



MONACO'S TOURISM CLUSTER

Microeconomics of Competitiveness Final Paper

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1. INTRODUCTION

Monaco is a small independent hereditary principality located in Western Europe, between the French Alps and the Mediterranean Sea. A stable institutional constitutional monarchy, Monaco is a highly advanced economy and a globally renowned luxury destination that boasts an “art of living” unique in the world. Monaco’s economy is driven by the financial services industry, tourism and the luxury goods retail. Good climate, ease of access from major European destinations, high-end hotels, a major port and many annual sporting and cultural events attract four million tourists a year. The very low crime rate, the high quality of life, no income tax for residents, good education and excellent health services make Monaco the residency of choice for many High Net Worth Individuals (HNWIs) from Europe and the world.

This report examines Monaco’s overall economic performance and competitiveness both at the national level and the tourism cluster level. The first section discusses the national performance of Monaco as a country including the macroeconomic, social, political, and entertainment and also assesses Monaco’s national business environment. The second section dives into the tourism cluster using *Cluster Diamond* framework to assess its competitiveness. In the final section we discuss the key issues facing Monaco at both the country and cluster level and outline a series of recommendations to help tackle these challenges with the aim to improve competitiveness.

1. COUNTRY ANALYSIS¹

1.1. Endowments

Monaco is the second smallest independent and sovereign state in the world, with only 0.75 square miles in area. The Principality forms an enclave in the southeastern coast of France on the French Riviera in an area of considerable natural beauty with mountains rising on one side and the Mediterranean Sea on the other. To complement the landscape, Monaco benefits from pleasant climate with highs of summer tempered by sea breezes and frosts and snow in winter rare, generally occurring

less than twice a decade². Monaco is located with a close proximity to affluent neighbors, 11 miles east of the French city of Nice and very close to Italy's border. Almost entirely urban, Monaco is divided in four quarters: Monaco-Ville (capital); La Condamine (port area); Monte Carlo (principal residential and resort area); and Fontvieille (industrial park constructed in 1974 on land reclaimed from the sea).³ Being so small, Monaco has no natural resources or agricultural land of any commercial use.

At July 2010, Monaco's population was estimated at 30,539 and is currently declining by 0.12%. Monaco has the second highest population density in the world at 16,923 m². Monegasques represent 22% of the population, with the French representing 28%, the Italian 19% and other nationalities 31%⁴. In 2006, Monaco's labor force totals 44,000 people, about a quarter of which are nationals and the rest are commuters from neighboring countries, mostly France. French is the official language but English, Italian, and Monegasque (French/Italian) are also widely spoken⁵.

1.2. Macroeconomic competitiveness: Social Infrastructure and Political Indicators

1.2.1. Human Development

When benchmarked against its other European neighbors, Monaco is on par with their highest standards in its social indicators, as seen in Figure 1.

Figure 1: Key Social Indicators (2007 – 2009)

	Monaco	Italy	France	Switzerland	Spain
Life expectancy at birth (years)	89.7	81.9	81.5	82.2	81.1
Infant mortality rate (per 1,000 live births)	3.4	3.4	3.2	4	3.5
Public health expenditure (% of GDP)	2.9	2.05	8.7	6.4	6.1
Public education spending (% of GDP)	4.45	4.87	5.91	6	4.23
Literacy rates	99%	98.9%	99%	99%	97.9%
Inequality (gini coefficient)	n.a.	36	32.7	33.7	34.7
Assault mortality rate (per 100,000)	1/30,000	89.7	230.7	113.7	n.a.
Fertility rates	1.50	1.39	1.96	1.49	1.47

Source: CIA World Fact book, Eurofactbook

Education is free and compulsory for children ages 6 to 16. Primary, secondary and vocational education in Monaco is of high quality, with three private schools (including the International School

of Monaco) and ten state-run schools (seven primary schools, one middle-school, one high-school and one vocational high-school that provide technological and hotel training). The curricula and school programs are identical to those in France. Monaco has high life expectancy at birth and its Monegasque population is one of the oldest in the world.

1.2.2. Political Institutions

Monaco has been largely stable since the 13th century. Monaco's Constitution from 1962 (most recently revised in April 2002) gives the Prince all the executive power and defines Monaco as an independent state, as well as protecting equality of every citizen and dictating the rules to become a citizen. The **centralized decision from the Prince** enables the Monegasque to pursue their particular strategic objectives. For instance, Prince Charles III legalized gambling, Prince Rainier III helped make Monaco the leading destination for the world's elite. The current Prince Albert II is using his power to pursue his "Vision" to transform Monaco through seven goals: (i) develop human capital and attract highly skilled workers, researchers, entrepreneurs and investors, (ii) develop education, (iii) develop culture, (iv) develop sports-related industries and activities, (v) upgrade the financial services sector, (vi) support the environment and (vii) make Monaco a 'Model State' and a model society⁶.

The Prince manages the executive power by naming his government to execute his policy. Head of the government is the "*Ministre d'Etat*" (Minister of State). Until the 2002 constitutional revision, the *Ministre d'Etat* could not be a Monegasque, but rather a French citizen named by the French government and agreed by the Prince.

The government is composed of 5 ministers, known as "*Conseiller du Gouvernement*". Each *conseiller* represents one of the five divisions of the administrations: (i) ***L'interieur***: responsible for the police, sports, youth, education, culture, religious matters and acquisition of the Monegasque citizenship. (ii) ***L'economie Et Les Finances***: responsible for the budget, economy and local business, tourism, housing, State-investment (including SBM), gambling, banking and financial institutions,

innovation and new technologies. (iii) *Les Affaires Sociales Et La Santé*: responsible for employment, labor relations, healthcare, social policies and family policies. (iv) *Les Relations Exterieures*: responsible for diplomatic relations, the relationship with Europe and the international affairs. (iv) *L'equipement, L'environnement Et L'urbanisme*: responsible for public infrastructure, urban development, environmental issues, transportations and all the public services designed for the community.

Monaco has its own legislative body and can adjust laws as it wishes, although large sections of the legislation are from the French Napolean code. The legislative power relies on the national assembly, “Le Conseil National” to amend and approve. The Prince has a final veto option. If not vetoed, the law becomes official and is published in the “Journal de Monaco”. The Conseil National is composed of 24 members elected by the Monaco citizens every 5 years.

The judiciary power is a more complex structure. The Prince names the *Directeur des Services Judiciaires* (effectively a Minister of Justice) that has to organize the judiciary structure. Every year there is a competition to recruit lawyers and judges in Monaco with 2 to 3 Monaco citizens named to train in Bordeaux for a year with French judges before returning to take office in Monaco⁷. They are fully independent from the *Directeur des Services Judiciaires*.

The highly centralized decision making process by the Prince underpins the government effectiveness in terms of being able to pursue a clear strategic direction. Furthermore, despite the centralized rule, Monaco is “free” as designated by Freedom House⁸, with freedom of speech and the press guaranteed by the constitution, despite laws against insulting and denouncing the royal family. However, the reliance on the Prince raises issues about the extent of accountability.

In terms of international political institutions, Monaco is averse to joining the EU or reverting to France, through its numerous economic and financial agreements signed with France it receives many of the benefits of EU membership, such as participating in the European single market and using

the euro as its currency. Monaco is a member of the United Nations (1993) and a member of the Council of Europe (2004) although it remains outside the WTO and the OECD.

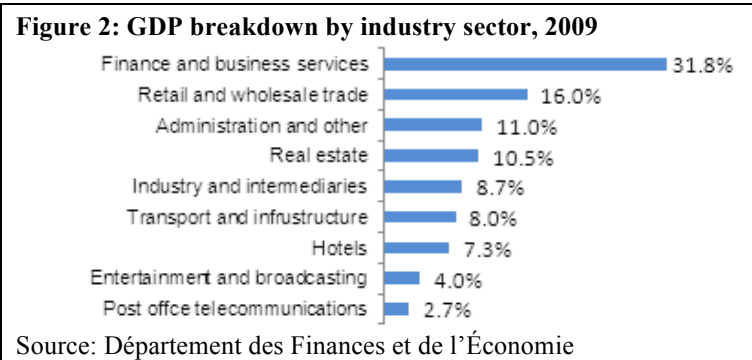
1.2.3. Rule of law and safety

Monaco is one of the safest places in the world, which has been an instrumental factor in attracting some of the wealthiest individuals in the world to reside in Monaco. With approximately one police officer per one hundred people, as well as the Prince’s private army, the Carabiniers, internal crime has been kept to a minimum. In case of an external aggression Monaco would rely heavily on France. Monaco is not a signatory of the UN Convention Against Corruption, but the law provides criminal penalties for corruption and those laws are effectively implemented. Public officials are not subject to financial disclosure laws.

