

A photograph of modern architecture at night. In the foreground, a large, angular glass structure with a black frame is illuminated from within, casting a warm glow. To the right, a curved building with vertical glass panels is visible. In the background, a tall, rectangular glass skyscraper stands against a dark blue sky. The overall scene is a mix of warm and cool tones, with the warm interior lights contrasting with the cool exterior blues.

# 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.



© Tristan Schmurr

# 1. YOUR GATEWAY TO EUROPE

Luxembourg is an excellent gateway for the dissemination of products and services in Europe and well beyond. A founding member of the European Union (EU) and part of the Eurozone, the country is situated at the heart of several major European markets: 60% of the EU's GDP can be reached by a one-hour flight. As a leading financial centre specialised in global and European cross-border activities, Luxembourg has a well-developed legal and regulatory framework for international trade and is quick to implement EU legislation.

Multilingual, multicultural and diversified, yet relatively small in size, Luxembourg can be used as an ideal test market to develop concepts and test new products and services. The country's well-known commercial and political neutrality helps to facilitate good international business relationships.



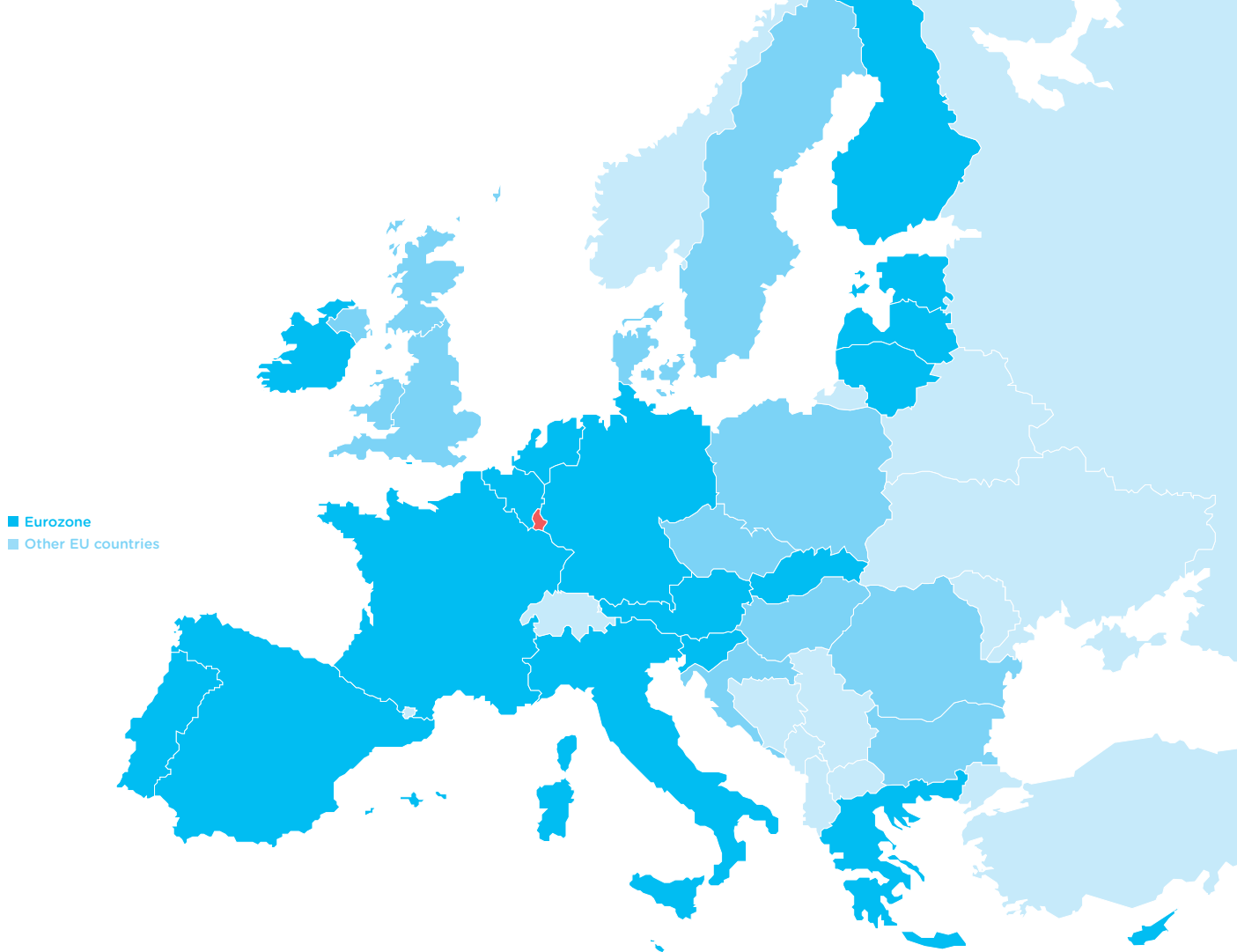
## #3

**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.

*Source: 2017 KOF Index of Globalisation*





- 1 market – 28 countries  
(GDP €14.6 trillion in 2015)
- Easy access to  
500 million consumers
- 19 countries in the Eurozone  
(one currency – euro)
- Free mobility of capital,  
products, services and labour

#### Distance from Luxembourg City to:

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

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## 2. BUSINESS FRIENDLY

Doing business in Luxembourg is simple. This is largely thanks to the successful efforts of successive governments to create a favourable environment for business and their ability to attract many international companies due to a flexible and attractive legal framework as well as policies. Public authorities and administrations are easy to access, and the open-mindedness and forward thinking of politicians benefits companies looking to start or relocate activities in Luxembourg.

# #1

**highest labour productivity  
in the world**

(GDP generated per hour worked)

