

A UNIFIED
FORCE
SERVING
THE ECONOMY



MINISTRY OF THE ECONOMY

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Foreign Trade and Investment
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IMPRESSUM

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General Directorate for the Promotion of
Foreign Trade and Investment
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GLOSSARY OF ABBREVIATIONS USED

CPS	Sector Steering Committee
HOE	House of Entrepreneurship
LTIO	Luxembourg Trade and Investment Office
LXI	Luxinnovation
Min. Eco.	Ministry of the Economy
TIB	Trade & Investment Board
TISC	Trade & Investment Steering Committee

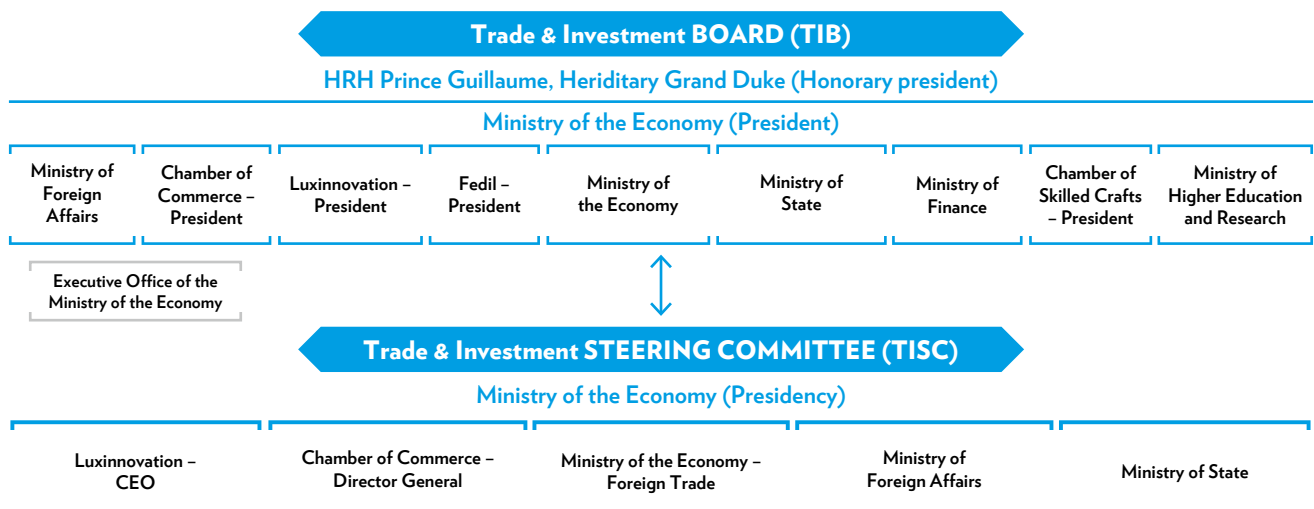
LUXEMBOURG: A STRONG ECONOMIC IDENTITY

Luxembourg's economic identity is strongly marked by industrial entrepreneurship, a tradition of dialogue with the rest of the world and openness to new ideas. The goal of the economic promotion strategy outlined in 2017 is to ensure that the country enjoys dynamic, sustainable development, consistent with its values and identity, to guarantee a prosperous future.

NEW GOVERNANCE

Following the merger of *Luxembourg for Business* and Luxinnovation, an overall vision underpinning the new promotion strategy for the Luxembourg economy and allowing a new course to be set was developed by a new management structure, the **Trade and Investment Board**. Placed under the honorary presidency of His Royal Highness the Hereditary Grand Duke, this board is chaired by the Minister of the Economy and includes among its members the chairmen of the Chamber of Commerce, FEDIL, Luxinnovation and the Chamber of Skilled Crafts, as well as representatives from the Ministry of the Economy, Ministry of Foreign Affairs, Ministry of State, Ministry of Finance and the Ministry of Higher Education and Research. These organisations all play a role in economic promotion. The **Trade and Investment Board** oversees the work of the Trade and Investment Steering Committee, which has been entrusted with developing and implementing the strategy itself.

