

In the absence of an official definition of the digital economy, the IMSEE has chosen to refer to the scope established by the Insee (see Methodology note at the back of the publication), and took the following four activity groups, which are scattered across various Major Sectors of Activity, for this analysis of the digital economy in the Principality:

- **ICT: information and communication technologies**, which include the production of technologies, their sale, and related services (software publishing, telecoms, programming, computer consulting, etc.);
- **Advertising and Communication**, with design and photographic activities;
- **Content and Media**, that is, film, video and television productions, as well as content scheduling and broadcasting;
- **Other digital technologies** such as the manufacture of scientific instruments, cables, etc.

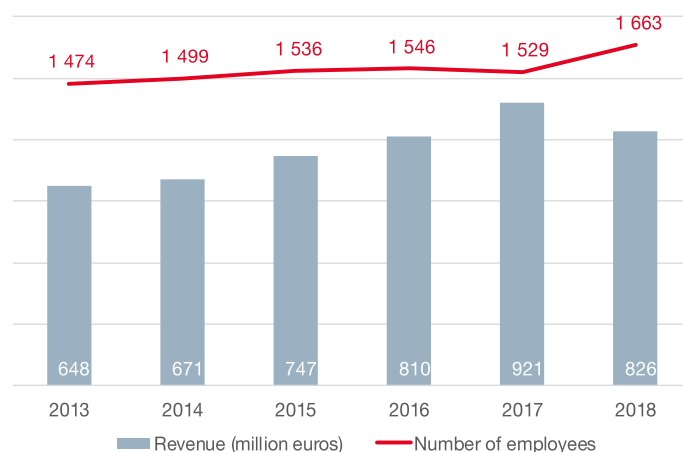
As at 31 December 2018, Monaco's digital economy generated a revenue of 826 million euros (5.8% of Monegasque sales excluding Financial activities and insurance) and employed 1,663 employees (or 3.2% of private sector employees).

An upward trend over the past five years

With a total of 1,663 employees in 2018, the digital economy employed 8.8% more employees than in 2017 (while the overall increase in the Principality was 3.8%). This large growth mainly came from ICT. Over the past five years, the average annual increase of employees in the digital field has been more modest at +2.4% per year.

Between 2013 and 2017, digital sales grew strongly and steadily (+9.2% per year on average). However, it decreased by 10.3% during 2018, reaching €826 million.

1. Evolution of turnover and number of employees in the digital economy over 5 years



Sources: Caisses sociales de Monaco, Department of Tax Services, Monaco Statistics

The decrease in revenue is due to the low performance of a major Content and Media company in 2018, as well as the liquidation of another one in the ICT sector.

Thus, the evolution from 2017 to 2018 does not reflect the overall upward trend of the rest of the digital economy. As a benchmark for comparison, the Accommodation and Catering GSA generated €746 million in revenue in 2018, which is 9.7% less than the digital field.

2. Turnover (TO) by sector of the digital economy

	TO 2017	TO 2018	Evolution	2018 weight
ICT	456,1	434,9	-4,7%	52,6%
Advertising and communication	84,4	103,5	22,6%	12,5%
Content and media	378,3	285,8	-24,5%	34,6%
Other	2,3	2,3	0,5%	0,3%
Total	921,1	826,4	-10,3%	100,0%

Unit: million of euros

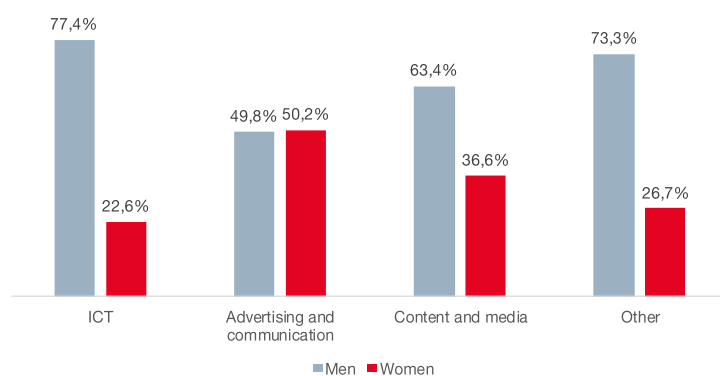
Sources: Department of Tax Services, Monaco Statistics

The employees are predominantly male

Out of the 1,663 employees of the digital economy, two-thirds are employed in ICT. Content and Media, and Advertising and Communication represent 15 and 17% of the total digital economy employees respectively. The distribution of employees by digital sector in Monaco is comparable to that of the PACA region (according to an Insee publication⁽¹⁾ of September 2018), where the proportions for ICT and Advertising and Communication are the same.

Only 29% of digital employees are women, when this proportion is 40% for all sectors of the Principality. Only the Advertising and Communication sector shows near-perfect equality between men and women employees.

