



**TEN GOOD
REASONS**

**TO CHOOSE
LUXEMBOURG**

 **LUXEMBOURG**
 **TRADE & INVEST**

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WELCOME TO LUXEMBOURG

WHERE ROADS CROSS, IDEAS MULTIPLY AND INNOVATION ABOUNDS.

Are you looking for a great place to launch or scale up your business?
Then Luxembourg is the smart choice.

HERE ARE TEN GOOD REASONS WHY



1. YOUR GATEWAY TO EUROPE

With its strategic, central location as well as its close cultural and business links to the main EU markets, Luxembourg is an ideal base for doing business in Europe and beyond. Being located in Luxembourg is often useful for reaching markets with different cultures and business approaches from just one single location.

A founding member of the EU and member of the Eurozone, Luxembourg is strongly committed to an open EU without borders. The national economy is highly export-oriented. As a leading financial centre specialised

in global and European cross-border activities, the country has a well-developed legal and regulatory framework for international trade. It is also quick to implement EU legislation.

With its diverse population, relatively small size and closeness to technological hotspots in Europe, Luxembourg is an excellent testbed for the development and commercialisation of new products and services. It is also a good place for doing product localisation for different EU markets.



4th

**most globalised
economy in the world.**

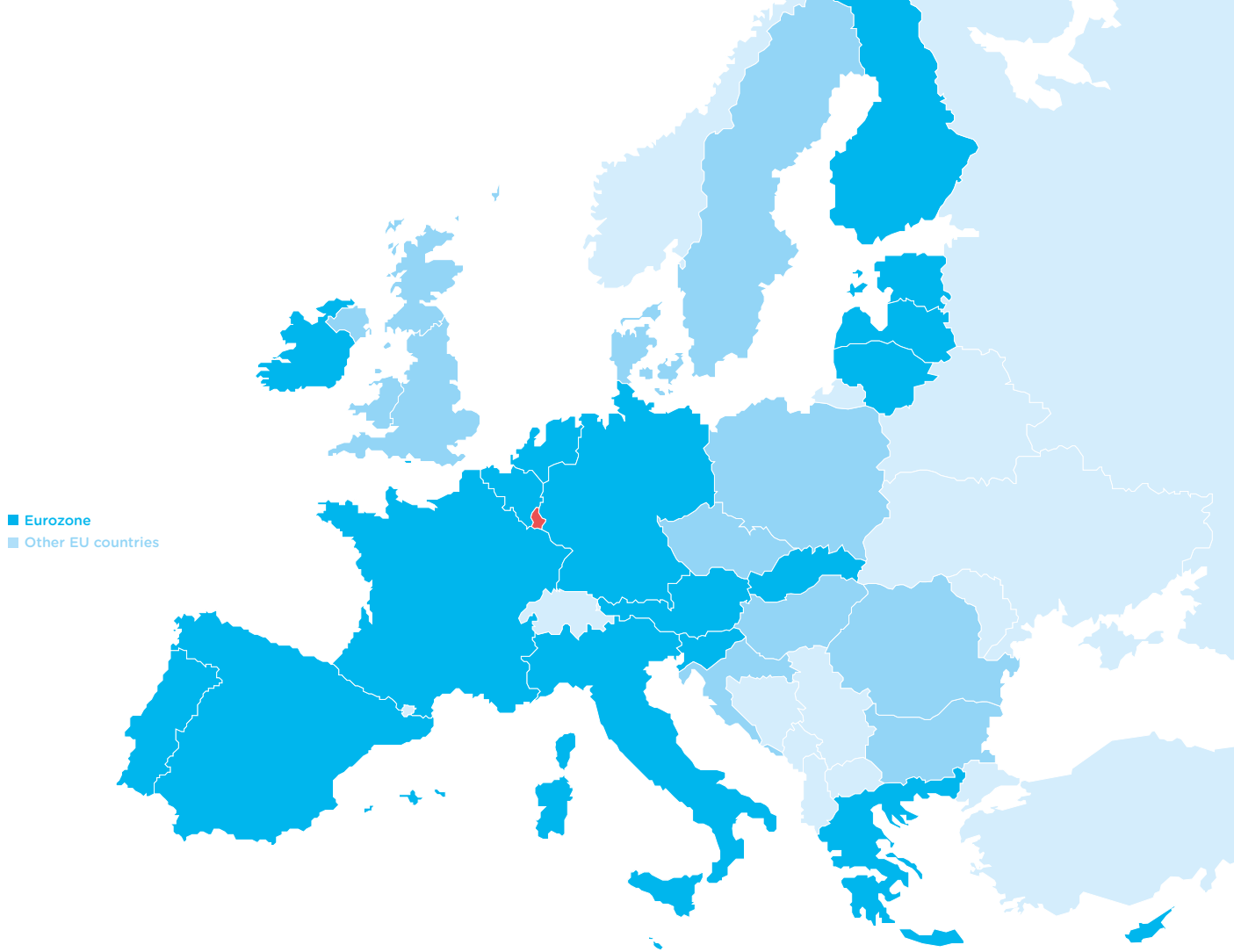
Ranking based on cross-border trade, investment and revenue flows in relation to GDP and the impact of restrictions on trade and capital transactions.

