

Since early 2021, the health situation has continued to be poor in the Principality, as in neighbouring countries. Nevertheless, its control since the beginning of the year has been based on the implementation of the vaccination campaign and on the continuation of most health measures.

The economic situation in the first half of 2021 is therefore very different compared to 2020. It is vital for this comparison to take into account these dissimilarities and the impact of the lockdown that lasted for a quarter of the first half of 2020, causing a significant fall in most indicators. Therefore, if the analysis against 2020 is relevant to measure the recovery of the economy after these periods of fragility, it seems equally important to also compare the current situation with the year 2019, before the crisis, to qualify this rebound.

Change in comparison to Q2 2020

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 ↘

Close to €1.3 billion, the overall volume of trade, excluding with France, grew relatively strongly (+13.2%) but remained well below its 2019 level.

In the first half of 2021, the Principality's revenue, excluding financial and insurance activities, returned to its 2019 level. It stood at €7.15 billion, up €670 million on 2020.

At the end of the second quarter, the employment indicators in the private sector were tending upwards.

The numbers of new companies and write-offs is up on the first half of 2020. The surplus of new companies – definitive

write-offs is greater than in 2020 (+177 against +147).

The main hotel indicators are trending upwards but remain below their pre-pandemic levels. The cruise business is still at a standstill.

The number of property resales is increasing but the cumulative amount of transactions is decreasing.

The number of new vehicle registrations is rising fast (+52.8%), as is the number of visitors to public car parks (+18.7%). Air traffic remains sharply down.

FOREIGN TRADE EXCLUDING FRANCE

The Principality's foreign trade continues to improve on the first half of 2020. However, while the volume of exports is almost back to its pre-pandemic level, that of imports remains well below it. The overall volume of trade in the first half of 2021 is almost 30% lower than in 2019. The overall volume of trade, excluding with France, is almost €1.3 billion (+13.2%). As in the first quarter, exports benefited from the revival of international activity (+26.5%). Imports showed more moderate growth (+5.7%). This resulted in an automatic reduction in the trade deficit (-€230 million) and the coverage ratio (exports/imports) recovered (increasing from 69.0% in 2021 to 57.7% in 2020).

Although deliveries to the European Union increased significantly (+12.9%), acquisitions fell (-10.2%), resulting in a decrease in the amount of transactions with the EU (-1.2%). Conversely, trade outside the European Union grew strongly (+37.8%).

Deliveries to Italy continued to rise (+12.0%), mainly due to the clothing industry, which accounts for almost a quarter of sales with that country. The decline in the acquisition of goods from the Manufacture of machinery and equipment n.e.c. penalizes all imports with Italy.

With more than €200 million, products from Other manufacturing dominate Monaco's trade.

Change in foreign trade excluding France

	Q2 2020	Q2 2021	Variation	Weight
Supplies + Exports	405.5	512.8	26.5%	
EU Supplies	272.0	307.1	12.9%	59.9%
Including Italy	78.8	88.3	12.0%	17.2%
Including Germany	58.1	65.7	13.2%	12.8%
Including Belgium	27.2	30.0	10.2%	5.8%
Exports	133.5	205.7	54.1%	40.1%
Including Switzerland	36.6	58.7	60.3%	11.4%
Acquisitions + Imports	702.9	743.2	5.7%	
Acquisitions UE	424.3	380.8	-10.2%	51.2%
Including Italy	248.4	193.0	-22.3%	26.0%
Including Germany	83.7	87.5	4.6%	11.8%
Including Belgium	26.3	32.8	25.0%	4.4%
Imports	278.7	362.4	30.0%	48.8%
Including United Kingdom	19.7	58.2	195.3%	7.8%
Balance of trade	-297.4	-230.4	-22.5%	



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 30/06/2021)

REVENUE⁽¹⁾

As at 30 June 2021, the Principality's revenue, excluding financial and insurance activities, stood at €7.15, up €671 million on 2020 (+10.3%). However, the first half of last year was marked by a six-week lockdown. Even if the Principality's revenue is returning to pre-pandemic levels, the sectoral results must be understood in this context.

The growth in Wholesale trade (+€364 million, +19.3%) is mainly due to the rise among Agents (commission agents, brokers acting on behalf of third parties), especially those involved in the sale of fuels, ores, metals, etc. and those involved in the sale of machinery, industrial equipment, ships and aircraft.

The substantial increase in revenue in the Retail trade (+€245 million, +40.7%), is principally due to the increases in sales of motor vehicles, jewellery and clothing in stores.

