



STREAM 2:

Presentation of the Luxembourg Economy

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*Director General of the Chamber of Commerce
of Luxembourg*

Agenda



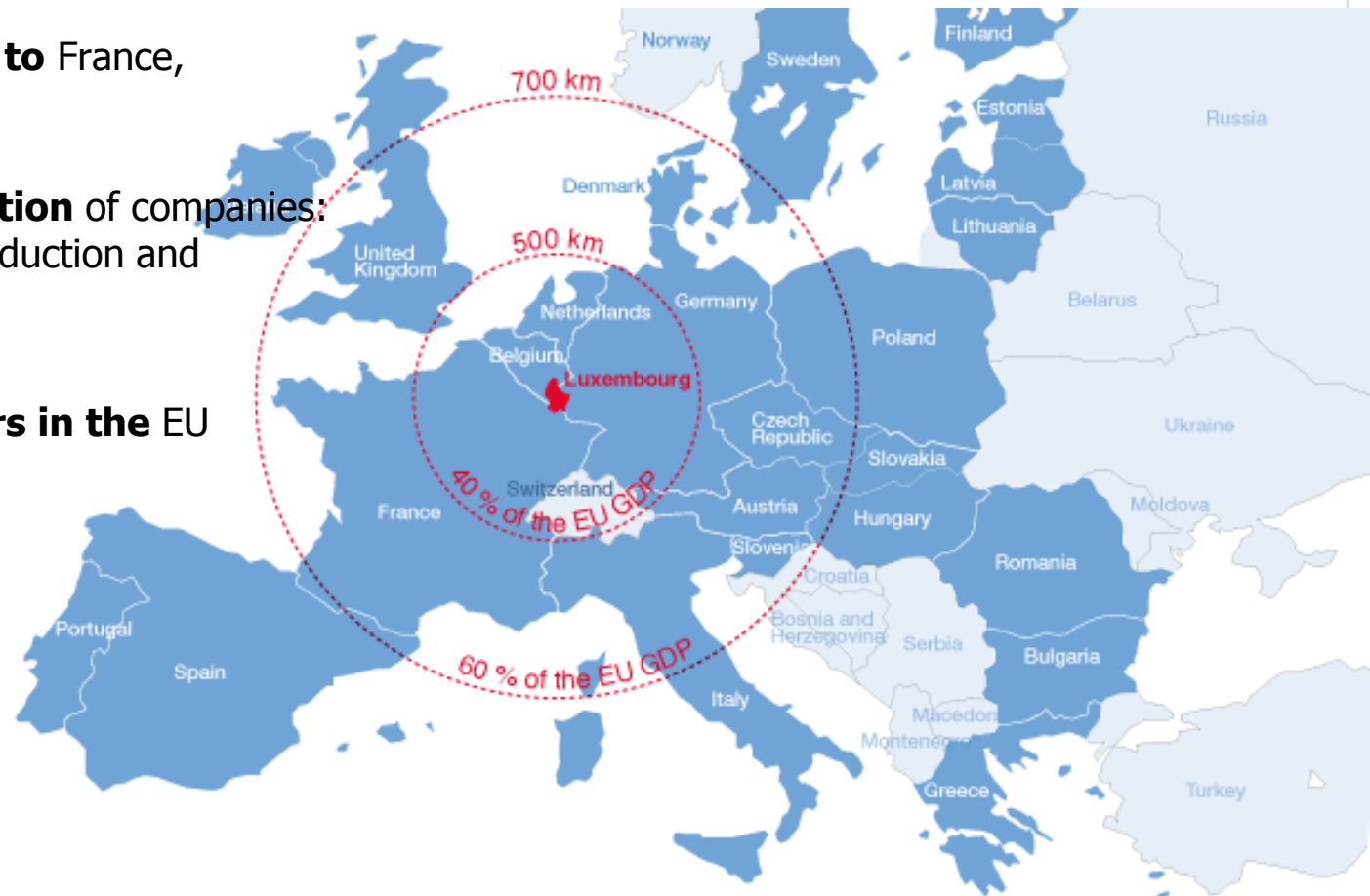
- **THE COUNTRY**
- THE ECONOMY
- KEY SECTORS
- ECONOMIC OUTLOOK