The **Trade and Investment Steering Committee (TISC)** is chaired by a representative from the Ministry of the Economy and comprises the Director General of the Chamber of Commerce, a representative from the Ministry of State, the CEO of Luxinnovation, the Head of the Directorate General for foreign trade and investment from the Ministry of the Economy and the Director of International Economic Relations from the Ministry of Foreign and European Affairs. TISC coordinates promotion and prospecting activities, as well as the planning and synchronising of agendas and programmes. It drafts the strategy based on the priorities of the government with contributions from the Chamber of Commerce and Luxinnovation.



A ROADMAP TO DEVELOP THE ECONOMY



♦♦ Our vision is to build a diversified, innovative and sustainable economy which is based on the best of our traditions and culture. We want to strengthen our country's role as an international and European crossroads by facilitating meetings that effectively create value. Our goal is to help Luxembourg companies secure a foothold in international markets and to become leaders in their field. We also wish to attract the best companies in the world to contribute to the vitality of our ecosystem and the purposeful development of our country. We seek to encourage entrepreneurship and to foster ambitious goals and success, which may involve taking calculated risks."

ÉTIENNE SCHNEIDER, Deputy Prime Minister, Minister of the Economy,
Chairman of the Trade and Investment Board

A NEW APPROACH TO ACHIEVE COHERENT ECONOMIC DEVELOPMENT

THE POLITICAL OBJECTIVE

BRINGING TOGETHER THE TWO PILLARS OF ECONOMIC PROMOTION

Support the international growth of Luxembourg companies and attract those investors who are the most relevant and positive for the country's industrial ecosystem, with a coherent approach and by combining the strength of all players.

◆◆ The merger of Luxembourg for Business and Luxinnovation that was done to create a whole new approach to economic promotion was a significant, unifying moment. In-depth work was carried out on various aspects of the project: the organisation (how to move forward, using which roadmap and instruments), the involvement of all players (this is a collective and collaborative adventure) and the mindset. It was important for me to embark on this journey with positive energy in order to end up with a reform of economic promotion which everyone supports and can identify with."

SASHA BAILLIE, Chair of the
Trade & Investment Steering Committee

◆◆ The new governance clarifies the role of the players involved in economic development while also optimising the coordination and consistency of activities undertaken for the benefit of companies exporting from Luxembourg and targeted foreign investors. The result is a more dynamic image and an organisation equipped with a better structure for the economic promotion of the Grand Duchy. In terms of promoting foreign trade, the new strategy focuses on the needs of Luxembourg companies. This is welcomed by the Chamber of Commerce, a key partner for companies in their expansion beyond our borders."

CARLO THELEN, Director General of the
Chamber of Commerce

**STRATEGIC
OBJECTIVES**

- Facilitate access by Luxembourg companies to international markets
- Attract direct foreign investment in a targeted way that meets customers' needs
- Strengthen the international economic promotion network
- Establish a strong image of Luxembourg as a welcoming destination for companies and industries with high added value
- Ensure consistency and relevance of economic promotional activities

The new economic promotion strategy was introduced by the government in February 2017. It was the result of an 18-month process bringing together all the players involved in both export assistance and the promotion of Luxembourg as an investment destination. The project allowed players and activities to be mapped, processes to be examined, strengths to be identified on which to base Luxembourg's approach, and clear principles to be drafted. The work focused on the construction of a common approach allowing both pillars of economic promotion (developing exports and attracting strategic investment) to pool their forces, networks, and instruments. A real philosophy of economic promotion that will guide the country's future economic development in a consistent, concerted manner. New governance, new responsibilities and new instruments united under one banner: Luxembourg Trade & Invest.

LUXEMBOURG TRADE & INVEST: KEY ELEMENTS OF THE STRATEGY

Which are the drivers of the strategy for economic promotion in order to achieve these objectives? How can synergies be maximised and network strength be enhanced? What steps should be taken to facilitate support for exports and investor prospection?

