

Accommodation and food service activities were hit hard by the COVID-19 pandemic. Numerous measures, including partial opening of restaurants, the closure of bars and restrictions on global travel all had a negative impact on this major economic sector (MES) in 2020. The sector received the highest levels of state support. Revenue almost halved (-48%) compared with the previous year (a decline of more than €387 million). The sector includes 298 businesses, of which 283 are engaged in food service activities. There are 169 employers, employing 7,215 employees. The majority of employees (76.1%) work in hotels.

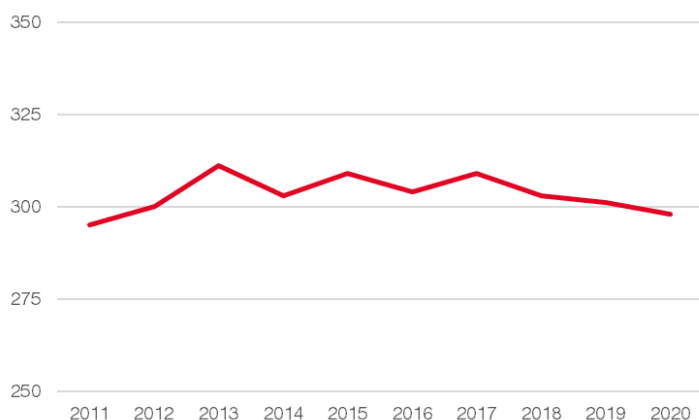
The number of businesses in the sector has been relatively stable since 2011

1. Number of active businesses in 2020

	Number of businesses	Weight
Food service:	283	95.0%
Restaurants and mobile food service activities	227	76.2%
Event catering and other food service activities	29	9.7%
Beverage serving activities	27	9.1%
Accommodation:	15	5.0%
Hotels and similar accommodation	15	5.0%
Total	298	100%
Total in Principality	10,293	

Sources: Business Development Agency, Monaco Statistics

2. Active businesses in the MES between 2011 and 2020



Sources: Business Development Agency, Monaco Statistics

There were 298 businesses in the MES in 2020 (making up 2.9% of all active businesses in the Principality). This number has been relatively stable since 2011, falling to a low of 295 and hitting a maximum of 311 over the decade.

Most businesses – a total of 283 businesses, or 95% of the MES – are engaged in food service activities. These include restaurants and mobile food service activities, which make up the majority of businesses (227), accounting for 76.2% of the NAF category. Fifteen businesses (5% of the sector) are engaged in accommodation activities.

The balance between businesses started and businesses closed was stable (-3), with 15 new businesses set up and 18 closed, including 17 among restaurants and mobile food service activities. Eleven new restaurants and mobile food service activities were also established.

Food service activities are a major part of the MES, with 227 restaurants and mobile food service activities, mainly located in the Condamine district (72), followed by Monte-Carlo (59) and Monaco-Ville (33). The Exotic Garden and Moneghetti districts have the fewest such businesses (3 and 4 respectively).

The average age of a business is 11.5 years, compared with 12.3 years for all businesses in the Principality.

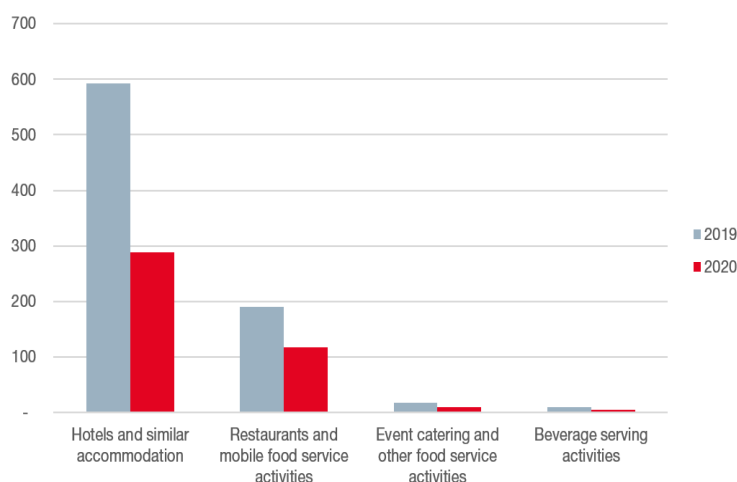
Revenue in the MES was heavily affected by the COVID-19 epidemic