The Country



LUXEMBOURG – EUROPE 100%

- **Direct market access to** France, Germany and Belgium
- **International orientation** of companies: more than **80%** of production and services are exported
- **500 million consumers in the EU**
- **Free circulation of goods, of services, of persons and of capital**



The Country



IN THE HEART OF EUROPE



AREA

2,586
sq km

POPULATION

550,000
of which 45,3%
are foreigners

170 nationalities

**4000 Polish
Inhabitants**

MAIN LANGUAGES

Luxembourgish
(national)

German (official)

French (official)

English (largely
spoken)

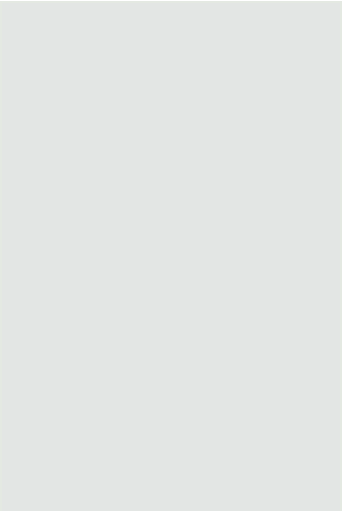
Portuguese
(largest
immigrant
community)

POLITICAL SYSTEM

**Constitutional
Monarchy**

**Parliamentary
Democracy**


EUROPEAN CAPITAL



The Country Snapshot



HIGH STANDARD OF LIVING

- 
- Strategic location in the heart of Europe
 - Safe and open country
 - Political stability
 - Top position among development aid donor countries worldwide
 - High purchasing power
 - High quality of life
 - Melting pot of different cultures and nationalities
 - State-of-the art public infrastructure
 - Diversified cultural life

Agenda



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The Economy



AN OPEN AND INTERNATIONAL BUSINESS ENVIRONMENT



NATIONAL PRODUCTION

80% of the national production (goods and services) is exported

60% of EU GDP is reached in less than a travel day

SERVICES-BASED ECONOMY

80% of all exports are services

CURRENT ACCOUNT

High structural surplus

6.4% of GDP, mostly due to the financial services sector

WORKFORCE

71% of total workforce are non nationals

44% of total workforce are cross-border workers from Belgium, France and Germany

UNIVERSITIES AND SCHOOLS

20 of the best European universities and polytechnic schools within a 200 km radius

The Economy



KEY SUCCESS FACTORS

- Highly skilled, multi-lingual workforce
- Business-friendly legal and regulatory framework
- Easy access to decision makers
- Commercial neutrality
- Stable and rewarding tax environment
- State-of-the-art IT infrastructure and international broadband connectivity
- Ideal gateway to the European market with more than 500 million consumers
- Social cohesion



Agenda



- THE COUNTRY
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- ECONOMIC OUTLOOK

Key Sectors



A DIVERSIFIED AND ATTRACTIVE ECONOMY

INDUSTRY AUTOMOTIVE

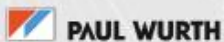



ArcelorMittal

 AngloAmerican

 DU PONT

 GOODYEAR

 PAUL WURTH


GUARDIAN
A Gateway of Vision

ICT, MEDIA E-COMMERCE

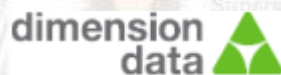
 RTL GROUP
the leading Euro

 SES[▲]
your satellite company

 amazon.com

 eBay


 iTunes

 dimension data

 PayPal

LOGISTICS



 cargolux

 CFL cargo

 DHL
WORLDWIDE EXPRESS

 KUEHNE+NAGEL

 Luxair CARGO

 PANALPINA
on 6 continents

FINANCE AND OTHER SERVICES



 BGL
BNP PARIBAS

ALLEN & OVERY

 BIL
1856

Deloitte.