2019 KOF Globalisation Index

1.5

**innovation leaders
in the EU.**

2020 European Innovation Scoreboard



Trading from Luxembourg gives you easy access to:

- 1 market consisting of the 27 EU member states
- 445 million consumers
- 19 countries in the Eurozone using the same currency (euro)
- Free mobility of capital, products, services and labour

Distance from Luxembourg City to:

- Paris: 380 km
- Frankfurt: 250 km
- Brussels: 200 km

2. BUSINESS FRIENDLY

It is easy to do business in Luxembourg. International companies are attracted by the country's attractive legal framework and business-friendly policies. Public authorities and administrations are easy to access, and the open-mindedness and forward thinking of politicians benefits companies looking to start in or relocate activities to Luxembourg. Many international groups have set up their global or European headquarters, R&D centres and other operations here.

#1

**Open for business
in the world**

2019 US News & World Report

#1

**Start-up environment
in the world**

2019 Cisco Digital Readiness Index





Easy business creation process

- Vibrant start-up ecosystem with numerous support measures for start-ups from incubation to success and acceleration
- Easy access to professional support and advice from the House of Entrepreneurship: a one-stop shop for entrepreneurs and established companies
- English can be used for all incorporation-related documents (with a French/German translation)

Premises

- The national incubator Technoport offers 16,000 m² of facilities – office space, co-working space and industrial workshops – to start-ups and international companies looking for their first premises in Luxembourg
- A large number of private and public-private co-working spaces, incubators and accelerators
- Land and office space are available

Business-oriented regulations

- Easy access to government officials
- Streamlined and transparent administrative procedures
- Attractive corporate tax rate
- Extensive network of double tax treaties
- Favourable indirect labour costs
- Advantageous import and export regulations

3. STABLE AND RELIABLE

Political, economic and social stability are increasingly important considerations. International companies are attracted to Luxembourg by the country's sound macroeconomic foundations, stable political environment, strong long-term growth prospects and sustained employment creation.

PERFORMANCE

- Consistent growth above the EU average (2.6% in 2019)
- Low inflation (1.7% in February 2020)
- Highest GDP per capita in the world

Statista, 2019

STABILITY

- AAA-rated country: sound macroeconomic fundamentals
- 3rd lowest government debt ratio in the EU (21.3% of GDP in 2019)
- 7th most resilient economy in the world
2020 FM Global Resilience Index
- Long-term policies: only 8 prime ministers since 1945



COMPETITIVENESS

2nd

**highest labour productivity
in the world**

2019 The Conference Board Productivity Brief

- 15th most competitive economy
in the world

2020 IMD World Competitiveness Ranking

OPEN SOCIETY

- Parliamentary democracy
- Constitutional monarchy
- Low bureaucratic hurdles



4. ATTRACTIVE WORK ENVIRONMENT



1st

in the world for highly skilled employment

STATEC, 2018

1st

for economic and job security in the world

Expatriate Insider, 2019

With a dynamic labour market that offers a myriad of exciting job opportunities and highly competitive salaries, Luxembourg is one of the most attractive places to work in Europe. It is an ideal location to build an international career.