1.3. Macroeconomic Competitiveness: Macroeconomic Policy

1.3.1. Structure of Economy

Over 95 per cent of Monaco’s economy is based on services, with the remainder coming mainly from industry (part of the Industry and Intermediaries section of Figure 2 below). The finance industry comprises almost a third of GDP whilst retail and wholesale is 16%. Tourism and related industries comprise almost a fifth of GDP.



Monaco trades globally, though mainly with Europe. Exports are mainly: various re-exported commodities, cosmetics, pharmaceuticals, fine processed foods, precision instruments. Imports are mainly: energy, automobiles, equipment and

consumer goods. Trade data for Monaco are included in France's external accounts. In 2006, Monaco had a trade deficit of \$200 million⁹ but was almost neutral in 2008, although as a result of a sharp decline in both exports and imports.¹⁰

Figure 3: Monaco as a tax friendly jurisdiction

Monaco has no income tax on individuals, no net wealth taxes, no capital gains taxes, no property taxes and no general corporate income tax (tax free regime does not apply to French individuals/companies engaged in certain business activities). Rental properties are taxed at 1% of the annual rent (plus service charges payable by the tenant). The tax on profits is 33.33% of annual worldwide income earned through a business in Monaco. Taxes are imposed on: (a) companies with >25% turnover from operations outside Monaco, (b) companies who collect proceeds of the sale or licensing of patent rights, trademarks etc or literary/artistic copyrights. VAT is levied on services provided by hotels, banks and the commercial sector (accounts for 55% of government revenue; a further 16% is from state monopolies).

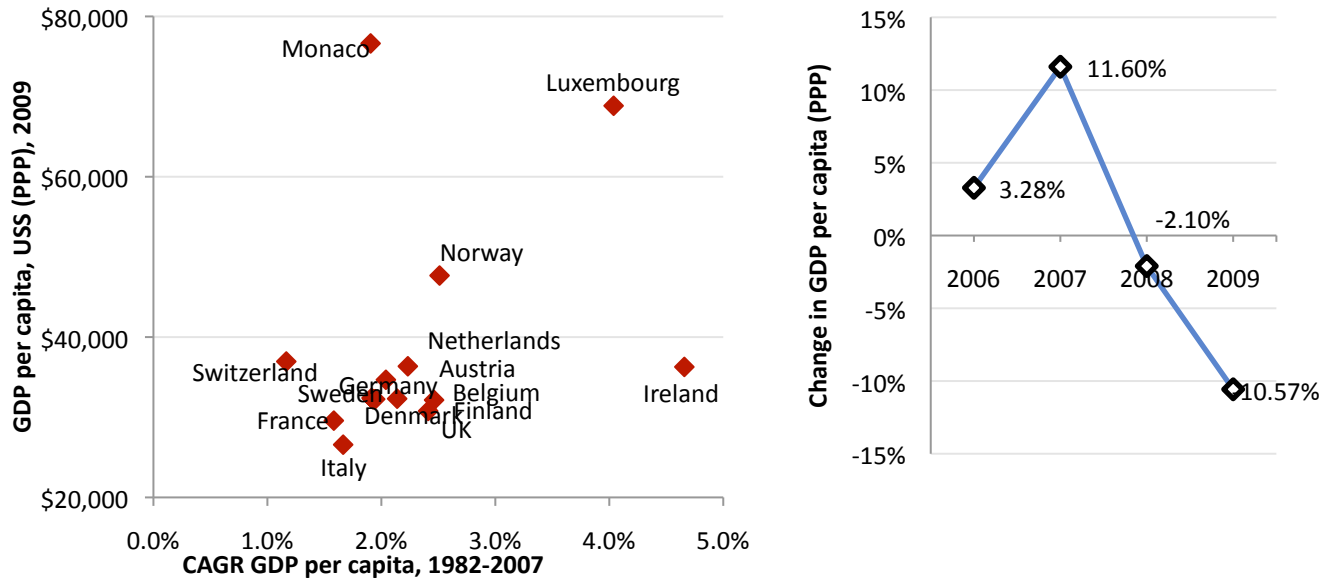
After allegations of lax policies towards money laundering from French Parliamentarians and being placed on OECD's grey list of uncooperative tax havens, in 2004 Monaco resisted pressure to join the EU's Savings Tax Directive regime but agreed to impose a 15% to 20% withholding tax and send 75% of the revenues from the tax to the resident EU country. It also agreed to exchange information with EU members concerning criminal or civil cases of tax fraud.

Whereas Monaco's fiscal policy is dominated by its low tax regime (see Figure 3 for details), which is distinctly different from its European neighbors, its monetary policy is exactly aligned. The EU dictates Monaco's monetary policy since the adoption of the Euro. Inflation, which had been low and stable for over two decades, turned negative in 2007, prior to the global financial crisis, indicating possible overcapacity and market saturation or the effects of adherence to a hard currency like the Euro, which resulted in the money supply not increasing as much as the economic growth.

1.3.2. Performance indicators

Monaco's GDP per capita (PPP) has been performing well historically, growing at an average rate of 2% from 1980 to the mid-2000s (roughly on par with the EU average); in 2006, GDP per capita (PPP) grew by 3.8% and in 2007 by 11.6%¹¹.

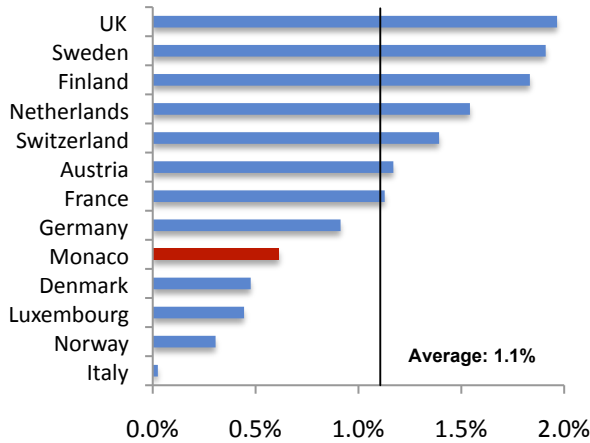
Figure 4: Performance of GDP per capita



Source: Monaco Département des Finances et de l'Économie

According to the first official government statistics in 2005¹² Monaco's GDP in 2005 was €3,441,691,000 and in 2008 it was €4,492,737,000. In 2008, GDP per capita was €60,595 - an increase of over 15% since 2005 (government calculations were based on residents and 'present salaried')¹³.

Figure 5: CAGR of labor productivity, 2003-2008



Source: Institut de la Statistique et des Etudes Economiques, Monaco

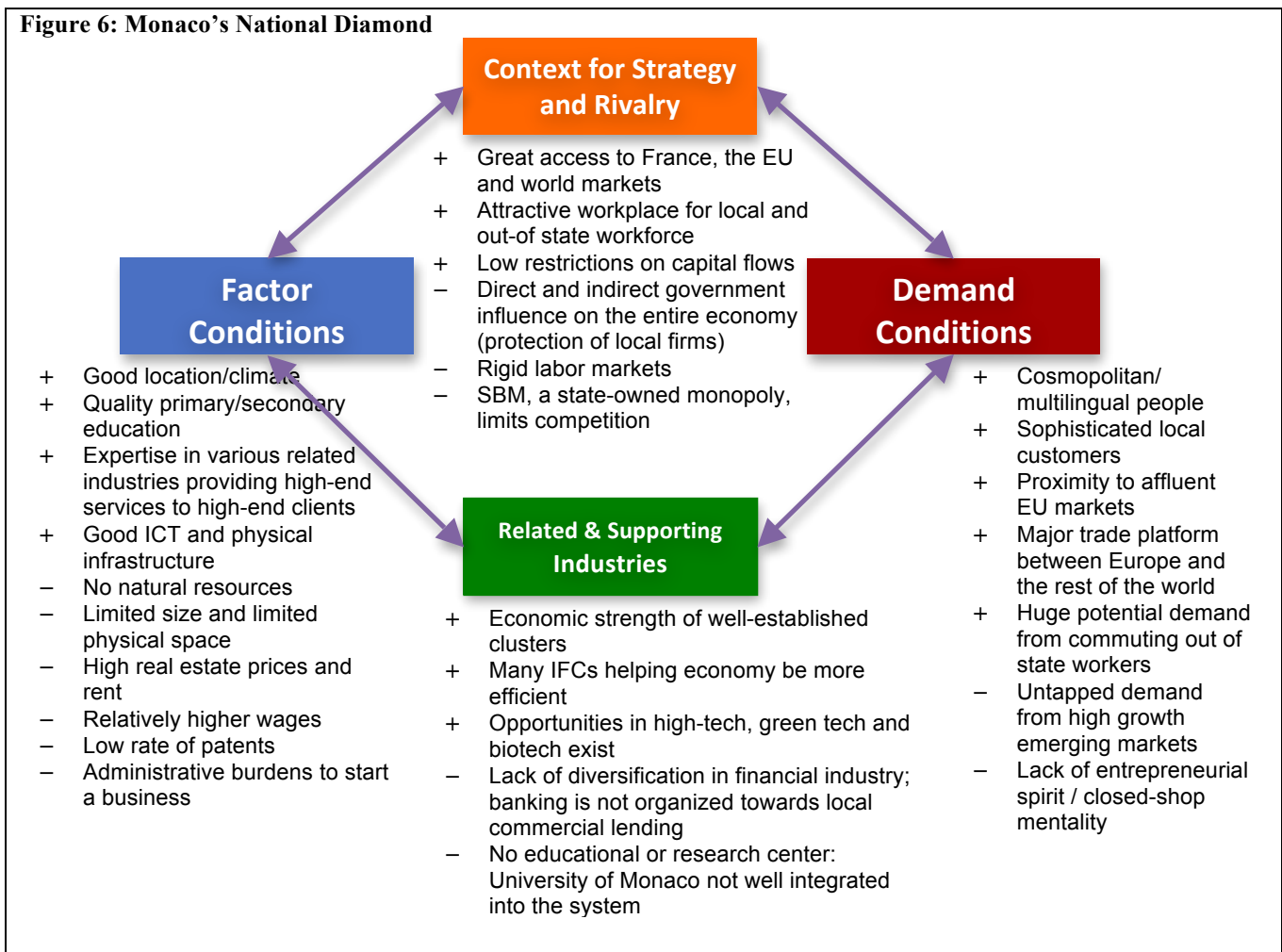
The two-year (2006-2007) spike in GDP growth coincides with the ascendancy on the throne of Prince Albert II who, on the one hand, guaranteed the stability and continuity of the regime and on the other, committed to transform Monaco's economy from efficiency-driven to innovative-driven¹⁴, attracting renewed interest from world markets to invest in Monaco.

