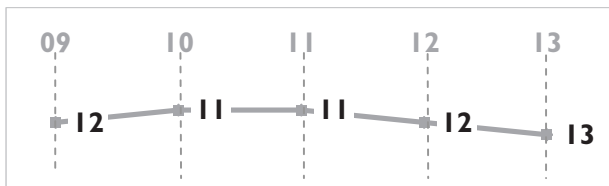


## LUXEMBOURG

## OVERALL PERFORMANCE



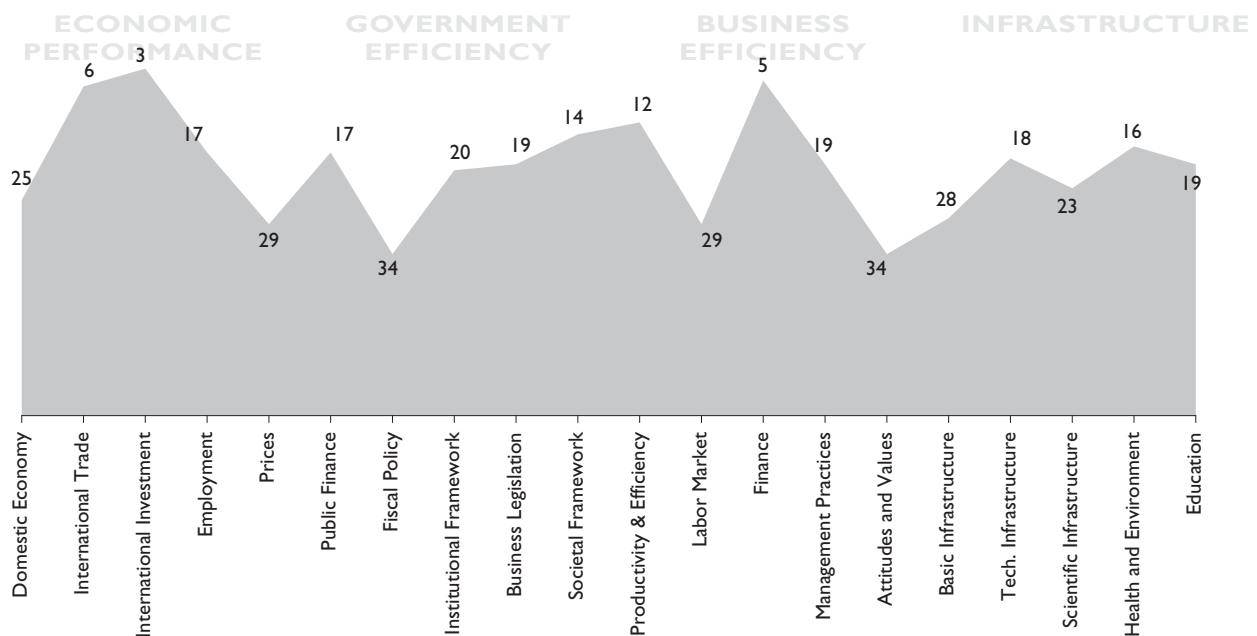
## CHALLENGES IN 2013

- Improve price competitiveness and reduce the inflation gap with main economic partners.
- Reindustrialise the economy through education and training programs and cost-effective targeted R&D support.
- Improve access to credit for SMEs and reduce red tape and administrative burden.
- Restore a balanced budget by better targeting social spending and cutting down public administration costs.
- Address future age-related spending pressure so as to ensure intergenerational equity.

## Provided by :

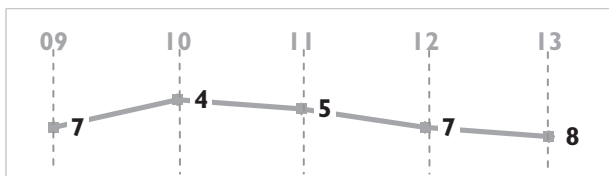
Chamber of Commerce of Luxembourg

## COMPETITIVENESS LANDSCAPE



## PEER GROUP RANKINGS

## EUROPE - MIDDLE EAST - AFRICA

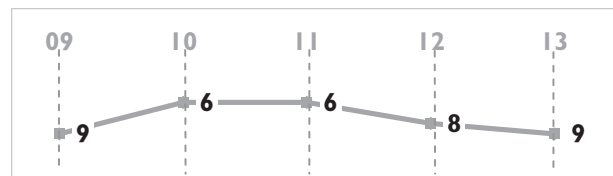


## BASIC FACTS

Rank

Capital	Luxembourg	
Land area (km <sup>2</sup> '000)	2.6 (2012)	-
Exchange rate (per \$)	0.78 (2012)	-
Population (millions)	0.53 (2012)	59
GDP (\$ billions)	57.1 (2012)	52
GDP (PPP) per capita (\$)	87,927 (2012)	2
Real GDP growth (%)	0.3 (2012)	45
Consumer Price Inflation (%)	2.9 (2012)	31
Unemployment rate (%)	5.1 (2012)	17
Labor force (millions)	0.40 (2012)	59
Current Account Balance (%)	5.6 (2012)	11
Direct Investment		
Stocks Inward (\$ billions)	114.6 (2011)	33
Flows Inward (% of GDP)	29.6 (2011)	1

## POPULATIONS &lt; 20 MILLION



## LUXEMBOURG

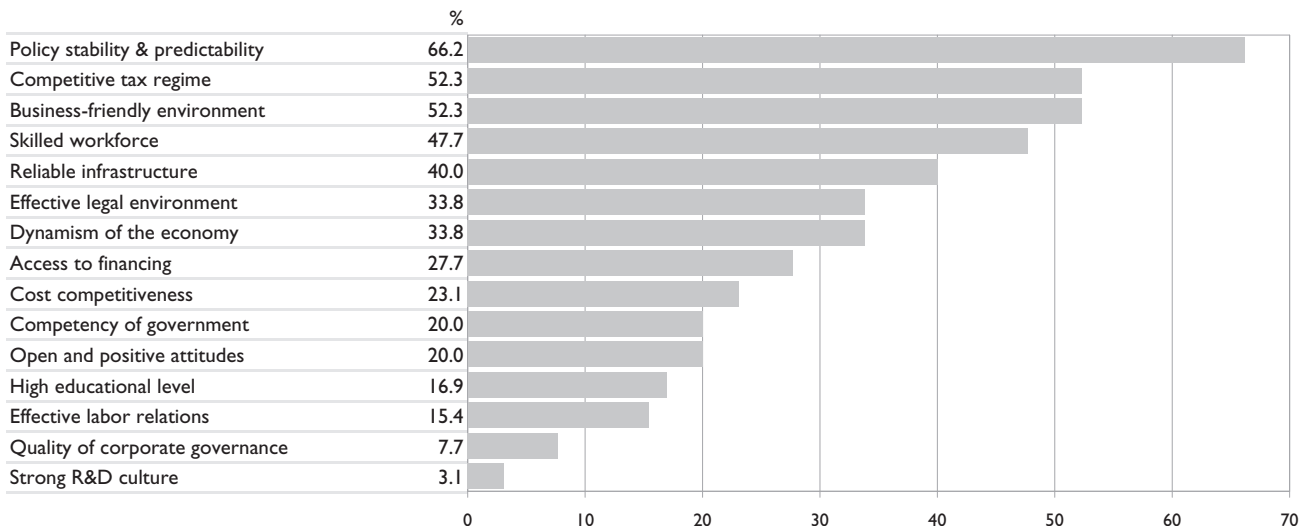
## COMPETITIVENESS EVOLUTION

The criteria below highlight the 15 biggest Improvements and the 15 biggest Declines in the overall performance of the economy. They are determined by the largest percentage changes in the value of each criterion from one year to the next.

