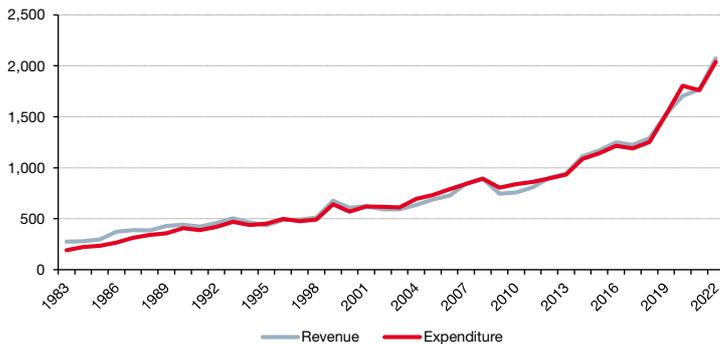


Public finances are approached through the presentation of the State Budget and the Constitutional Reserve Fund (CRF). In 2022, budgetary revenues and expenditures increase together and the State's net result reaches a surplus of €32.2 million at the end of the year, four times the amount in 2021.

## The Principality's budget surplus is growing

### 1. Change in State revenues and expenditures

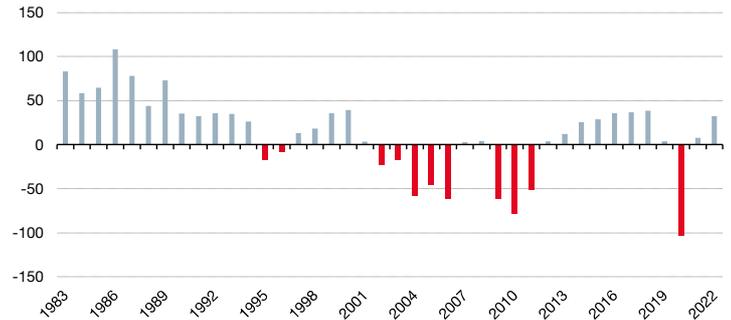


Unit: million euros

Source: Department of Budget and Treasury, Monaco Statistics

The budget surplus is the result of revenue growth exceeding expenditure growth. It increases by €24.2 million compared to 2021 to reach €32.2 million. Ordinary expenditures increased compared with the previous year (+€81.5 million, i.e. +8.3%) as did equipment costs (+€197.4 million, i.e. +25.2%).

### 2. Change in the budget surplus/deficit



Unit: million euros

Source: Department of Budget and Treasury, Monaco Statistics

### 3. Changes in the composition of the state budget

	2018	2019	2020	2021	2022	Var 21/22
Revenue	1,292.1	1,523.7	1,703.0	1,769.7	2,072.8	17.1%
Expenditure	1,253.7	1,519.9	1,806.2	1,761.7	2,040.6	15.8%
Ordinary expenditure	842.2	901.3	1,258.9	978.6	1,060.1	8.3%
Equipment costs	411.4	618.7	547.3	783.1	980.6	25.2%
<b>Budget surplus/deficit</b>	<b>38.4</b>	<b>3.8</b>	<b>-103.2</b>	<b>8.0</b>	<b>32.2</b>	<b>300.6%</b>

Unit: million euros

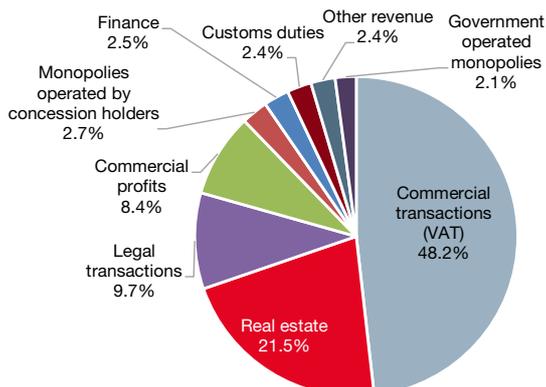
Source: Department of Budget and Treasury, Monaco Statistics

## Increase in State revenues

At the close of 2022, revenues amount to €2.1 billion, up by €303.1 million (+17.1%) compared to 2021. This increase is mainly due to tax revenues (+€200.2 million, or +16.3%), and more specifically to commercial transactions, which have increased significantly by €126.3 million, or +14.5%.