Sports activities and amusement and recreation activities (+83.0%) and Gambling and betting activities (+85.6%) led Other service activities (+€108 million, +50.7%).

Construction revenue exceeded €1 billion euros (+10.2%), mainly due to Masonry works and building structural works.

Manufacture of rubber and plastic products and Manufacture of chemicals and chemical products boosted the Manufacturing, mining and quarrying, and others industries (+€75 million, +22.7%).

With nearly €200 million, revenue from Accommodation and food service activities increased significantly (+€37 million, +23.8%) but remained well below 2019 levels (€385 million).

Information and Communication revenue rose (+€37 million, +12.9%), courtesy of Telecommunications and Motion picture, video and television programme production, etc.

In the first half of 2020, technical activities related to construction operations brought Scientific and technical activities, administrative and support service activities to their highest level ever (€1.3 billion). In 2021, the main explanation for the sharp decline in sector revenue lies in these activities. Conversely, Employment activities continued to increase (+€15 million, +17.2%).

Buying and selling of own real estate pulled Real estate activities down (-€104 million, -25.4%).

⁽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 purpose

FINANCE

Change in financial indicators

	Q2 2020	Q2 2021	Variation
Monegasque Investment Funds			
Number of funds	54	51	-
Net total assets	4,176	4,485	7.4%
Asset Management companies			
Number of companies	59	61	-
Banks and Financial Institutions			
Number of Banks	29	30	-
Number of financial services companies	4	4	-
Total Value of Assets:			
Deposits & Marketable securities	125,741	138,542	10.2%
Total Value of Deposits & Commercial Paper	50,690	50,269	-0.8%
Total Value of Loans	26,317	28,219	7.2%

Unit: million euros

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

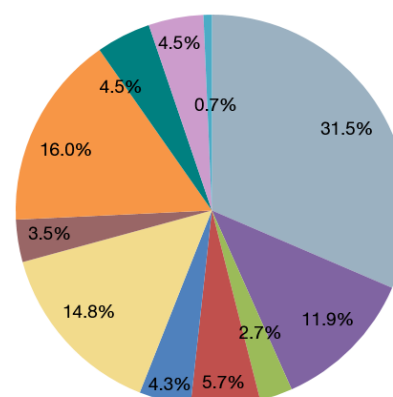
Change in revenue by sector

	Q2 2019	Q2 2020	Q2 2021	Variation 20/21
1 Financial and insurance activities	904.2	985.7	827.4	-16.1%
2 Wholesale trade	2,274.8	1,886.2	2,250.5	19.3%
3 Retail trade	753.6	603.0	848.6	40.7%
4 Accommodation and food service activities	385.9	156.1	193.2	23.8%
5 Manufacturing, mining and quarrying, and others industries	417.8	332.2	407.7	22.7%
6 Real Estate activities	407.0	407.7	304.2	-25.4%
7 Construction	904.7	957.8	1,055.6	10.2%
8 Transportation and storage	282.2	213.8	250.4	17.1%
9 Scientific and technical activities, administrative and support service activities	944.4	1,379.7	1,147.2	-16.9%
10 Other service activities	377.4	213.2	321.3	50.7%
11 Information and communication	300.3	286.5	323.5	12.9%
12 Public administration, education, human health and social work activities	50.0	44.7	49.4	10.6%
Total⁽²⁾	7,098.1	6,480.8	7,151.5	10.3%

Unit: million euros

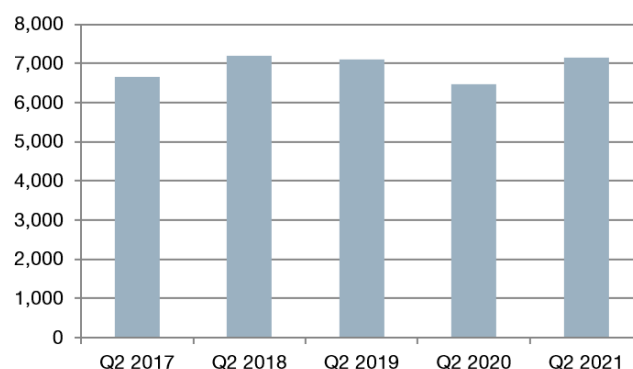
Sources: Department of Tax Services, Monaco Statistics