*Source: 2017 KOF Index of Globalisation*

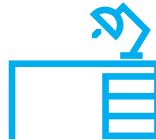




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### Easy business creation process

- Vibrant start-up ecosystem with numerous support measures for start-ups from incubation to
- Simplified limited liability company: the '1-euro-company'
- Easy access to professional support and advice from the House of Entrepreneurship; a one-stop-shop for project initiators and established entrepreneurs
- English can be used for all incorporation-related documents (with a French/German translation)



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### Facilities

- Land and office space are readily available
- The national incubator Technoport offers 16,000 m<sup>2</sup> of facilities – office space, co-working space and industrial workshops – to start-ups and international companies looking for their first premises in Luxembourg
- Large number of private co-working spaces, incubators and accelerators



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### Business-oriented regulations

- Streamlined and transparent administrative procedures
- Attractive corporate tax rate compared to other EU countries
- Extensive network of double tax treaties
- Favourable indirect labour costs
- Advantageous import and export regulations

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## 3. STABLE AND RELIABLE

In times of political and economic uncertainty, a stable home base becomes increasingly valuable. No wonder, then, that international companies are attracted to

Luxembourg – a country with strong long-term growth prospects and sustained employment creation.

### PERFORMANCE

- Consistent growth above the EU average (4.8% in 2015)
- Low inflation (0.3% in 2016)

# #1

**GDP performance in the world**  
(GDP generated per hour worked)

*Source: Statista, 2016*

### STABILITY

- AAA-rated country by all credit rating agencies: sound macroeconomic fundamentals
- 2<sup>nd</sup> lowest government debt ratio in the EU (21% of GDP in 2016)

*Source: Eurostat*





# COMPETITIVENESS

## #8

**most competitive economy  
in the world**

*Source: IMD World Competitiveness Yearbook 2017*

# OPEN SOCIETY

- Parliamentary democracy
- Constitutional monarchy
- Low bureaucratic hurdles



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## 4. ATTRACTIVE WORK ENVIRONMENT



© Tristan Schmitt

# #1

## best place for expats to build their careers

Luxembourg offers a stable economy, safe jobs and a healthy work-life balance.

