

In 2020, the scientific and technical activities, administrative and support service activities sector was the leading sector in the Principality in terms of employment, and second in terms of revenue. This major economic sector (MES) accounts for the highest number of operational businesses.

The COVID-19 pandemic has had mixed consequences for this MES. Technical activities benefitted from the dynamism of major construction projects in the Principality, while administrative services were adversely affected by the health measures introduced to curb the epidemic. Employment activities, which account for nearly half of employees in this MES, declined.

The sector brings together, on the one hand, professional, scientific and technical activities (such as business consultancy, engineering, accounting and legal activities, etc.), which account for a third of employees in the sector but more than three quarters of revenue, and on the other hand, office administrative and business support activities. The latter include office administrative and support activities, temporary employment agency activities, the organisation of conventions and trade shows, travel agency activities, cleaning of buildings and private security activities. There are fewer of these businesses, but they employ more staff on average.

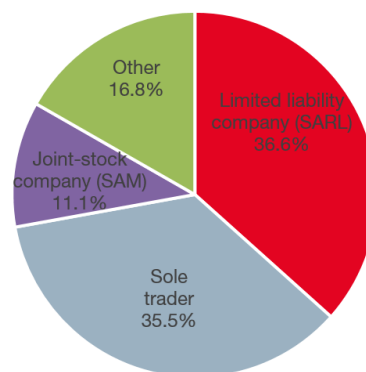
Limited liability companies and sole traders are over-represented among legal entities

At the end of 2020, the scientific and technical activities, administrative and support service activities MES comprised 2,370 operational businesses, almost a quarter (23.0%) of all businesses in the Principality. More than 72% of businesses in the sector are operated as limited liability companies (SARL) or by sole traders, the two main types of legal entity (compared with 54% overall in the Principality). The limited liability company became the leading type of legal entity in this sector for the first time.

In 2020, 247 businesses were started in the sector (273 in 2019) and 177 were closed permanently (161 in 2019), producing a positive balance (businesses started minus permanent closures) of 70 businesses, compared with a balance of 100 in 2019. The sector accounted for nearly a third of all new businesses (746).

The mean age of an operational business is 8.8 years, the lowest of all MES, compared with 12.3 years for all businesses in the Principality.

1. Breakdown of businesses by type of legal entity in the scientific and technical activities, administrative and support services in 2020



Sources: Business Development Agency, Monaco Statistics

Revenue in the MES rose sharply in 2020

Despite the pandemic and its economic impact, revenue in the scientific and technical activities, administrative and support service activities sector saw a strong rise (+23.4%), while that of the Principality overall, excluding financial and insurance activities, fell (-6.9%).

The MES accounts for nearly 18% of total revenue excluding financial and insurance activities, coming behind wholesale trade (30%) and ahead of construction (15%).

The exceptional growth in other professional, scientific and technical activities, and the more moderate increase in architectural and engineering activities, technical testing and analysis, was primarily due to support activities in the construction sector. With the exception of these two NAF categories, all other activities experienced a sharp decline.

2. Revenue from scientific and technical activities, administrative and support services

	2019	2020	Variation	Change
Other professional, scientific and technical activities	167.2	1,008.3	503.0%	41.0%
Activities of head offices; management consultancy activities	491.4	424.5	-13.6%	17.3%
Architectural and engineering activities; technical testing and analysis	268.7	309.2	15.0%	12.6%
Employment activities	204.4	175.0	-14.4%	7.1%
Rental and leasing activities	195.3	171.0	-12.4%	7.0%
Other NAF categories	663.3	368.8	-44.4%	15.0%
Total for scientific and technical activities, administrative and support service activities	1,990.4	2,456.8	23.4%	100%
Overall turnover of the Principality excluding Financial and insurance activities	14,993.4	13,966.4	-6.9%	

Unit: million of euros

Sources: Department of Tax Services, Monaco Statistics

Leading employer in the Principality

The scientific and technical activities, administrative and support service activities sector accounts for 11.5% of employers in the Principality.

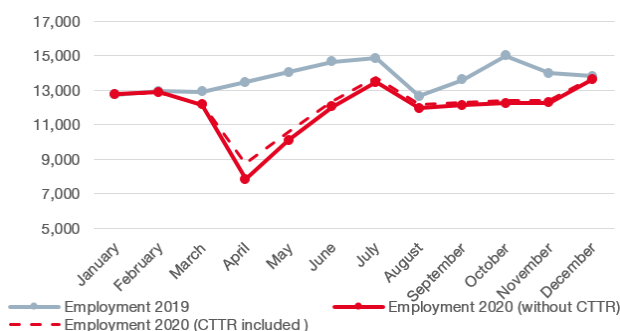
They employ nearly a quarter of all workers in Monaco (11,772 employees). In 2020, this figure fell to a lesser extent (-3.4%) than the overall number of employees (-3.9%).