Distribution in revenue as at 30th June 2021⁽²⁾



Sources: Department of Tax Services, Monaco Statistics

Change in revenue⁽²⁾



Unit: million euros

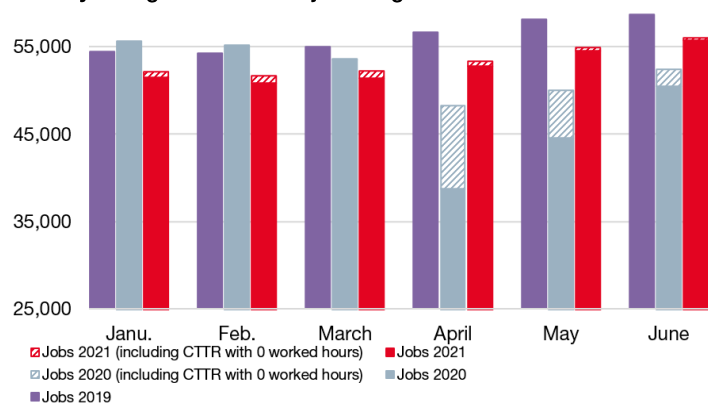
Sources: Department of Tax Services, Monaco Statistics

There has been an extremely positive trend in bank's total assets over the last 12 months (+10.2%), likewise with the amount of loans granted (+7.2%). The amount of deposits fell slightly (-0.8%).

During the second quarter of 2021, a collection of EUR 1.3 billion, combined with the positive impact of market and foreign exchange effects, resulted in an increase in the value of managed assets over the period (+2.3%).

PRIVATE SECTOR EMPLOYMENT

Monthly change in number of jobs : légende « hour »



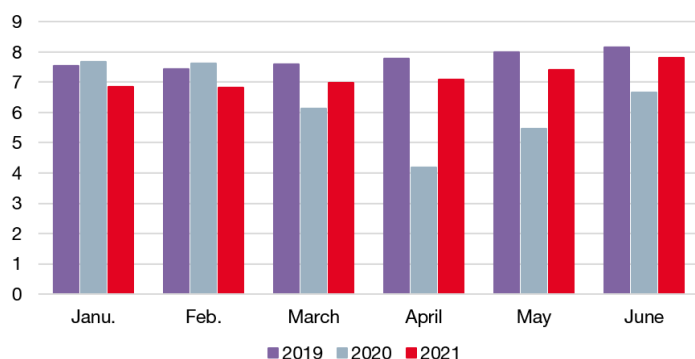
Sources: Social Services Compensation Fund, Monaco Statistics

Evolution of the number of active jobs by MES

	Q2 2019	Q2 2020	Q2 2021	Variation 20/21
Financial and insurance activities	4,008	4,027	4,131	2.6%
Wholesale trade	2,673	2,487	2,610	4.9%
Retail trade	3,122	2,804	2,988	6.6%
Accommodation and food service activities	9,469	6,022	7,178	19.2%
Manufacturing, mining and quarrying, and others industries	2,675	2,510	2,617	4.3%
Real Estate activities	1,747	1,725	1,763	2.2%
Construction	5,405	5,461	5,837	6.9%
Transportation and storage	2,267	1,899	1,944	2.4%
Scientific and technical activities, administrative and support service	14,649	12,028	14,117	17.4%
Other service activities	7,076	6,096	7,193	18.0%
Information and communication	1,365	1,315	1,405	6.8%
Public administration, education, human health and social work activities	4,124	4,107	4,245	3.4%
Total	58,580	50,481	56,028	11.0%

Sources: Social Services Compensation Fund, Monaco Statistics

Monthly change in number of hours worked



Unit: million hours

Sources: Social Services Compensation Fund, Monaco Statistics

BUSINESSES

In the first half of 2021, the number of new companies is up year-on-year (409 versus 361, +13.3%). The number of definitive write-offs also rose (232 versus 214, +8.4%). However, the number of establishments and write-offs is still lower than in 2019, when they reached 464 and 268 respectively in the first six months of the year.

The balance of new companies – definitive write-offs is +177, compared to +147 in 2020. It reached +81 in Scientific and technical activities, administrative and support service activities, +46 in Other service activities and +21 in Wholesale trade. It was negative in two major industry sectors: Real estate activities (-6) and Financial and insurance activities (-3).