*Source: Expat Insider Working Abroad Index 2016*

**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 and an ideal location to build an international career.**

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 contributions from their employer linked to their expatriation.



## 5. SKILLED AND TALENTED MULTILINGUAL WORK FORCE

A true knowledge economy, Luxembourg has an exceptionally skilled workforce and attracts the best talent from neighbouring countries and well beyond. The language skills of the multicultural population are outstanding: fluency in three or more languages is the norm rather than the exception. This means that you can easily find staff who are able to communicate with your international clients in their own language and to understand their needs effortlessly. Expatriates settle quickly in Luxembourg and simplified work permit procedures for qualified personnel from outside the EU have been put in place.

# #1

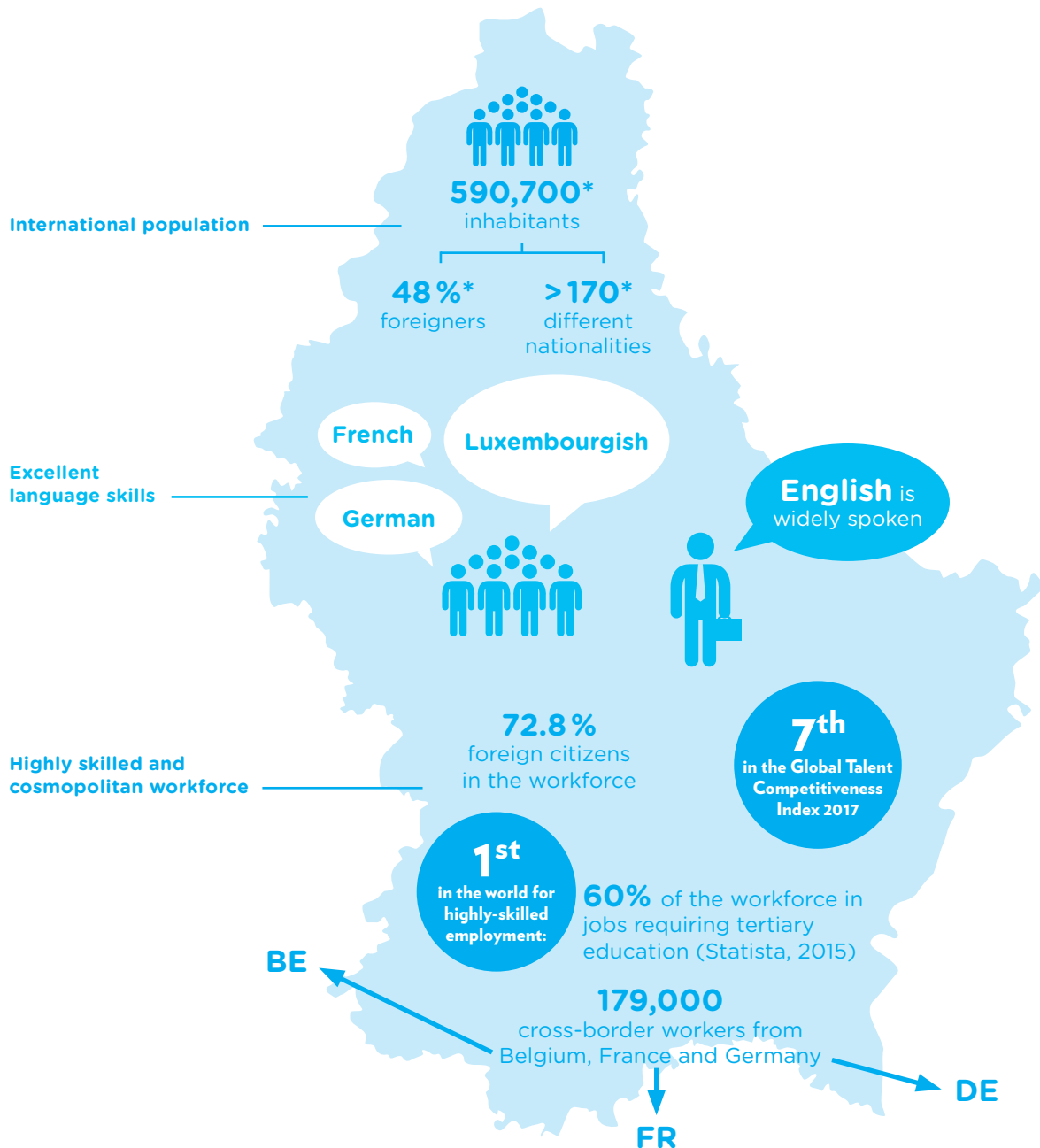
**for average number of languages  
spoken by the population in an EU  
country (3.6 languages)**