The decline in revenue seen across all sectors in 2020 (-6.9%) overall, excluding financial and insurance activities) was significantly more pronounced in the accommodation and food service sector, which experienced a drop of nearly 48% compared with 2019.

Revenue in this MES was more than €420 million in 2020, accounting for 3% of the Principality's total revenue excluding finance and insurance activities (5.4% in 2019). Accommodation and food services was the tenth biggest contributor (out of 12) to revenue; it was seventh in 2019.

Between 2019 and 2020, the revenue of restaurants and mobile food service activities fell 37.8%, while that of hotels dropped by more than half (-51.3%), primarily due to the restrictions put in place as a result of the health crisis. These measures automatically had an effect on the hotel occupancy rate, which fell from 65.9% in 2019 to 28.5% in 2020. Nonetheless, accommodation continues to account for a large share of revenue within the MES (68.3% or €288 million).

3. Revenue by NAF group between 2019 and 2020



Unit: million of euros

Sources: Business Development Agency, Monaco Statistics

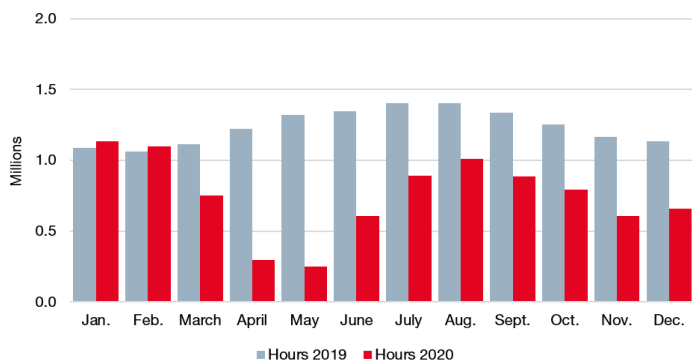
Employee numbers down in accommodation and food service

4. Number of active employees and hours worked by NAF group in 2020

	Number of active employees	Variation 2019-2020	Hours worked	Variation 2019-2020
Accommodation	5,494	-7.9%	6,620,040	-40.1%
Food and beverage service activities	1,721	-21.8%	2,363,764	-37.9%
Beverage serving activities	60	-36.6%	81,681	-48.6%
Restaurants and mobile food service activities	1,513	-21.7%	2,098,538	-37.7%
Event catering and other food service activities	147	-13.6%	183,545	-34.2%
TOTAL Accommodation and food service	7,215	-11.6%	8,983,804	-39.5%

Sources: Social Services Compensation Fund, Monaco Statistics

5. Change in monthly hours worked between 2019 and 2020



Sources: Social Services Compensation Fund, Monaco Statistics

The most supported sector during the health crisis

In March 2020, the Prince's Government introduced financial support measures for businesses hit by COVID-19.

Two emergency assistance measures were initially put in place: Exceptional Minimum Income (RME) and Small Business Support (later Business Support).

Of the 885 entities who received RME, 42 were from the accommodation and food service MES. Business Support was paid out to 1,631 businesses, including 102 in accommodation and food service activities. A total of 80 entities received both RME and Business Support (see the various COVID reports available on the Monaco Statistics website).

In summer, the Economic Recovery Support Commission (CARE) was established. In 2020, CARE supported 63 businesses in the accommodation and food service sector.