With the exception of revenues from the financial field, which are down due to exceptional revenues between 2019 and 2021, all components of State revenues are at a higher level than the previous year.

### 5. Composition of budget revenue in 2022



Source: Department of Budget and Treasury, Monaco Statistics

### 4. Change in the composition of budgetary revenues

	2018	2019	2020	2021	2022	Var 21/22
Commercial transactions (VAT)	640.9	689.7	804.2	873.1	999.5	14.5%
Real estate	111.1	152.6	212.3	237.8	445.7	87.4%
Legal transactions	173.6	181.9	183.8	199.6	201.0	0.7%
Commercial profits	150.6	136.3	158.7	114.5	174.5	52.4%
Monopolies operated by concession holders	56.0	63.1	60.7	35.9	55.0	53.1%
Finance	28.5	163.3	159.1	191.8	52.6	-72.6%
Customs duties	46.1	48.0	45.2	38.8	50.5	30.1%
Other revenue	37.8	42.3	37.2	36.5	50.4	38.3%
Government operated monopolies	47.4	46.6	41.9	41.7	43.6	4.4%
<b>Total</b>	<b>1,292.1</b>	<b>1,523.7</b>	<b>1,703.0</b>	<b>1,769.7</b>	<b>2,072.8</b>	<b>17.1%</b>

Unit: million euros

Source: Department of Budget and Treasury, Monaco Statistics

**Commercial transactions:** value-added tax

**Real estate:** all income from state-owned rental properties and revenue from public car parks

**Legal transactions:** transfer duties, duties on other civil and administrative acts, insurance taxes

**Commercial profits:** corporate income tax

**Monopolies operated by concession holders:** fees relating to monopolies, the main ones being the Société des Bains de Mer, Monaco Telecom, Société Monégasque d'Électricité et du Gaz, and the Société d'Exploitation des Ports de Monaco

**Finance:** income from securities, bank interest

**Customs duties:** customs duties

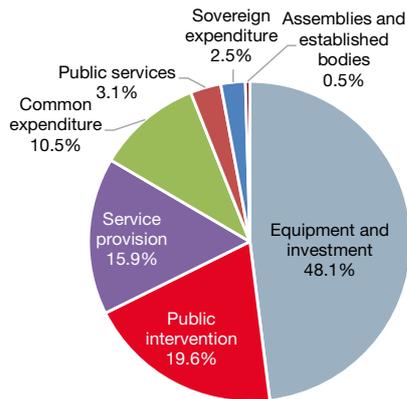
**Other revenue:** proceeds and income from administrative services, consumption taxes

**Government-operated monopolies:** revenue relating to the Tobacco Board and the Stamp Issuing Office

## Expenditures are also increasing

Budgetary expenditures amount to €2.0 billion at the close of the 2022 financial year, a level higher than 2020 and an increase of €278.9 million (+15.8%) compared to 2021. This result is mainly due to the evolution of equipment and investment expenditures, which approach €1 billion after an increase of €197.4 million (+25.2%). Public intervention expenditures closed at €399.5 million, i.e. a more moderate growth (+€19.4 million, or +5.1%). Lastly, operating expenditures showed a clear increase of €62.1 million (+10.4%), with in particular a 10.5% increase in service provision, and an increase of almost a third in public services expenditures (+31.9%).

## 7. Composition of budgetary expenditures in 2022



Source: Department of Budget and Treasury, Monaco Statistics

## 6. Change in the composition of budgetary expenditures

	2018	2019	2020	2021	2022	Var 21/22
Equipment and investment	411.4	618.7	547.3	783.1	980.6	25.2%
Public intervention	287.7	317.5	685.9	380.0	399.5	5.1%
Operating, including	554.5	583.7	573.0	598.5	660.6	10.4%
Service provision	275.7	290.1	284.4	293.0	323.7	10.5%
Common expenditure	181.3	191.4	194.7	200.1	215.0	7.5%
Public services	42.4	45.7	44.0	47.4	62.6	31.9%
Sovereign expenditure	47.3	48.3	41.6	49.6	50.0	0.9%
Assemblies and established bodies	7.8	8.2	8.3	8.5	9.3	10.1%
<b>Total</b>	<b>1,253.7</b>	<b>1,519.9</b>	<b>1,806.2</b>	<b>1,761.7</b>	<b>2,040.6</b>	<b>15.8%</b>