The Luxembourg labour market is very diverse and presents attractive conditions. It is in particular characterised by the predominance of the tertiary sector and an unemployment rate below the European average. Nearly 90% of current jobs are covered by permanent contracts.

In order to attract highly skilled employees with specific knowledge from abroad, employers sometimes help to cover costs related to their move to Luxembourg such as removal and housing costs or school fees. Under certain conditions and for a limited period, highly qualified employees can benefit from a tax exoneration on such benefits linked to their expatriation.

5. SKILLED AND TALENTED MULTILINGUAL WORK FORCE

Renowned for its highly skilled workforce, Luxembourg attracts the best talent from countries around the world. The outstanding language skills of the multicultural population means that companies can easily find staff that can communicate with international clients in their own language.

The cosmopolitan environment helps expatriates settle quickly in Luxembourg. In order to make it easy for employers to recruit top-level skills from all over the world, simplified work permit procedures for qualified personnel from outside the EU have been put in place.

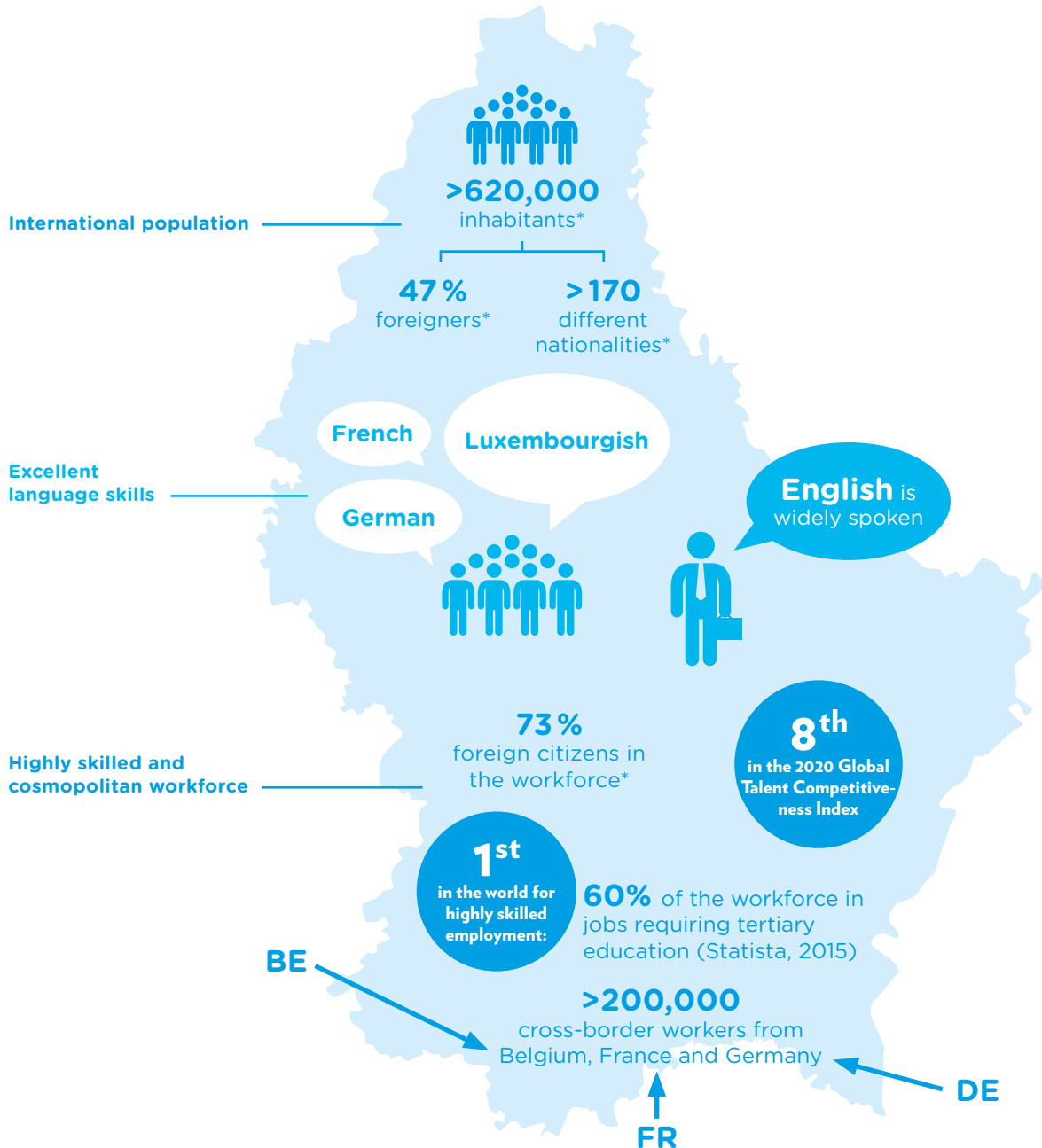
#1

**in the EU for average number
of languages spoken by the
population country (3.6 languages)**

Eurobarometer



© Luxemburger Wort / Alice Enders



*Statoc, January 2020

6. OUTSTANDING DIGITAL INFRASTRUCTURE

Recognised as a digital forerunner for decades, Luxembourg is determined to become one of the most advanced data economies in the world. It has a top-notch digital infrastructure and world-class skills in fields such as cybersecurity, big data storage and processing and high performance computing. The country is a trusted data hub where any type of business basing its activities on digitalisation can thrive.