IMPROVEMENTS		WCY 2012	WCY 2013	DECLINES		WCY 2012	WCY 2013
2.3.07	Exchange rate stability	0.090	0.011	1.1.15	Real GDP growth per capita	-0.39	-2.18
4.2.05	Mobile telephone costs	0.39	0.24	1.1.14	Real GDP growth	1.6	0.3
2.3.03	Interest rate spread	1.90	1.42	2.3.06	Foreign currency reserves (\$bn)	5.61	3.05
4.2.15	Qualified engineers (Survey)	5.94	7.02	1.3.02	Direct investment flows abroad (%)	34.30	19.81
4.3.22	Knowledge transfer (Survey)	5.44	6.37	3.3.10	Stock market capitalization (%)	189.62	114.13
4.2.22	High-tech exports (%)	8.37	9.68	2.5.05	Social cohesion (Survey)	8.03	4.84
4.5.03	Pupil-teacher ratio (primary education)	11.91	10.10	1.3.01	Direct investment flows abroad (\$bn)	18.29	11.74
1.5.01	Consumer price inflation	3.4	2.9	2.1.02	Government budget surplus/deficit (%)	-0.60	-0.81
4.3.18	Scientific research (Survey)	5.87	6.72	1.2.02	Current account balance (%)	7.23	5.57
4.5.07	Student mobility inbound	2.39	2.73	1.3.06	Direct investment flows inward (%)	38.16	29.58
4.4.25	Environmental laws (Survey)	5.49	6.22	1.4.08	Youth unemployment	15.60	18.60
4.1.19	Future energy supply (Survey)	6.67	7.52	1.3.15	Relocation threats of services (Survey)	4.38	3.54
2.4.19	Immigration laws (Survey)	6.60	7.43	2.5.03	Ageing of society (Survey)	5.02	4.22
4.5.11	Educational system (Survey)	5.37	6.03	4.3.05	Business expenditure on R&D (%)	1.16	0.98
4.5.04	Pupil-teacher ratio (secondary education)	10.20	9.10	3.1.12	Productivity of companies (Survey)	6.57	5.56

## KEY ATTRACTIVENESS INDICATORS

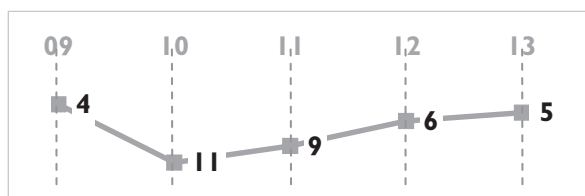
From a list of 15 indicators, respondents of the Executive Opinion Survey were asked to select 5 that they perceived as the key attractiveness factors of their economy. The chart shows the percentage of responses per indicator from the highest number of responses to the lowest.



## LUXEMBOURG



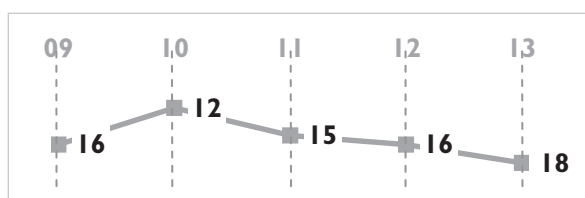
## ECONOMIC PERFORMANCE



Sub-Factor Rankings :	2012	2013
Domestic Economy	23	25
International Trade	4	6
International Investment	4	3
Employment	9	17
Prices	32	29



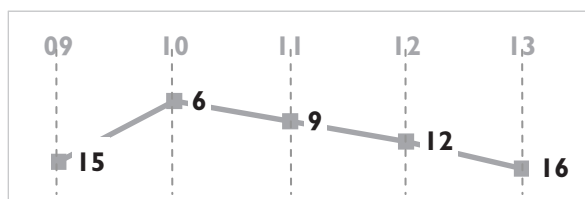
## GOVERNMENT EFFICIENCY



Sub-Factor Rankings :	2012	2013
Public Finance	13	17
Fiscal Policy	34	34
Institutional Framework	19	20
Business Legislation	20	19
Societal Framework	13	14



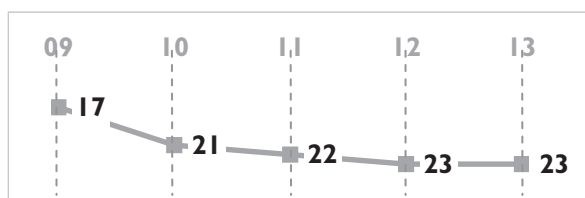
## BUSINESS EFFICIENCY



Sub-Factor Rankings :	2012	2013
Productivity & Efficiency	13	12
Labor Market	16	29
Finance	5	5
Management Practices	15	19
Attitudes and Values	29	34



## INFRASTRUCTURE



Sub-Factor Rankings :	2012	2013
Basic Infrastructure	28	28
Technological Infrastructure	20	18
Scientific Infrastructure	25	23
Health and Environment	15	16
Education	18	19

## LUXEMBOURG

## STRENGTHS

## Economic Performance

I.2.13 Exports of commercial services (%)	1
I.1.20 GDP per capita	1
I.3.06 Direct investment flows inward (%)	1
I.1.21 GDP (PPP) per capita	2
I.4.02 Employment (%)	2
I.3.02 Direct investment flows abroad (%)	2
I.2.22 Trade to GDP ratio	3
I.3.04 Direct investment stocks abroad (%)	3
I.3.08 Direct investment stocks inward (%)	4
I.2.24 Tourism receipts (%)	4

## Government Efficiency

2.4.19 Immigration laws (S)	4
2.5.04 Risk of political instability (S)	5
2.3.07 Exchange rate stability	6
2.3.04 Country credit rating	8
2.1.04 Total general government debt (%)	8
2.3.03 Interest rate spread	9
2.4.09 Subsidies (S)	9
2.5.06 Gini index	12
2.4.12 Parallel economy (S)	12
2.4.01 Tariff barriers	13

## Business Efficiency

3.3.01 Banking sector assets (%)	1
3.2.13 Labor force (%)	1
3.1.04 Labor productivity (PPP)	1
3.1.01 Overall productivity (PPP)	2
3.3.04 Investment risk	3
3.2.23 International experience (S)	5
3.3.10 Stock market capitalization (%)	7
3.4.05 Auditing and accounting practices (S)	8
3.3.15 Initial Public Offerings	9
3.2.22 Foreign high-skilled people (S)	10

