

The first quarter of 2020 was characterised by the beginning of the COVID-19 health crisis and the resulting measures introduced by the Government to tackle it. The Monegasque economy, like the world economy, experienced a slowdown. From 16 March, when the lockdown began, some sectors in the Principality, such as the hotel and restaurant industry, were almost completely halted, while others experienced reduced (construction, manufacturing and so on) or almost normal (essential shops, banks and insurance firms, etc.) levels of activity. The results presented in this Bulletin should therefore be viewed through the lens of these unprecedented circumstances. The results presented in this Bulletin should therefore be viewed through the lens of these unprecedented circumstances.

**Change in comparison to Q1 2019**

<b>Foreign trade</b>		<b>Economy</b>		<b>Private sector employment</b>		<b>Tourism</b>
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

After several years of rising strongly, the total volume of trade, excluding France, fell during Q1 2020 for the first time since 2016, to a level comparable to the earlier year.

At the end of March 2020, the Principality's revenue, excluding financial and insurance activities, fell by EUR 84 million or 2.6% compared with 2019, to the same level as in 2017.

Employment indicators in the private sector were down at the end of Q1 2020 (3% fewer jobs).

The number of new businesses created fell compared with last year (-31.3%).

The key indicators for the hotel industry experienced a precipitous decline, as did cruise activity following the closure of territorial waters.

Only the property resale market remained highly dynamic, with more than 100 transactions completed during the quarter.

The closure of car dealerships in mid-March led to a decline in registrations of new vehicles (-84), while the lockdown resulted in a reduction in the use of public car parks and less air traffic.

**FOREIGN TRADE EXCLUDING FRANCE**

The global health situation had a significant impact on world trade in goods, and the Principality of Monaco was no exception. The total volume of trade, excluding France, fell for the first time since 2016, to a level comparable to that earlier year. Purchases (-50%) fell by more than sales (-41%). The trade deficit therefore narrowed automatically. The export-import coverage ratio climbed to 60%. The European Union (excluding France) accounted for a stable share of transactions (51%).

Deliveries to EU countries excluding France saw the smallest decline (-37%). European acquisitions fell by more than 50%.

It should be noted that since 1 January 2020, following Brexit, trade with the United Kingdom is calculated separately from the European Union. To provide a point of comparison, separate calculations have also been made for 2019. The United Kingdom was the Principality's third-largest economic partner in 2019. In Q1 2020, sales to the UK fell by 77%, while purchases declined by 87% compared with the same period last year.

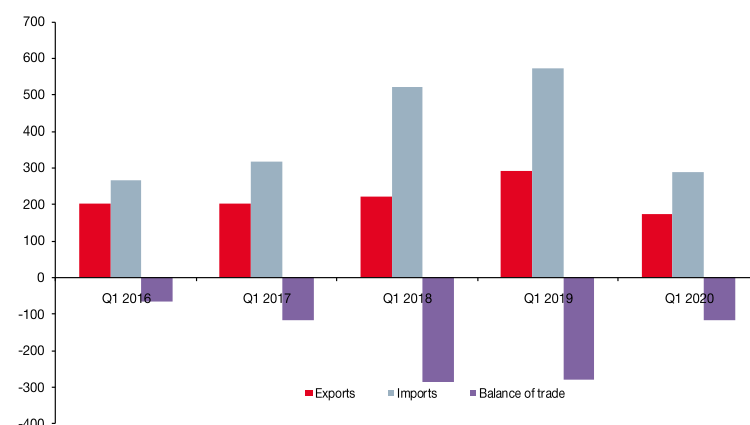
Sales of goods from the "other manufacturing" sector, the leading source of the Principality's exports, dropped 32%. Manufacture of basic pharmaceutical products and pharmaceutical preparations was the only sector which saw exports of its products increase (+8%).

