IMSEE
Monaco Statistics
N°67 — December 2020

Bulletin Trimestriel de l'Economie
Q3 2020
Aggregate data since 1st January

The Monegasque economy, like the global economy, continues to feel the impact of a health situation that remains precarious and uncertain.

In the Principality, despite a summer period that enabled activity to resume to a significant extent and the recovery of most economic indicators, annual figures are down, adversely hit by performance in the second quarter.

Change in comparison to Q3 2019

Foreign trade		**Economy**		**Private sector employment**		**Tourism**	
Exports	↘	Revenue	↘	N° of employers	↘	Occupancy rate	↘
Imports	↘	Entities created	↘	N° of jobs	↘	Rooms booked	↘
Balance of trade	↗	Entities struck-off	↘	Hours worked	↘	N° of cruise days	↘

Total trade, excluding France, fell to a level slightly below that of 2015.

At the end of September 2020, the Principality's cumulative revenue, excluding financial and insurance activities, stood at €9.76 billion, a decline of €1.2 billion (-11.5%) compared with 2019, as it continued to reflect the poor performance during the first half of the year (-€914 million).

Private-sector employment stabilised in the third quarter of 2020, but figures remained below their 2019 levels.

The number of new businesses started declined in Q3 2020. Despite a gradual recovery starting in May and a return to normal in July and August, the number of businesses started collapsed in September.

The main hotel industry figures have seen a precipitous decline. Cruise activity has been halted following the closure of territorial waters.

The real estate market is down compared with 2019.

The number of new vehicles registered is recovering but continues to be hit by the closure of car dealerships during the lockdown. Use of public car parks remains down and air traffic continues to be extremely hard hit, despite a slight improvement during the summer period.

FOREIGN TRADE EXCLUDING FRANCE

The global health situation continues to have significant repercussions for world trade in goods, and this is also affecting the Principality of Monaco. Total trade, excluding France, fell to a level slightly below that of 2015. While imports are down by half, exports have proven more resilient and have only fallen by a quarter. This has led to a sharp reduction in the trade deficit and an increase in the coverage ratio (exports/imports), which rose from 44% in the third quarter of 2019 to 66% in 2020.

Transactions with the European Union (EU) have fallen (-39%), but to a lesser extent than those with countries outside the EU (-47%).

Italy remains Monaco's main trading partner, accounting for 18% of exports and 35% of imports.

Outside the EU, Switzerland is still the country's leading customer, with exports up by 51%. China has become our primary supplier, with imports rising 28%. Trade with the United Kingdom fell sharply, with imports down 75% and exports down 58%, although the country is still a key partner for the Principality (second biggest customer and fourth biggest supplier).

Jewellery and related articles, and musical instruments accounted for 16% of Monaco's exports, while general-purpose machinery and equipment made up 13% of imports.

Change in foreign trade excluding France

	Q3 2019	Q3 2020	Variation	Weight
Supplies + Exports	**863,3**	**646,0**	***-25,2%***	
EU Supplies	***511,7***	***375,0***	***-26,7%***	***58,1%***
Including Italy	152,6	114,2	*-25,2%*	17,7%
Including Germany	122,1	87,1	*-28,6%*	13,5%
Including Belgium	39,7	37,3	*-6,1%*	5,8%
Exports	***351,6***	***270,9***	***-22,9%***	***41,9%***
Including Switzerland	73,7	111,4	*51,2%*	17,2%
Acquisitions + Imports	**1 953,1**	**974,3**	***-50,1%***	
Acquisitions UE	***1 014,3***	***558,6***	***-44,9%***	***57,3%***
Including Italy	664,8	342,1	*-48,5%*	35,1%
Including Germany	167,4	114,0	*-31,9%*	11,7%
Including Belgium	52,0	35,3	*-32,2%*	3,6%
Imports	***938,8***	***415,7***	***-55,7%***	***42,7%***
Including China	59,7	76,6	*28,2%*	7,9%
Balance of trade	**-1 089,8**	**-328,3**	***-69,9%***	