*Source: Eurobarometer*



© Luxemburger Wort / Alice Enders





\*Source: Statec, May 2017

## 6. OUTSTANDING DIGITAL INFRASTRUCTURE

Digital technology is the lifeblood of our economy. Luxembourg has been a communications pioneer for several decades, and ranks today among the top countries for ICT in the world. The reason for this? A strong determination to become a trusted data hub where any type of business basing its activities on digitalisation can thrive.

### A data-driven economy

Luxembourg's infrastructure and legal framework, which is linked with European directives on data processing and privacy, combine to provide a highly secure "digital embassy" for very sensitive or simply high volume data to be stored, processed and curated.

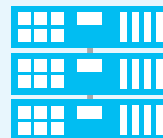
### A European HPC centre

High Performance Computing (HPC) is revolutionising industry and digital business across the world. Luxembourg is taking a leading role in a pan-European project on HPC and Big Data-enabled applications and is acquiring an HPC with the power of one petaflop per second with the primary aim of meeting business needs.

### Top-level infrastructure



**28**  
international  
fibre routes to main  
European hubs



**23**  
data centres, including  
8 with Tier IV certification

Luxembourg hosts  
**40%**  
of all European  
Tier IV data  
centres

#### Available since 2015

- **100 Mbps internet links** for 98% of the population
- **1 Gbps connections** (min. 50% coverage)

#### Available from 2020

- **Nation-wide coverage of ultra-high-speed broadband** (“Fibre to the Home”)
- **1 Gbps connections** (100% coverage)

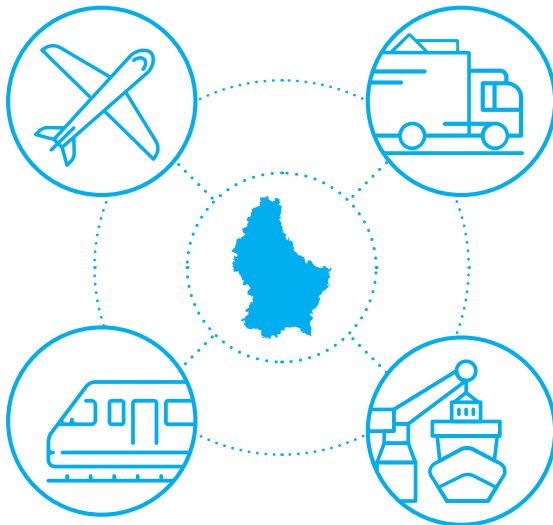
The Luxembourg Commercial Internet Exchange (LU-CIX) provides carriers with an access to high-capacity lines with very competitive round-trip times without congestion.

The data centres are powered by low-cost, eco-friendly energy from a highly reliable power grid.

# 7. YOUR LOGISTICS HUB IN EUROPE

Luxembourg's central location in Europe coupled with excellent air, road, rail and waterway infrastructure position the country as a competitive inter-continental logistics hub. The country is continuously improving its positioning as an intercontinental logistics hub in Europe - especially for contract, air and rail freight-based logistics activities - and recently inaugurated the most modern inter-modal hub in the Benelux. As logistics spans across sectors, Luxembourg is developing its logistics hub in synergy with other key sectors.