Top-level infrastructure

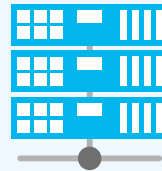
Luxembourg has today an excellent infrastructure for data storage and handling. The country offers exceptional connectivity secured by very fast, ultra-low-latency connections and a nation-wide coverage of ultra-high-speed broadband.

3rd

best connectivity in the EU

2020 Digital Economy and Society Index

28
international
fibre routes to main
European hubs



23
data centres, including
9 with Tier IV certification

Luxembourg hosts
40%
of all European
Tier IV data
centres

Cybersecurity expertise

Cybersecurity is a cornerstone of Luxembourg's data economy. Multiple players with complementary skills form a mature ecosystem able to provide companies with hands-on tools to help them increase their level of cybersecurity.

Data-driven innovation

Luxembourg hosts one of the eight petascale high performance computers (HPC) currently being set up as part of the EuroHPC initiative. While most HPCs are pure research centres, Luxembourg will make 65% of its capacity available to companies inside and outside the country. The University of Luxembourg has also set up Europe's first partnership on artificial intelligence (AI) with global AI leader NVIDIA.

Research partnerships

Luxembourg's leading research centres in information and communication technologies are strongly focused on research partnerships with private companies. The University of Luxembourg's Interdisciplinary Centre for Security, Reliability and Trust (SnT) specialises in areas such as cybersecurity, fintech, the internet of things and secure and compliant data management.

Towards Industry 4.0

The Luxembourg Digital Innovation Hub (L-DIH) helps companies succeed with their digital transformation and move towards Industry 4.0. The L-DIH facilitates contact between companies that require high-end digital technologies and services and those that can provide these solutions.