In 2008 however, the numbers changed: the global financial crisis hit Monaco's economy hard and its GDP growth abruptly declined to -2.1%, plummeting even further in 2009 to -10.5%, leveling out the previous two-year gains and bringing the economy roughly back at its pre-2005 growth level¹⁵.

The reasons are two-fold: the crisis' adverse impact on the global tourism market (which affected Monaco's luxury tourism industry more than budget-friendlier destinations) and the aftershocks of the 2009 G20 agreement to crackdown on tax havens¹⁶. As shown in Figure 4, from 2003 to 2008 Monaco's labor productivity, although fairly constant, was very low compared to the EU average.

2. NATIONAL BUSINESS ENVIRONMENT (DIAMOND ANALYSIS)

Monaco's country diamond shows particular strengths in factor and demand conditions and significant weaknesses mostly in the context for firm strategy and rivalry. While Monaco enjoys a close proximity to large and wealthy markets, a robust demand for goods and services, an educated workforce, very good infrastructure and a well-developed banking sector, it has to overcome the challenges of its small size, rigid labor market and inflexibilities in the competitive environment.



2.1. Factor Conditions

Monaco benefits from a good infrastructure though sometime falling short of the high-end requirements of its residents and visitors: all roads are paved, there is an excellent rail service, a nearby airport (Cote d'Azur International Airport in Nice), helicopter service to the airport and two ports: Port Hercule that can accommodate up to 500 vessels, Port de Fontvieille which can handle 60 smaller vessels¹⁷. Overall the transportation, **distribution and logistical infrastructure is very good**, although traffic conditions are not always optimal due to the daily commuting of over 22,000 out-of-state workers. Furthermore, there are only three single-line roads that provide access to Monaco.

Basic education in Monaco is high both amongst residents and the immigrant workforce. However, it has been a priority set out in the Prince's Vision and the Minister of State's interviews to improve **specialist local human capital** (particularly in the services sector – for instance foreign language skills aside from English are limited). That said, the local labor in Monaco has considerable **expertise and savoir-faire** in industries providing high-end services and in servicing large groups. A further priority is to attract highly skilled foreign scientists and researchers (for the pharmaceuticals, green industries etc). However, there is a conflict between this aim and existing labor laws.

ICT infrastructure is well established, with a modern automatic telephone system and a combined fixed-line/cellular tele-density exceeding 100%. The country's sole fixed line operator, Monaco Telecom (45% state-owned, 55% Cable and Wireless), offers a full range of services to residential and business customers (35,400 fixed lines and 23,000 mobile/cellular lines in 2009)¹⁸. There are 23,621 Internet hosts and about the same amount of Internet users (75.2% of the population) giving Monaco the highest broadband penetration rate in the world (47.4% of the population on broadband) in 2009¹⁹.

Monaco's **limited size and lack of physical space** is a hurdle with respect to the nation's competitiveness, impacting factor conditions. The lack of space and low tax regime results in **high real**

estate prices and rents. According to The Economist, in 2008 Monaco's real estate prices were at a record high of €50,000/m², compared with €28,000 in London and €16,500 in New York. Such prices have a severe effect on both commercial and residential rent.

Office/business space is limited at around 8,000m² in the private sector. It is very expensive and does not accommodate companies with more than 20 employees. Applicants must have a lease before they can complete their business license application, which means that they often need to pay three months rent in advance, plus a deposit (which given the high rental prices is a prohibitive amount) without knowing if they can get the job²⁰. As such, **real estate can be a prohibitive barrier to starting a new business.**

Monaco does not have a good track record of **registered patents**, which measures innovation value, knowledge flow and government encouragement for business development: Monaco ranked 48th of international applications filings. There were only 10 patent and trademark registrations in 2008, compared with 45,068 of patents in force in Monaco and around 6.3 million globally²¹.

The administrative process to **start up a new business is slower than in France** (which is ranked 21st in the 2011 Global Competitiveness Report for this measure), in part due to the **number of procedures required to start a business.** Monaco allows business operations selectively and with significant supervision, largely reacting to fears about money laundering and preserving the reality of the economy in Monaco rather than being run from abroad.²² As such, business creation can take several months: a business plan has to be submitted to the relevant government bureau (*Expansion Économique*) for evaluation. To be approved, the business must be feasible, high added-value, non-polluting and with low space requirements. Furthermore, there is requirement for several disclosures including the names of the investors, expected staff numbers, evidence of real estate for business and guarantee of tax payments.

Noting the administrative burden, legal and administrative papers have been reduced over time and put online and since 2005, government supported IFCs and private companies, such as Branado, have been set up to help entrepreneurs. These are discussed in Related and Supporting Industries. Notwithstanding support in terms of bureaucracy and legislation, challenges for the budding entrepreneur remain with the high costs, particularly real estate, discouraging risk taking. The labor rigidities, as discussed in the Context for Firm Strategy and Rivalry, also have an adverse impact.

In terms of enhancing innovation, the Monaco joined the European project Eureka in 2005 and created a fund to finance innovation, addressed in Related and Supporting Industries, suffice to say that two potential issues are apparent. The first is that Monaco's approach to innovation is short-term only supporting technology development that fits the environmental vision of the Prince or companies that fit the image and purpose of Monaco. This is demonstrated by the preferences given by *Expansion Économique* to business plans that are related to high technology, research and financial services.

As such, Monaco may miss opportunities for innovation in areas that are not explicitly targeted by not having a universally start-up friendly environment in which to grow. Furthermore, as several subsidies are only available to Monaco citizens and residents to start-up businesses, rather than available to all that want to be within the location, may adversely impact competition.

2.2. Demand Conditions

Demand for Monaco's luxury goods and services in all sectors is solid, extensive and sophisticated, albeit seasonal and cyclical; it is both local and comes somewhat from nationals, particularly from wealthy residents, as well as from out-of-State daily commuters and non-residents.

HNW residents are thought of as the "undocumented" and "silent" force of Monaco's economy; they perpetuate the image and the lifestyle of Monaco with their considerable purchasing power. The sophisticated demand of residents has improved the economy (e.g. procurement of quality private and public services, great infrastructure, urban cleanliness, safety and security) and the

government is adamant in not only retaining the residential demand at current levels, but also actually increasing it by offering customized services, to new but equally affluent clients²³.

2.3. Context for Firm Strategy and Rivalry

Monaco's **collaboration treaties with France** give it access to all EU markets free from tariffs, which is beneficial given the extensive import-export industry.

Monaco has a high degree of **rigidity of employment**. Employment law in Monaco is substantially the same as for France with the exception of the additional prioritization for Monaco's 5,500²⁴ working age citizens, when equal competencies. This would place Monaco below France's Global Competitiveness Report ranking of 124th. The priority of employment for citizens is followed by foreigners married to a Monégasque then foreigners born to a Monégasque parent, then by foreigners living in Monaco who have already held a job there, and then all other foreigners. Non-French citizens wishing to work in Monaco must obtain a work permit through an employer, which is usually easily obtainable in private roles.²⁵

In terms of **hiring and firing practices**, Monaco is aligned with French law although informal pressures mean that hiring and firing practices are considered to be even less competitive, therefore placing Monaco below France's Global Competitiveness Report 2011 ranking for hiring and firing of 125th in the world.