## Multimodal transport hub for value-added logistics



**#2**  
in the world  
in terms of  
global logistics  
capabilities

**#1**  
in category  
"Timeliness"

**#1**  
in category "Ease of  
arranging shipments"

Source: World Bank's Logistics Performance Index 2016





© Luxair Cargo

Just-in-time access to the EU market is ensured by a full range of experienced logistics service providers, while a simple and efficient regulatory and administrative framework enables efficient handling of goods and reduced transaction costs. Specialised facilities include a dedicated handling centre for health-care and pharmaceutical products and a highly secured Freeport for valuable goods.

**6<sup>th</sup> largest**  
airfreight platform in Europe

*Source: Luxairport*

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

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## 8. INVESTMENT AND R&D AND INNOVATION INCENTIVES

As one of the world's leading and most international financial centres, Luxembourg offers excellent access to private financing as well as specific financial vehicles to structure private equity investments. Positioned as the number one investment centre in Europe and ranked second behind the United States, the country has amassed specialised expertise in the design of tailored structures for alternative asset classes and investment strategies from hedge funds, private equity and venture capital to real estate. In addition, companies can draw on attractive public funding programmes that help companies expand their activities, develop innovative concepts and products and strengthen their competitiveness overall.

### Private financing

- Banks
- Business angels
- Venture capital

### Government loans

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

### R&D and innovation grants

For companies with substantial activities in Luxembourg.

- Research and development (R&D) projects and programmes
- Feasibility studies
- Innovation aids for small and medium-sized companies (SMEs)
- Support for young innovative enterprises
- Grants for process and organisational innovation

### Luxembourg Future Fund

This €150 million fund invests in early and late stage innovative European technology SMEs.

### Export credit

Luxembourg Export Credit Agency (Office du Ducroire) offers support for Luxembourg-based companies when trading abroad.

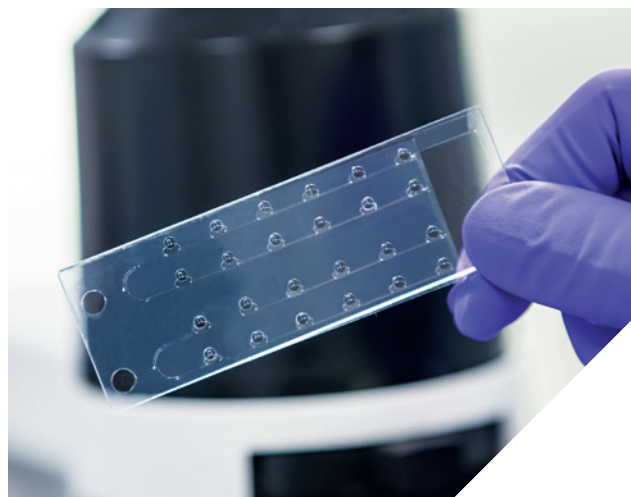
## R&D capabilities

Luxembourg's public research organisations conducting 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** - ranked among the world's top 20 young universities - 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), the Luxembourg Centre for Systems Biomedicine (LCSB) and the Luxembourg Centre for Contemporary and Digital History (C2DH), 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)** generates and translates research knowledge into clinical application with an impact on the future challenges of healthcare and personalised medicine.



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## 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.

# #2

**most inclusive economy  
in the world**

*Source: World Economic Forum, Inclusive  
Growth and Development Report 2017*

Luxembourg shows robust growth and employment, high median living standards, strong environmental stewardship and low public debt.

# #1

**international country  
in the EU**

*Source: EUROSTAT, 2015*

### Multilingual education

Luxembourg's cosmopolitan society is well reflected in the school system. High-quality public schools offer studies in Luxembourgish, German and French, and some state schools offer a free curriculum in English for the International Baccalaureate and for A-levels. There are also several well-respected international schools, most notably 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. In line with Luxembourg's vision as a country that invests in knowledge, research and innovation, the University fosters the cross-fertilisation of research and teaching and is an innovative model for contemporary European higher education.