## Infrastructure

4.5.16 Language skills (S)	2
4.3.07 Total R&D personnel nationwide per capita	4
4.3.17 Number of patents in force	4
4.2.23 Cyber security (S)	4
4.5.03 Pupil-teacher ratio (primary education)	5
4.2.10 Internet users	5
4.5.04 Pupil-teacher ratio (secondary education)	6
4.2.20 Technological regulation (S)	6
4.3.21 Intellectual property rights (S)	8
4.2.12 Broadband subscribers	9

## WEAKNESSES

## Economic Performance

I.3.15 Relocation threats of services (S)	59
I.1.15 Real GDP growth per capita	56
I.2.08 Exports of goods (\$bn)	55
I.3.13 Relocation threats of production (S)	50
I.1.13 Diversification of the economy (S)	49
I.1.14 Real GDP growth	45
I.3.14 Relocation threats of R&D facilities (S)	40
I.1.19 Resilience of the economy (S)	35
I.3.07 Direct investment stocks inward (\$bn)	33
I.5.01 Consumer price inflation	31

## Government Efficiency

2.3.06 Foreign currency reserves (\$bn)	56
2.2.01 Collected total tax revenues (%)	50
2.2.07 Effective personal income tax rate	49
2.2.08 Corporate tax rate on profit	46
2.4.17 Labor regulations (S)	45
2.4.15 Start-up days	41
2.4.18 Unemployment legislation (S)	41
2.2.10 Employee's social security contribution rate	40
2.1.11 Pension funding (S)	39
2.4.08 Government subsidies (%)	38

## Business Efficiency

3.2.03 Remuneration in services professions (\$)	55
3.2.16 Female labor force (%)	52
3.2.04 Remuneration of management (\$)	49
3.2.06 Working hours	46
3.5.05 Need for economic and social reforms (S)	44
3.5.01 Attitudes toward globalization (S)	43
3.2.01 Compensation levels (\$)	42
3.4.01 Adaptability of companies (S)	40
3.5.04 Flexibility and adaptability (S)	39
3.4.06 Customer satisfaction (S)	39

## Infrastructure

4.2.11 Fixed broadband tariffs	52
4.2.01 Investment in telecommunications (%)	52
4.5.01 Total public expenditure on education (%)	36
4.2.22 High-tech exports (%)	34
4.5.14 Management education (S)	33
4.4.01 Total health expenditure (%)	31
4.3.02 Total expenditure on R&D (%)	28
4.1.24 Electricity costs for industrial clients	28

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Economic Performance</b>				
<b>I.1 Domestic Economy</b>				
<b>Size</b>				
<b>Gross Domestic Product (GDP)</b>				
US\$ billions	2012	57.08	52	1,108.48
<b>GDP (PPP)</b>				
Estimates ; US\$ billions at purchasing power parity	2012	46.16	56	1,252.94
<b>World GDP contribution (%)</b>				
Percentage share of world GDP in market prices	2012	0.08	53	1.59
<b>Household consumption expenditure (\$bn)</b>				
US\$ billions	2012	16.78	58	637.79
<b>Household consumption expenditure (%)</b>				
Percentage of GDP	2012	29.40	59	56.53
<b>Government consumption expenditure (\$bn)</b>				
US\$ billions	2012	9.64	53	192.93
<b>Government consumption expenditure (%)</b>				
Percentage of GDP	2012	16.90	31	17.13
<b>Gross fixed capital formation (\$bn)</b>				
US\$ billions	2012	12.31	52	246.40
<b>Gross fixed capital formation (%)</b>				
Percentage of GDP	2012	21.56	24	21.64
<b>Gross domestic savings (\$bn)</b>				
US\$ billions	2012	30.65	49	262.36
<b>Gross domestic savings (%)</b>				
Percentage of GDP	2012	53.70	2	26.34
<b>Economic sectors</b>				
Breakdown of the economic sectors, percentage of GDP	2012	-	-	-
<b>Diversification of the economy</b>				
Diversification of the economy (industries, export markets, etc.) is extensive	2013	4.18	49	5.37
<b>Growth</b>				
<b>Real GDP growth</b>				
Percentage change, based on national currency in constant prices	2012	0.31	45	1.98
<b>Real GDP growth per capita</b>				
Percentage change, based on national currency in constant prices	2012	-2.18	56	1.34
<b>Household consumption expenditure - real growth</b>				
Percentage change, based on constant prices.	2012	1.46	39	2.45
<b>Government consumption expenditure - real growth</b>				
Percentage change, based on constant prices.	2012	4.99	12	2.04
<b>Gross fixed capital formation - real growth</b>				
Percentage change, based on constant prices.	2012	2.87	27	2.89
<b>Resilience of the economy</b>				
Resilience of the economy to economic cycles is strong	2013	5.17	35	5.34

## LUXEMBOURG

Year	Value	Rank	Average Value
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## Economic Performance

## I.1 Domestic Economy

## Wealth

## GDP per capita

US\$ per capita	2012	108,726.26	1	29,534.87
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## GDP (PPP) per capita

Estimates; US\$ per capita at purchasing power parity	2012	87,927.29	2	29,240.36
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## Forecasts

## Forecast: Real GDP growth

Percentage change, based on national currency in constant prices	2013	0.70	44	2.30
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## Forecast: Inflation

Percentage change	2013	1.90	19	3.45
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## Forecast: Unemployment

Percentage of total labor force	2013	6.50	23	8.35
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## Forecast: Current account balance