The implication of these rigidities for the public and private sector are divergent but both distinctly negative. The public sector employs over 80% of the Monaco citizens (including **Monte-Carlo SBM**), with the expectation that promotion will only go to citizens on a strict seniority basis, a complaint often heard by the rare non-Monaco citizen that does get employment with SBM²⁶. Therefore, these labor rigidities reduce SBM's competitiveness by restricting its ability to optimize its labor assets in terms of talent and performance.

In the private sector the labor rigidities mean that companies are often afraid to hire a Monaco citizen because Monaco citizens are considered even more difficult to fire than a French citizen, meaning that productivity may be affected. As such, this law aiming to protect the employment of Monaco citizens is actually working against them.

Monte-Carlo SBM (SBM) is the market-leader in the hospitality sector and is seen as a locomotive for growth for Monaco, but at the same time is a largely **state-owned and a powerful monopoly** that stifles competition and private initiative and dictates the rules in Monaco's most important industry/cluster²⁷. The state retains other **monopolies** (tobacco, the postal service etc). The state owns 45% of the telephone network (Monaco Telecom), while the remaining 55% is owned by Cable & Wireless (49%) and Compagnie Monégasque de Banque (6%). In the factor conditions, the deep ICT penetration demonstrates that the lack of competition in this space has not hampered development; however, value for the customer and innovation of the product may be affected.

There are **barriers to expand businesses beyond Monaco's borders and to restrict foreign-based businesses setting up in Monaco**. Businesses that generate more than 75% of their revenue in Monaco are not liable to corporate income tax, whereas those that generate 25% or more of their revenue outside Monaco are liable to corporate tax on foreign revenue at a rate of 33.33%²⁸.

Foreign Direct Investment in Monaco is concentrated in the financial and tourist sectors with Monaco aiming to attract HNWIs as residents, through its tax regime and then to encourage them to invest locally. Foreign investors can own 100 percent of a domestic company (as long as they can acquire a residence permit) and non-citizens are free to purchase real estate and open businesses. Profits, dividends, interest, and royalties can be freely remitted without limitations or restrictions²⁹.

2.4. Related and Supporting Industries

Monaco has well established and interrelated clusters that collectively sustain Monaco's competitive edge in these particular areas. Most prominent are the finance/banking cluster, the medical

cluster and the tourism/entertainment cluster. Like the tourism cluster, the finance and medical clusters have reached their maturity stage and need to innovate their offering to remain competitive.

Monaco's robust **banking/financial sector** provides high-end services for individuals' wealth management portfolios and has capacity to respond to demand from HNW residents. In addition, business conferences on banking and financial issues are thriving in Monaco, attracting business people from all over the world³⁰. The Monegasque Association for Financial Activities (AMAF) describes the banking sector as robust and highly confidential for cleanly earned money. The financial marketplace currently consists of 37 banks (down from 42 in 2002) and 48 portfolio/mutual fund management companies; it handles more than 300,000 accounts (almost 85% of customers are non-residents/off-shore), with €90bn in resources (€78bn deposited locally and €12bn deposited abroad)³¹. Total turnover has significantly increased during the last decade, but the employment is stagnant amidst concerns about the outlook (although lack of office space is also a limitation). Monaco does not have a Central Bank and the "*Banque de France*" Banking Commission supervises its financial activities. There is also the "*Commission de Contrôle des Activités Financières*" a Monegasque entity which supervises management activities, under French guidance³².

Monaco differentiates itself from its competitors (most notably UK, Switzerland, Luxembourg) by concentrating on individual account holders, rather than on corporations³³, offering tailored services to meet the needs of high net worth clients, many of whom take advantage of Monaco's favorable tax laws³⁴. The cluster has also benefited from the various conditions as outlined previously (political stability, lifestyle, security, professionalism of banks and quality of services), as well as the strength of its other related and supporting industries/clusters that are critical in attracting HNWIs, such as the tourism / entertainment cluster. Whilst the financial cluster is very sophisticated at the HNWI level, it has limited capabilities in terms of commercial services, but may be able to develop in this area following the agreement to comply with OECD standards on tax evasion.

The financial sector has recently taken steps into further innovation with two main priority areas for development: (a) private banking and (b) hedge funds and private equity. Both areas are strongly focused on HNWIs. To support this, Monaco has passed several laws to broaden the types of assets and services offered and the number of players involved. For instance, a Banking & Finance Law (Law 1339) of 2007 made it possible to hold non-financial, tangible, directly owned, “safe” assets, not linked to financial markets (luxury, real estate and other, particularly art). This could become an important niche market for Monaco³⁵.

Growth opportunities are expected to come from emerging markets: Asia, Latin America, Middle East and Eastern Europe. A key priority of Monaco is to attract more HNW residents – and the opportunity amongst these regions has been recognized. In 2009, Audi Bank (Lebanon) purchased Dresdner Bank Monaco S.A.M., to provide a platform for its Middle Eastern clientele in Europe³⁶.

Monaco offers upscale **medical services** for residents and tourists: the Princess Grace Hospital, the Cardiothoracic Centre, the Institute for Sports Medicine and Surgery, the Hemodialysis Center provide exceptional quality of treatment and are renowned in their fields of expertise. Their presence and good maintenance is a big asset for the principality, since they attract a number of patients outside of Monaco and of HNWIs, for treatment.³⁷

There are several **Institutes for Collaboration (IFC)** in Monaco geared to facilitate business creation, entrepreneurship, promotion of Monaco in foreign markets and information exchange between various players that seek to increase Monaco’s competitiveness. In a response to a perceived lack of value creation by new firms, IFCs were set up specifically to facilitate new businesses, including the *Societe d’aide a la Creation et au Developpement des Entreprises (SACDE)*, which is structured as a private company but funded by the Government to promote and help the companies that can have a positive impact on Monaco; and the *Chambre de Developpement Economique (CDE)*³⁸, created in 1999 with 75% government funding to respond to internal business enquiries and promote

Monaco internationally as a business destination. Recently the CDE launched a dedicated service the “Monaco Business Office” to help entrepreneurs by facilitating quick application-processing.

Other IFCs related to entrepreneurship, productivity and innovation include the *Junior Chamber of Commerce (JCI)*³⁹, a privately funded group of 50 members focusing on developing entrepreneurship amongst the young people, global integration and private sector business creation. The JCI, being privately run, seems to work in relative isolation of official government policy. The *Fédération Patronale (Employer’s Federation) (FP)*⁴⁰ is an inter-professional charity that studies employers’ needs, for instance, collaborating with the state on language, ICT and management courses.

Further IFCs include: (a) the Blue Horizon Business Club, *Chambre Monegasque des Nouvelles Technologies*,⁴¹ which includes 30 firms involved in high-tech, telecommunications and new technologies and (b) the Monaco Venture Capital and Private Equity Association (MVCA)⁴² a Monaco-based, non-profit organization that seeks to attract private equity and venture capital activities.

The government also supports innovation, including through the Monaco Fund for Innovation. In 2005, Monaco was accepted into EUREKA, opening a transnational environment for Monaco firms to develop their innovative projects. The Monaco Eureka Fund financially supports such efforts.

The **International University of Monaco (IUM)**, an independent private institution that specializes in business, finance, luxury goods and services courses, is Monaco’s only higher education institution, its MBA program being ranked 51st in the world by The Economist. Monaco traditionally outsources higher education and academic research to French institutions because of lack of local infrastructure, thereby further hindering Monaco’s ability to attract high quality academics and research in instances where the IUM does seek to upgrade⁴³. In Monaco there is a lack of competition in education as free government provision entails that private institutions are crowded out, reducing the opportunity to compete on quality provision.

The final point to mention here is that Monaco has not taken substantial steps to enhance **regional cooperation** in terms of **facilitating cross-border cluster upgrading** – especially within the wider French and Italian Riviera region or the San Remo-Nice belt. Monaco largely depends on its neighbors (workforce, connectivity to the world etc) and this entire area offers similar conditions and services, especially in relation to tourism. A coordinated regional strategy could improve productivity and competitiveness for the entire region across specific clusters.