BANQUE
DE LUXEMBOURG

ERNST & YOUNG
FROM THOUGHT TO FINISH.™

 KBL
EUROPEAN
PRIVATE BANKERS

 KPMG

 Raiffeisen
Eng. Bank. mit der Welt

arendt
arendt & medernach

Deutsche Bank 

 pwc

EUROPEAN INSTITUTIONS



 eurostat

 EL FONDOS DE INICIATIVA

 European
Investment
Bank

 EUROPEAN COMMISSION

 ESM

Key Sectors



FINANCIAL SECTOR

BANKING SERVICES



PRIVATE BANKING



INVESTMENT FUNDS



INVESTMENT VEHICLES



INSURANCE & PENSIONS



ISLAMIC FINANCE



MICROFINANCE



PHILANTHROPY



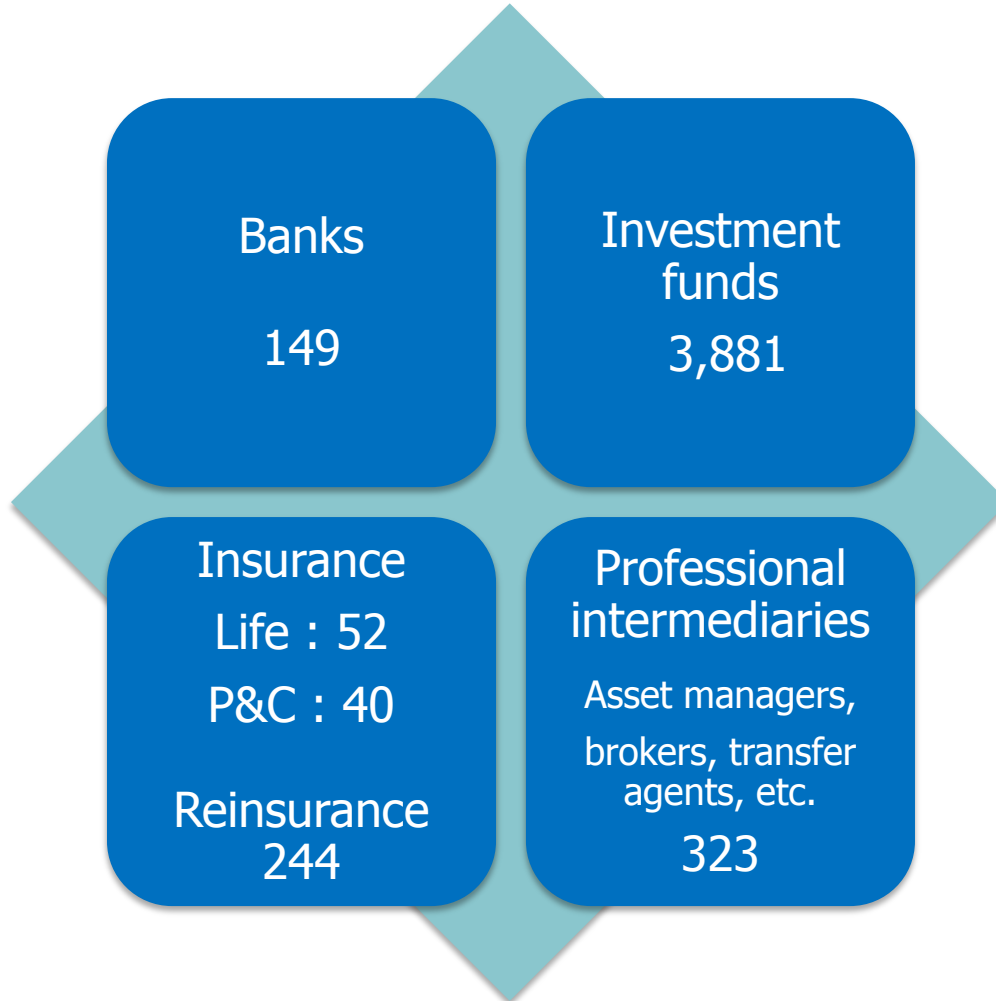
INTELLECTUAL PROPERTY



Key Sectors



FINANCIAL SECTOR



Key Sectors



FINANCIAL SECTOR LUXEMBOURG DELEGATION

Arendt & Medernach
Association of the Luxembourg Fund Industry
Association of Insurance and Reinsurance
Companies
Atdomco
Atlantic Fund Services
Baloise Vie
Calie Europe
Clifford Chance
Comarch Luxembourg
Crédit Agricole
Deloitte
Edison Capital Partners SA
Finexis

