry sectors in January. And for the seventh straight month, seven of the eight states and territories recorded firmer sales in trend terms in March.
- The Commonwealth BSI is obtained by tracking the value of credit and debit card transactions processed through Commonwealth Bank merchant facilities. The BSI covers spending broadly across the economy rather than just retail sales, including spending on automobiles, personal services and airlines.

Business Sales Indicator March 2014

- Economy-wide spending consolidated in March. The Commonwealth Bank Business Sales Indicator (BSI) rose by 0.6 per cent in March, the slowest pace in seven months, and down from 0.7 per cent in February, 0.9 per cent in January and gains of 1.0-1.2 per cent between October and January. Despite the slowdown, sales have now expanded for 19 straight months.
- In annual terms, the BSI was up by 9.8 per cent in March, the slowest pace in five months and down from 10.4 per cent in February.
- The seasonally-adjusted measure of sales lifted by 0.6 per cent in March after easing by 0.3 per cent in February, the fifth gain in six months. Annual growth also eased from 11.9 per cent in January to 10.7 per cent in February and to 9.7 per cent in March.
- The Commonwealth BSI is obtained by tracking the value of credit and debit card transactions processed through Commonwealth Bank merchant facilities. And in line with the practice of the Bureau of Statistics with its retail trade data, seasonally adjusted and trend estimates of the BSI are obtained by applying statistical software. The seasonally adjusted and trend BSI results are derived from the same SEASABS statistical software. This allows analysis of the broader underlying trends that may be hidden in the raw data.
- Across sectors, 17 of the 19 industry sectors expanded in trend terms in March. Amongst the strongest sectors in March were Amusement & Entertainment (up 4.2 per cent), Professional Services & Membership Organisations (up 2.0 per cent) and Mail Order/Telephone Order Providers (up 1.6 per cent).
- Spending fell only at Automobile/Vehicle Rentals and Airlines in March. Slower spending growth was identified across most industry sectors in March.

Figure 1: BSI Monthly Trend %

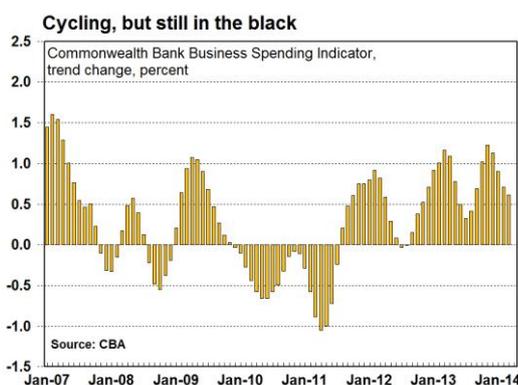
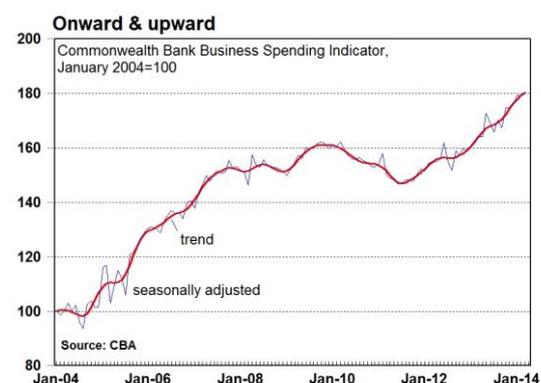


Figure 2: BSI: Seasonally adjusted & trend



- In annual terms in March, only four the 19 industry sectors contracted: Airlines, Automobile/Vehicle Rentals, Business Services, and Mail Order/Telephone Order Providers.
- At the other end of the scale, sectors with strongest annual growth in March included Amusement & Entertainment, Wholesale Distributors & Manufacturers, Transportation, Hotels & Motels, Service Providers and Government Services.
- Across the states and territories, sales rose in March in trend terms in all but the ACT (down by 5.5 per cent after falling a record 6.3 per cent in both January and February). Sales have now fallen for seven straight months in the ACT.
- Of the other states & territories, leading the gains was Queensland (up 1.0 per cent), followed by NSW and Tasmania (both up 0.8 per cent), Western Australia (up 0.7 per cent), South Australia (up 0.6 per cent), Victoria (up 0.4 per cent) and Northern Territory (up 0.1 per cent).
- The trend BSI has now risen for 34 months in the Northern Territory, for 33 straight months in Victoria, for 32 straight months in South Australia, for 24 straight months in Tasmania, and for 7 straight months in NSW and Queensland.
- In annual terms, only the ACT had sales below a year ago. At the other end of the scale, growth was strongest in South Australia, Tasmania and Northern Territory.