Monaco and its ruling family have a long legacy of eco-friendly policies and are embracing EU initiatives such as the EU 2020 climate and energy package (the “20-20-20-strategy”)⁴⁴. Organizations such as the Monaco Scientific Centre (a research organization of the marine ecosystems), the Foundation for Paleontology Research and the Environmental Department of Monaco⁴⁵, as well as the **Prince Albert II Monaco Foundation**, collectively protect the environment and encourage sustainable development⁴⁶. Prince Albert II was named Europe's "Champion of the Earth" by UNEP for his contribution to environmental awareness. The government's efforts on environmental protection are mainly concentrated on energy consumption, transport and waste management. To this end, local community service organizations use electric cars (38% SMEG and *La Poste* vehicles are electric), whilst solar panels have been installed in public buildings, eco public lighting is used, streets are covered with a “noise reduction” asphalt and High Environmental Standards (HEQ) are applied at SBM and other hotels.⁴⁷

These “green” approaches point towards a promising area for future development of innovative clusters and with the executive considering them in planning for the future of Monaco, despite the fact that in the short term it might create market rigidities and raise capital and labor costs⁴⁸. In the longer term it is hoped that Monaco will remain an attractive place to visit and live, which creates shared value by providing positive social and environmental impact as well as economic value to firms and the country.

3. RECOMMENDATIONS: COUNTRY LEVEL

There are two types of strategic issues facing Monaco, macroeconomic issues and national competitiveness issues. The macroeconomic issues include the ongoing global financial crisis and its impact on Monaco's most important markets; pressure on tax havens from international organizations such as the OECD; and an ageing population. The national competitiveness issues include:

Issue 1: An overreliance on the European Union market

Recommendation: Reach out to the emerging markets of India, China, and Latin America by lowering export restrictions for Monaco-based companies (and use the Prince as an Ambassador for the brand).

Issue 2: Heavy state intervention in the market stifling private initiative and competition

Recommendation: Eliminate company tax policies that favor domestic firms. Limiting firms' ability to export weakens competitiveness while limiting foreign firms' ability to have a presence in Monaco limits the competitiveness of the various clusters.

Issue 3: Expensive labor and a rigid labor market

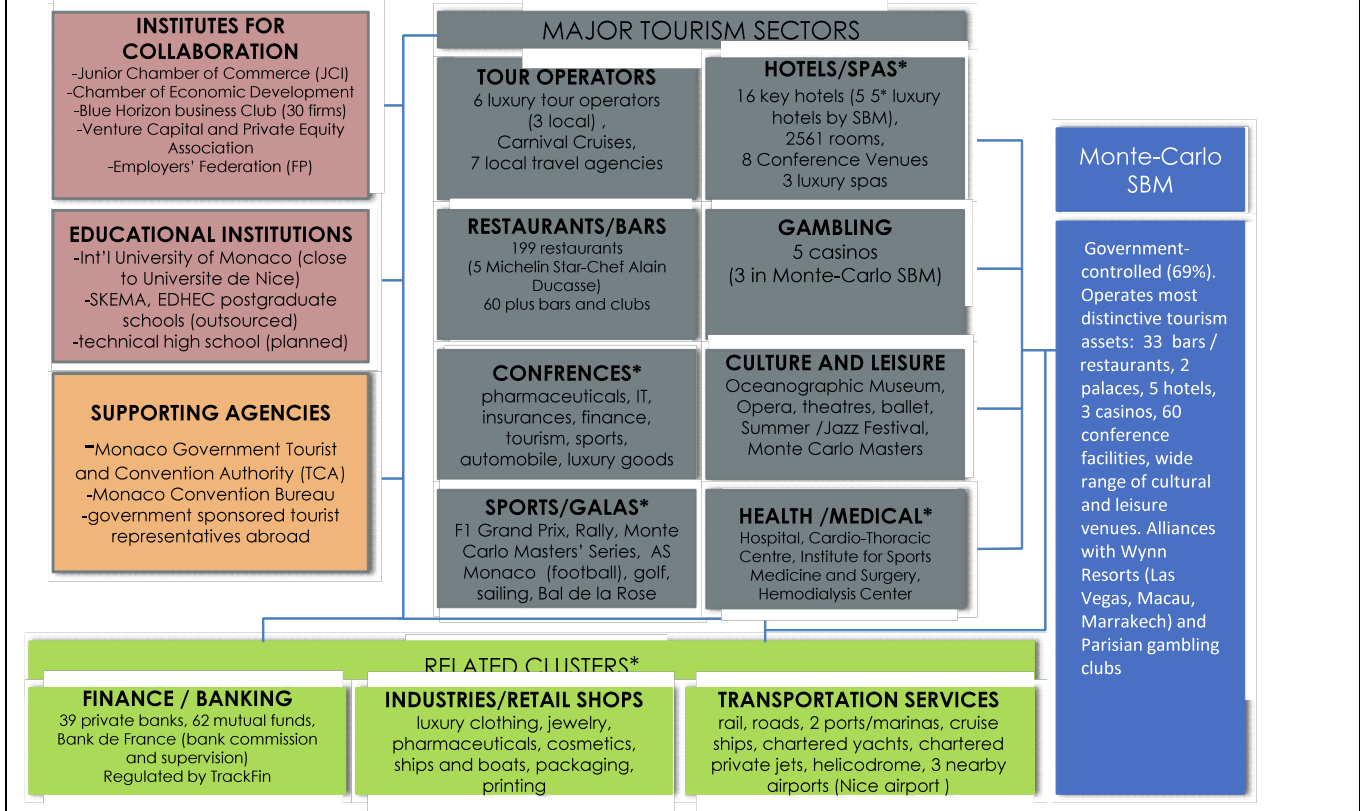
Recommendations: Eliminate labor hiring practices and policies that "favor" Monaco citizens and simplify hiring and firing practices (away from the French precedent). Offset the implications by creating a retraining program and implementing a safety net so that it is politically sustainable – this should be started now so a full reform can be achieved in the medium-to-long term.

4. TOURISM CLUSTER ANALYSIS

4.1. Tourism cluster map

Monaco's cluster map shows a very robust, expansive and healthy picture of both the core and the related activities of the cluster. At the center of the map are the key elements of the cluster and the equally strong and interrelated sub-clusters: sports, health/wellness, conferences, gambling, art and culture, very high-end restaurants, bars and nightclubs.

Figure 7: Monaco's Tourism Cluster Map



There is also the cluster's governing body, the Tourism and Convention Authority, IFCs and educational and research institutions, as well as the related and supporting industries (finance, retail, transportation). To the right of the core map is the Monte Carlo SBM (see further below), the key monopolist player in Monaco's tourism cluster, who holds 1/3 of the cluster's industries.

4.2. Cluster performance

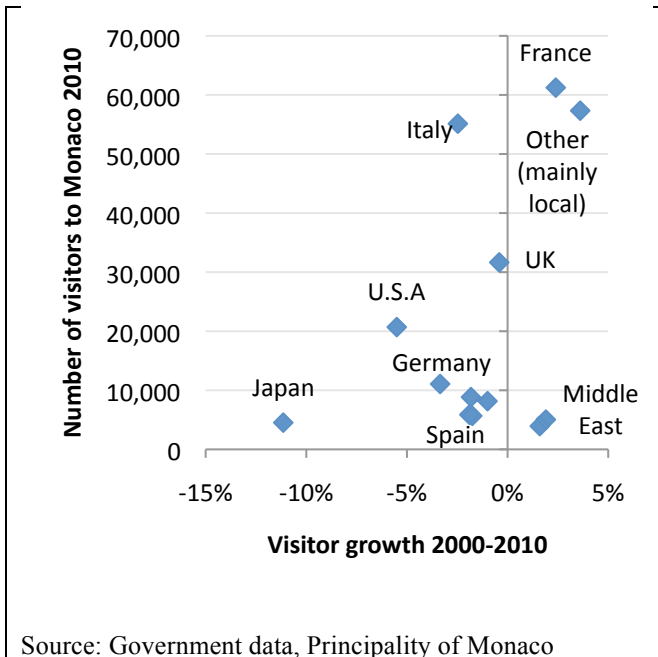
Taking advantage of its wealth of **endowments** that make it an attractive place to visit, Monaco has, for over a century, successfully made tourism its priority cluster and its biggest income earner (the hospitality sector represents 15% of the total €100 billion turnover of Monaco). The cluster is well developed, diversified and represented throughout the world (due to the centralization model of the Tourism and Convention Authority and a network of government representatives for tourism abroad)⁴⁹. But it currently faces stagnation and for the past year decline in demand: less residents because of the financial crisis and their inability to pay high rents, the devaluation of the UK pound

(decrease in UK tourists), the expensive euro (decrease in US visitors), new competition (Dubai, Singapore), “old” image of Monaco amongst the younger generations and resurgent local competition from Cannes and St Tropez.