Percentage of GDP/GNP	2013	7.13	9	1.64
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## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Economic Performance</b>				
<b>1.2 International Trade</b>				
<b>Current account balance (\$bn)</b>				
US\$ billions (minus sign = deficit)	2012	3.18	21	0.55
<b>Current account balance (%)</b>				
Percentage of GDP	2012	5.57	11	0.97
<b>Balance of trade (\$bn)</b>				
US\$ billions (minus sign = deficit)	2012	-8.09	38	-7.71
<b>Balance of trade (%)</b>				
Percentage of GDP	2012	-14.17	57	0.05
<b>Balance of commercial services (\$bn)</b>				
US\$ billions (minus sign = deficit)	2012	29.03	7	6.00
<b>Balance of commercial services (%)</b>				
Percentage of GDP	2012	50.86	1	2.53
<b>World exports contribution (%)</b>				
Percentage share of world exports (goods and commercial services)	2012	0.42	39	1.53
<b>Exports of goods (\$bn)</b>				
US\$ billions	2012	19.32	55	274.68
<b>Exports of goods (%)</b>				
Percentage of GDP	2012	33.85	28	43.37
<b>Exports of goods per capita</b>				
US\$ per capita	2012	36,807.68	6	13,630.60
<b>Exports of goods - growth</b>				
Percentage change, based on US\$ values	2012	-11.62	60	-1.38
<b>Exports of commercial services (\$bn)</b>				
US\$ billions	2012	70.50	19	66.96
<b>Exports of commercial services (%)</b>				
Percentage of GDP	2012	123.50	1	13.31
<b>Exports of commercial services - growth</b>				
Percentage change, based on US\$ values	2012	-0.22	40	3.40
<b>Exports of goods &amp; commercial services (\$bn)</b>				
US\$ billions	2012	89.82	43	341.39
<b>Exports breakdown by economic sector</b>				
Percentage of total exports	2011	-	-	-
<b>Export concentration by partner</b>				
Exports to top 5 countries, percentage of total exports	2011	64.39	53	52.00
<b>Imports of goods &amp; commercial services (\$bn)</b>				
US\$ billions	2012	68.88	13	343.11
<b>Imports of goods &amp; commercial services (%)</b>				
Percentage of GDP	2012	120.67	58	54.13
<b>Imports of goods &amp; commercial services - growth</b>				
Percentage change, based on US\$ values	2012	-2.53	21	1.11
<b>Imports breakdown by economic sector</b>				
Percentage of total imports	2011	-	-	-
<b>Trade to GDP ratio</b>				
(Exports + Imports) / (2 * GDP)	2012	139.01	3	55.44
<b>Terms of trade index</b>				
Unit value of exports over unit value of imports (2005 = 100)	2012	88.11	47	103.67
<b>Tourism receipts (%)</b>				
International tourism receipts as a percentage of GDP	2011	7.65	4	3.03
<b>Exchange rates</b>				
Exchange rates support the competitiveness of enterprises	2013	5.13	28	4.98
<b>1.3 International Investment</b>				
<b>Investment</b>				
<b>Direct investment flows abroad (\$bn)</b>				
US\$ billions	2012	11.74	25	23.05
<b>Direct investment flows abroad (%)</b>				
Percentage of GDP	2012	19.81	2	2.18
<b>Direct investment stocks abroad (\$bn)</b>				
US\$ billions	2011	129.48	26	341.18
<b>Direct investment stocks abroad (%)</b>				
Percentage of GDP	2011	218.52	3	45.92
<b>Direct investment flows inward (\$bn)</b>				
US\$ billions	2012	17.53	16	22.23

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Economic Performance</b>				
<b>I.3 International Investment</b>				
<b>Investment</b>				
<b>Direct investment flows inward (%)</b>				
Percentage of GDP	2012	29.58	1	3.83
<b>Direct investment stocks inward (\$bn)</b>				
US\$ billions	2011	114.62	33	311.73
<b>Direct investment stocks inward (%)</b>				
Percentage of GDP	2011	193.43	4	57.79
<b>Balance of direct investment flows (\$bn)</b>				
US\$ billions (flows abroad minus flows inward)	2012	-5.79	41	1.00
<b>Balance of direct investment flows (%)</b>				
Percentage of GDP (flows abroad minus flows inward)	2012	-9.77	58	-1.57
<b>Net position in direct investment stocks (\$bn)</b>				
US\$ billions (stocks abroad minus stocks inward)	2011	14.86	19	29.45
<b>Net position in direct investment stocks (%)</b>				
Percentage of GDP (stocks abroad minus stocks inward)	2011	25.09	5	-11.87
<b>Relocation threats of production</b>				
Relocation of production is not a threat to the future of your economy	2013	3.51	50	4.60
<b>Relocation threats of R&amp;D facilities</b>				
Relocation of R&D facilities is not a threat to the future of your economy	2013	4.52	40	4.87
<b>Relocation threats of services</b>				
Relocation of services is not a threat to the future of your economy	2013	3.54	59	5.13
<b>Finance</b>				
<b>Portfolio investment assets (\$bn)</b>				
US\$ billions	2012	133.25	3	18.87
<b>Portfolio investment liabilities (\$bn)</b>				
US\$ billions	2012	370.95	2	27.48
<b>I.4 Employment</b>				
<b>Employment</b>				
Total employment in millions	2012	0.38	59	38.54
<b>Employment (%)</b>				
Percentage of population	2012	72.19	2	46.19
<b>Employment - growth</b>				
Estimates: percentage change	2012	2.43	17	0.98
<b>Employment by sector</b>				
Percentage of total employment	2012	-	-	-
<b>Employment in the public sector (%)</b>				
Percentage of total employment	2011	10.00	15	18.03
<b>Unemployment rate</b>				
Percentage of labor force	2012	5.10	17	8.13
<b>Long-term unemployment</b>				
Percentage of labor force	2012	1.60	18	3.66
<b>Youth unemployment</b>				
Percentage of youth labor force (under the age of 25)	2012	18.60	30	19.17
<b>I.5 Prices</b>				
<b>Consumer price inflation</b>				
Average annual rate	2012	2.89	31	3.45
<b>Cost-of-living index</b>				
Index of a basket of goods & services in major cities, including housing (New York City = 100)	2012	84.61	25	88.45
<b>Apartment rent</b>				
3-room apartment monthly rent in major cities, US\$	2012	1,839.04	43	1,537.06
<b>Office rent</b>				
Total occupation cost (US\$/Sq.M. per year)	2012	868.12	47	647.63



## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Government Efficiency</b>				
<b>2.1 Public Finance</b>				
<b>Government budget surplus/deficit (\$bn)</b>				
US\$ billions	2012	-0.46	16	-51.60
<b>Government budget surplus/deficit (%)</b>				
Percentage of GDP	2012	-0.81	15	-2.60
<b>Total general government debt (\$bn)</b>				
US\$ billions	2012	11.86	4	926.02
<b>Total general government debt (%)</b>				
Percentage of GDP	2012	20.78	8	59.08
<b>Total general government debt-real growth</b>				
Percentage change, based on national currency in constant prices	2012	14.97	55	6.78
<b>Central government domestic debt (%)</b>				
Percentage of GDP	2012	20.78	15	39.90
<b>Central government foreign debt (%)</b>				
Percentage of GDP	2012	4.51	21	12.03
<b>Interest payment (%)</b>				
Percentage of current revenue	2012	0.93	6	7.06
<b>Public finances</b>				
Public finances are being efficiently managed	2013	5.23	21	4.51
<b>Tax evasion</b>				
Tax evasion is a threat to your economy	2012	6.68	17	5.10
<b>Pension funding</b>				
Pension funding is adequately addressed for the future	2013	3.53	39	4.12
<b>General government expenditure (%)</b>				
Percentage of GDP	2012	42.95	42	36.02
<b>2.2 Fiscal Policy</b>				
<b>Collected total tax revenues (%)</b>				
Percentage of GDP	2011	37.30	50	27.15
<b>Collected personal income tax (%)</b>				
On profits, income and capital gains, as a percentage of GDP	2011	8.25	40	5.87
<b>Collected corporate taxes (%)</b>				
On profits, income and capital gains, as a percentage of GDP	2011	5.04	51	3.22
<b>Collected indirect tax revenues (%)</b>				
Taxes on goods and services as a percentage of GDP	2011	10.19	23	9.98
<b>Collected capital and property taxes (%)</b>				
Percentage of GDP	2011	2.63	48	1.84
<b>Collected social security contribution (%)</b>				
Compulsory contribution of employees and employers as a percentage of GDP	2011	11.09	37	7.59
<b>Effective personal income tax rate</b>				
Percentage of an income equal to GDP per capita	2012	25.83	49	17.80
<b>Corporate tax rate on profit</b>				
Maximum tax rate, calculated on profit before tax	2013	29.22	46	23.58
<b>Consumption tax rate</b>				
Standard rate of VAT/GST	2012	15.00	18	16.52
<b>Employee's social security contribution rate</b>				
Compulsory contribution as a percentage of an income equal to GDP per capita	2012	12.36	40	9.89
<b>Employer's social security contribution rate</b>				
Compulsory contribution as a percentage of an income equal to GDP per capita	2012	12.68	22	18.81
<b>Real personal taxes</b>				
Real personal taxes do not discourage people from working or seeking advancement	2013	6.22	15	5.09
<b>Real corporate taxes</b>				
Real corporate taxes do not discourage entrepreneurial activity	2013	6.18	21	5.32