Fuchs & Associés Finance
Fund Solutions
KPMG
LG Fiduciaire
Luxembourg for Finance
Luxembourg Stock Exchange
Marguerite Fund
PriceWaterhouseCoopers
SGG
Société Générale Private
Banking
Synergy Advisor
Trustconsult
TMF Group

Key Sectors



INDUSTRY



Key Sectors



INDUSTRY



CONSTRUCTION



MACQUARIE



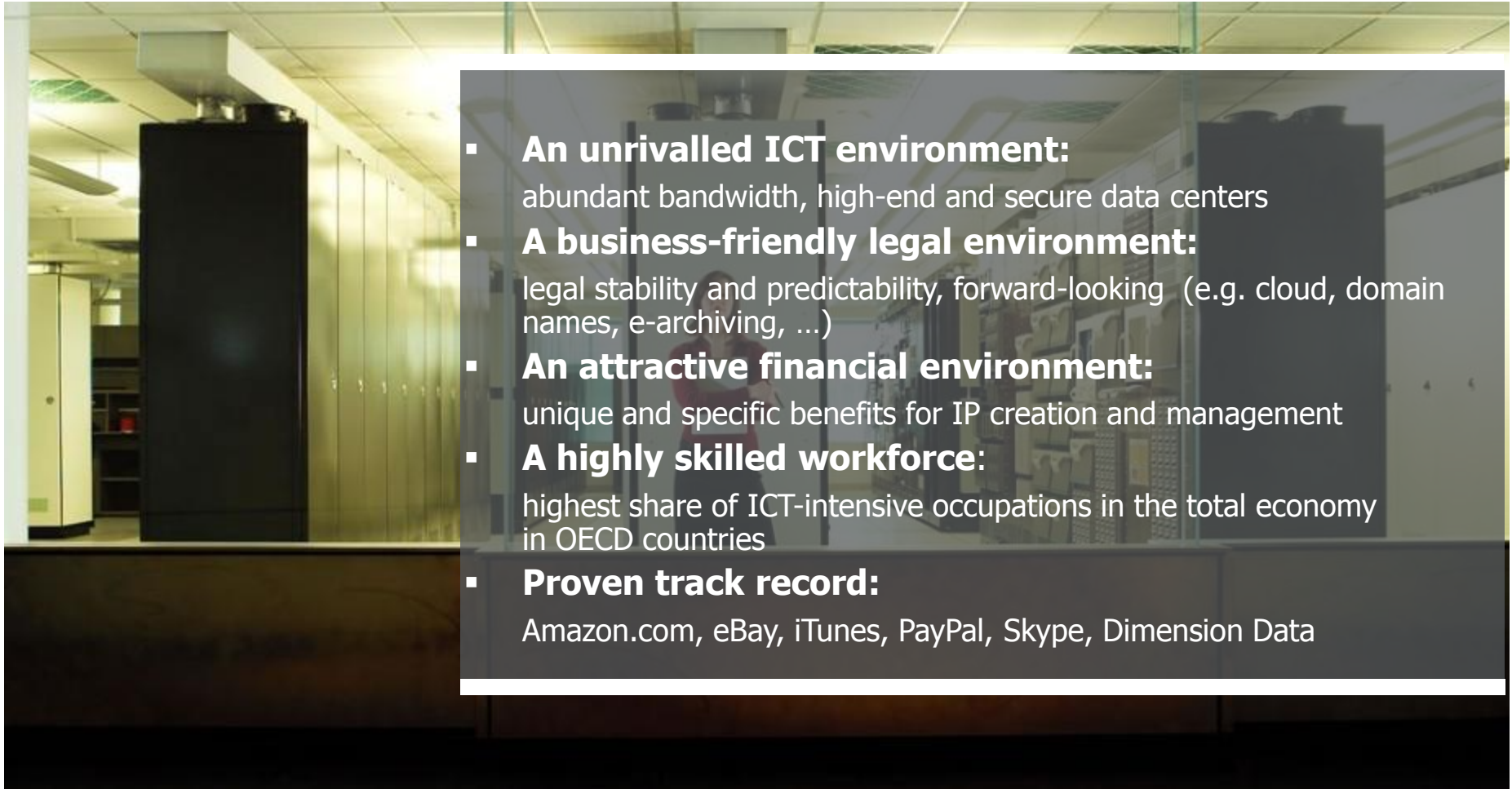
WWW.GRID-DESIGN.LU



Key Sectors



ICT, MEDIA, E-COMMERCE



- **An unrivalled ICT environment:**
abundant bandwidth, high-end and secure data centers
- **A business-friendly legal environment:**
legal stability and predictability, forward-looking (e.g. cloud, domain names, e-archiving, ...)
- **An attractive financial environment:**
unique and specific benefits for IP creation and management
- **A highly skilled workforce:**
highest share of ICT-intensive occupations in the total economy in OECD countries
- **Proven track record:**
Amazon.com, eBay, iTunes, PayPal, Skype, Dimension Data

