CHAMBRE DE COMMERCE LUXEMBOURG

THE LUXEMBOURG CHAMBER OF COMMERCE
### CHAMBER OF COMMERCE: KEY FACTS & FIGURES

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1841</td>
<td>Establishment of the Chamber of Commerce</td>
</tr>
<tr>
<td>&gt; 60,000</td>
<td>Affiliated member companies</td>
</tr>
<tr>
<td>75%</td>
<td>Employment covered by member companies</td>
</tr>
<tr>
<td>&gt; 80%</td>
<td>GDP represented by member companies</td>
</tr>
</tbody>
</table>
• Promoting entrepreneurship and the creation and development of businesses
• Involvement in the legislative process via position papers and opinions
• Promoting foreign economic and commercial relations
• Fostering a system of education and training that meets the needs of businesses
• Informing the public and stimulating debate as partner and independent mouthpiece of the market economy (think tank & policy proposals)
• Providing services to businesses and the general public
## THE COUNTRY

### IN THE HEART OF EUROPE

<table>
<thead>
<tr>
<th>AREA</th>
<th>POPULATION</th>
<th>MAIN LANGUAGES</th>
<th>POLITICAL SYSTEM</th>
<th>EUROPEAN CAPITAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,586 sq km</td>
<td>537,000 of which 44.5% are foreigners</td>
<td>Luxembourgish (national)</td>
<td>Constitutional Monarchy</td>
<td>European Investment Bank</td>
</tr>
<tr>
<td></td>
<td>170 nationalities</td>
<td>German (official)</td>
<td>Parliamentary Democracy</td>
<td>European Court of Justice</td>
</tr>
<tr>
<td></td>
<td>930 Russians</td>
<td>French (official)</td>
<td></td>
<td>European Court of Auditors</td>
</tr>
<tr>
<td></td>
<td></td>
<td>English (largely spoken)</td>
<td></td>
<td>...</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Portuguese (largest immigrant community)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
THE COUNTRY SNAPSHOT

HIGH STANDARD OF LIVING

- Strategic location in the heart of Europe
- Safe and open country (ranked no 1 in the 2011 Mercer survey of the safest cities in the world)
- 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
THE COUNTRY SNAPSHOT

THE GREATER REGION: A MODEL REGION IN THE EUROPEAN UNION

- Grand Duchy of Luxembourg, Wallonia, Lorraine, Rhineland-Palatinate, Saarland
- Largest cross-border labour market in Europe
- Area: 65,400 km²
- Population: 11.3 million
- Part of Euro zone GDP: 3%
- Over 375,000 companies
- Cross-border consumption B2C: EUR 3 billion
- 15 universities with 250,000 students
AGENDA

CHAMBER OF COMMERCE OF THE GRAND DUCHY OF LUXEMBOURG

- THE COUNTRY
- THE ECONOMY
- KEY SECTORS
### THE ECONOMY

**AN OPEN AND INTERNATIONAL BUSINESS ENVIRONMENT**

<table>
<thead>
<tr>
<th>NATIONAL PRODUCTION</th>
<th>SERVICES-BASED ECONOMY</th>
<th>CURRENT ACCOUNT</th>
<th>WORKFORCE</th>
<th>UNIVERSITIES AND SCHOOLS</th>
</tr>
</thead>
<tbody>
<tr>
<td><em>80% of the national production (goods and services) is exported</em></td>
<td><em>80% of all exports are services</em></td>
<td><em>High structural surplus</em></td>
<td><em>71% of total workforce are non nationals</em></td>
<td><em>20 of the best European universities and polytechnic schools within a 200 km radius</em></td>
</tr>
</tbody>
</table>

- 80% of the national production (goods and services) is exported.
- 60% of EU GDP is reached in less than a travel day.
- 80% of all exports are services.
- High structural surplus.
- 5.8% of GDP in 2012, Mostly due to the financial services sector.
- 71% of total workforce are non nationals.
- 44% of total workforce are cross-border workers from Belgium, France and Germany.
- 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
LUXEMBOURG, YOUR RELIABLE PARTNER

DOUBLE TAX TREATIES: A GLOBAL NETWORK

[Map showing countries with double tax treaties in force and pending.]
# A COMPETITIVE ECONOMY

<table>
<thead>
<tr>
<th>International competitive indicators</th>
<th>Source</th>
<th>Ranking Luxembourg</th>
<th>Analysed Locations/countries</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Competitiveness Index</td>
<td>IMD Lausanne 2013</td>
<td>13</td>
<td>60</td>
</tr>
<tr>
<td>Global Competitiveness Index (GCI)</td>
<td>World Economic Forum 2013</td>
<td>22</td>
<td>148</td>
</tr>
<tr>
<td>Index of Economic Freedom</td>
<td>Heritage Foundation &amp; Wall Street Journal 2014</td>
<td>16</td>
<td>178</td>
</tr>
</tbody>
</table>
AGENDA

CHAMBER OF COMMERCE OF THE GRAND DUCHY OF LUXEMBOURG

- THE COUNTRY
- THE ECONOMY
- KEY SECTORS
A DIVERSIFIED AND ATTRACTIVE ECONOMY

### KEY SECTORS

#### INDUSTRY
- AUTOMOTIVE
- ICT, MEDIA E-COMMERCE

#### LOGISTICS
- cargolux
- KUEHNE + NAGEL
- PANALPINA

#### FINANCE AND OTHER SERVICES
- BGL
- BNP PARIBAS
- Deutsche Bank
- KPMG
- PwC

#### EUROPEAN INSTITUTIONS
- Eurostat
- European Investment Bank
- European Commission

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**Additional Images:**
- Arexion
- LIX
- Deutsche Bank
- Eurostat
- European Investment Bank
- European Commission

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• At a glance:
  – 150 banks from 26 countries (among which 2 Russian Banks: East West United and Gazprombank)
  – Europe’s n°1 investment fund centre (value of the assets: 2.600 BN EUR)
  – World’s n°2 investment fund centre
  – The euro zone's n°1 wealth management centre
  – Europe’s n°1 domicile for captive reinsurance companies

• Key success factors:
  – Offers an environment of trust and confidence to international investors
  – Excellent know-how in cross-border and international finance
  – Promotes R&D in finance
KEY SECTORS

INDUSTRY

STEEL INDUSTRY AND STEEL TRANSFORMATION INDUSTRY
KEY SECTORS

INDUSTRY

ELECTRIC AND ELECTRONIC INDUSTRY

DELPHI

IEE
KEY SECTORS

INDUSTRY

CONSTRUCTION
Key location for suppliers to the automotive industry
- Assembly lines supplied from Luxembourg on a same day basis
- Increasing number of products, technologies and services
- R&D and innovation
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
LOGISTICS

- At the heart of an excellent communication network
- 5th largest air cargo hub in Europe
- Simplified administrative tasks and paperless procedures
- Developing green and added-value logistics activities (Luxembourg Freeport)
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

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
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
LUXEMBOURG, YOUR RELIABLE HUB FOR DOING BUSINESS WORLDWIDE

KEY SUCCESS FACTORS

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

THANK YOU!

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