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Government Efficiency</b>				
<b>2.3 Institutional Framework</b>				
<b>Central Bank</b>				
<b>Real short-term interest rate</b>				
Real discount / bank rate	2012	-1.35	15	0.16
<b>Cost of capital</b>				
Cost of capital encourages business development	2013	6.28	15	5.08
<b>Interest rate spread</b>				
Lending rate minus deposit rate	2012	1.42	9	4.05
<b>Country credit rating</b>				
Rating on a scale of 0-100 assessed by the Institutional Investor Magazine	2012	91.80	8	69.38
<b>Central bank policy</b>				
Central bank policy has a positive impact on the economy	2013	6.09	35	6.18
<b>Foreign currency reserves (\$bn)</b>				
US\$ billions	2012	3.05	56	179.69
<b>Exchange rate stability</b>				
Parity change from national currency to SDR, 2012 / 2010	2012	0.01	6	0.07
<b>State Efficiency</b>				
<b>Legal and regulatory framework</b>				
The legal and regulatory framework encourages the competitiveness of enterprises	2013	5.97	19	4.86
<b>Adaptability of government policy</b>				
Adaptability of government policy to changes in the economy is high	2013	5.24	22	4.44
<b>Government decisions</b>				
Government decisions are effectively implemented	2013	5.84	14	4.52
<b>Transparency</b>				
Transparency of government policy is satisfactory	2013	5.84	18	4.57
<b>Bureaucracy</b>				
Bureaucracy does not hinder business activity	2013	3.84	26	3.38
<b>Bribing and corruption</b>				
Bribing and corruption do not exist	2013	6.93	18	4.46
<b>2.4 Business Legislation</b>				
<b>Openness</b>				
<b>Tariff barriers</b>				
Tariffs on imports: Most favored nation simple average rate	2011	5.27	13	6.31
<b>Customs' authorities</b>				
Customs' authorities do facilitate the efficient transit of goods	2013	6.66	23	5.82
<b>Protectionism</b>				
Protectionism does not impair the conduct of your business	2013	6.77	18	6.01
<b>Public sector contracts</b>				
Public sector contracts are sufficiently open to foreign bidders	2013	6.23	27	6.07
<b>Foreign investors</b>				
Foreign investors are free to acquire control in domestic companies	2013	7.69	27	7.09
<b>Capital markets</b>				
Capital markets (foreign and domestic) are easily accessible	2013	7.16	25	6.31
<b>Investment incentives</b>				
Investment incentives are attractive to foreign investors	2013	6.48	22	5.77

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Government Efficiency</b>				
<b>2.4 Business Legislation</b>				
<b>Competition and Regulations</b>				
<b>Government subsidies (%)</b>				
To private and public companies as a percentage of GDP	2012	1.71	38	1.42
<b>Subsidies</b>				
Subsidies do not distort fair competition and economic development	2013	6.63	9	5.28
<b>State ownership of enterprises</b>				
State ownership of enterprises is not a threat to business activities	2013	6.45	28	5.87
<b>Competition legislation</b>				
Competition legislation is efficient in preventing unfair competition	2013	6.57	19	5.64
<b>Parallel economy</b>				
Parallel (black-market, unrecorded) economy does not impair economic development	2013	6.63	12	4.65
<b>Ease of doing business</b>				
Ease of doing business is supported by regulations	2013	6.13	15	4.89
<b>Creation of firms</b>				
Creation of firms is supported by legislation	2013	6.66	29	6.13
<b>Start-up days</b>				
Number of days to start a business	2012	19.00	41	18.17
<b>Start-up procedures</b>				
Number of procedures to start a business	2012	6.00	28	6.33
<b>Labor Regulations</b>				
<b>Labor regulations</b>				
Labor regulations (hiring/firing practices, minimum wages, etc.) do not hinder business activities	2013	4.31	45	5.07
<b>Unemployment legislation</b>				
Unemployment legislation provides an incentive to look for work	2013	4.13	41	4.78
<b>Immigration laws</b>				
Immigration laws do not prevent your company from employing foreign labor	2013	7.43	4	6.01
<b>Redundancy costs</b>				
Number of weeks of salary	2012	4.33	23	9.62
<b>2.5 Societal Framework</b>				
<b>Justice</b>				
Justice is fairly administered	2013	7.71	16	5.58
<b>Personal security and private property rights</b>				
Personal security and private property rights are adequately protected	2013	8.34	14	6.61
<b>Ageing of society</b>				
Ageing of society is not a burden for economic development	2013	4.22	33	4.60
<b>Risk of political instability</b>				
The risk of political instability is very low	2013	8.86	5	6.29
<b>Social cohesion</b>				
Social cohesion is improving	2013	4.84	31	4.60
<b>Gini index</b>				
Equal distribution of income scale: 0 (absolute equality) to 100 (absolute inequality)	2011	30.80	12	37.02
<b>Income distribution - lowest 10%</b>				
Percentage of household incomes going to lowest 10% of households	2010	3.50	-	-
<b>Income distribution - highest 10%</b>				
Percentage of household incomes going to highest 10% of households	2010	23.77	-	-
<b>Equal opportunity</b>				
Equal opportunity legislation in your economy encourages economic development	2013	6.15	27	6.02
<b>Females in parliament (%)</b>				
Percentage of total seats in Parliament	2012	25.00	21	23.01
<b>Women on boards (%)</b>				
Boardmembers of all companies analyzed by GMI	2012	-	-	11.08
<b>Gender inequality</b>				
Gender Inequality Index (UNDP)	2012	0.15	25	0.23

