

# FRENCH RIVIERA: HOTELS ARE DRAWING THE CURTAIN



From Cannes to Monaco via Nice, hotels are gradually closing their doors temporarily for the moment, but if the pandemic persists, the most fragile facilities on the French riviera may well stay closed for good.

Cannes, where tourist activity from September to May depends on events and major trade shows, is particularly affected. For overtime, the city has bet on the map of MICE generating an important offer in tourist structure.

Business tourism and festival activity provide work for a large part of its 600 restaurants and bars, 130 hotels (8,000 rooms, including nearly 4,600 rooms in 5 and 4 stars), taxis and shops.

**This year will therefore be a dark one with the cancellation of almost all major events (MIPIM, MIPTV, Cannes Festival, TaxFree, Cannes Yachting Festival, MIPCOM Mopic, NRJ Music Awards ...).** And the first quarter of 2021 seems to follow a similar trend.

For example, MIPIM (30,000 participants) has decided to postpone the event, which usually takes place in March, to the beginning of June. Therefore, 90% of hotels are closing from the Carlton to the Martinez Gray d'Albion, Majestic, Grand Hotel....

The Croisette is looking more and more like the boulevard of twilight with its alignment of palaces with closed shutters as well as the luxury boutiques with closed curtains that border them. According to the city, the shortfall for the year has already reached €700 million. And knowing that one out of every five jobs in Cannes depends on tourism, the social breakdown looks formidable.

The same scenario is in Nice where more than 50 hotels have gone dormant because of the confinement. Most of the big hotels like the Negresco, the Radisson Blu, the Westminster, the Meridien and many others have decided to close down because of the confinement.

Nearly 55 in total have decided to pull the curtain. And for some, the prospects for the first quarter of 2021 are not very encouraging and could even cause them to stay closed. The staff is on short-time work, i.e. 84% of the salary, until December 31.

For example, the Nice group Summer Hotels, which operates nine hotels in Menton, Nice and Cannes with a total of 200 employees, has decided to close four of them.

**The situation is becoming difficult for certain small establishments, and the hotel owners' union suggests that between 20 and 30% could decide to close permanently.**

In Monaco, the SBM (Société des Bains de Mer) has announced an exceptional restructuring plan with the elimination of 162 jobs out of 4,000, while extra, seasonal and fixed-term contracts had already been eliminated. This is a great first for the main player in Monegasque tourism.

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