

In 2020, the construction sector was the third largest major economic sector (MES) in the Principality in terms of revenue. It is one of the sectors which proved most resilient in the face of the health crisis, and saw the third biggest increase in revenue after scientific and technical activities, administrative and support services; and real estate activities.

The sector accounts for nearly 11% of employees in the Principality and numbers 486 active businesses.

In 2019, the construction sector made up nearly 10% of Monaco's GDP, to which it is the third largest contributor.

Revenue in the construction sector increased

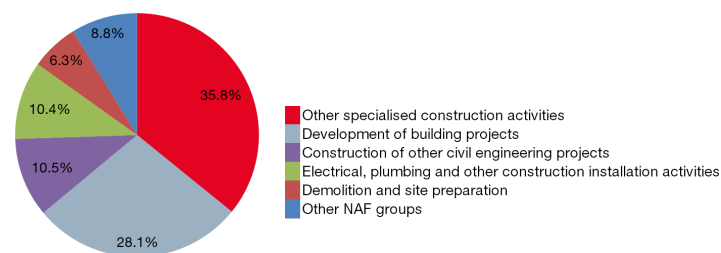
1. Construction sector revenue by NAF group, 2019 and 2020

	2019	2020	Variation
Other specialised construction activities	630.6	727.6	15.4%
Development of building projects	434.7	571.0	31.4%
Construction of other civil engineering projects	381.6	213.6	-44.0%
Electrical, plumbing and other construction installation activities	223.5	210.7	-5.7%
Demolition and site preparation	37.8	128.8	240.8%
Other NAF groups	219.8	178.4	-18.8%
Total Construction revenue	1,927.9	2,030.1	5.3%
Overall revenue in the Principality of Monaco excluding Financial and Insurance activities	14,993.4	13,966.4	-6.9%

Unit: million of euros

Sources: Department of Tax Services, Monaco Statistics

2. Detailed construction sector revenue by NAF group in 2020



Sources: Department of Tax Services, Monaco Statistics

In 2020, construction sector revenue exceeded €2 billion. The sector is one of only a few in the Principality to experience a rise in revenue from 2019 to 2020 (+5.3%), accounting for more than 14% of Monaco's revenue in 2020 excluding financial and insurance activities (compared with 12.9% the previous year).

The main NAF groups which contributed to this growth were other specialised construction activities (comprising masonry works and building structural works), development of building projects, and construction of other civil engineering projects, which accounted for 35.8%, 28.1% and 10.5% of the sector's revenue respectively.

The increase in revenue was primarily due to good performance in the development of building projects (+€136.3 million) and other specialised construction activities (+€97 million).

A male-dominated sector with a more even distribution of nationalities

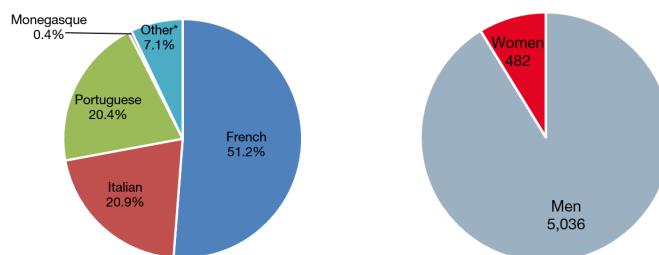
Due to the nature of the jobs in this sector, the vast majority of employees in construction are men (91.3%). Moreover, this MES has the lowest proportion of French employees (who account for 51.2% of construction employees compared with 62.5% of all employees). The same is true of Monegasque nationals, who make up less than 0.5% of the workforce in this sector, compared with 1.9% of all employees. Nearly 21% of employees are Italian and 20.4% are Portuguese.

The other specialised construction activities segment, which includes building structural works, accounts for more than half of employees in the construction sector, while electrical, plumbing and other construction installation activities account for more than a quarter.

The number of people employed in the sector increased by nearly 6% in 2020 relative to 2019, rising to 5,518 employees (compared with 5,211 in 2019). This figure is all the more striking given that, during the same period, the number of employees in the private sector fell by 3.9%. It should be noted that temporary employment is not taken into account in these figures, and the construction sector makes use of this option more than any other.¹

¹ See Focus No. 100 on Temporary Employment 2019

3. Construction sector employees by nationality and gender, 2020



*Dont non renseignés

Sources: Social Services Compensation Fund, Monaco Statistics

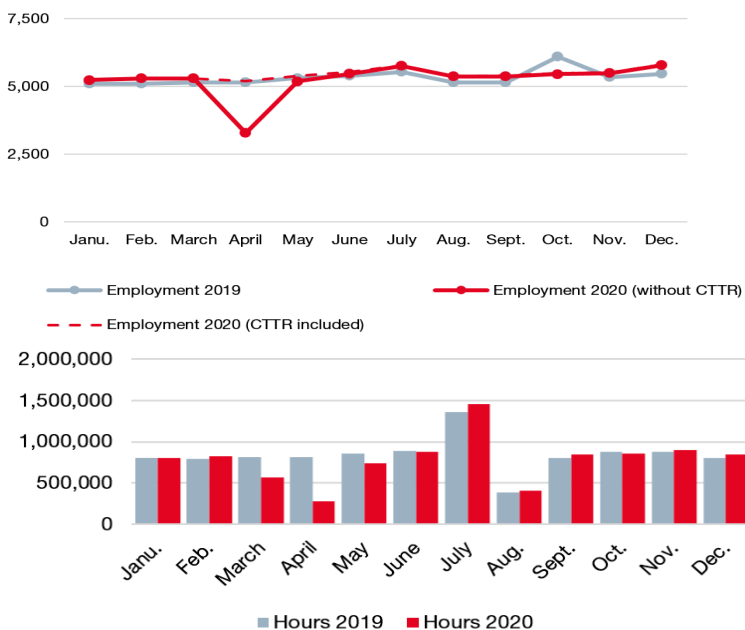
4. Construction sector employees and employers by NAF group, 2020