3. Distribution of employees' genders for each digital sector



Sources: Caisses sociales de Monaco, Monaco Statistics

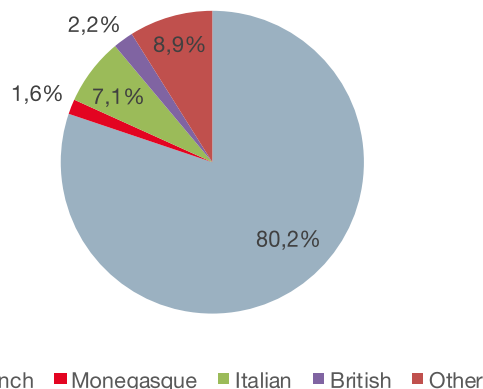
A large majority of French employees

French people represent 80% of the employees in the digital field, while they represent only 63% of employees in the Principality. The Monegasque are in a large minority, representing 1.6% of employees in the economy, which is similar to the 1.9% for all private sectors combined.

More than two-thirds of the digital economy employees live in France outside neighbouring municipalities. This proportion is much higher than the 53.4% observed for all sectors combined.

One in two employees of the digital economy is 41 years of age or older, which is one year younger than the median of the entire private sector of the Principality.

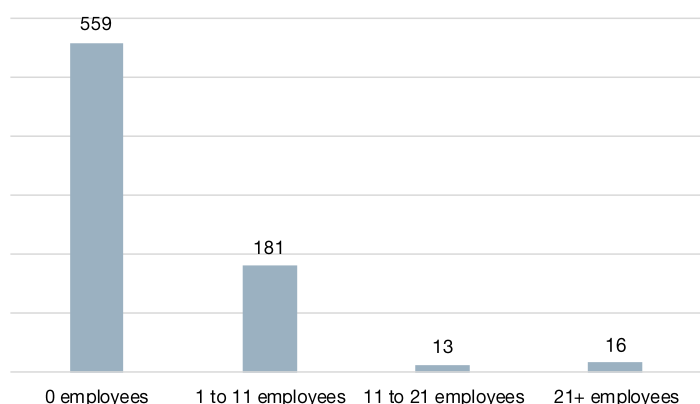
4. Distribution of nationalities of digital economy employees



Sources: Caisses sociales de Monaco, Monaco Statistics

A high proportion of companies without employees

5. Number of active companies per group of number of employees



Sources: Business Development Agency, Monaco Statistics

The digital economy comprises 769 companies, most of which are companies without employees. In fact, 72% of these companies do not employ. It can be seen that nearly 40% of the establishments are SARL (equivalent of LLC) and about 15% are SAM (S.A. in Monaco). The vast majority of the remainder are under the owner's name. The sector with the highest proportion of companies without employees is Advertising and Communication (82%). This result is consistent with the very nature of the sector's activities. In fact, the activities of photography, design, and consulting in PR and communication are carried out almost entirely under the owner's name or in SARL. Advertising activities involve a very small proportion of SAM.

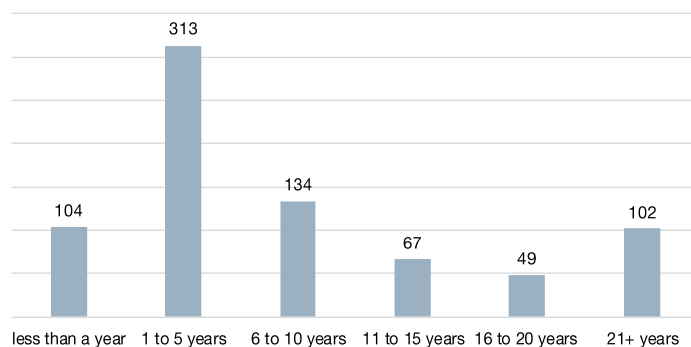
Moreover, only three companies of the digital sector in Monaco have more than 50 employees, two of whom have more than 100 employees.

A majority of new companies

Out of the 769 digital companies, 104 were created and 67 were deregistered in 2018, an increase of 5.1% in one year (which is close to the 4.8% increase in the total number of companies in the Principality). Almost half of the companies are in the Advertising and Communication sector, followed by the ICT sector (37% of the digital economy).

The average age of an active company is 16.5 years compared with 12.5 years for the whole of Monaco. This high average is due to the existence of a fairly small but non-negligible number of old companies. Indeed, the digital economy is rather young: 54% of active companies in the sector have been created in the last five years. The age distribution of enterprises is similar for each digital sector.

6. Number of active digital companies per years of activity



Sources: Business Development Agency, Monaco Statistics

Methodology note:

The Monegasque economy is divided by the IMSEE into 12 Major Sectors of Activity (GSA). From a statistical standpoint, there is no consensus on the exact definition of the digital economy. The scope used by the IMSEE, like Insee, includes information and communication technologies (TIC), creation and distribution of contents, advertising and communication and equipment manufacturing implementing the same manufacturing processes (design and use of integrated circuits) activities. It does not include the retail and repair trade or the companies that use the digital economy, such as online sales websites for example. Therefore, it should be noted that digital companies are drawn from parts of different GSAs.

(1) « 69 000 emplois numériques en Provence-Alpes-Côte d'Azur », Insee PACA Analyse n°64, September 2018 <https://www.insee.fr/fr/statistiques/3613147>