1 SUPPORT CORPORATE INTERNATIONAL EXPANSION

- Help companies to penetrate foreign markets (close, emerging or niche markets) and support them in the face of globalisation
- Help Luxembourg's players to position themselves in international value chains
- Provide strategic monitoring and targeted intelligence services
- Make it easier to access financing for exports
- Set up missions abroad focusing on players' needs (companies and sectors) and optimise their planning
- Make the most of the country's long tradition in fostering development and encourage contacts with partner countries
- Strengthen the international network available to companies

2 ATTRACT KEY PLAYERS

- Identify relevant activities that could strengthen the ecosystem of key sectors of Luxembourg's economy
- Identify potential foreign investors in these activities via new business intelligence tools and targeted studies
- Systematise their approach and support with dedicated sectoral teams and the international economic promotion network
- Create a specific investor service platform (optimised contact, step-by-step assistance, easier access for decision-makers)
- Pilot monitoring of those sectors likely to create new opportunities for foreign direct investment (FDI)

3 STRENGTHEN THE INTERNATIONAL NETWORK

- Enlist the help of the whole international economic promotion network (embassies, LTIOs, consulates, honorary consuls, foreign trade advisers) to help companies abroad (facilitate access to local networks and identify partners, provide targeted information)
- Promote the systematic exchange of information between all network players
- Supply the network with sectoral roadmaps to identify strategic FDIs
- Strengthen structures (extension of LTIOs in Abu Dhabi, New York, Seoul, Taipei, Tokyo and the international Chamber of Commerce network)
- Strengthen support given to honorary consuls and export advisers
- Maintain and involve other networks at both European and bilateral level

5 ENSURE CONSISTENCY OF ACTIVITIES

- Bring together all stakeholders under the leadership of the Trade & Investment Board (TIB) and its executive committee, the Trade & Investment Steering Committee (TISC)
- Clearly divide the respective missions
- Identify corporate needs thanks to strong commitment on the ground and frequent dialogue with the business community
- Fix objectives, measure progress and adapt activities
- Base the action plan for economic development on the global economic development strategy

4 ESTABLISH A STRONG ECONOMIC IMAGE

- Develop a marketing & communications strategy that positions the country as a place that welcomes high value-added activities
- Target priority countries where Luxembourg's image is not well developed, but where there is significant potential for export and investment
- Roll out a marketing & communications plan on social media focusing on strategic target groups
- Construct the country's economic narrative through its successes
- Disseminate the country's new Signature across Luxembourg's international economic promotion network as a whole
- Design marketing and communications materials specific to the sector
- Ensure a strong, consistent online presence

MANY PLAYERS, A SINGLE NETWORK

The economic promotion strategy is based on a powerful and diverse ecosystem of players - some of whom are newly established - interacting at reciprocal levels. Who are these players, and what are their duties?

CHAMBER OF SKILLED CRAFTS

- Promote Luxembourg's craftsmanship abroad
- Assist craftsmen as they break into international markets

HOUSE OF ENTREPRENEURSHIP

- Welcome investors
- Guide local and foreign project leaders
- Help with the business startup process

CHAMBER OF COMMERCE

- Help companies to gain an international foothold
- Implement economic promotional activities for companies
- Form links between Luxembourg companies and those abroad
- Promote economic relations with foreign countries

MINISTRY OF THE ECONOMY

- Develop the economy
- Promote economic attractiveness
- Ensure a competitive framework

TISCO

FEDIL

- Support companies in Luxembourg and internationally
- Highlight Luxembourg as a destination that welcomes industry

DIPLOMATIC NETWORK

- Advise and assist players in the Luxembourg economy locally
- Identify opportunities for economic cooperation

MINISTRY OF EUROPEAN AND FOREIGN AFFAIRS

- Manage a network of diplomatic and consular missions
- Bilateral economic relations
- Multilateral trade negotiations

LUXINNOVATION

- Ensure business monitoring
- Target potential international partners
- Promote the country's economic image

TIB (BOARD)

LUXEMBOURG TRADE & INVEST

STEERING COMMITTEE

SECTOR STEERING COMMITTEES

- Draft and roll out sector-based strategies
- Identify investors
- Coordinate the approach process