7. EUROPEAN AND INTERNATIONAL LOGISTICS HUB

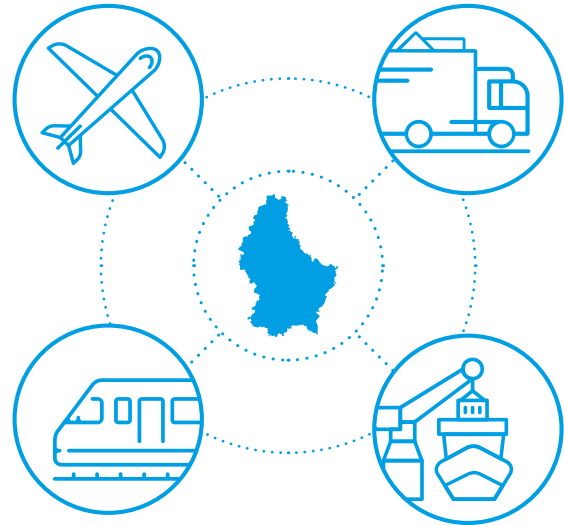
Luxembourg is a competitive inter-continental logistics hub for value-added logistics activities. The country's central location in Europe is coupled with excellent air, road, rail and waterway networks. Digital logistics and supply chain management are a government priority.

Luxembourg's multi-product specialisation strategy for the logistics sector focuses on certain types of products requiring specific handling and/or storage solutions. The country's main assets include notably its central location in Europe, an innovative local ecosystem and the presence of major logistics service providers managing distribution centres for third parties.

Prime logistics hub

Located between two of the biggest European consumer markets, Germany and France, Luxembourg is perfectly positioned to become a prime logistics hub in Europe for cross-border e-retailers shipping goods directly to EU consumers or setting up e-fulfilment centres here. Luxembourg-based logistics service providers offer dedicated quality services for the needs of on-line retailers.

Multimodal transport hub for value-added logistics





© Luxair Cargo

Logistics 4.0

Benefiting from the country's top-notch digital infrastructure and expertise in handling and processing big data, the government aims at turning Luxembourg into a next-generation logistics 4.0 hub. The sector can benefit from innovation funding schemes and cooperation with public research institutions.

5th largest
airfreight platform in Europe
Airports Council International, 2020

60%
of the EU's GDP
can be reached within
1 trucking day

8. INCENTIVES AND SUPPORT PROGRAMMES

Companies that establish a sustainable presence in Luxembourg can take advantage of several attractive public funding programmes that help them expand their activities, develop innovative concepts and products and strengthen their overall competitiveness.

Start-up accelerator programme

Luxembourg's internationally renowned Fit 4 Start programme offers start-ups personalised coaching, attractive funding, free access to co-working space and valuable networking opportunities in Luxembourg.

Equity

Luxembourg Future Fund invests in early and late stage innovative European technology SMEs. The Digital Tech Fund provides financing for start-up companies with a Luxembourg strategy.

R&D and innovation grants

Companies with substantial activities in Luxembourg can benefit from advantageous R&D and innovation subsidies targeting start-ups and SMEs as well as large companies.

Companies located in Luxembourg can also benefit from European funding programmes such as Horizon Europe, the EU framework programme for research and innovation.

Government loans

State investment bank SNCI specialises in medium and long term financing of Luxembourg-based companies and their projects.

Export credit

Luxembourg Export Credit Agency (Office du Ducroire) offers support for Luxembourg-based companies which trade abroad in the form of subsidies for marketing related activities and export credit coverage.

R&D capabilities

Luxemburg's public research organisations conduct high-level research in key fields, including notably cybersecurity and biomedicine. They are very open to cooperation with the private sector and keen to collaborate with companies on product development and tests.

The research-driven **University of Luxembourg** focuses on the fields of computational sciences, law, finance and educational sciences. Top-level research is conducted by its Interdisciplinary Centre for Security, Reliability and Trust (SnT) and the Luxembourg Centre for Systems Biomedicine (LCSB), in particular.