Despite the global financial crisis and Monaco’s negative GDP growth in 2008 (-2.1%), the tourism industry performed well that year: it saw a 3% increase in the number of hotel nights (despite a constant number of arrivals) and hotel turnover increased by 5.68% (at €426,102,735). In 2009 however the impact of the ongoing financial crisis on Monaco’s tourism cluster was very much felt and in mid 2010, Monaco’s Tourism and Convention Authority (DTC)⁵⁰, a government department dedicated to the promotion of Monaco’s tourism proposition abroad, presented a comprehensive four-year strategy for Monaco’s tourism industry to counter the decreased demand that resulted from the financial crisis: the “Roadmap 2009-2013” purpose is to bring back economic growth to the tourism sector, in line with the expectations of the Prince’s Government. To this end, the Roadmap has four objectives, sixteen strategic directions and 300 measurable actions. The most important contribution of the Roadmap is its introduction of measurable objectives and its intention to gather and disseminate reliable data and information on tourism.

According to Government statistics⁵¹, the **average stay in Monaco’s hotels** is 3 nights and has been kept relatively unchanged for at least two decades. In 2009 a drop in tourist results were announced that reflected the world economic crisis and the sole positive note was the slight rise in duration of stay.

As shown in Figure 8, the largest groups of tourists are Italians, French, British and North Americans. The **mix of visitors** of Monaco however is rapidly changing: over 40% of new clients come from distant destinations and they may substantially increase the average number of stays in the future, if Monaco’s tourist authorities create new attractions and events that have international appeal, guarantee



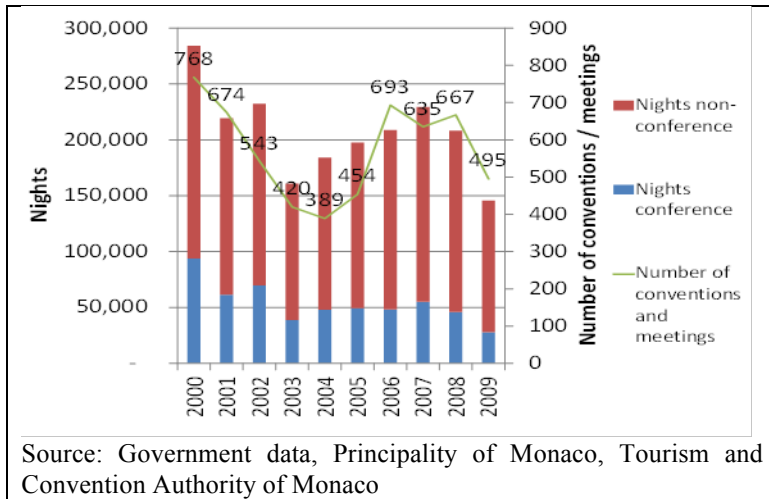
certified training of hospitality employees to meet the specific needs of new market segments and provide gourmet offers suited to emerging markets' tastes and habits.

Leisure tourism represents 79% of total hotel activity, with an average of 600,000 overnight stays per year. International demand for leisure tourism is very strong in Monaco. Visiting day tourists in Monaco are estimated at over 5 million each year⁵². **Business tourism** represents

21% of the tourism sector, with 159,110 overnight stays per person (France and the UK are top two business clients).

Conferences, although cyclical (as shown in Figure 9) and often niche in nature, constitute a significant part of Monaco's business tourism cluster and account for 85% of the total overnight stays of business tourists in Monaco. Business tourism comprises four main categories: Meetings, Incentives, Conventions, and Events (MICE). In Monaco, they are mostly medical conferences (for instance in 2009, Monaco hosted the 16th Annual World Congress of the International Union of Phlebology), but can also be for IT, finance, sport and cars. During the economic recession the business trip segment's profitability was the one hardest hit (as is usually the case in economic downturns).

Figure 9: Conference attendees



It is worthwhile noting the seasonality faced by tourism in Monaco. Leisure tourism peaks in June, July, August and September. In these months in 2007, occupancy rates were around 90% in July and August against lows of 37% in December and 45% in

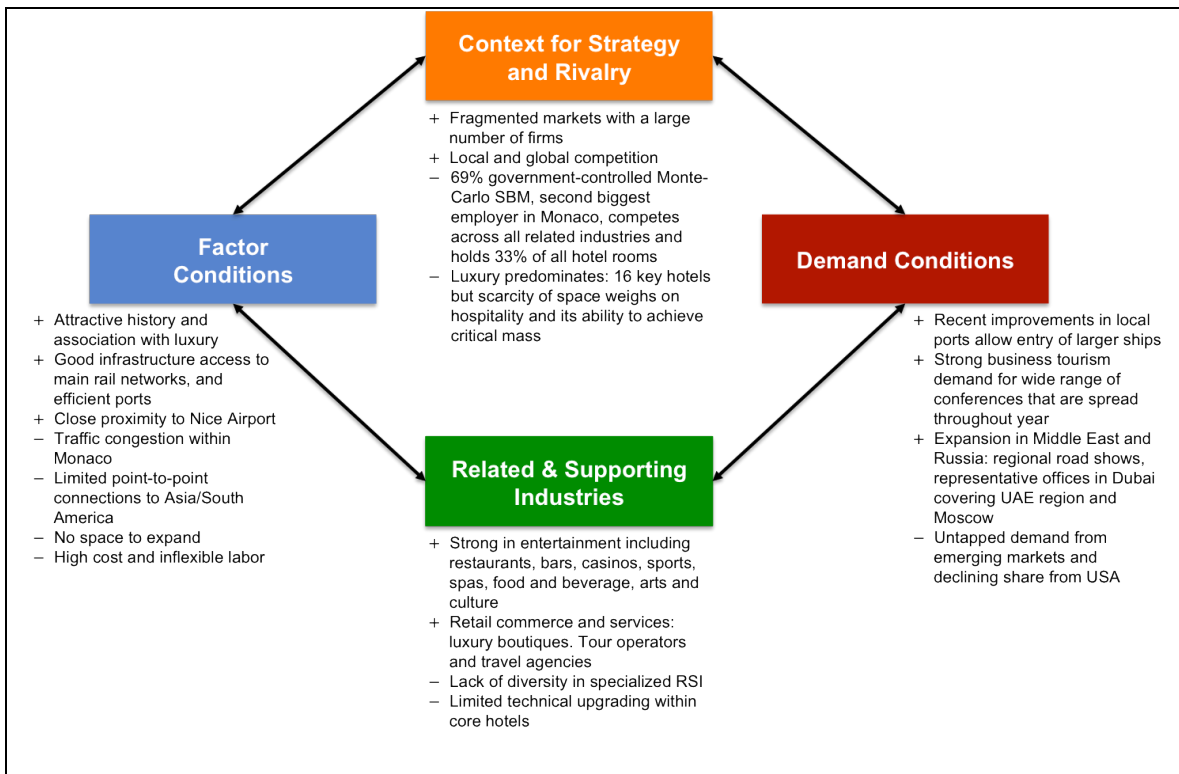
February⁵³. Business tourism on the other hand remains fairly flat throughout the year with the exception of during the three busiest months for leisure tourism, when it falls considerably.

Partially in response to high peak demand, **hotel capacity** in 2008 was at 2,623 rooms, 21% higher in than 2002⁵⁴. However, Monaco's real estate market inflexibility is a key challenge for the tourist industry and is reflected in the long-term stagnation of the average nights stay: since there is little room for a big increase in the number of rooms/hotels, the industry needs to find alternative ways to get a higher spending per tourist.

4.3. CLUSTER DIAMOND ANALYSIS

Tourism has long been the central component and the activator of Monaco's economy: because of its small size, the tourism cluster diamond analysis presents a similar picture to the national diamond analysis of the previous section. Tourism in Monaco has historically performed exceptionally well and it continues to do so; but if Monaco wishes to stay relevant, it needs to differentiate its current hospitality offering and adopt it to the new, changing, market conditions and the new HNWI's who are increasingly found elsewhere in the world not just in Europe and the US.

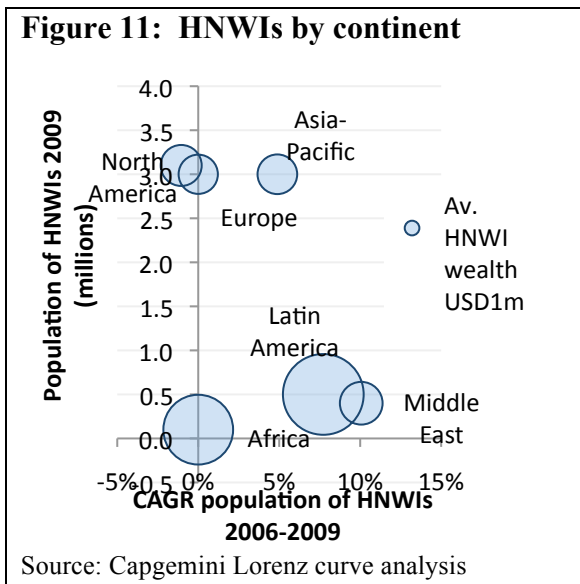
Figure 10: The Tourism Cluster Diamond



4.3.1. Factor Conditions

Monaco builds off its endowments to create factor conditions that help support a world-class tourism cluster. **Physical infrastructure:** Monaco has excellent connectivity to certain markets enabling many tourists to visit Monaco with considerable ease. Specifically, there are frequent high speed trains to Italy and France, popular and efficient ports for cruises and yachts (though docking is unavailable in peak summer season), and integration with Nice Côte d'Azur Airport (which serves 10 million passengers from 80 destinations – though none to Hong Kong, Shanghai, Tokyo, Singapore and Delhi) via helipad (6 minutes away), buses or car (30 minutes away). The infrastructure is hampered by the limited land availability, which restricts any efforts for expansion or attraction of global real estate developers and tourism MNCs to set up business in Monaco.