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## 10. SAFE WITH A HIGH QUALITY OF LIFE

Luxembourg is a wonderful and welcoming place, not only for building a European career, but also for enjoying life and raising a family, not to mention the travel, being located so close to most of Europe's exciting capital cities. It may have been one of Europe's best-kept secrets for years, but word is getting out that Luxembourg can make your business, lifestyle and family dreams come true.

# #1

**safe country for expats**

*Source: InterNations survey*

# #1

**healthcare in the world**

*Source: The Legatum Prosperity Index, 2016*

**Are you looking for a great place to live with your family?**

Luxembourg has one of Europe's most attractive social security systems that notably includes family benefits, unemployment insurance, healthcare, and disability and retirement pensions.

**Do you want to travel?** Luxembourg has direct flights to around 50 destinations all over Europe and high-speed train connections to several major cities. If you want to explore the neighbouring countries, they are less than half an hour away from the capital by train or car.

**Are you a sports or nature lover?** The countryside is never far away in this verdant gem of natural beauty. Diverse and unique landscapes are crisscrossed by several thousand kilometres of hiking and biking paths. You will also find a wide range of leisure and sports activities.

**Do you enjoy culture and gastronomy?** Luxembourg's vibrant cultural life includes art, music, dance, theatre and much more performed by world-class artists. You can visit our UNESCO world heritage sites and the Hop-ping Procession of Echternach, which has its roots in medieval times. If you want to go for a relaxed meal out or a truly fine-dining experience, the choice is there. Luxembourg has the highest concentration of Michelin-starred restaurants per capita in the world.



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# KEY BUSINESS SECTORS

## Automotive

Luxembourg is an important centre for the automotive industry's supply chain with an exceptional business environment. The country is a major R&D centre for the automotive industry and a key location in Europe for Tier 1 and Tier 2 suppliers. Benefiting from Luxembourg's expertise in ICT, the sector focuses on smart mobility and connected cars.

## Cleantech

The country offers an attractive economic environment for entrepreneurs who are keen to create value whilst reducing pollution, waste and energy consumption. Companies in the sector work mainly in the fields of eco-construction, renewable energy, waste management, water and participate in the country's transition from a linear to a circular economy.

## Finance

Long established as a world leader in fund administration and private banking, Luxembourg is the Eurozone's leading financial centre and #12 in the world. It is the second largest for investment funds globally thanks to its pre-eminent role in the European market and high number of clients in Asia, the Middle East and South America.

## ICT

Luxembourg is a globally recognised hub for information and communication technologies (ICT) and is further positioning itself as a centre of excellence in cybersecurity and data protection. ICT expertise is critical for Luxembourg as it underpins the sustainable development of many other important sectors. As a trusted "big data" hub, Luxembourg offers an excellent location for the development and internationalisation of ICT companies as well as for innovation. Supported by efficient public research infrastructures and projects, this market offers plenty of opportunities for start-ups, SMEs and large enterprises.

## Life sciences

Luxembourg's young and ambitious biohealth and life sciences community has significant potential in four aspects of personalised medicine: digital health, neurodegenerative diseases, molecular diagnostics and immune-oncology.

## 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. Luxembourg has continuously improved its positioning as an intercontinental logistics hub in Europe especially for contract, air and rail freight-based logistics activities. Focusing particularly on value-added logistics, Luxembourg stands out owing to the combination of a unique series of assets.

