

Up or down

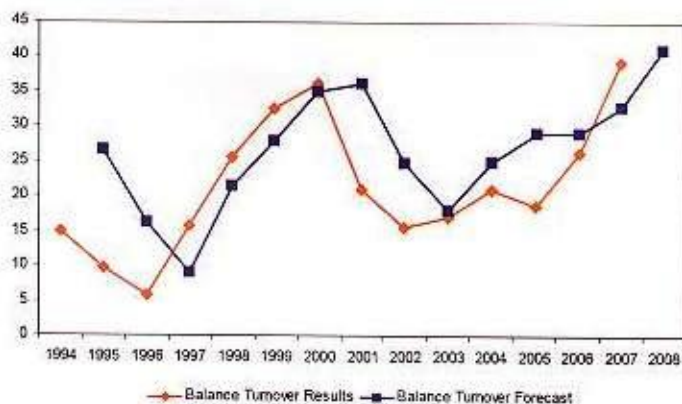
By Stephen Evans

Although the results of the 2007 survey of Luxembourg businesses "Eurochambers" appears to suggest optimism about growth, employment and investment next year, the Chamber of Commerce warns that much will depend on the state of the US economy in the coming months. The composite indicator of the business climate gives a more mixed picture, with the average expectation of slightly worse conditions in 2008. The financial sector is most exposed to any financial market downturn and the memories of 2001-2003 are still fresh. Still, optimism for turnover, employment and investment was highest in the service sector, which of course is dominated by the financial industry.

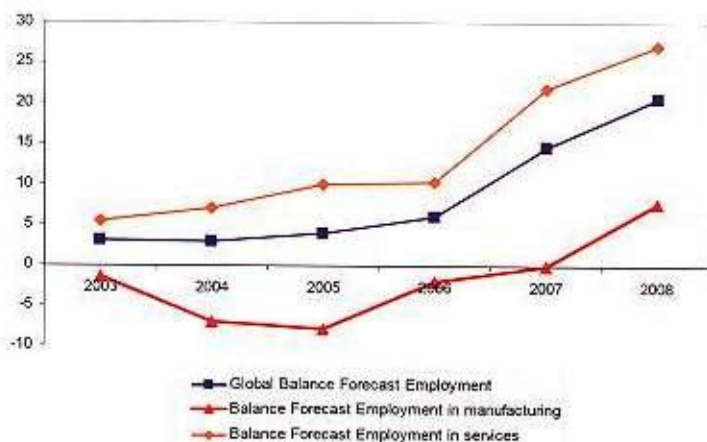
The survey also looked at issue such as the use of e-commerce to make sales. The share of businesses who use the web to sell has risen 1.5 points over 2007 to 18.3%, or 22.8% for services. Exporting businesses are even more reliant on the web, with 26.5% of these achieving turnover from online sales.

The survey was conducted in mid-October and includes the opinions of 1,000 businesses with ten staff or more, with around a third representing manufacturing and the rest private sector services. All services represent 85% of the economy, but this figure includes the public sector.

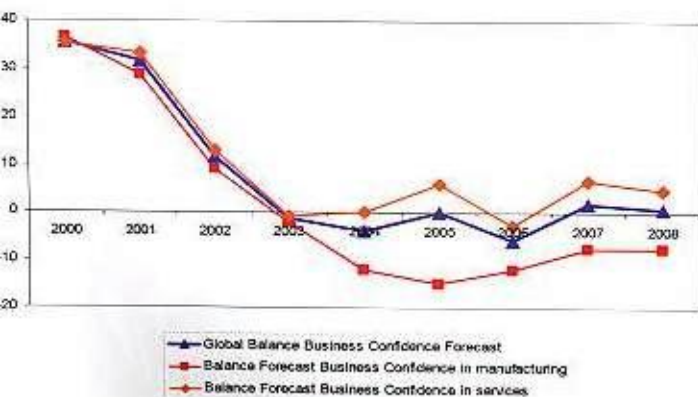
For the full data see www.ec.lu



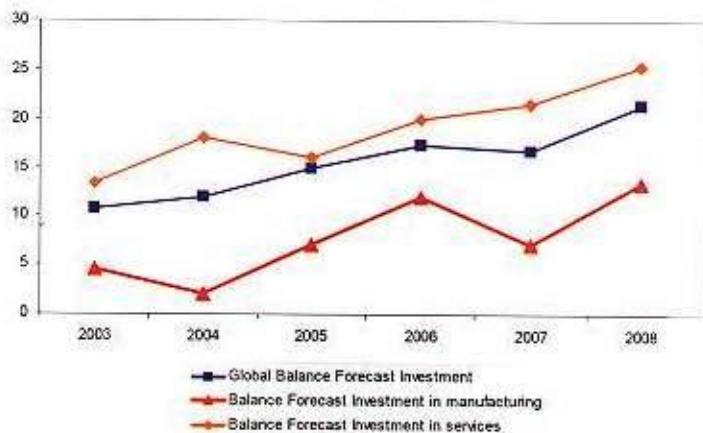
Turnover: predictions and outcomes



Predicted employment growth: manufacturing vs services



Business climate predictions



Predicted investment growth: manufacturing vs services