Unit: million euros

Sources : French Directorate-General of Customs and Indirect Taxes, Monaco

Unit : million euros

Sources : French Directorate-General of Customs and Indirect Taxes, Monaco Statistics

The foreign trade figures are provided to Monaco Statistics by the French Directorate-General of Customs and Indirect taxes. These figures are provisional. They are updated (enhanced) on a monthly basis. Variations may be noted each quarter as a result of the late arrival of some statements; many enhancements are still expected. The date and comments should therefore be treated with caution (Trade with France is not included—Cumulative data as at 30/09/2020)

REVENUE(1)

At the end of September 2020, the Principality's revenue, excluding financial and insurance activities, stood at €9.76 billion, a decline of €1.2 billion (11.5%) compared with 2019, and a return to the levels seen in 2016–2017. Cumulative revenue continued to reflect the poor performance during the first half of the year (-€914 million). Only two major economic sectors (MES) are not experiencing a decline.

Revenue from scientific and technical activities, administrative and support services continues to increase (+€444 million or 31%) thanks to the contribution of other professional activities (+€770 million, or 670%). The strong performance of the latter mitigated the losses experienced by travel agencies (-€133 million or 75%) and a decline in the activities of head offices (-€65 million or 19%).

The increase in revenue from real estate activities can be explained by the revenue earned through the renting and operating of own or leased real estate, which saw a rise of €61 million following a decline of €36 million during the first half of the year. The buying and selling of own real estate continues to experience falling revenue (-€33 million or 13%).

The drop in revenue from wholesale trade has stabilised (-€487 million, following a figure of -€441 million as at 30 June). Performance in this sector continues to be adversely affected by the decline in revenue from agents involved in the sale of machinery, industrial equipment, ships and aircraft.

The same is true for accommodation and food service activities. Cumulative revenue as at 30 September was down by €338 million, or 51% (it was down €230 million as at 30 June).

Revenue from other service activities fell by almost half (-49%) due to a decline in sports activities and amusement and recreation activities, and in gambling and betting activities.

The retail sector saw a decline across almost all NAF categories, but it was primarily the figures for other retail sales in non-specialised stores, such as clothing and jewellery stores, and for sales of motor vehicles that dragged this sector down. Only the maintenance and repair of motor vehicles (cars and motorcycles) saw a slight increase.

Revenue in the construction sector fell. In 2019, the sector benefitted significantly from the construction of water projects, which were less prominent in 2020.

(1) *Calculated on the basis of VAT declarations during the submission period*

(2) *Total revenue does not include that derived from financial and insurance activities. As revenue is less relevant an indicator than for other sectors, it is presented for indicative purposes.*

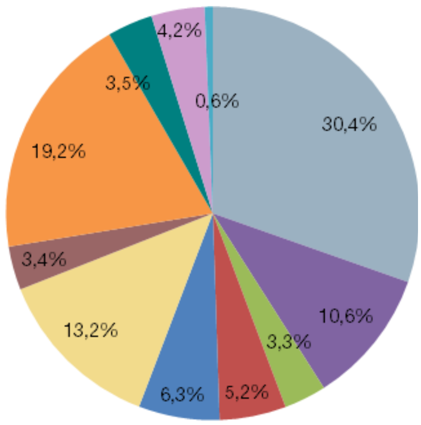
Change in revenue by MES

		Q3 2019	Q3 2020	*Variation*
1	*Financial and insurance activities*	*1 385,9*	*1 434,1*	*3,5%*
2	Wholesale trade	3 450,8	2 964,0	-14,1%
3	Retail trade	1 241,2	1 034,6	-16,6%
4	Accommodation and food service act	659,3	322,0	-51,2%
5	Manufacturing, mining and quarrying,	606,7	507,1	-16,4%
6	Real Estate activities	588,3	616,9	4,9%
7	Construction	1 382,6	1 288,5	-6,8%
8	Transportation and storage	451,6	332,7	-26,3%
9	Scientific and technical activities, administrative and support service	1 433,4	1 877,1	31,0%
10	Other service activities	671,8	344,8	-48,7%
11	Information and communication	462,4	406,2	-12,1%
12	Public administration, education, human health and social work activities	69,9	62,1	-11,1%
Total(2)		**11 017,9**	**9 756,0**	***-11,5%***