Figure 3: Queensland, annual trend (%)

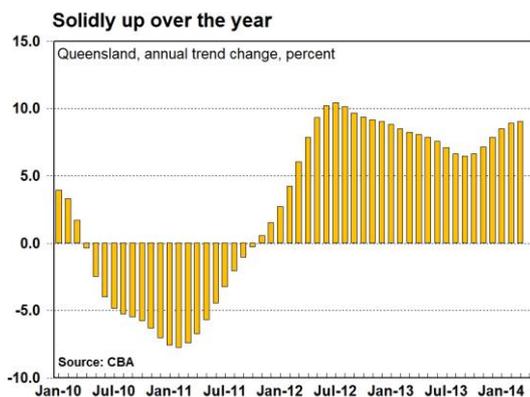
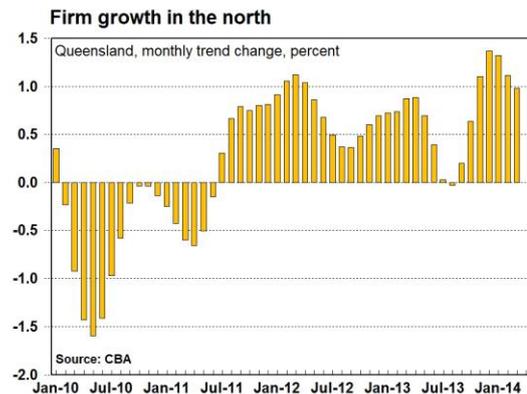


Figure 4: Queensland, monthly trend (%)



About the Commonwealth Bank Business Sales Indicator

- The Commonwealth Bank Business Sales Indicator is obtained by tracking the value of credit and debit card transactions processed through Commonwealth Bank merchant facilities throughout Australia.
- The Business Sales Indicator is compiled monthly and covers 19 industry sectors and all Australian states and territories.
- Credit and debit card transactions can be volatile on a month-to-month basis, affected by seasonal and irregular factors. To better gauge the direction and changes of spending across the economy, the Business Sales Indicator is tracked in trend terms.
- The monthly Business Sales Indicator has been devised to provide a more timely assessment of spending trends in the economy. The main monthly indicator of spending in the economy is the Australian Bureau of Statistics' (ABS) Retail Trade release. However these statistics cover just spending at retail establishments, and exclude spending at a raft of other businesses.
- The Business Sales Indicator includes transactions made at traditional retail establishments such as supermarkets, clothing stores and cafes & restaurants and as such is more comparable to the ABS Household Final Consumption Expenditure released on a quarterly basis. The Business Sales Indicator also covers businesses such as airlines, car dealers and utilities such as water and electricity companies as well as motels, business, professional and government services and wholesalers.

- The Business Sales Indicator includes industry sectors based on the International Merchant Category Code (MCC) categories. MCC is a four-digit number assigned to a business when the business first starts accepting cards as a form of payment. Refer to Table 1 for the MCC listing.

Table 1: Merchant Types

1. Airlines	11. Miscellaneous Stores
2. Amusement & Entertainment	12. Personal Service Providers
3. Automobile/Vehicle Rentals	13. Professional Services & Membership Organisations
4. Automobiles & Vehicles	14. Repair Services
5. Business Services	15. Retail Stores
6. Clothing Stores	16. Service Providers
7. Contracted Services	17. Transportation
8. Government Services	18. Utilities
9. Hotels & Motels	19. Wholesale Distributors & Manufacturers
10. Mail Order/Telephone Order Providers	

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