Human resources: Monaco has expertise amongst its workforce in the provision of high-end tourist services and the organization of large-scale, prestigious events and hospitality. However, local labor costs are high and supplemented by around 20,000 workers daily from France and Italy. Despite their specialist skills, and strong English skills, tourist industry workers have limited skills for the new



growth markets being targeted as drivers of future growth: only 1.4% of school children learning Chinese whilst restrictions on hiring immigrants and inflexibility of the labor force entail difficulties in recruiting the required workers. Meanwhile, the University of Monaco, which specializes in luxury management, offers exchange courses to Paris and London with the objective to sharpen those language skills⁵⁵ but not opportunities to study in new growth markets.

4.3.2. Demand Conditions

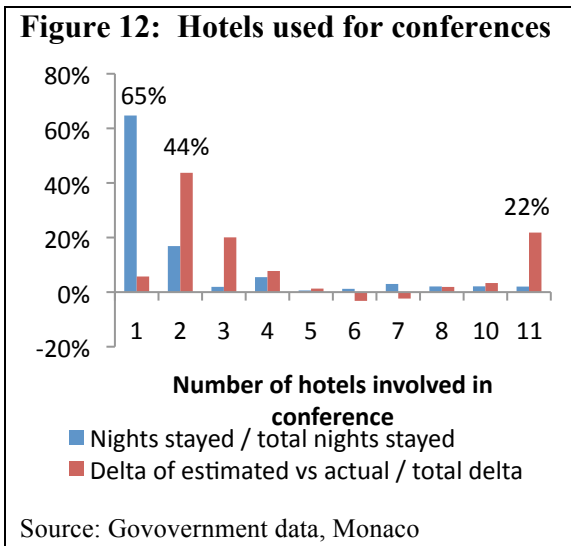
Both residents and visitors drive the demand conditions of the tourism cluster. 54% of leisure tourists are from Italy, France and the UK with remainder from the US, Germany, Russia, the Middle East and other destinations.

Given the global trends, as shown in Figure 11, efforts are being made to increase demand internationally through the expansion of Monaco's tourism offices in emerging markets (Shanghai, New Delhi, Dubai, Moscow) and the attempted initiation of a "winter" season with art/culture lovers particularly targeted⁵⁶: to this end several international cultural festivals of film, arts, circus are staggered throughout the year, complementing the opera house, historic churches (such as Sainte Dévôte) and museums (such as the Musee Oceanographique).

With China recently becoming the world's second largest consumer of luxury goods, overtaking the USA and behind only Japan,⁵⁷ coupled with their passion for gambling⁵⁸, it follows that this and other emerging economies are targets for Monaco, attracted by its world leading reputation as the premier luxury destination.

At the heart of what drives these tourists to Monaco are the luxury hotels. They contain the 5 legal casinos, and host major poker tournaments. They contain world-class restaurants including (5 Michelin starred), of which Alain Ducasse’s Louis XV (3 stars) in the Hotel de Paris is the most famous. They also contain the luxury spas.

However, in each of these key aspects of the hotels’ offerings, Monaco can be considered to be somewhat outmoded. For instance, the casinos offer mainly traditional European games such as craps with less space for poker and slots, which are the choice of the modern (and especially Asian) gambler, as demonstrated by the makeup of the new super-casinos in Macao. The restaurants are distinctly European in offering with limited ethnic food.



The attractiveness of the hotels is not, however, limited to leisure tourists. As conferences almost exclusively take place in hotels, their attractiveness for the business traveller drives this form of tourism. As shown in Figure 12, 65% of the time a single hotel is used as the venue for a conference, usually due to ease of logistics. This does, however, affect the demand profile of conferences in Monaco with 80% of conferences being with less than

270 participants, tiny in comparison with Las Vegas or other such destinations.

Demand from nationals, residents, business tourists and cruisers are estimated at 100,000 annually. These groups of consumers are HNWI's seeking luxury high end offerings. The aspects that attract residents to Monaco to live are largely the same that attract tourists. Indeed, the glamorous local residents (including Formula One drivers, business luminaries and film stars such as Sir Roger Moore) serve to perpetuate the image of Monaco as a desirable luxury destination, itself a demand driver for high-end tourists.

4.3.3. Context for Firms Strategy and Rivalry

The nature of tourism is such that competition is to a large extent global: the tourist can travel wherever they please. As such, competition for leisure/gambling tourism is mainly in the French and Italian Riviera, Dubai, Las Vegas, Saint- Barth, the Maldives. For business tourism it is Cannes and Nice, Dubai, Singapore and London, Berlin, Venice, Vienna, Prague and Barcelona.

However, within Monaco itself, standards and quality controls are important with the star rating system universally adopted amongst the its sixteen key hotels: one is 5*, four are 4*L, three 4* and six 3. Despite this transparent and quality assessment of each hotel's capabilities, local competition amongst them is not as intense as one would expect. This is largely because the Tourism Authority all but requires a collaborative strategy to "maintain the brand and increase the pie"⁵⁹.

Monte-Carlo SBM - the market leader and the second biggest employer in Monaco - overwhelms the market. As such, whilst the tourism cluster numerous SMEs that would usually result in healthy competition, SBM competes across all related industries and holds 1000 of the almost 2,600 hotels rooms in Monaco through its four hotels and a set of private apartments (Hotel de Paris, Hotel Hermitage, Monte-Carlo Beach Hotel, Monte-Carlo Bay Hotel and Resort, Balmoral hotel apartments). Through these, SBM operates Monaco's key attractions: the casinos, spas, restaurants, bars, the Opera House etc⁶⁰. With space very limited and the ease of starting a business difficult (with tax and regulatory barriers), new hotels are unable to enter to increase competition.

4.4. Related and Supporting Industries

Monaco's tourism benefits from strong related and supporting industries, some of which are intrinsically linked with the national image of luxury that helps it achieve success in the niche market it targets. **Sports:** Monaco Formula 1 Grand Prix attracts thousands of tourists from around the world, famous as the most glamorous sporting event in the world. The Masters 1000 tennis tournament attracts all the top stars. AS Monaco is a top tier domestic league club playing in the French league and

often has special exhibition matches with top British, Italian, Spanish and Russian teams, in part to attract visitors from these destinations.

Finance: this cluster has been detailed above. Suffice to say, the 39 private banks, 62 mutual funds, and 45 portfolio advisors with over €80 billion under management are a key driver for the extremely wealthy. However, services are primarily focused on UK citizens (50%) and Italy (19%), with gaps in the offering for potential Asian and Middle Eastern clients (such as a lack of Shariah financing expertise). **Legal:** two of the top four European law firms help provide full service offerings for wealthy and important visitors.

Medical: Two of the premier hospitals in the world in Cardiology and Orthopedics, vital to attract medical tourists and the elderly whom may have considerable dispensable income. The widening of treatments to include Chinese or Ayurvedic treatment options has been debated without resolution in Monaco. Retail commerce (especially for luxury brands), the cosmetics industry, tour operators and travel agencies, and transportation services (airlines and cruise companies) are all further examples of related industries.



Collaboration in the tourism cluster occurs largely through the Tourism and Convention Authority, which is a government run organization charged with the mission to create a tourism strategy for Monaco and develop the cluster. Through its global network of offices, it has the scope to promote Monaco abroad (destinations noted on the map – we understand that

there are plans to open offices in Brazil and Los Angeles). The Authority allows hotels to compete to attract tourists, albeit with a strong focus on quality over price: “Monaco’s image prohibits companies which are engaged in price reduction...to display their presence in the Principality”⁶¹.

5. STRATEGIC ISSUES AND RECOMMENDATIONS

5.1. Cluster Level

Issue 1: The over dominance of Monte-Carlo SBM in the hotel industry

Recommendation: Regulate against anti-competitive behavior between Monte-Carlo SBM owned entities to encourage a level playing field and increased competition. Increasing competition between SBM owned entities would help to address the seasonal swings in hotel utilization rates and will encourage continuous upgrading of hotels and restaurants.