Unit: million euros

Source: Department of Budget and Treasury, Monaco Statistics

**Equipment and investment:** expenditure on major works and equipment, and on acquiring buildings. Includes equipment for road, cultural, port, urban development, public health, social, administrative and sports projects

**Public intervention:** assistance, subsidies paid out and public policies implemented by the Government. This includes communal contributions, subsidies to public institutions, assistance provided to international, educational and cultural, social and humanitarian, sporting, and economic causes and to events

**Service provision:** operating costs directly incurred by the ministries and administrative offices

**Common expenditure:** expenditure managed communally by certain offices on behalf of all offices: social security contributions, cleaning premises, expenditure on water, gas, electricity and insurance for state-owned properties, IT equipment for administrative offices

**Public services:** expenditure on street cleaning, collection and incineration of waste, public lighting, water consumption, public transport, etc.

**Sovereign expenditure:** expenditure relating to the Prince's Palace and Sovereign House

**Assemblies and established bodies:** expenditure relating to the National Council, the Economic and Social Council, the Council of State, the Board of Auditors, etc.

## The Constitutional Reserve Fund (CRF) stabilises

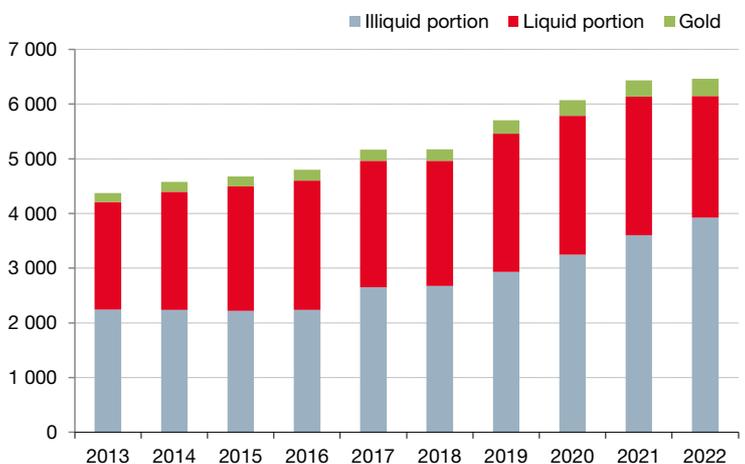
At the end of December 2022, the assets of the Constitutional Reserve Fund amount to approximately €6.5 billion. This includes:

- a gold reserve of around €312 million;
- an 'available' (liquid) portion of €2.2 billion made up of financial investments (mutual funds made up of shares, bonds, Private Equity, etc.) and bank balances;
- an 'illiquid' portion of €3.9 billion. It is mainly composed of buildings (€2.0 billion). The revaluation of the properties is based on the evolution of the BT01 construction index. These properties are located in Monaco or in neighbouring municipalities, with the exception of Embassies. The value of buildings rose sharply during the financial year (+3.7%) due to acquisitions, sales and transactions carried out.

The vast majority of properties held by the CRF generate rental income.

The 'illiquid' part also includes the State's holdings in companies, in particular shares in S.B.M. or other companies with direct links to the State, such as the concessionaires SMEG, SMEAUX, Société d'Exploitation du Grimaldi Forum, Société d'Exploitation des Ports de Monaco, etc. This part is in the order of €1.4 billion. The State's shareholding in Monaco Télécom (50%), on the other hand, comes under the remit of the Budget accounts.

## 8. Ten-year evolution of the CRF



Unit: million euros

Source: Department of Budget and Treasury, Monaco Statistics

## 9. Change in the composition of the CRF

	2018	2019	2020	2021	2022	Var 21/22
Portion illiquid	2,673	2,933	3,247	3,602	3,920	8.8%
Portion liquid	2,294	2,525	2,541	2,537	2,227	-12.2%
Gold	206	250	283	295	312	5.8%
<b>Total</b>	<b>5,173</b>	<b>5,708</b>	<b>6,071</b>	<b>6,434</b>	<b>6,459</b>	<b>0.4%</b>

Unit: million euros

Source: Department of Budget and Treasury, Monaco Statistics

Created by the Constitution of 1962, the Constitutional Reserve Fund is Monaco's 'nest egg'. It is an autonomous accounting entity, with its own assets, and enjoys a special status.