Unit : million euros

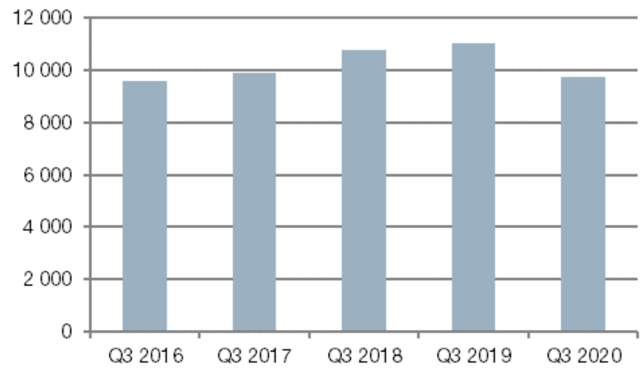
Sources : Department of Tax Services, Monaco Statistics

Distribution in revenue as at 30th september 2020(2)



Sources : Department of Tax Services, Monaco Statistics

Change in revenue(2)



Unit : million euros

Sources : Department of Tax Services, Monaco Statistics

FINANCE

Change in financial indicators

	Q3 2019	Q3 2020	*Variation*
Monegasque Investment Funds			
Number of funds	53	54	-
Net total assets	4 287	4 288	0,0%
Asset Management companies			
Number of companies	61	60	-
Banks* and Financial Institutions			
Number of Banks	30	29	-
Number of financial services companies	4	4	-
Total Value of Assets: Deposits & Marketable securities	128 267	124 454	-3,0%
Total Value of Deposits & Commercial Paper	50 817	49 806	-2,0%
Total Value of Loans	25 211	26 564	5,4%

Unit: million euros

Sources : Commission de Contrôle des Activités Financières, Department of budget and Treasury

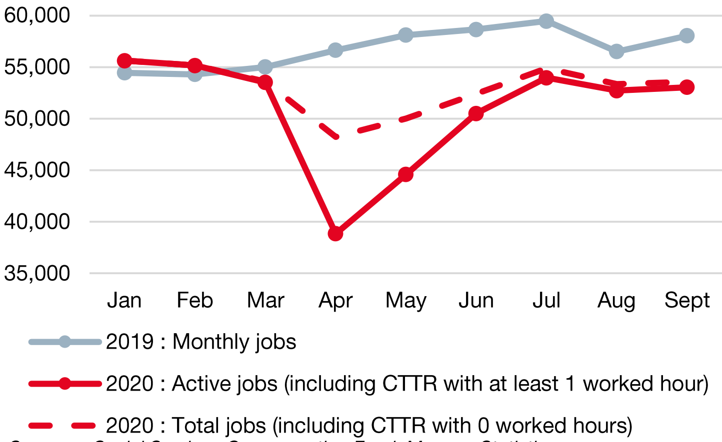
** Bank Pictet & Cie (Monaco), approved at the end of 2019, is not included in this summary.*

The total value of assets managed by banks fell over the last 12 months (-3%), while the trend in terms of the value of loans remains positive (+5%). The total value of deposits also declined (-2%).

In the third quarter of 2020, the total value of managed assets experienced a slight decline (-1%) due to an outflow of nearly 1 billion euros over this period.