Market Intelligence

Sector and Business Development

Marketing & Communications

ICT

Biohealth

Wood

Ecoinnovation

Space

Logistics

Maritime

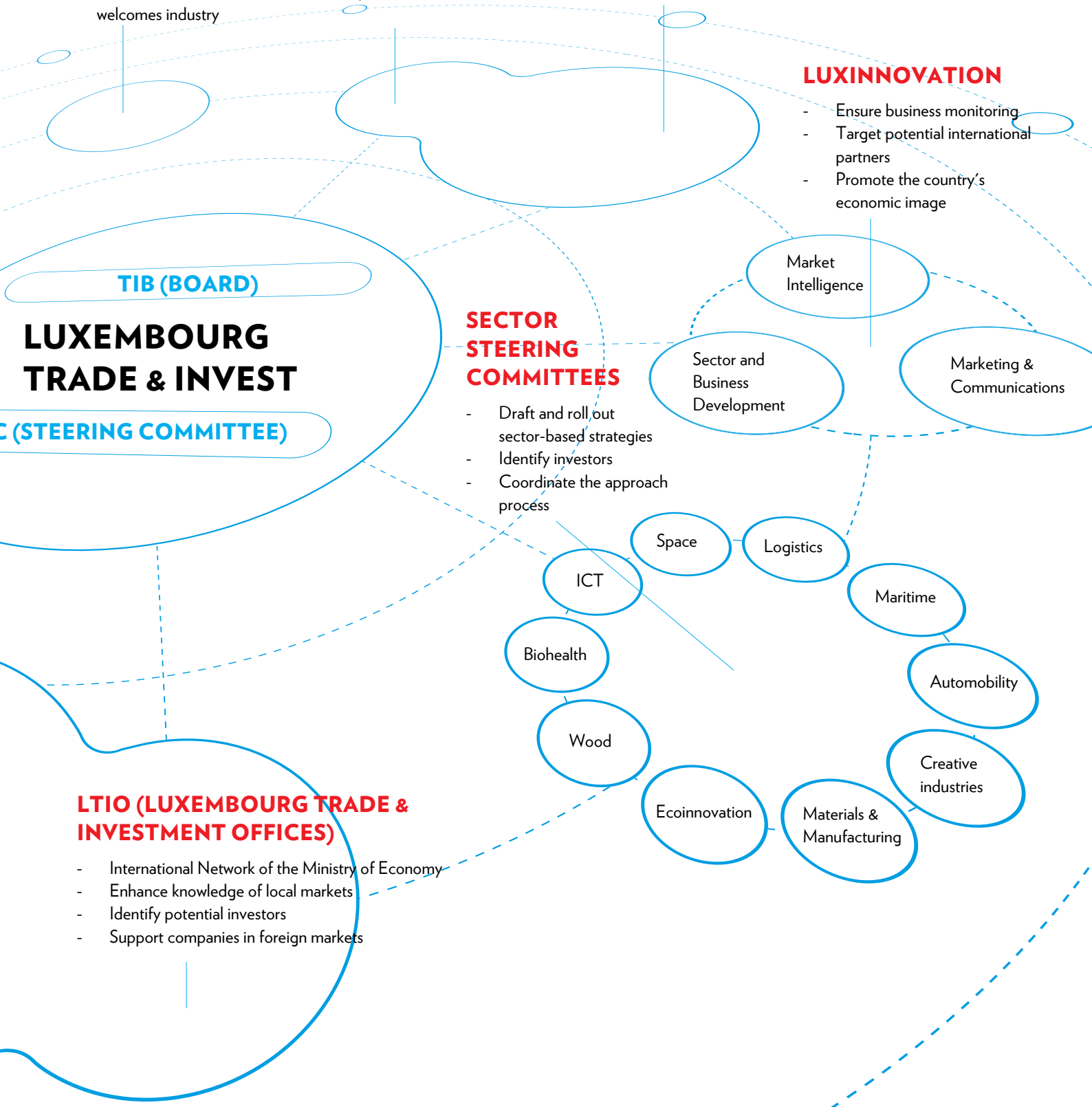
Automobility

Creative industries

Materials & Manufacturing

LTIO (LUXEMBOURG TRADE & INVESTMENT OFFICES)

- International Network of the Ministry of Economy
- Enhance knowledge of local markets
- Identify potential investors
- Support companies in foreign markets