Issue 2: Limited attractiveness to emerging markets visitors

Recommendation: Create an inviting environment for the emerging market tourist, by having multiple languages and appropriate labeling for attractions and directions around the city.

Accelerate global presence through Tourist Authority offices in underrepresented locations (such as South American and Mumbai, India). Continue to improve and specialize the skills of the human capital by supporting training programs for those that want to up-skill in response to shifting demand (for example, language training, environmental and sustainability).

Issue 3: Lack of strategic coordination within the cluster

Recommendations: Make the Statistics Institute (IMSEE) fully operational, improve data collection and guarantee their wider dissemination and openly share information for the economy with the world; this will help all sectors understand the true needs of their industries, cooperate and better integrate their individual value propositions to achieve increased overall competitiveness. Also, encourage greater collaboration between hotels to up sell size of conference. Include IFCs and tertiary education institutions in government and private sector consultations and decision-making processes

6. END NOTES

- ¹ Historically much of Monaco's economic data has been included in France's national statistics without separation. Limited or no data has been submitted to international organizations including the World Bank's "Doing Business Index", UNDP's "Human Development Index" or the WEF's Global Competitiveness Report. Indeed, Monaco only started officially measuring its GDP as of 2005. This paper therefore draws upon government-supplied information, interviews, news articles and qualitative data from academic and private sources
- ² www.visitmonaco.com/fr/Monaco-Pratique/Climat
- ³ Encyclopedia of the Nations (www.nationsencyclopedia.com). Also see Duursma Jorri: Self-Determination, Statehood, and International Relations of Micro-States: The Cases of Liechtenstein, San Marino, Monaco, Andorra, and the Vatican City (New York: Cambridge University Press, 1996)
- ⁴ Mairie de Monaco, Recensement general de la Population 2008
- ⁵ CIA World Factbook 2011 (www.cia.gov/librry/publications/the-world-factbook/geos/mn.html)
- ⁶ Prince Albert II Investiture Speech, 12 July 2005 (www.gouv.mc)
- ⁷ C. Baluta, N. Dobryagina, El. Egel, C. Pratte, I. Stasiulionyte (under the supervision of Professor Ingo Bobel), "Monaco at the Crossroads: rationale for Cluster Analysis to Foster Competitiveness", International University of Monaco (March 2010).
- ⁸ Freedom House data (www.freedomhouse.org)
- ⁹ CIA world factbook. Exports: US\$716.3 million, imports: US\$916.1 millions
- ¹⁰ Encyclopedia of the nations
- ¹¹ "Monaco en Chiffres 2010", Ministry of Finance and Economy, Monaco
- ¹² "Monaco en Chiffres 2010", Ministry of Finance and Economy, Monaco
- ¹³ The CIA world Factbook in 2006 has Monaco's GDP per capita at **\$30,000**. Per capita GDP varies due to the presence of daily workers that commute daily from outside the country and varying levels of PPP.
- ¹⁴ Prince Albert II Investiture Speech, 12 July 2005 (www.gouv.mc)
- ¹⁵ "Monaco en Chiffres 2010", Ministry of Finance and Economy, Monaco
- ¹⁶ G20 Communiqué, 2 April 2009 (www.g20.org/Documents/final-communique.pdf)
- ¹⁷ Wikipedia/Monaco (en.wikipedia.org/wiki/Monaco)
- ¹⁸ CIA World Factbook 2011 (www.cia.gov/librry/publications/the-world-factbook/geos/mn.html)
- ¹⁹ Monaco wins Broadband Jackpot, Website Optimization (www.websiteoptimization.com/bw/0909/)
- ²⁰ "Brits a target for Monaco", interview of Michel Roger, Minister of State of Monaco, to The Riviera Times Online (www.rivieratimes.com/index.php/monaco-article/items/brits-a-target-for-modern-monaco-2004.html)
- ²¹ C. Baluta et al, "Monaco at the Crossroads..."
- ²² "Brits a target for Monaco", interview of Michel Roger, Minister of State of Monaco, to The Riviera Times Online (www.rivieratimes.com/index.php/monaco-article/items/brits-a-target-for-modern-monaco-2004.html)
- ²³ Ibid.
- ²⁴ Census 2008. The population of Monaco consists of: (i) Nationals: 8.200 Monegasques (only ones with the right to vote) and 9.000 Enfants du Pays; (ii) 18.000 Residents (HNWIs with no discernible social benefits, no right to vote and economic activities outside Monaco); (iii) 38,000 out-of-state commuters and (iv) non-residents including tourists and local bank account holders.
- ²⁵ Monaco consulate (www.monaco-consulate.com/index.php/useful-links/working-in-monaco)
- ²⁶ <http://www.nicematin.com/article/monaco/monaco-la-priorite-demploi-des-monegasques-est-elle-menacee>
- ²⁷ C. Baluta et al, "Monaco at the Crossroads..."
- ²⁸ C. Baluta et al, "Monaco at the Crossroads..."
- ²⁹ Country Brief: Monaco, Financial Standards Foundation, May 2009 (www.estandardsforum.org)
- ³⁰ Warde Property, real estate company (www.wardeproperty.com/living-in-monaco.html)
- ³¹ AMAF Financial Marketplace (www.amaf.mc/place_financiere)
- ³² AMAF Financial Marketplace.
- ³³ Chambre de Developpement Economique (www.cde.mc)
- ³⁴ Lowtax, Global Tax & Business Portal (www.lowtax.net)
- ³⁵ Lawrence Graham Monaco, Banking Activities and Financial Services (2008) (www.lg-legal.com/assets)
- ³⁶ Bikyamasr, Middle Eastern news service (www.bikyamasr.com)
- ³⁷ IUM, Monte-Carlo SBM Business Case (2008)
- ³⁸ Chambre de Developpement Economique (www.cde.mc)
- ³⁹ Jeune Chambre Economique de Monaco, (www.jcemonaco.mc)
- ⁴⁰ Fédération Patronale Monégasque, (www.federation-patronale.mc)

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- ⁴¹ Blue Horizon Business Club (www.chambre-monegasque-nouvelles-technologies.net)
- ⁴² MVCA (www.mvca.asso.mc)
- ⁴³ IUM differs from nearby “rival” postgraduate schools in Sophia Antipolis and Nice (SKEMA and EDHEC, respectively) in that IUM is internationally focused whereas SKEMA and EDHEC both follow the French system
- ⁴⁴ The “EU 20-20-20- Strategy” is a self-imposed and compulsory for all EU member-states environmental plan that aims, by 2020, to: derive at least 20 per cent of its energy consumption from renewable sources, achieve a 20% reduction of greenhouse gas emissions below 1990 levels and increase by 20% its energy efficiency. See European Energy Policy, “Strategy for Climate Change: the way ahead for 2020 and beyond” (europa.eu/legislation_summaries/energy/european_energy_policy/128188_en.htm)
- ⁴⁵ C. Baluta et al, “Monaco at the Crossroads...”
- ⁴⁶ Prince Albert II Foundation, (www.fpa2.mc)
- ⁴⁷ Monaco government (www.gouv.mc)
- ⁴⁸ Monaco government (www.gouv.mc)
- ⁴⁹ C. Baluta et al, “Monaco at the Crossroads...”
- ⁵⁰ ([www.gouv.mc/devwww/wwwnew.nsf/1909\\$/955FF94A3711758AC1256F8E004B68FFGB?OpenDocument&4GB](http://www.gouv.mc/devwww/wwwnew.nsf/1909$/955FF94A3711758AC1256F8E004B68FFGB?OpenDocument&4GB))
- ⁵¹ Monaco Roadmap 2009-2013 and its data statistics, (www.visitmonaco.mc)
- ⁵² Monaco Roadmap 2009-2013 and its data statistics, (www.visitmonaco.mc)
- ⁵³ Monaco Roadmap 2009-2013 and its data statistics, (www.visitmonaco.mc), specifically GFM, Hotels, DTC
- ⁵⁴ Monaco Roadmap 2009-2013 and its data statistics, (www.visitmonaco.mc), specifically GFM, Hotels, DTC
- ⁵⁵ IUM (www.monaco.edu/bachelors/bachelor-business-administration.cfm#exchange)
- ⁵⁶ Monaco Roadmap 2009-2013 and its data statistics, (www.visitmonaco.mc)
- ⁵⁷ European Business Review, (www.europeanbusinessreview.com/?p=2418)
- ⁵⁸ Independent (www.independent.co.uk/news/world/asia/chinas-sin-city-inside-the-worlds-biggest-gambling-den-1757211.html)
- ⁵⁹ Interview with Michel Bouquier, head of Tourism in Monaco
- ⁶⁰ C. Baluta et al, “Monaco at the Crossroads...”
- ⁶⁰ Tourism and Convention Authority, (www.visitmonaco.com/en)
- ⁶¹ Tourism and Convention Authority, (www.visitmonaco.com/en)