PRIVATE SECTOR EMPLOYMENT

Monthly change in number of jobs



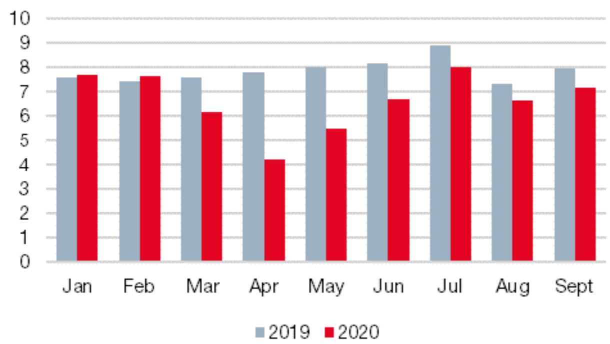
Sources : Social Services Compensation Fund, Monaco Statistics

Evolution of the number of jobs by MES

		Q3 2019	Q3 2020	*Variation*
1	Financial and insurance activities	4 058	4 066	*0,2%*
2	Wholesale trade	2 700	2 702	*0,1%*
3	Retail trade	3 140	2 992	*-4,7%*
4	Accommodation and food service activities	9 623	7 405	*-23,0%*
5	Manufacturing, mining and quarrying, and others industries	2 675	2 595	*-3,0%*
6	Real Estate activities	1 825	1 761	*-3,5%*
7	Construction	5 153	5 418	*5,1%*
8	Transportation and storage	2 264	2 027	*-10,5%*
9	Scientific and technical activities, administrative and support service activities	13 600	12 292	*-9,6%*
10	Other service activities	7 460	6 749	*-9,5%*
11	Information and communication	1 381	1 377	*-0,3%*
12	Public administration, education, human health and social work activities	4 162	4 203	*1,0%*
Total		**58 041**	**53 587**	***-7,7%***

Sources : Social Services Compensation Fund, Monaco Statistics

Monthly change in number of hours



Unit: million hours

Sources : Social Services Compensation Fund, Monaco Statistics

Whether applied to partial or total layoff, the strengthened provisions for temporary layoff (CTTR) mechanism has helped to mitigate the fall in the number of jobs since it was implemented in March 2020. In Q3, the number of jobs (covering all types of employment and working patterns) stabilised at a level that is still lower than that seen in 2019, and employers were making less use of CTTR. Despite a total of 53,587 jobs in September, a decline of 4,454 (-7.7%) compared with September 2019, the situation had improved compared with the second quarter of the year. The figures for September represent a 2.3% increase compared with June 2020.

At the end of the third quarter, only 540 jobs covered by CTTR (1% of the total) recorded 0 working hours, compared with 9,386 (around 20%) in April.

Accommodation and food service activities is the sector which has been hit hardest, losing 2,218 jobs (-23%) compared with 2019. Nearly half of the jobs lost are in this MES. Scientific and technical activities, administrative and support services also experienced a significant decrease compared with Q3 2019 (1,300 fewer jobs, including around 700 temporary jobs). This represents a decline of nearly 10%. The other service activities sector lost 711 jobs (-9.5%), impacted by the situation in creative, arts and entertainment activities, and in sports activities and amusement and recreation activities. Some MES, however, saw an improvement in their situation with slightly more jobs than in 2019. Construction stands out particularly, with employment up by 5.1%.

The crisis had a greater impact on the number of hours than the number of jobs (the latter being protected by CTTR), particularly during the second quarter. Since March, the monthly number of hours has been lower than the figure for the previous year, reaching a cumulative gap of 11 million hours (a fall of 16%). The monthly gap with 2019 has been narrowing since April to reach a low of 10% in September. In Q3, the number of hours worked was up 33% compared with Q2 2020.