## Materials and manufacturing

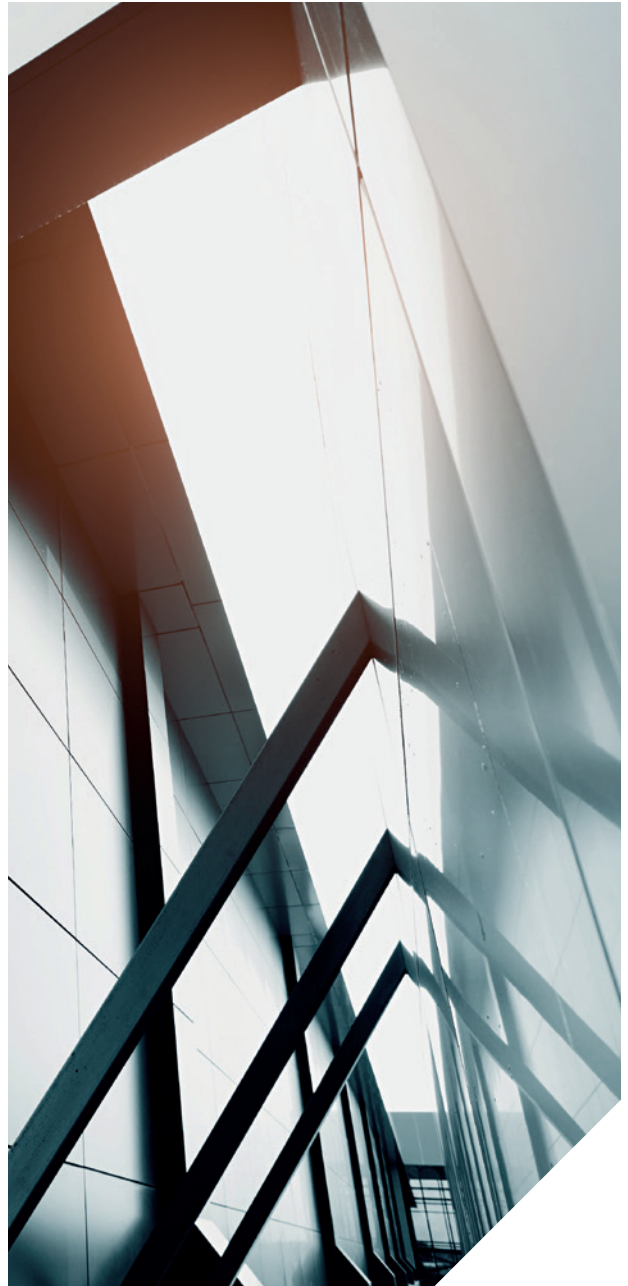
Composites, multifunctional materials and highly customised production technologies are at the heart of Luxembourg's manufacturing sector. The sector has a strong international orientation and exports the lion's share of its production. With 32,200 employees, manufacturing represents 8.3% of total national employment and 4.6% of the national added value.

## Maritime

Luxembourg is an attractive hub for international shipping activities due to the 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.

## Space

Luxembourg's thriving space industry – ignited with the foundation in 1985 of SES, the world leading satellite operator – is the driver behind the country's ambition to become a European hub for the exploration and use of space resources. This ambition was further cemented by the adoption of a space resources law that grants companies ownership of space resources they extract, the latest milestone for Luxembourg's SpaceResources.lu initiative.





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# HOW WE CAN HELP YOU

Would you like to find out more about the opportunities that Luxembourg could offer your company, too? We have extensive experience in supporting international companies and can provide you with useful information and customised assistance.

## **In-depth information**

Please contact us for fast, reliable information on all aspects of doing business in Luxembourg.

## **Start-ups**

Luxembourg has a vibrant and growing start-up ecosystem with numerous support measures for start-ups from incubation to success and acceleration and we can help to determine and provide the best support for you.

## **Tailor-made Luxembourg visits**

We can design tailor-made visits that will enable you to meet all relevant contacts – government officials, service providers and potential partners – in just 2 days. You will particularly appreciate the availability of authorities and their willingness to collaborate.

## **Introduction to key networks**

Our sector specialists will help you identify and introduce you to potential customers as well as business, innovation and R&D partners.

## **Company set-up support**

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

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*Ministry of the Economy*



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LET'S MAKE IT HAPPEN