The **Luxembourg Institute of Science and Technology (LIST)** is a research and technology organisation active in the fields of materials, environment and information technology.

The **Luxembourg Institute of Health (LIH)** performs research that transcends the boundaries of individual diseases and that can be tangibly applied in the clinical practice to address unmet needs.



9. INCLUSIVE AND MULTICULTURAL

Luxembourg has implemented a broad array of policies and institutional mechanisms to make economic growth more socially inclusive. This translates into an open and equal society, which is spurred on by a long tradition of welcoming foreign nationals and making them feel at home.

3rd

**most inclusive economy
in the world**

*World Economic Forum, Inclusive Growth
and Development Report 2018*

Luxembourg demonstrates robust growth and employment, above average living standards, strong environmental stewardship and low public debt.

#1

**international population
in the EU**

EUROSTAT, 2017

Multilingual education

Luxembourg's cosmopolitan society is mirrored in the school system. High-quality government funded schools offer studies in Luxembourgish, German and French. Some state schools also offer a free curriculum in English for the International Baccalaureate and for A-levels. In addition, there are several well-respected international schools, for example the European School, the International School of Luxembourg, St George's International School and the French Vauban - École et Lycée Français de Luxembourg.

The University of Luxembourg has a distinctly international, multilingual and interdisciplinary character. Courses are taught in English, French and German, and bachelor students are required to spend one semester abroad.



10. SAFE WITH A HIGH QUALITY OF LIFE

With foreigners accounting for almost 50% of the population, Luxembourg is a truly cosmopolitan country with a long tradition of welcoming residents from around the world. It is a great place to live and raise a family, as well as to build an international career.

4th

safest country in the world for expats

2019 Inter-Nations Expat Insider survey

Attractive health care

Luxembourg's health system is one of the best in the world, and the country is one of the highest spenders on health per capita among the OECD countries. Over 95% of inhabitants are covered by health insurance. The highly developed and efficient social security system notably includes family benefits, unemployment insurance, healthcare, and disability and retirement pensions.

Exploring Europe

With direct flights to around 50 destinations all over Europe and high-speed train connections to several major cities, Luxembourg is an excellent base for discovering the European continent. Neighbouring countries are less than half an hour away from the capital by train or car.

A hub for culture

Luxembourg's vibrant cultural life includes art, music, dance, theatre and much more performed by world-class artists. It is possible to visit UNESCO world heritage sites and the Hopping Procession of Echternach, which has its roots in medieval times. The country has an attractive variety of restaurants and the highest concentration of Michelin-starred restaurants per capita in the world.

Hike, bike, enjoy

The countryside is never far away in Luxembourg. Diverse and unique landscapes are crisscrossed by several thousand kilometres of hiking and biking paths. There is also a wide range of leisure and sports activities.



© Vincent Rémy

KEY BUSINESS SECTORS

Cleantech

Promoting clean technologies and the transition towards a circular economy is a priority in Luxembourg. The country is working on moving towards a carbon-neutral society and on implementing an urban farming strategy to reduce its dependency on external food supplies. Companies in the cleantech sector work mainly in the fields of eco-construction, renewable energy, and waste and water management.

Finance and fintech

Long established as a world leader in fund administration and private banking, Luxembourg is one of the top 3 financial centres in the EU. It is the 2nd largest investment fund centre worldwide and home to the first exchange platform in the world dedicated to sustainable, green and social securities, the Luxembourg Green Exchange. The country is also a prominent location for digital financial technologies and services. Start-ups and established companies work in fields such as mobile payments and e-money, regtech and big data analytics, DLT technologies, insurtech, security and authentication, automated investment services and alternative lending.

Health technologies

The health technologies sector is expanding in Luxembourg and attracting start-ups from across the globe. The sector vision leverages the investments and know-how developed through the rapid growth in the ICT sector. This relatively young sector is currently specialising in the fields of digital health, diagnostics, health data analytics and health wearables.