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Business Efficiency</b>				
<b>3.1 Productivity &amp; Efficiency</b>				
<b>Overall productivity (PPP)</b>				
Estimates: GDP (PPP) per person employed, US\$	2012	121,799.01	2	61,208.48
<b>Overall productivity</b>				
GDP per person employed, US\$	2012	150,610.25	2	60,609.20
<b>Overall productivity - real growth</b>				
Estimates: Percentage change of real GDP per person employed	2012	-2.07	54	1.04
<b>Labor productivity (PPP)</b>				
Estimates: GDP (PPP) per person employed per hour, US\$	2012	68.12	1	32.68
<b>Labor productivity (PPP) growth</b>				
Percentage change of GDP (PPP) per person employed per hour	2012	-1.91	43	1.02
<b>Agricultural productivity (PPP)</b>				
Estimates: Related GDP (PPP) per person employed in agriculture, US\$	2012	27,697.10	28	36,782.78
<b>Productivity in industry (PPP)</b>				
Estimates: Related GDP (PPP) per person employed in industry, US\$	2012	82,854.56	21	74,205.82
<b>Productivity in services (PPP)</b>				
Estimates: Related GDP (PPP) per person employed in services, US\$	2012	132,559.30	1	60,259.31
<b>Workforce productivity</b>				
is competitive by international standards	2013	6.09	23	5.73
<b>Large corporations</b>				
Large corporations are efficient by international standards	2013	6.47	37	6.54
<b>Small and medium-size enterprises</b>				
Small and medium-size enterprises are efficient by international standards	2013	6.77	16	5.82
<b>Productivity of companies</b>				
Productivity of companies is supported by global strategies (supplies, offshoring, outsourcing)	2013	5.56	35	5.75
<b>3.2 Labor Market</b>				
<b>Costs</b>				
<b>Compensation levels (\$)</b>				
Total hourly compensation in manufacturing (wages + supplementary benefits), US\$	2012	20.04	42	13.22
<b>Unit labor costs in the manufacturing sector (%)</b>				
Percentage change	2012	-11.74	2	-0.87
<b>Remuneration in services professions (\$)</b>				
Gross annual income including supplements such as bonuses, US\$	2012	-	55	-
<b>Remuneration of management (\$)</b>				
Total base salary plus bonuses and long-term incentives, US\$	2012	-	49	-
<b>Remuneration spread</b>				
Ratio of CEO to personal assistant remuneration	2012	9.09	8	16.97
<b>Relations</b>				
<b>Working hours</b>				
Average number of working hours per year	2012	1,788.11	46	1,919.07
<b>Labor relations</b>				
Labor relations are generally productive	2013	6.69	23	6.13
<b>Worker motivation</b>				
Worker motivation in companies is high	2013	6.13	27	5.83
<b>Industrial disputes</b>				
Working days lost per 1,000 inhabitants per year (average 2009-2011)	2011	0.00		16.98
<b>Apprenticeship</b>				
is sufficiently implemented	2013	5.44	11	4.69
<b>Employee training</b>				
Employee training is a high priority in companies	2013	6.43	15	5.75

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Business Efficiency</b>				
<b>3.2 Labor Market</b>				
<b>Availability of Skills</b>				
<b>Labor force</b>				
Employed and registered unemployed (millions)	2012	0.40	59	40.48
<b>Labor force (%)</b>				
Percentage of population	2012	75.43	1	49.69
<b>Labor force growth</b>				
Percentage change	2012	2.59	10	1.02
<b>Part-time employment (%)</b>				
Percentage of total employment	2011	16.01	22	14.20
<b>Female labor force (%)</b>				
Percentage of total labor force	2012	37.88	52	42.81
<b>Foreign labor force (%)</b>				
Percentage of total labor force	2011	67.20	3	12.42
<b>Skilled labor</b>				
Skilled labor is readily available	2013	5.48	36	5.66
<b>Finance skills</b>				
Finance skills are readily available	2013	7.08	24	6.50
<b>Attracting and retaining talents</b>				
Attracting and retaining talents is a priority in companies	2013	6.83	29	6.50
<b>Brain drain</b>				
Brain drain (well-educated and skilled people) does not hinder competitiveness in your economy	2013	5.63	20	4.86
<b>Foreign high-skilled people</b>				
Foreign high-skilled people are attracted to your country's business environment	2013	7.05	10	5.31
<b>International experience</b>				
International experience of senior managers is generally significant	2013	7.31	5	5.50
<b>Competent senior managers</b>				
Competent senior managers are readily available	2013	5.66	31	5.52
<b>3.3 Finance</b>				
<b>Bank Efficiency</b>				
<b>Banking sector assets (%)</b>				
Percentage of GDP	2012	1,113.49	1	151.85
<b>Financial cards in circulation</b>				
Number of cards per capita	2012	-		2.49
<b>Financial card transactions</b>				
US\$ per capita	2012	-		8,176.16
<b>Investment risk</b>				
Euromoney country risk overall (scale from 0-100)	2012	87.60	3	64.24
<b>Banking and financial services</b>				
Banking and financial services do support business activities efficiently	2013	6.40	24	5.78
<b>Finance and banking regulation</b>				
Finance and banking regulation is sufficiently adequate	2013	7.02	15	6.05
<b>Financial risk factor</b>				
The risk factor in the financial system (new financial instruments, non-performing loans, transparency) is adequately addressed	2013	6.67	20	5.76

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Business Efficiency</b>				
<b>3.3 Finance</b>				
<b>Stock Market Efficiency</b>				
<b>Stock markets</b>				
Stock markets provide adequate financing to companies	2013	5.53	27	5.16
<b>Stock market capitalization (\$bn)</b>				
US\$ billions	2011	67.63	41	734.69
<b>Stock market capitalization (%)</b>				
Percentage of GDP	2011	114.13	7	58.17
<b>Value traded on stock markets</b>				
US\$ per capita	2011	240.23	48	18,906.07
<b>Listed domestic companies</b>				
Number of listed domestic companies	2011	31.00	56	700.80
<b>Stock market index (%)</b>				
Percentage change on index in national currency	2012	9.95	36	18.17
<b>Shareholders' rights</b>				
Shareholders' rights are sufficiently implemented	2013	7.29	15	6.52
<b>Initial Public Offerings</b>				
By acquiror nation (average 2010-2012), US\$ billions	2012	2,114.93	9	2,201.72
<b>Finance Management</b>				
<b>Credit</b>				
Credit is easily available for business	2013	5.75	32	5.44
<b>Venture capital</b>				
Venture capital is easily available for business	2013	4.94	26	4.52
<b>M&amp;A Activity</b>				
By acquiror nation (average 2010-2012), US\$ billions	2012	13,591.17	23	33,894.51
<b>Corporate debt</b>				
Corporate debt does not restrain the ability of enterprises to compete	2013	6.03	25	5.44

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Business Efficiency</b>				
<b>3.4 Management Practices</b>				
<b>Adaptability of companies</b>				
Adaptability of companies to market changes is high	2013	5.72	40	6.08
<b>Ethical practices</b>				
Ethical practices are implemented in companies	2013	7.23	19	6.18
<b>Credibility of managers</b>				
Credibility of managers in society is strong	2013	7.09	12	5.91
<b>Corporate boards</b>				
Corporate boards do supervise the management of companies effectively	2013	6.48	16	5.85
<b>Auditing and accounting practices</b>				
Auditing and accounting practices are adequately implemented in business	2013	8.19	8	7.15
<b>Customer satisfaction</b>				
Customer satisfaction is emphasized in companies	2013	6.92	39	7.03
<b>Entrepreneurship</b>				
Entrepreneurship of managers is widespread in business	2013	6.40	17	5.97
<b>Social responsibility</b>				
Social responsibility of business leaders is high	2013	6.46	14	5.62
<b>Health, safety &amp; environmental concerns</b>				
Health, safety & environmental concerns are adequately addressed by management	2013	7.32	16	6.28
<b>3.5 Attitudes and Values</b>				
<b>Attitudes toward globalization</b>				
Attitudes toward globalization are generally positive in your society	2013	5.63	43	6.07
<b>Image abroad or branding</b>				
The image abroad of your country encourages business development	2013	6.75	26	6.09
<b>National culture</b>				
The national culture is open to foreign ideas	2013	7.06	28	6.84
<b>Flexibility and adaptability</b>				
Flexibility and adaptability of people are high when faced with new challenges	2013	6.28	39	6.55
<b>Need for economic and social reforms</b>				
The need for economic and social reforms is generally well understood	2013	5.06	44	5.65
<b>Value system</b>				
The value system in your society supports competitiveness	2013	6.43	19	5.83
<b>Corporate values</b>				
Corporate values take into account the values of employees	2013	6.84	15	6.18