**Change in foreign trade excluding France**

	Q1 2018	Q1 2019	Variation	Weight
<b>Supplies + Exports</b>	<b>292.6</b>	<b>173.1</b>	<b>-40.9%</b>	
<b>EU Supplies</b>	<b>137.5</b>	<b>86.9</b>	<b>-36.8%</b>	<b>50.2%</b>
Including Italy	44.9	28.9	-35.6%	16.7%
Including Germany	31.6	15.1	-52.2%	8.7%
Including United Kingdom	17.6	10.7	-39.6%	6.2%
<b>Exports</b>	<b>155.1</b>	<b>86.1</b>	<b>-44.5%</b>	<b>49.8%</b>
Including Switzerland	12.8	23.7	85.5%	13.7%
<b>Acquisitions + Imports</b>	<b>573.2</b>	<b>289.7</b>	<b>-49.5%</b>	
<b>Acquisitions UE</b>	<b>304.1</b>	<b>149.6</b>	<b>-50.8%</b>	<b>51.6%</b>
Including Italy	168.3	80.3	-52.3%	27.7%
Including Germany	69.4	38.4	-44.6%	13.3%
Including United Kingdom	20.4	9.1	-55.5%	3.1%
<b>Imports</b>	<b>269.1</b>	<b>140.2</b>	<b>-47.9%</b>	<b>48.4%</b>
Including Switzerland	91.9	14.6	-84.1%	5.1%
<b>Balance of trade</b>	<b>-280.6</b>	<b>-116.7</b>	<b>-58.4%</b>	

Unit: million euros

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



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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 data and comments should therefore be treated with caution. (Trade with France is not included – Cumulative data as at 31/03/2020)

## REVENUE<sup>(1)</sup>

At the end of March 2020, the Principality's revenue, excluding financial and insurance activities, fell by EUR 84 million or 2.6% compared with 2019, to the same level as in 2017. However, this decline masks some significant disparities.

Revenue in the scientific activities, administrative and support services sector increased sharply (up EUR 142 million, or 31.6%), driven by the activities of quantity surveyors. At the same time, there was a decline in revenue from the activities of registered office providers, travel agencies and employment activities, though to a lesser extent.

The real estate activities sector also saw a 25% increase in revenue, driven by property traders' activities, but there was quite a sharp decline in the letting of land and other property.

Increased revenue from construction of buildings more than offset the reduced revenue from civil engineering.

Accommodation and food service activities experienced a relatively significant reduction in revenue (-28.5%).

The decline in revenue from transportation and storage (-EUR 26.8 million or 18.7%) was almost entirely attributable to warehousing and support activities for transportation.

The dip in revenue from wholesale on a fee or contract basis, particularly agents involved in the sale of machinery, industrial equipment, ships and aircraft, had an adverse impact on the entire sector.

Retail trade also experienced a decline in revenue (-€38 million or 11.3%), due to the results from the sales of motor vehicles and other retail sales in specialised stores, such as clothing or jewellery. Retail sales of food increased, however (+6.8%).

The decline in manufacturing revenue can be explained in large part by the decline in the manufacture of rubber and plastic products and in the manufacture of chemicals and chemical products.

Revenue from other service activities fell across almost all NAF categories (-€13.7 million or -8.8%), but the most significant decline was experienced by sports activities and amusement and recreation activities.

<sup>(1)</sup> Calculated on the basis of VAT declarations during the submission period

<sup>(2)</sup> 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.

## FINANCE

### Change in financial indicators

	Q1 2019	Q1 2020	Variation
<b>Monegasque Investment Funds</b>			
Number of funds	55	53	-
Net total assets	4,251	3,934	-7.5%
<b>Asset Management companies</b>			
Number of companies	58	61	-
<b>Banks and Financial Institutions</b>			
Number of Banks	30	30	-
Number of financial services companies	4	4	-
Total Value of Assets:			
Deposits & Marketable securities	121,443	119,817	-1.3%
Total Value of Deposits & Commercial Paper	48,711	51,348	5.4%
Total Value of Loans	24,363	26,370	8.2%

Unit: million euros

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

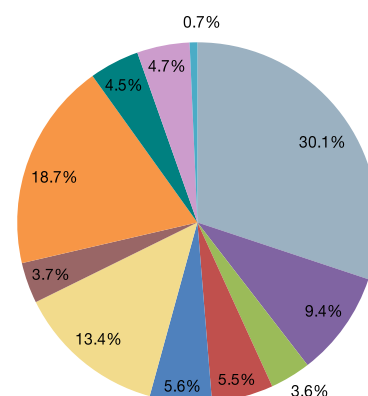
### Change in revenue by sector

	Q1 2019	Q1 2020	Variation
1 Finance and Insurance	435.1	618.9	42.2%
2 Wholesale	1,088.4	955.6	-12.2%
3 Retail	337.2	299.3	-11.3%
4 Accommodation and catering	161.8	115.7	-28.5%
5 Manuf., extrac. and other industries	209.4	175.3	-16.3%
6 Real Estate	141.3	176.5	25.0%
7 Construction	398.5	426.5	7.0%
8 Transport and storage	143.0	116.2	-18.7%
9 Scientific and tech. activities, admin. and support services	452.0	594.8	31.6%
10 Miscellaneous activities and services	155.7	142.0	-8.8%
11 Information and communication	148.0	149.8	1.2%
12 Admin., educ., health and other social services	22.8	21.9	-3.6%
<b>Total<sup>(2)</sup></b>	<b>3,258.1</b>	<b>3,173.8</b>	<b>-2.6%</b>