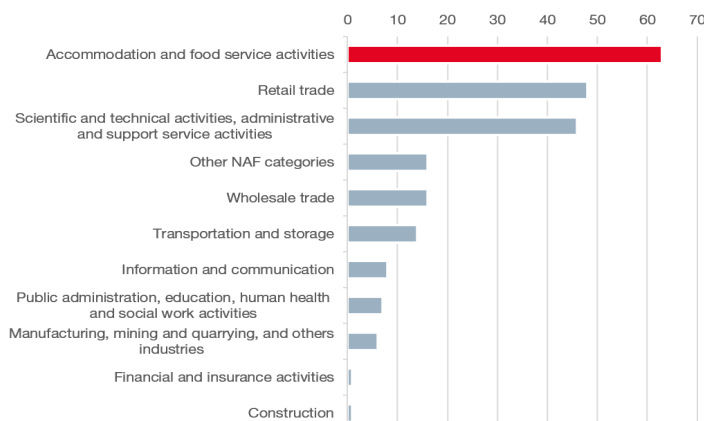
2020 also saw the introduction of strengthened provisions for total temporary layoff (CTTR) to help tackle the economic consequences of the health crisis. Of all employees placed on CTTR between March and December 2020, more than a third (35.7%) worked in accommodation and food service activities. This was the sector that saw the most employees subject to total or partial layoff (nearly 5,000 employees were affected at the height of the crisis in spring 2020).

There were more than 7,000 "active" employees (who worked at least one hour) within the accommodation and food service sector at the end of 2020, the majority of whom worked in hotels (5,494 people). Men dominate the MES (70.3%) and French nationals make up the largest share of the workforce (63.1%). Nearly 500 Monegasque nationals work in the sector, making up 6.2% of active employees. More Monegasque nationals work in accommodation and food service activities than any other MES (see note on methodology).

The number of active employees fell compared with 2019 in all parts of the sector and overall, with food service activities experiencing the sharpest decline.

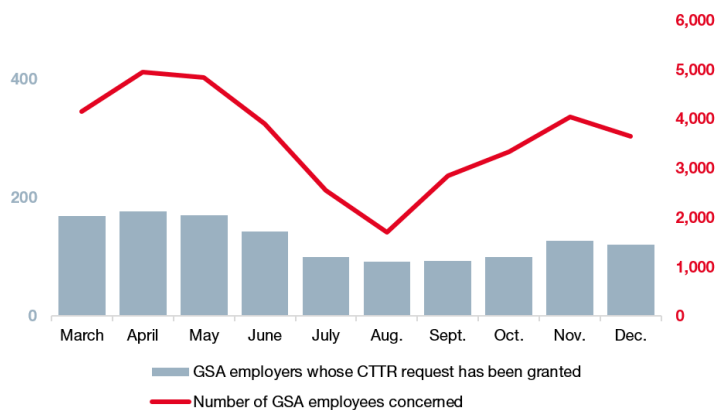
While the impact of the health crisis on the workforce was cushioned by the implementation of measures to safeguard jobs, there were direct consequences for the number of hours worked, which collapsed in the sector starting in March 2020 and did not return to 2019 levels at any point during the rest of the year. In total, nearly 6 million hours were lost in the MES in 2020, almost half of all the hours lost across the private sector.

6. Applications approved by CARE by MES in 2020



Sources: Welcome Office, Monaco Statistics

7. Number of employers and employees affected by partial or total layoff in 2020



Sources: Social Services Compensation Fund, Monaco Statistics

- The accommodation and food service activities sector includes the provision of accommodation facilities for short-term stays to visitors or other travellers, as well as the provision of full meals for immediate consumption. This sector does not include the preparation of meals or drinks not intended for immediate consumption or which are sold via independent distribution channels, i.e. through wholesale or retail traders.
- Several establishments are linked to the same employer. Restaurants within hotels are not recorded independently of the hotel.
- All the employees (gaming, accommodation and food service) of one major Monegasque economic operator fall within the accommodation and food service activities MES.