3. Breakdown of employees and employers by NAF category in 2020

	Employers		Employees		
	No	Change 2019/2020	No	Change 2019/2020	Share
Employment activities	38	2.7%	5,225	-1.6%	44.4%
Activities of head offices; management consultancy activities	192	-3.5%	1,329	-1.8%	11.3%
Architectural and engineering activities; technical testing and analysis	92	10.8%	1,232	7.4%	10.5%
Services to buildings and landscape activities	34	-2.9%	1,118	0.5%	9.5%
Legal and accounting activities	79	-2.5%	620	3.3%	7.0%
Other NAF categories	269	0.4%	2,049	-17.3%	17.4%
Total for scientific and technical activities, administrative and support service activities	704	0.1%	11,772	-3.4%	100%
Total for Principality	6,126	-0.9%	51,008	-3.9%	

Sources: Social Services Compensation Fund, Monaco Statistics

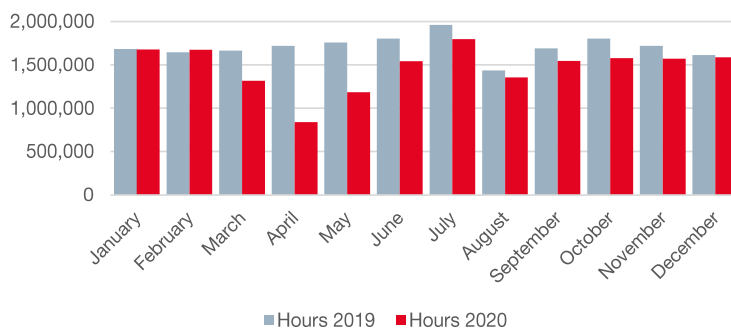
4. Change in number of jobs and number of hours



Sources: Social Services Compensation Fund, Monaco Statistics

At the height of the health crisis in April 2020, the sector experienced a net loss of more than 4,700 jobs and nearly 900,000 hours worked compared with 2019.

It should be remembered that this MES includes temporary employment agency activities, which partly explains the variations noted in April in particular, as these activities were not eligible for the strengthened provisions for total temporary layoff (CTTR). Overall, employers in this MES did not make much use of these provisions. "Total" CTTR, in other words where zero hours were worked, applied to fewer than 1,000 jobs in April (around 10% of staff).



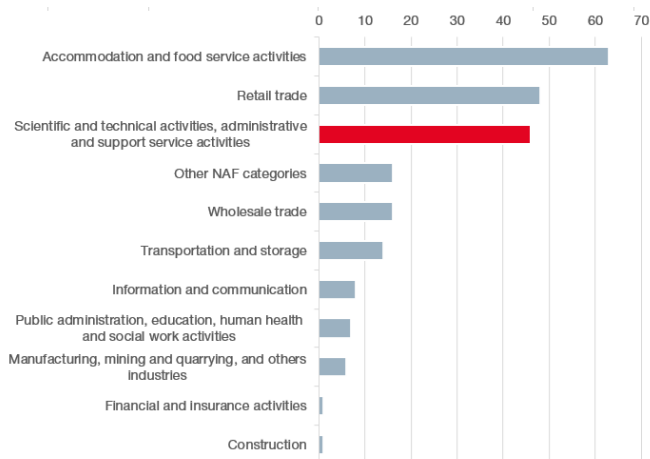
The sector then recovered quickly over the subsequent months, with a resumption in temporary employment activity, particularly on construction sites. After a slight dip in activity during August followed by stabilisation in autumn, the figures for this MES increased significantly towards the end of the year. In December 2020, there were an additional 1,305 jobs compared with November (an increase of 10.5%) and the volume of hours worked also rose, though to a lesser extent (+1%). These results are nonetheless below those achieved in 2019, and the total number of hours worked throughout the year fell by 2.8 million, or 13.8%.

A well-supported sector

In March 2020, the Prince's Government introduced special financial aid for businesses affected economically by the COVID-19 crisis. The exceptional minimum income (RME),⁽¹⁾ which was aimed at self-employed workers, and Small Business Support (later Business Support) were the first two emergency measures put in place. In summer 2020, the Economic Recovery Support Commission (CARE)⁽²⁾ was established to support the economic recovery. All of the aid granted was subject to eligibility criteria.

In this MES, 200 businesses received the RME, nearly 400 were granted Business Support and 46 applications were approved by CARE.

5. Applications approved by CARE by MES in 2020



Sources: Welcome Office, Monaco Statistics

(1) Ministerial Decree No. 2020-318, dated 16 April 2020, amended Ministerial Decree No. 2004-261, dated 19 May 2004, on professional installation and support for businesses, as amended.

(2) <https://en.service-public-entreprises.gouv.mc/Covid-19/Economic-recovery/Assistance-to-businesses/Economic-Recovery-Support-Commission-CARE>

For more information on the impact of the COVID-19 health crisis in the Principality, see the reports produced by Monaco Statistics at <https://www.imsee.mc/Publications/Rapports-COVID-19>