Unit: million euros

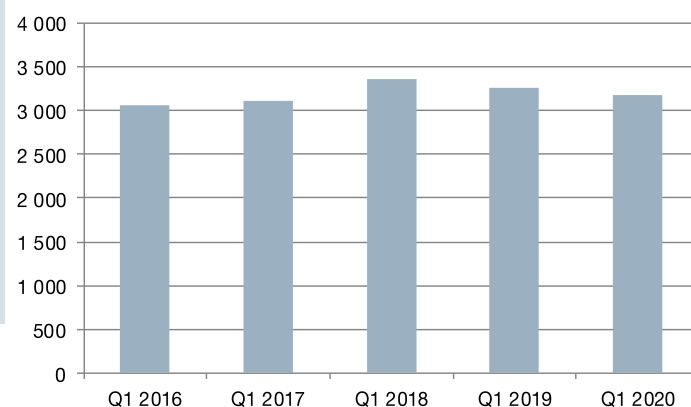
Sources: Department of Tax Services, Monaco Statistics

### Distribution in revenue as at 31st march 2020<sup>(2)</sup>



Sources: Department of Tax Services, Monaco Statistics

### Change in revenue<sup>(2)</sup>



Unit: million d'euros

Sources: Department of Tax Services, Monaco Statistics

There has been a slight dip in banks' total assets over the last 12 months (-1.3%), despite an increase in deposits (+5.4%). The total value of loans also increased (+8.2%).

In Q1 2020, there was a reduction in managed assets amounting to around a billion euros (-7.1%), primarily due to the negative impact of market and exchange rate factors, while deposits and negotiable debt securities increased by 2.9% over the period.

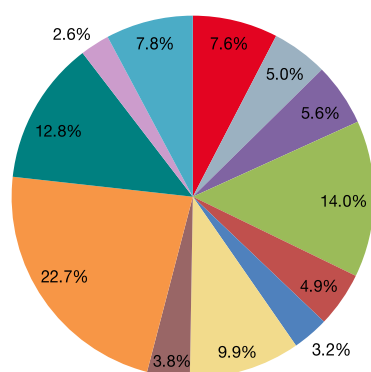
# PRIVATE SECTOR EMPLOYMENT

## Change in number of jobs per sector

	Q1 2019	Q1 2020	Variation
1 Finance and Insurance	3,991	4,065	1.9%
2 Wholesale trade	2,691	2,678	-0.5%
3 Retail trade	2,940	2,990	1.7%
4 Accommodation and food service activities	8,305	7,478	-10.0%
5 Manuf., mining and quarrying and other industries	2,611	2,629	0.7%
6 Real Estate activities	1,720	1,731	0.6%
7 Construction	5,154	5,296	2.8%
8 Transportation and storage	2,081	2,035	-2.2%
9 Scientific and tech. activities, admin. and support service act.	12,906	12,130	-6.0%
10 Other service activities	7,221	6,858	-5.0%
11 Information and communication	1,360	1,400	2.9%
12 Public admin., educ., human health and social work act.	4,119	4,164	1.1%
<b>Total</b>	<b>55,099</b>	<b>53,454</b>	<b>-3.0%</b>

Sources: Caisses Sociales de Monaco, Monaco Statistics

## Distribution of the number of jobs in March 2020



Sources: Caisses Sociales de Monaco, Monaco Statistics

## Change in the number of employers per sector as at 31st march 2020

	Q1 2019	Q1 2020	Variation
1 Finance and Insurance	234	243	3.8%
2 Wholesale trade	381	400	5.0%
3 Retail trade	465	461	-0.9%
4 Accommodation and food service activities	196	184	-6.1%
5 Manuf., mining and quarrying and other industries	114	121	6.1%
6 Real Estate activities	448	442	-1.3%
7 Construction	327	326	-0.3%
8 Transportation and storage	119	120	0.8%
9 Scientific and tech. activities, admin. and support service act.	690	707	2.5%
10 Other service activities	2,927	2,905	-0.8%
11 Information and communication	127	127	0.0%
12 Public admin., educ., human health and social work act.	90	83	-7.8%
<b>Total</b>	<b>6,118</b>	<b>6,119</b>	<b>0.0%</b>