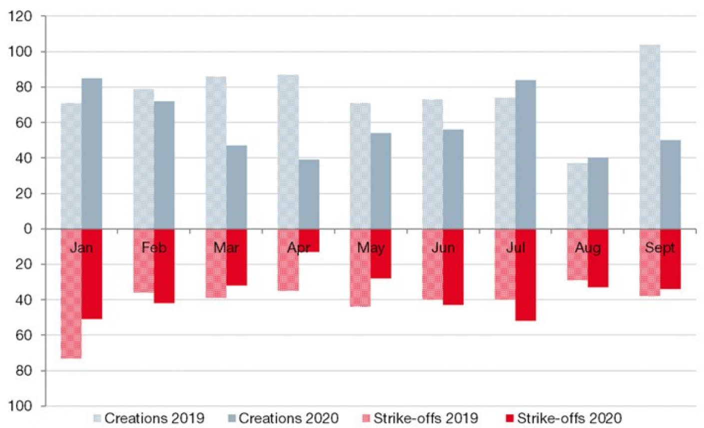
In September 2020, there were 6,105 employers, 58 fewer than in 2019 (-0.9%). In real terms, information and communication (-9.0%) and accommodation and food service activities (-6.7%) experienced the highest declines.

BUSINESSES

Fewer new businesses were started in Q3 2020 (527 compared with 682 in Q3 2019). Despite a gradual recovery starting in May and a return to normal in July and August, the number of businesses started collapsed in September: just 50 were opened in 2020, compared with 104 a year earlier. Business start-ups were down on last year across all MES, with the exception of construction, where the situation was stable. Real estate activities was the most heavily impacted sector (57 new businesses in Q3 2020 compared with 100 in Q3 2019). Moving beyond COVID-19, this decline can be explained by the regulations introduced in January 2020 as a result of the over-representation of the buying and selling of own real estate.

There was a decrease in the number of businesses closed (328 compared with 374 in Q3 2019). The balance (businesses started minus permanent closures) shrank sharply (+199 in 2020 compared with +308 the previous year).

Monthly evolution of the number of creations and definitive delisting of establishments



Sources : Business Development Agency, Monaco Statistics

The figures for businesses started/closed cover all types of legal entity recorded in the NIS Register (SAM, SARL, sole traders, professionals, AD, NA, etc.), with the exception of non-trading companies.

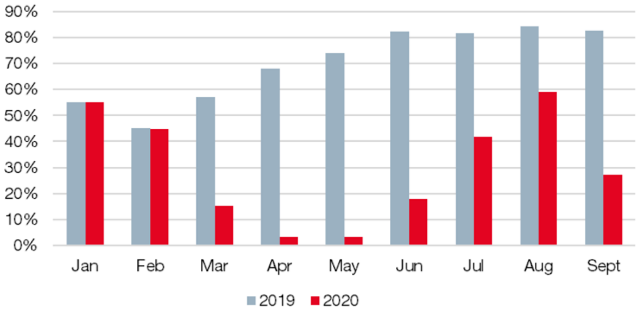
HOTEL AND CRUISE INDUSTRY

Changes in hotel industry indicators

	Q3 2019	Q3 2020	*Variation*
Occupancy rate	70,2%	30,0%	*-57,3%*
Rooms occupied (N° of nights)	471 086	201 830	*-57,2%*
Arrivals	297 794	137 993	*-53,7%*
% Arrivals from EU including Monaco	60,8%	75,6%	*24,3%*
Average length of a stay (in days)	2,51	2,43	*-3,0%*

Sources : Tourist and Convention Authority, Monaco Statistics

Monthly change in hotel occupancy rate



Sources : Tourist and Convention Authority, Monaco Statistics

Unsurprisingly, hotel industry indicators have been in decline since the beginning of the year. By 30 September, hotel occupancy rates for the year to date, feeling the impact of the health crisis, had reached 30%, compared with 70% over the same period in 2019. The recovery during the summer period was not sufficient to offset the second quarter, nor the decline which was once again seen in September.

The number of check-ins fell by 53.7% compared with 2019, and the number of occupied rooms by 57.2%, which had an impact on the average length of stay (-3.0%). European guests accounted for a higher proportion of the total this year (75.6%) due to the international context.

With the ports yet to reopen, only one port of call and 1,105 passengers have been recorded since the beginning of the year.