Key Sectors



ICT LUXEMBOURG DELEGATION



Key Sectors

LOGISTICS

- At the heart of an excellent communication network
- 7th largest air cargo hub in Europe
- Simplified administrative tasks and paperless procedures
- Developing green and added-value logistics activities (Luxembourg Freeport)



Key Sectors



LOGISTICS LUXEMBOURG DELEGATION



Key Sectors



HEALTH TECHNOLOGIES



- Initially, absence of a pharmaceutical industry and of long-established research centres
- Thus, focus and position Luxembourg on niches e.g. biomedical samples storage and analysis
- With substantial public/private finance and infrastructure
- Consequence: BioBase, Complix, WaferGen have recently set up their R&D and/or sales activities in Luxembourg
- The University of Luxembourg is increasingly recognised in the field as well

Key Sectors



SPACE TECHNOLOGIES

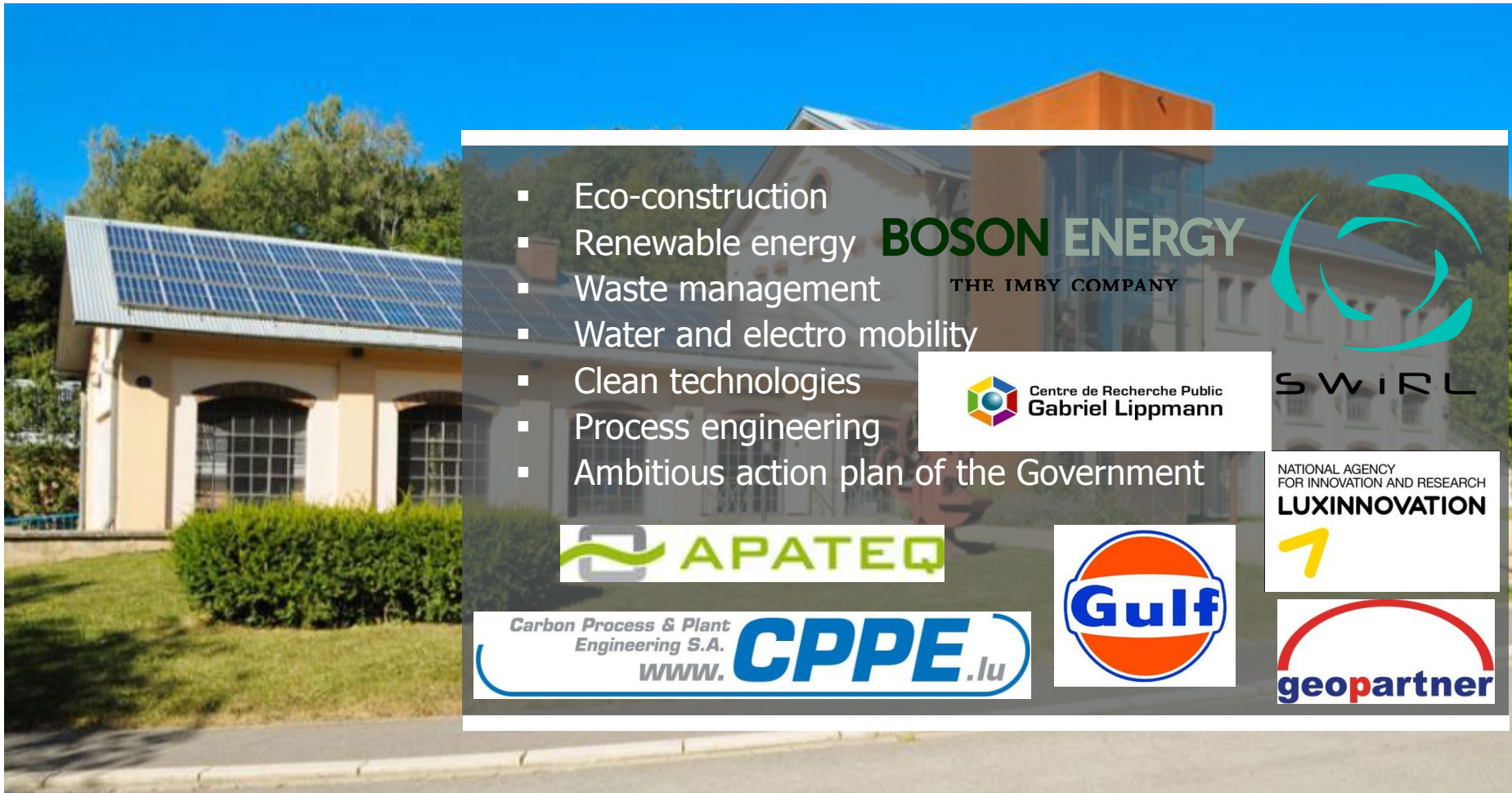


- Key high-tech sector for Luxembourg
- Official member of the European Space Agency (ESA) since 2005
- Thematic areas: space telecommunications, global navigation satellite system and location based applications, earth observation, maritime security and safety, space related technologies
- The University of Luxembourg, as well as the Public Research Centers boost and foster R&D activities
- Many highly advanced technology companies now operate in the space sector of Luxembourg, such as SES, Euro-Composites, Intorel and LuxSpace.

Key Sectors



ECO-TECHNOLOGIES AND RENEWABLE ENERGIES



- Eco-construction
- Renewable energy
- Waste management
- Water and electro mobility
- Clean technologies
- Process engineering