Sources: Caisses Sociales de Monaco, Monaco Statistics

# BUSINESSES

The number of new businesses created during Q1 2020 fell significantly compared with 2019 (-31.3%). Despite a slight uptick in January (+5), the number fell in February (-22) and collapsed in March, when just 28 new businesses were started, compared with 84 in 2019. There were significant disparities across the major economic sectors. The strongest impact was felt in the other service activities, real estate activities and trade (wholesale and retail) sectors. Scientific and technical activities, administrative and support services, information and communication, transportation and storage, and construction all held up better.

During this quarter, 123 businesses were permanently closed, compared with 148 in 2019. The balance (businesses started minus permanent closures) shrank from +85 last year to +37.

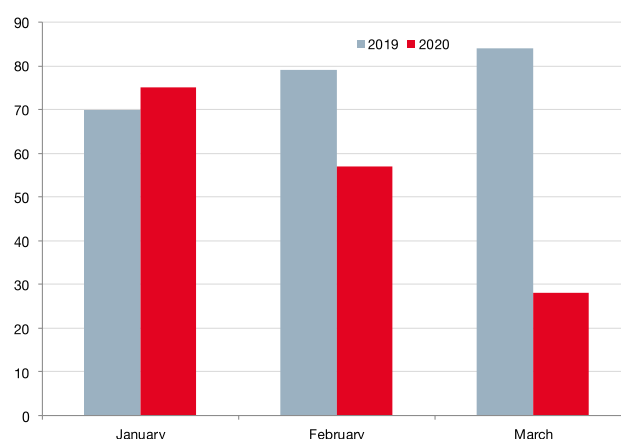
In light of the health crisis, the measures introduced by the Monegasque Government to fund strengthened provisions for temporary layoff (CTTR) and to expand teleworking sought on the one hand to increase flexibility around working conditions for companies and employees, and on the other to save jobs. Employees who were temporarily laid off under the CTTR provisions are still counted as employees, and the hours worked at home by teleworkers are included. Nonetheless, the total number of employees in the private sector, including all contract types (fixed-term contracts, part-time work, seasonal work, temporary staff and casual employment), fell by 3% compared with Q1 2019 (there were a total of 53,454 employees at the end of March 2020, namely 1,645 less than in the same period last year), while the number of hours worked fell by 5% (-19% for the month of March alone). The total number of employers remained stable, but clear differences emerged across the various sectors.

The accommodation and food services sector was hardest hit by the decline in employment, due to the closure of hotels, restaurants, etc. The sector lost 10% of its jobs and around 9% of hours worked (a total of nearly 300,000 hours) compared with the same period last year. The number of employers also fell by 12, or 6.1%. The scientific and technical activities, administrative and support services sector, the Principality's leading sector in terms of employment, saw a 6% decline in jobs compared with 2019. There was a 13.6% fall in temporary employment, which dropped to -39.3% for the organisation of trade fairs, trade shows and conventions. At the same time, the number of employers rose in this sector, as well as in the manufacturing and wholesale trade sector. Other service activities saw a decrease, linked primarily to a loss of jobs in arts, recreational and sporting activities.

While some sectors were able to retain staff during the first quarter (wholesale trade, real estate activities, manufacturing, mining and quarrying, etc.), others managed to create jobs compared with the previous year – this was the case in the construction sector and the information and communication sector, with each adding nearly 3% more jobs compared with 2019.

\*Includes domestic staff

## Monthly establishment creations in the first quarter 2019 and 2020



Source: Business Development Agency, IMSEE



# HOTEL AND CRUISE INDUSTRY

## Changes in hotel industry indicators

	Q1 2019	Q1 2020	Variation
Occupancy rate	52.5%	38.2%	-14.3%
Rooms occupied ( N° of nights)	115,192	84,525	-26.6%
Arrivals	69,523	50,751	-27.0%
% Arrivals from EU including Monaco	76.7%	78.1%	1.4%
Average length of a stay (in days)	2.33	2.33	0.0%

Sources: Tourist and Convention Authority, Monaco Statistics

## Change in cruise industry indicators

	Q1 2019	Q1 2020	Variation
Number of days of stopover	5	1	-80.0%
Number of cruise days	4,561	1,105	-75.8%

Sources: Tourist and Convention Authority, Monaco Statistics

## REAL ESTATE

The two sales of new apartments relate to buildings delivered in previous years. The limited number of available properties is curbing the market.