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Infrastructure</b>				
<b>4.1 Basic Infrastructure</b>				
<b>Land area</b>				
Square kilometers ('000)	2012	2.59	58	1,485.20
<b>Arable area</b>				
Square meters per capita	2011	1,238.28	40	3,241.39
<b>Water resources</b>				
Total internal renewable per capita in cubic meters	2011	1,938.00	43	20,443.91
<b>Access to water</b>				
Access to water is adequately ensured and managed	2013	9.19	15	7.91
<b>Access to commodities</b>				
Access to commodities (basic resources, food, etc.) is adequately addressed	2013	9.32	11	8.08
<b>Management of cities</b>				
Management of cities supports business development	2013	7.82	11	6.40
<b>Population - market size</b>				
Estimates in millions	2012	0.53	59	82.74
<b>Population under 15 years (%)</b>				
Percentage of total population	2012	17.50	-	-
<b>Population over 65 years (%)</b>				
Percentage of total population	2012	14.03	-	-
<b>Dependency ratio</b>				
Population under 15 and over 64 years old, divided by active population (15 to 64 years)	2012	46.05	17	48.02
<b>Roads</b>				
Density of the network, km roads/square km land area	2011	1.11	22	1.05
<b>Railroads</b>				
Density of the network, km per square km	2011	0.11	5	0.04
<b>Air transportation</b>				
Number of passengers carried by main companies, thousands	2011	756.51	57	43,112.24
<b>Quality of air transportation</b>				
Quality of air transportation encourages business development	2013	7.20	35	7.07
<b>Distribution infrastructure</b>				
The distribution infrastructure of goods and services is generally efficient	2013	8.31	16	7.18
<b>Water transportation</b>				
Water transportation (harbors, canals, etc.) meets business requirements	2013	6.97	31	6.57
<b>Maintenance and development</b>				
Maintenance and development of infrastructure are adequately planned and financed	2013	7.63	10	5.68
<b>Energy infrastructure</b>				
Energy infrastructure is adequate and efficient	2013	8.22	13	6.32
<b>Future energy supply</b>				
Future energy supply is adequately ensured	2013	7.52	15	5.84
<b>Total indigenous energy production</b>				
Millions MTOE	2010	0.13	59	165.15
<b>Total indigenous energy production (%)</b>				
Percentage of total requirements in tons of oil equivalent	2010	3.07	58	99.43
<b>Total final energy consumption</b>				
Millions MTOE	2010	3.89	3	119.21
<b>Total final energy consumption per capita</b>				
MTOE per capita	2010	7.75	59	2.57
<b>Electricity costs for industrial clients</b>				
US\$ per kwh	2012	0.12	28	0.11
<b>Gasoline prices</b>				
Premium unleaded gasoline (95 Ron) US\$ per litre	2012	1.78	30	1.60



## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Infrastructure</b>				
<b>4.2 Technological Infrastructure</b>				
<b>Investment in telecommunications (%)</b>				
Percentage of GDP	2011	0.23	52	0.55
<b>Fixed telephone lines</b>				
Number of main lines per 1000 inhabitants	2011	541.01	8	338.47
<b>Fixed telephone tariffs</b>				
US\$ per 3 minutes local call (peak)	2011	0.13	27	0.14
<b>Mobile telephone subscribers</b>				
Number of subscribers per 1000 inhabitants	2011	1,482.68	10	1,208.24
<b>Mobile telephone costs</b>				
Prepaid Mobile cellular tariffs – US\$ per minute local call, off-net (peak)	2011	0.24	32	0.32
<b>Communications technology</b>				
Communications technology (voice and data) meets business requirements	2013	8.71	16	7.72
<b>Connectivity</b>				
Connectivity of people and firms (telecom, IT, etc.) is highly extensive	2013	8.98	10	7.83
<b>Computers in use</b>				
Worldwide share/ Source: Computer Industry Almanac	2012	0.02	59	1.44
<b>Computers per capita</b>				
Number of computers per 1000 people/ Source: Computer Industry Almanac	2012	784.31	24	578.02
<b>Internet users</b>				
Number of internet users per 1000 people/ Source: Computer Industry Almanac	2012	872.55	5	661.37
<b>Fixed broadband tariffs</b>				
Monthly fee (residential), US\$	2011	40.33	52	26.61
<b>Broadband subscribers</b>				
Number of subscribers per 1000 inhabitants	2011	331.55	9	198.23
<b>Internet bandwidth speed</b>				
Per internet user (kbps)	2011	89.56	15	81.39
<b>Information technology skills</b>				
Information technology skills are readily available	2013	8.03	23	7.53
<b>Qualified engineers</b>				
Qualified engineers are available in your labor market	2013	7.02	25	6.70
<b>Technological cooperation</b>				
Technological cooperation between companies is developed	2013	6.35	18	5.60
<b>Public and private sector ventures</b>				
Public and private sector ventures are supporting technological development	2013	6.21	20	5.79
<b>Development and application of technology</b>				
Development and application of technology are supported by the legal environment	2013	7.34	14	6.25
<b>Funding for technological development</b>				
Funding for technological development is readily available	2013	6.82	13	5.46
<b>Technological regulation</b>				
Technological regulation supports business development and innovation	2013	7.45	6	6.09
<b>High-tech exports (\$)</b>				
US\$ millions	2011	1,234.45	46	33,167.79
<b>High-tech exports (%)</b>				
Percentage of manufactured exports	2011	9.68	34	14.15
<b>Cyber security</b>				
Cyber security is being adequately addressed by corporations	2013	7.47	4	5.88