ICT

Luxembourg offers an attractive and dynamic business environment for companies with a strong digital dimension that are targeting the European market. Renowned for its world-class digital infrastructure and cybersecurity expertise, the country actively promotes data-driven innovation. The ultimate objective is to establish Luxembourg as a leading data economy.

Logistics

Located in the heart of Europe, Luxembourg provides global companies with many strategic advantages for conducting their business successfully in, from and to Europe. With a particular focus on value-added logistics, Luxembourg has continuously improved its positioning as an intercontinental logistics hub in Europe especially for contract, air and rail freight-based logistics activities.

Manufacturing

Composites, multifunctional materials and highly customised production technologies are at the heart of Luxembourg's manufacturing sector. The country has a strong and long-standing track record in manufacturing and processing both traditional and innovative materials including high performance steel, plastics and polymers, value added composites, functionality glass processed, wood panels and adhesive paper.

Maritime

Luxembourg is an attractive hub for international shipping activities thanks to its wide range of maritime services for ship owners, operators and other players. By combining financial expertise with attractive corporate, operational and tax structures, companies can develop new international opportunities.

Smart mobility

Luxembourg is focusing on the future of smart mobility. The country is hosting major R&D centres of Tier 1 and Tier 2 suppliers. Benefiting from Luxembourg's expertise in ICT, the sector focuses on autonomous driving, 5G connectivity, electrification and multimodality (alignment of different means of transport). Luxembourg is the first European country offering best-in-class public transport free of charge.

Space

In just three decades, the Luxembourg space sector has grown from nothing into probably the most dynamic in Europe. With the SpaceResources.lu initiative, the country has established itself as a European hub for commercial space activities.

Start-ups

Luxembourg's start-up ecosystem has grown in only a few years to become an attractive investment hub for many start-ups and innovative companies looking to expand their business to Europe. It currently includes more than 350 start-ups, active mainly in fintech, indutech, cleantech and healthtech as well as in automotive, space and cybersecurity technologies. Luxembourg also hosts more than 15 incubators and accelerators, with financial assistance available at each stage of maturity



HOW WE CAN HELP YOU

We are committed to helping you succeed with your international expansion, starting by providing you with the information needed to make a well-informed decision on whether Luxembourg is the right place for your business. We will guide you through the whole process of setting up your company here, launching your activity and expanding on the European market.

Get in-depth, sector-specific information

Our sector experts can provide you with fast, reliable information on all aspects of doing business in and from Luxembourg as well as on opportunities for your specific business sector.

Make a tailor-made on-site visit

We can organise personalised visits that, in only 2-3 days, will enable you to meet many relevant contacts – government officials, service providers and potential partners. In particular, you will appreciate the availability of authorities and their willingness to help and work together.

Find your Luxembourg home from home

A number of business incubators and co-working spaces welcome international companies looking for their first office in Luxembourg. We guide you towards the solutions that best suit your needs.

Set up your company in Luxembourg

In partnership with the House of Entrepreneurship, we can assist you with setting up a company in Luxembourg and show you how to achieve fast and reliable results.

Kick-start your local network

The partners of Luxembourg Trade & Invest are central players in the Luxembourg economy and have extensive personal networks in the business world. We will introduce you to multinational corporations, local companies as well as to start-ups and highly specialised service providers.

Explore funding mechanisms and incentives

Luxembourg offers public funding opportunities that help companies expand their activities, develop innovative concepts and strengthen their competitiveness. Our experts guide you to the most appropriate funding mechanisms in line with your strategy and provide help with your application.



Contact
us

Please feel free to contact us:

www.tradeandinvest.lu/contact-us

Learn more about Luxembourg as a base
for international expansion

Visit www.tradeandinvest.lu/invest



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OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of the Economy



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Ministry of Foreign and European Affairs

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LET'S MAKE IT HAPPEN