The property resale market remained highly dynamic, with more than 100 transactions completed during the quarter, equating to more than one apartment resold every day. This number was up 13.5% compared with Q1 2019. However, although the value of the resale market is still rising, it is doing so at a slower pace (+3.5%), with the transactions relating to smaller properties.

The main tourism indicators experienced a sharp decline over the quarter.

The number of tourists arriving fell (-18,772). Although the average length of stay, expressed in days, was similar to that in 2019, visitor numbers, expressed in nights, were down on last year (-30,667). The occupancy rate was stable in January and February but fell by 41.7% in March. The number of visitors arriving from the European Union was up slightly across Q1 as a whole (+1.4%), despite a collapse in March (-84.4%).

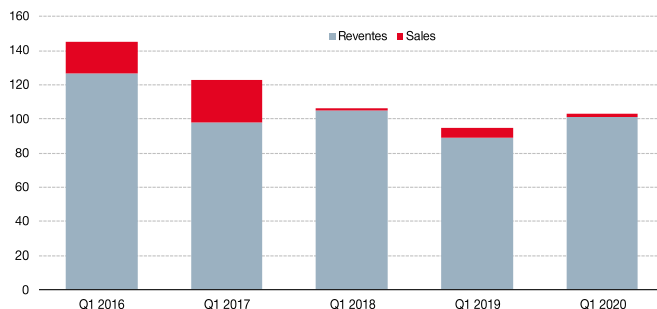
There was just one port of call by a cruise ship in January. None were planned in February, and the closure of Monegasque ports in mid-March meant that the cruise sector was unable to make up the gap compared with 2019.

## Change in the number of sales and resales

	Q1 2019	Q1 2020	Variation
Apartment Sales (new)	6	2	-66.7%
Apartment Sales (second hand)	89	101	13.5%

Sources: Department of Tax Services, Monaco Statistics

## Evolution of real estate transactions



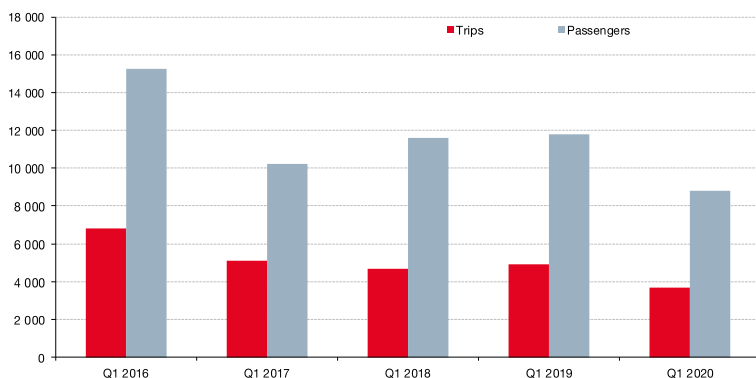
Sources: Department of Tax Services, Monaco Statistics

## TRANSPORT

### Change in helicopter traffic

	Q1 2019	Q1 2020	Variation
Number of trips	4,911	3,684	-25.0%
Number of passengers	11,801	8,814	-25.3%

Sources: Civil Aviation Authority, Monaco Statistics



Sources: Civil Aviation Authority, Monaco Statistics

### Change in vehicle registration and car parks attendance

	Q1 2019	Q1 2020	Variation
Number of new vehicle registrations	721	637	-11.7%
Number of times a car entered a public car park	3,726,656	3,227,535	-13.4%

Sources: Driver and Vehicle Licensing Office, Monaco Statistics

During Q1 2020, as a result of the gradual suspension of regular services from 16 March, trip and passenger numbers fell by 2,987 and 1,227 respectively. There was a substantial decline in flights during March, which fell by 1,475, of which 1,152 were commercial flights, and passenger numbers also dropped (-3,874).

The closure of car dealerships led to a reduction in registrations of new vehicles compared with Q1 2019 (-84, or -11.7%). Only 113 vehicles were registered in March (304 were registered in January and 220 in February).

Use of the Principality's public car parks fell compared with last year (-499,121 visits or -13.4%), due to the decline in visits by non-season ticket holders (-285,602) over the whole of the first quarter. This was particularly notable in March (-307,331).



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