NEW INSTRUMENTS

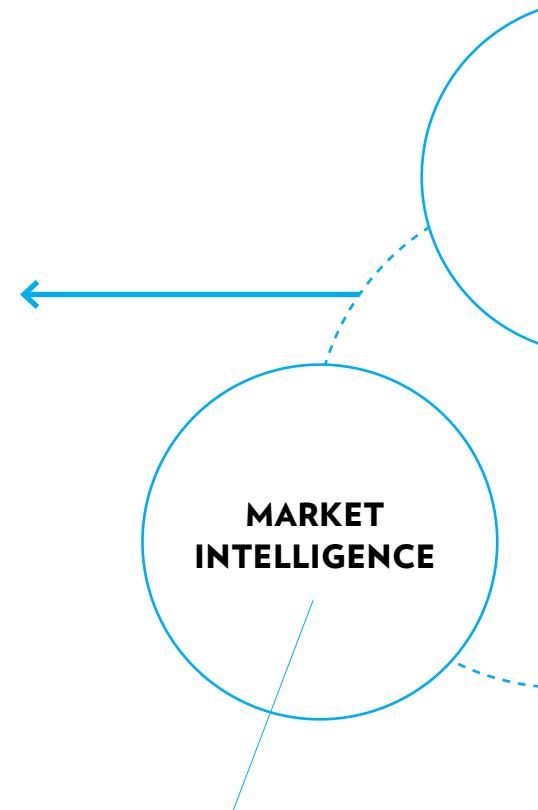
BOOST THE POTENTIAL OF EXPORT COMPANIES

The “**internal**” pivot of the economic promotion strategy, i.e. support for Luxembourg companies to develop in foreign markets, is aimed at both individual and sectoral levels.

The strategy **considerably enhances the support tools** targeting the specific needs of all export companies (single point of contact, coaching, identification of growth markets and key entry points, easier financing, access to international networks, and so on). It **develops resources to serve sectors** and the ecosystem as a whole (sector-based promotion strategies, economic intelligence, strengthening of the LTIO network and the Chamber of Commerce internationally). It emphasises the **coordinated planning** of international economic missions and events, as well as all promotional activities.

Customer focus is at the heart of the Luxembourg Trade & Invest vision. Any company wishing to successfully penetrate foreign markets can count on the help of a dedicated team, with the Department of International Affairs of the Chamber of Commerce and the Ministry of the Economy, to benefit from services fully tailored to their needs, synergies with targeted and ancillary players in the Luxembourg ecosystem, thus maximising their export potential.

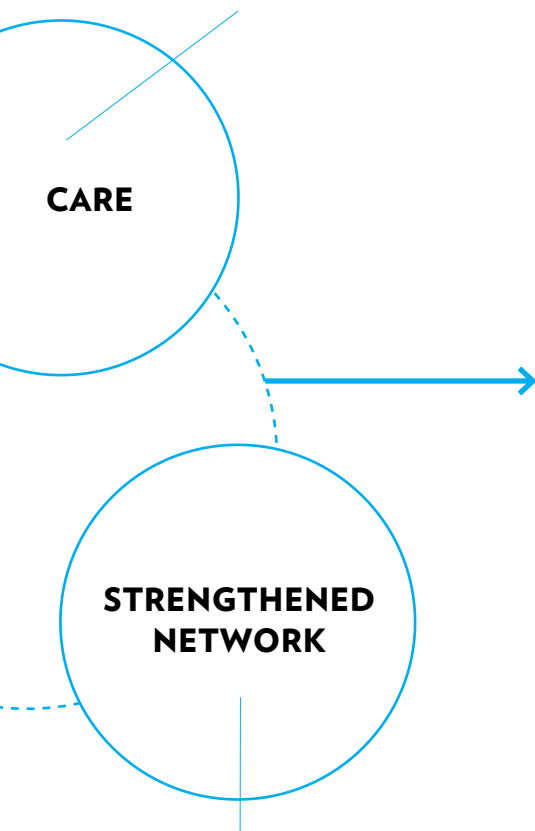
The **horizontal coordination** of strategic information, field requirements and activities to implement are assured by the Trade Promotion Working Group, led by the Ministry of the Economy (General Directorate for the Promotion of Foreign Trade and Investment), the Chamber of Commerce (International Business) and Luxinnovation (Market Intelligence, Sector Development).