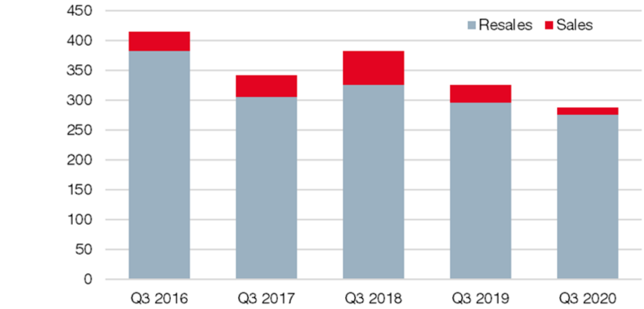
REAL ESTATE

The number of sales fell significantly compared with 2019. Good performance during the third quarter (seven transactions) was not sufficient to make up the gap that has arisen since the beginning of the year (four transactions over the first two quarters).

In volume, the property resale market has shrunk (20 fewer transactions than last year), and the decline is even more substantial in terms of value (-21.5%) due to the type of assets sold. Eleven villas or buildings were sold in 2019, while in 2020, there were just four transactions involving assets of this type.

Evolution of the number of real estate transactions

	Q3 2019	Q3 2020	*Variation*
Apartment Sales (new)	29	11	*-62,1%*
Apartment Sales (second hand)	296	276	*-6,8%*

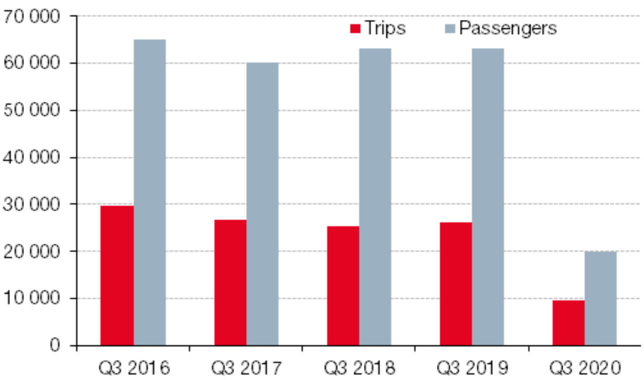


Sources : Department of Tax Services, Monaco Statistics

TRANSPORT

Change in helicopter traffic

	Q3 2019	Q3 2020	*Variation*
Number of trips	26 098	9 484	*-63,7%*
Number of passengers	63 091	19 967	*-68,4%*



Sources : Civil Aviation Authority, Monaco Statistics

Air traffic decreased by 63.7% in terms of flights and 68.4% in terms of passengers. There was an improvement in July (-52.9%), when compared with June (-80.7%), and another in August (flights down 45.6%), but September saw a renewed decline in traffic (-70.5%).

In terms of movements, commercial flights (public passenger flights or charters) saw the greatest decrease, recording 14,120 fewer movements than in 2019. The number of panoramic flights also fell by a total of 1,313 flights.

Change in vehicle registration and car parks attendance

	Q3 2019	Q3 2020	*Variation*
Number of new vehicle registrations	2 382	1 757	*-26,2%*
Number of times a car entered a public car park	11 614 703	8 773 250	*-24,5%*

Sources : Driver and Vehicle Licensing Office, Monaco Statistics

There was an uptick in the number of new vehicle registrations (-26% as at 30 September, compared with -32% as at 30 June, compared with 2019). Registrations continue to be adversely affected by the closure of car dealerships in April and then their subsequent gradual reopening – there were 625 fewer registrations in the nine first months of the year, with the second quarter alone accounting for a drop of 413.

A slight increase in the use of car parks was noted as at 30 September (-24.5% compared with -31% as at 30 June). Use by non-season ticket holders was down by 16.5%, a slight improvement compared with June, when it was down by 25.7%. The same was true of use by commuters (-10.1% compared with -17.9% in June).

INSTITUT MONÉGASQUE DE LA STATISTIQUE
ET DES ÉTUDES ÉCONOMIQUES

9 rue du Gabian

98000 MONACO

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