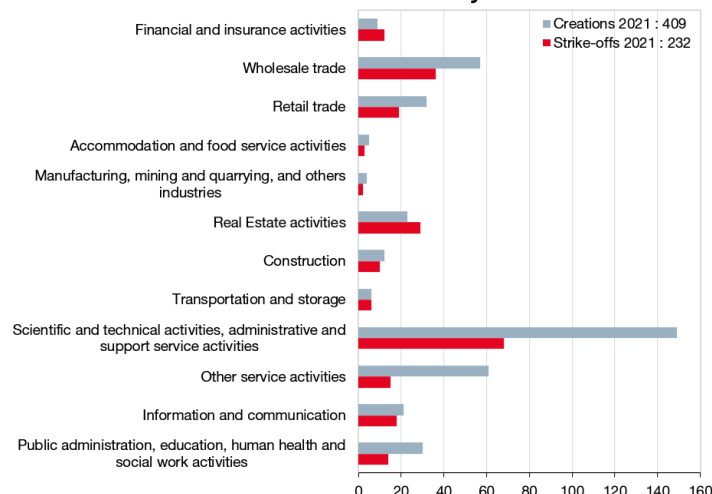
At the end of the first quarter of 2021, 56,028 jobs (where at least one hour was worked) were recorded in the private sector, an increase of +11% compared to Q2 2020. However, comparison with the previous year should be made with caution, given the healthcare situation in the second quarter of 2020 and the measures then in place. Therefore, in particular, the proportion of total temporary layoff (CTTR; zero hours worked) in private employment, observed between April and June 2020, decreased considerably a year later, and fewer than 300 jobs remain supported by this scheme at the end of this half-year (compared to nearly 2,000 in the same period last year). The total number of private jobs has also been steadily increasing since the first quarter of 2021, although it remains below the 2019 level (-4.6%).

The Accommodation and food service activities and Other service activities sectors, heavily impacted by the pandemic, are experiencing a significant increase in their workforce. Therefore, in Q2 2021, their workforce is approaching its pre-crisis level. The same goes for Scientific and technical activities and Administrative and support service activities, the largest employer in the Principality with over 14,000 jobs for the first time since 2019.

While the results of these major economic sectors (MES) are contributing to the overall increase in the number of hours worked since the beginning of the year (+13.6% compared to Q2 2020), Construction is the sector in which the volume of hours increased the most over the period (+29.1%). The total number of hours worked in the private sector amounts to nearly 43 million overall from January to June 2021, or approximately 5 million overtime hours year-on-year. In 2019, 46.5 million hours were worked in the first half of the year. Since March 2021, the monthly hourly volume worked has exceeded 2020 levels and was even approaching 2019 figures at the end of the quarter, with nearly 8 million hours worked in June.

In the second quarter, the Principality had 6,255 employers in the private sector. Again, this number is up overall on 2020 (+4.4% or 264 more employers), as well as in all sectors other than Real Estate activities and Manufacturing, mining and quarrying, and others industries.

Creations and strike-offs of establishments by GSA



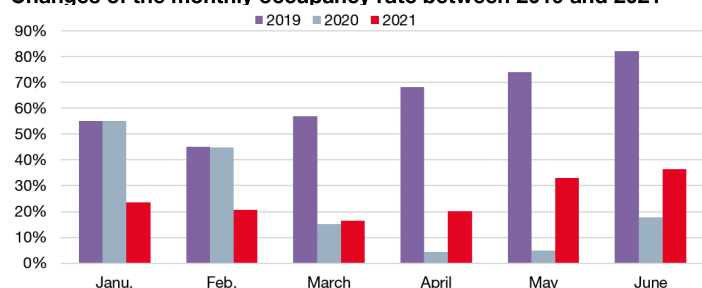
Sources: Business Development Agency, Monaco Statistics

HOTEL AND CRUISE INDUSTRY

Changes in hotel industry indicators

	Q2 2019	Q2 2020	Q2 2021	Variation 20/21
Occupancy rate	63.8%	22.7%	25.3%	2.6%
Rooms occupied (N° of nights)	283,147	102,765	108,686	5.8%
Arrivals	178,981	63,036	60,530	-4.0%
% Arrivals from EU including Monaco	64.5%	79.6%	86.8%	7.2%
Average length of a stay (in days)	2.4	2.3	2.4	4.8%

Changes of the monthly occupancy rate between 2019 and 2021



Sources: Tourist and Convention Authority, Monaco Statistics

Although still affected by the pandemic, tourism indicators are slightly up this half-year.