Special unit established within Luxinnovation for:

- Sector-based economic monitoring and technology watch, market research, trend analysis
- Assessment of the strengths and weaknesses of the sectors of the country's economy
- Identification of business opportunities for Luxembourg companies on foreign markets
- Identification of new growth sectors

- *House of Entrepreneurship (HOE)*, a single point of contact for project leaders
- *Client Care*, support for export projects
- *Invest Desk*, a single point of contact to monitor foreign investment projects (Ministry of the Economy)
- *Investor Care Services*, customised services to ensure a warm welcome for targeted foreign investors (HOE)



- Extension of LTIOs in Abu Dhabi, New York, Seoul, Taipei, and Tokyo
- Extension of geographical coverage of the diplomatic and consular network
- Strengthening of the Chamber of Commerce network abroad
- Optimisation of the i-Net IT tool

TARGET INTERNATIONAL PARTNERS AND SUPPORT INVESTORS

The “**external**” pivot of the economic promotion strategy focuses on two major areas: firstly, **to boost the ecosystem in each sector** by creating sectoral development strategies and targeting foreign investors who can reinforce their continuity; secondly, **to enhance the attractiveness of Luxembourg** in terms of **high value-added activities** and to optimise the quality of support for these investors to help them become a seamless part of the Luxembourg ecosystem, in a sustainable way.

Economic intelligence is a major part of this policy. This is one of Luxinnovation’s most recent missions, which has set up a dedicated unit, resources and instruments to provide strategic analysis and data in priority sectors. **Sector Steering Committees** (one per priority sector of the economy) including dedicated departments of the Ministry of the Economy and Luxinnovation’s experts use a structured method of sectoral prospecting to analyse their sector internationally, to allow the geographical and technological targeting of players, to assess the strengths, weaknesses and potential of the sector in Luxembourg, to draft a strategic improvement plan and then a targeted action plan on clearly identified players. These potential investors will then be approached directly by the Ministry of the Economy, Luxinnovation’s field teams, LTIOs and embassies. They will be specifically welcomed to Luxembourg in a specific way and then supported via the newly-established **Investor-Care Services** platform.

THE SECTOR-BASED PROSPECTING PROCESS: TARGETED APPROACH, CUSTOMER-FOCUSED APPROACH

For each priority sector, the sector-based prospecting process set up by the economic development, initially identifies those activities and technologies that may strengthen the ecosystem of this sector in Luxembourg and explores the opportunities that exist in the various countries. Once the targets and key investors have been clearly identified, the second major step in the process is to approach them, by way of various drivers, in the field. The third phase focuses on the welcome reserved for these investors in Luxembourg and their customised support at the various stages of their ongoing inception.



PROMOTE THE ECONOMIC IMAGE OF LUXEMBOURG

Luxinnovation is responsible for designing and implementing a marketing & communications strategy to promote the country's economic identity abroad and to provide players across the promotional network with the tools they need. Communication tools will be rolled out in a specific way to support sector-based strategies.

To complete this new mission, the teams and budget of Luxinnovation's Marketing & Communications Department have been increased. The Luxembourg Trade & Investment Offices and international offices will also see their communication resources enhanced.

Since a strong economic image in the world is also built by the consistency of the "core messaging", a "Marketing & Communications Working Group", made up of officials from Luxinnovation, the Chamber of Commerce and the Ministry of the Economy reporting directly to TISC, will coordinate all initiatives in this regard.

With this consistency in mind, the visual identity of Luxembourg Trade & Invest is directly inspired by the new Signature of Luxembourg and uses its graphic codes. Likewise, the three values on which this Signature is based - dynamism, reliability, and openness - run seamlessly through the entire economic development strategy of the country, as set out in this document.

Luxembourg's economic promotion is now available on the web through a single portal:

www.tradeandinvest.lu

 **LUXEMBOURG**
TRADE & INVEST