	Employers		Employees		Weight
	Nb	Variation 2019/2020	Nb	Variation 2019/2020	
Other specialised construction activities	134	-1.5%	2,779	8.4%	50.4%
Electrical, plumbing and other construction installation activities	87	-1.1%	1,415	5.6%	25.6%
Building completion and finishing	65	1.6%	676	-0.9%	12.2%
Construction of residential and non-residential buildings	10	0.0%	281	23.7%	5.1%
Demolition and site preparation	6	20.0%	144	14.3%	2.6%
Other NAF groups	28	-3.4%	223	-17.7%	4.0%
Total Construction revenue	330	-0.6%	5,518	5.9%	100%
Total Principality of Monaco	6,126	-0.9%	51,008	-3.9%	

Sources: Social Services Compensation Fund, Monaco Statistics

Employment in the construction sector was barely affected by the health crisis

5. Change in the number of jobs and number of hours worked in the construction sector



Sources: Social Services Compensation Fund, Monaco Statistics

Number of businesses continues to increase

There were 486 active businesses in the construction sector in 2020, 105 more than in 2011, representing an increase of 27.6% in 10 years. Construction is the seventh largest sector in terms of number of businesses.

Fifteen businesses were created in 2020, and 12 were closed. The balance between these two figures has been positive every year over the course of the decade. Since 2011, 244 new businesses have been registered, and there have been just 139 permanent closures.

The average age of businesses in the sector is quite high (16.6 years compared with 12.3 years overall).

COVID-19 had less of an impact on employment in this sector than in other sectors. The effects were reduced due to the continuation of some construction projects during the lockdown period.

Only April saw a significant decline in the number of jobs, which was mitigated by the strengthened provisions for total temporary layoff. From May 2020, the number of jobs returned to the same level as the previous year, with the exception of October, during which there was a slight decline compared with 2019.

This recovery was also reflected in the number of hours worked. From June onwards, the monthly number of hours worked in 2020 was equal to or even higher than the same figures for 2019.

As in other MES, however, the total hours worked in 2020 remained below the level of the previous year, as it proved impossible to make up the hours lost in March, April and May.

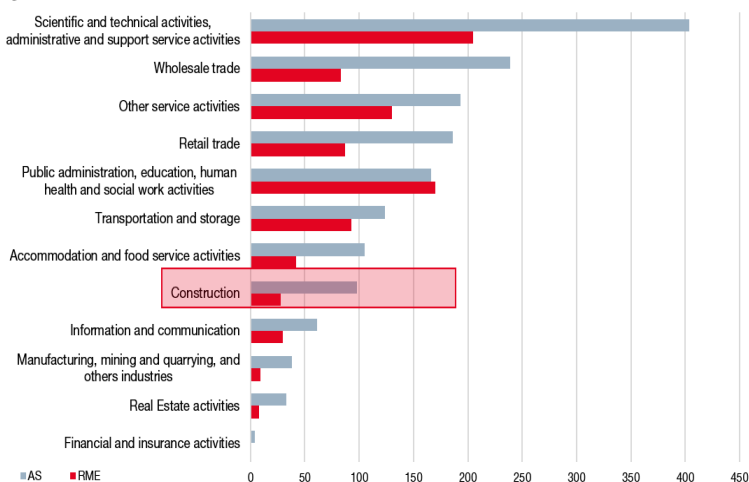
6. Change in the number of businesses started, businesses closed and active businesses in the construction sector



Sources: Business Development Agency, Monaco Statistics

A sector which received less state support than others

7. Business Support and Exceptional Minimum Income granted to each MES in 2020



Sources: Welcome Office, Monaco Statistics

Compared with other sectors, the construction sector did not make much use of the support put in place by the state.

Of the two emergency schemes initially introduced (Business Support and Exceptional Minimum Income), the construction sector was mainly covered by Business Support. More than 85% of businesses in the construction sector are companies (SAM or SARL), and the Exceptional Minimum Income scheme exclusively targeted self-employed workers (individuals).

The sector falls within the 50% of sectors that received the least support under each of these two schemes.

Similarly, the construction sector has very rarely sought assistance from the Economic Recovery Support Commission (CARE).

The construction sector includes general and specialised construction activities for buildings and civil engineering projects (new construction projects, renovations, repairs, extensions and transformations, and construction of prefabricated buildings). It also includes the development of building projects, where such activities bring together the financial, technical and human resources required to complete real estate projects that are ultimately destined for sale (see NAF version 2, 2008).