- Ambitious action plan of the Government

BOSON ENERGY
THE IMBY COMPANY



SWIRL

Centre de Recherche Public
Gabriel Lippmann

NATIONAL AGENCY
FOR INNOVATION AND RESEARCH
LUXINNOVATION



Carbon Process & Plant
Engineering S.A. **CPPE**.lu



Key Sectors



HEADQUARTER FUNCTIONS

BENEFITS TO BEING IN LUXEMBOURG

- First-class financial services and expertise
- Application of more than 60 NDTAS
- Benefit from the participation exemption regime
- Possibility of tax consolidation
- Flexible and comprehensive company law
- No administrative red tape
- Attractive taxation for employees (expat regime, blue card)
- Low social contributions for employers and employees

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Luxembourg: Forecasts for 2014 and 2015

	1985-2011	2007	2008	2009	2010	2011	2012	2013	2014	2015
GDP (bn EUR)	-	37,5	37,4	35,6	39,3	41,7	42,9	45,7	48,8	51,4
GDP, % growth	4,6%	6,6%	-0,7%	-5,6%	3,1%	1,9%	-0,2%	2,2%	3,1%	3,2%
Employment, y-o-y change	3,2%	4,5%	5,0%	1,1%	1,8%	2,9%	2,5%	1,7%	1,9%	2,3%
Unemployment rate	3,3%	4,2%	4,2%	5,4%	5,8%	5,6%	6,1%	6,9%	7,3%	7,3%
Inflation rate	2,2%	2,3%	3,4%	0,4%	2,3%	3,4%	2,7%	1,7%	1,5%	1,7%
Public surplus / deficit related to GDP	1,9%	3,7%	3,2%	-0,7%	-0,8%	0,2%	0,0%	0,1%	0,1%	-1,6%
<i>Thereof: Central Administration</i>	-	0,9%	-0,2%	-2,6%	-2,5%	-2,2%	-2,5%	-1,6%	-1,2%	-3,0%
Public debt	9,8% (2000 - 2011)	6,7%	14,4%	15,5%	19,5%	18,7%	21,7%	23,1%	23,2%	25,0%

Welcome to Luxembourg





LUXEMBOURG A RELIABLE PLATFORM FOR DOING BUSINESS WORLD-
WIDE AND SETTING UP YOUR EUROPEAN HEADQUARTER

THANK YOU FOR YOUR ATTENTION!
Blog: www.carlothelen.lu

www.cc.u