Despite a decrease in tourist arrivals this half-year (-4.0%), the average length of stay increased (+4.8%). More rooms are therefore occupied (+5.8%) and technically, the occupancy rate has increased (+2.6%), although it remains very low compared to the pre-crisis period when it posted a rate of 63.8% for the same period in 2019.

European visitors remain the majority (86.8% of tourists), due to travel restrictions on a global scale.

Cruises remain at a standstill.

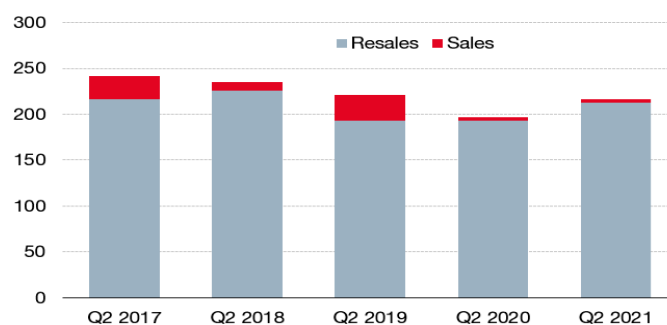
REAL ESTATE

In the first half of 2021, the new real estate market is down in volume by 25% (one transaction less) but by 50% in value compared to 2020. Compared to 2019, the decline is much sharper, in value and volume, with the first half of 2019 notable for the marketing of several real estate programs.

The real estate resale market grew relatively significantly in volume (20 more transactions in the first six months of the year compared to 2020, +10.4%) and even exceeded its 2019 level, but decreased in value (-13.2%). The positive results in the second quarter did not compensate for the slow-down in the first quarter, especially in January 2021.

Evolution of the number of real estate transactions

	Q2 2020	Q2 2021	Variation
Apartment Sales (new)	4	3	-25.0%
Apartment Sales (second hand)	193	213	10.4%

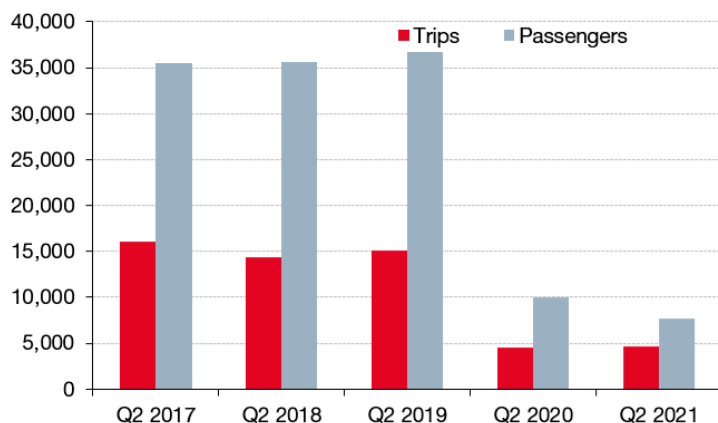


Sources: Department of Tax Services, Monaco Statistics

TRANSPORT

Change in helicopter traffic

	Q2 2020	Q2 2021	Variation
Number of trips	4,576	4,600	0.5%
Number of passengers	10,019	7,636	-23.8%



Sources: Civil Aviation Authority, Monaco Statistics

Change in vehicle registration and car parks attendance

	Q2 2020	Q2 2021	Variation
Number of new vehicle registrations	1,057	1,615	52.8%
Number of times a car entered a public car park	5,275,488	6,263,492	18.7%

Sources: Driver and Vehicle Licensing Office, Monaco Statistics

In Q2 2021, the number of movements is stable (+0.5%), whereas the number of passengers fell (-23.8%) year-on-year.

Only commercial flights (accounting for 58.5% of the total) dropped in the second quarter (-9.5%). All other types of flights increased (lessons, private, etc.).

The number of passengers on commercial flights (who account for 51.4% of the total) fell by 35.4%. The same goes for is true for passengers on training flights (-58.3%) and local journeys (-12.5%).

The number of new vehicle registrations increased significantly this half-year compared to 2020 (+52.8%). It has returned to its pre-pandemic levels. Nearly one in four vehicles is electric and nearly 16% are plug-in hybrids, a total of more than 40% 'green' vehicles.

Use of public car parks rose this half-year (+18.7%). Hourly durations of stay showed the largest increase (+28.1%), followed by day and night periods (+21.0%), for work (+19.8%) and with tickets (+15.0%). It is worth a mention that this half-year is notable for the opening of two new car parks in June: Les Abeilles (85 spaces) and Larvotto Transit (heavy goods vehicles only).



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