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Infrastructure</b>				
<b>4.3 Scientific Infrastructure</b>				
<b>Total expenditure on R&amp;D (\$)</b>				
US\$ millions	2011	844.92	45	22,633.75
<b>Total expenditure on R&amp;D (%)</b>				
Percentage of GDP	2011	1.43	28	1.55
<b>Total expenditure on R&amp;D per capita (\$)</b>				
US\$ per capita	2011	1,650.24	5	569.20
<b>Business expenditure on R&amp;D (\$)</b>				
US\$ millions	2011	578.57	39	15,803.61
<b>Business expenditure on R&amp;D (%)</b>				
Percentage of GDP	2011	0.98	24	0.97
<b>Total R&amp;D personnel nationwide</b>				
Full-time work equivalent (FTE thousands)	2011	4.99	51	172.98
<b>Total R&amp;D personnel nationwide per capita</b>				
Full-time work equivalent (FTE) per 1000 people	2011	9.74	4	4.58
<b>Total R&amp;D personnel in business enterprise</b>				
Full-time work equivalent (FTE thousands)	2011	3.39	44	103.47
<b>Total R&amp;D personnel in business per capita</b>				
Full-time work equivalent (FTE) per 1000 people	2011	6.62	4	2.57
<b>Science degrees</b>				
Percentage of total first university degrees in science and engineering	2008	38.80	14	34.56
<b>Scientific articles</b>				
Scientific articles published by origin of author	2009	136.80	57	13,273.87
<b>Nobel prizes</b>				
Awarded in physics, chemistry, physiology or medicine and economics since 1950	2012	0.00	27	8.03
<b>Nobel prizes per capita</b>				
Awarded in physics, chemistry, physiology or medicine and economics since 1950 per million people	2012	0.00	27	0.17
<b>Patent applications</b>				
Number of applications filed by applicant's origin	2011	2,281.00	29	36,302.75
<b>Patent applications per capita</b>				
Number of applications filed by applicant's origin, per 100,000 inhabitants	2011	445.51	2	73.86
<b>Patent grants</b>				
Number of patents granted by applicant's origin (average 2009-2011)	2011	920.50	30	16,284.29
<b>Number of patents in force</b>				
by applicant's origin, per 100,000 inhabitants	2011	588.09	4	165.21
<b>Scientific research</b>				
Scientific research (public and private) is high by international standards	2013	6.72	16	5.17
<b>Researchers and scientists</b>				
Researchers and scientists are attracted to your country	2013	6.00	15	4.63
<b>Scientific research legislation</b>				
Laws relating to scientific research do encourage innovation	2013	7.03	11	5.27
<b>Intellectual property rights</b>				
Intellectual property rights are adequately enforced	2013	8.19	8	6.20
<b>Knowledge transfer</b>				
Knowledge transfer is highly developed between companies and universities	2013	6.37	18	5.00
<b>Innovative capacity</b>				
Innovative capacity of firms (to generate new products, processes and/or services) is high in your economy	2013	6.43	20	5.58

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Infrastructure</b>				
<b>4.4 Health and Environment</b>				
<b>Total health expenditure (%)</b>				
Percentage of GDP	2010	7.80	31	7.89
<b>Total health expenditure per capita</b>				
US\$ per capita	2010	8,212.14	2	2,416.43
<b>Public expenditure on health (%)</b>				
Percentage of total health expenditure	2010	84.40	3	66.03
<b>Health infrastructure</b>				
Health infrastructure meets the needs of society	2013	8.15	9	5.79
<b>Life expectancy at birth</b>				
Average estimate	2012	80.10	21	76.91
<b>Healthy life expectancy</b>				
Average estimate	2011	73.30	11	68.68
<b>Infant mortality</b>				
Under five mortality rate per 1000 live births	2011	3.20	8	9.85
<b>Medical assistance</b>				
Number of inhabitants per physician and per nurse	2012	-	19	-
<b>Urban population (%)</b>				
Percentage of total population	2012	85.44	-	-
<b>Human development index</b>				
Combines economic - social - educational indicators/ Source: Human Development Report	2012	0.88	25	0.83
<b>Health problems</b>				
Health problems (sicknesses, AIDS, alcohol, drug abuse, etc.) do not have a significant impact on companies	2013	7.34	24	6.64
<b>Energy intensity</b>				
Commercial energy consumed for each dollar of GDP in kilojoules	2009	3,376.73	13	7,716.64
<b>Paper and cardboard recycling rate</b>				
Percentage of apparent consumption	2012	76.50	12	63.40
<b>Waste water treatment plants</b>				
Percentage of population served	2011	95.61	7	78.29
<b>Water consumption intensity</b>				
Water withdrawal for each 1000 US\$ of GDP in cubic meters	2009	-		70.54
<b>CO2 emissions</b>				
Metric tons of carbon dioxide	2010	10.61	3	437.44
<b>CO2 emissions intensity</b>				
CO2 industrial emissions in metric tons per one million US\$ of GDP	2010	200.83	13	450.90
<b>Renewable energies (%)</b>				
Share of renewables in total energy requirements, %	2010	2.93	50	13.97
<b>Green technology solutions</b>				
Renewable technologies (solar energy, wind turbines, etc.) are quickly turned into competitive advantages	2013	5.78	17	4.76
<b>Total biocapacity</b>				
Global hectares per capita of biologically productive space	2008	-		3.52
<b>Ecological footprint</b>				
Global hectares per person	2008	5.60		4.41
<b>Ecological balance (reserve/deficit)</b>				
Total biocapacity minus total footprint in global hectares per capita	2008	-		-0.89
<b>Sustainable development</b>				
Sustainable development is a priority in companies	2013	6.19	25	5.84
<b>Pollution problems</b>				
Pollution problems do not seriously affect your economy	2013	7.34	14	6.15
<b>Environmental laws</b>				
Environmental laws and compliance do not hinder the competitiveness of businesses	2013	6.22	24	6.04
<b>Quality of life</b>				
Quality of life is high	2013	8.91	9	6.52

## LUXEMBOURG

	Year	Value	Rank	Average Value
<b>Infrastructure</b>				
<b>4.5 Education</b>				
<b>Total public expenditure on education (%)</b>				
Percentage of GDP	2011	4.25	36	4.93
<b>Total public expenditure on education per capita</b>				
US\$ per capita	2011	4,914.61	2	1,519.33
<b>Pupil-teacher ratio (primary education)</b>				
Ratio of students to teaching staff	2010	10.10	5	16.14
<b>Pupil-teacher ratio (secondary education)</b>				
Ratio of students to teaching staff	2010	9.10	6	13.79
<b>Secondary school enrollment (%)</b>				
Percentage of relevant age group receiving full-time education	2010	87.00	33	86.54
<b>Higher education achievement (%)</b>				
Percentage of population that has attained at least tertiary education for persons 25-34	2010	44.00	11	35.60
<b>Student mobility inbound</b>				
Foreign tertiary-level students per 1000 inhabitants	2010	2.73	18	2.30
<b>Student mobility outbound</b>				
National tertiary-level students studying abroad per 1000 inhabitants	2010	13.94	1	1.68
<b>Educational assessment - PISA</b>				
PISA survey of 15-year olds	2009	-	31	-
<b>English proficiency - TOEFL</b>				
TOEFL scores	2011	95.00	10	87.98
<b>Educational system</b>				
The educational system meets the needs of a competitive economy	2013	6.03	25	5.34
<b>Science in schools</b>				
Science in schools is sufficiently emphasized	2013	5.28	25	4.97
<b>University education</b>				
University education meets the needs of a competitive economy	2013	6.09	24	5.66
<b>Management education</b>				
Management education meets the needs of the business community	2013	5.72	33	5.78
<b>Illiteracy (%)</b>				
Adult (over 15 years) illiteracy rate as a percentage of population	2010	1.00	1	3.33
<b>Language skills</b>				
Language skills are meeting the needs of enterprises	2013	8.55	2	5.93