

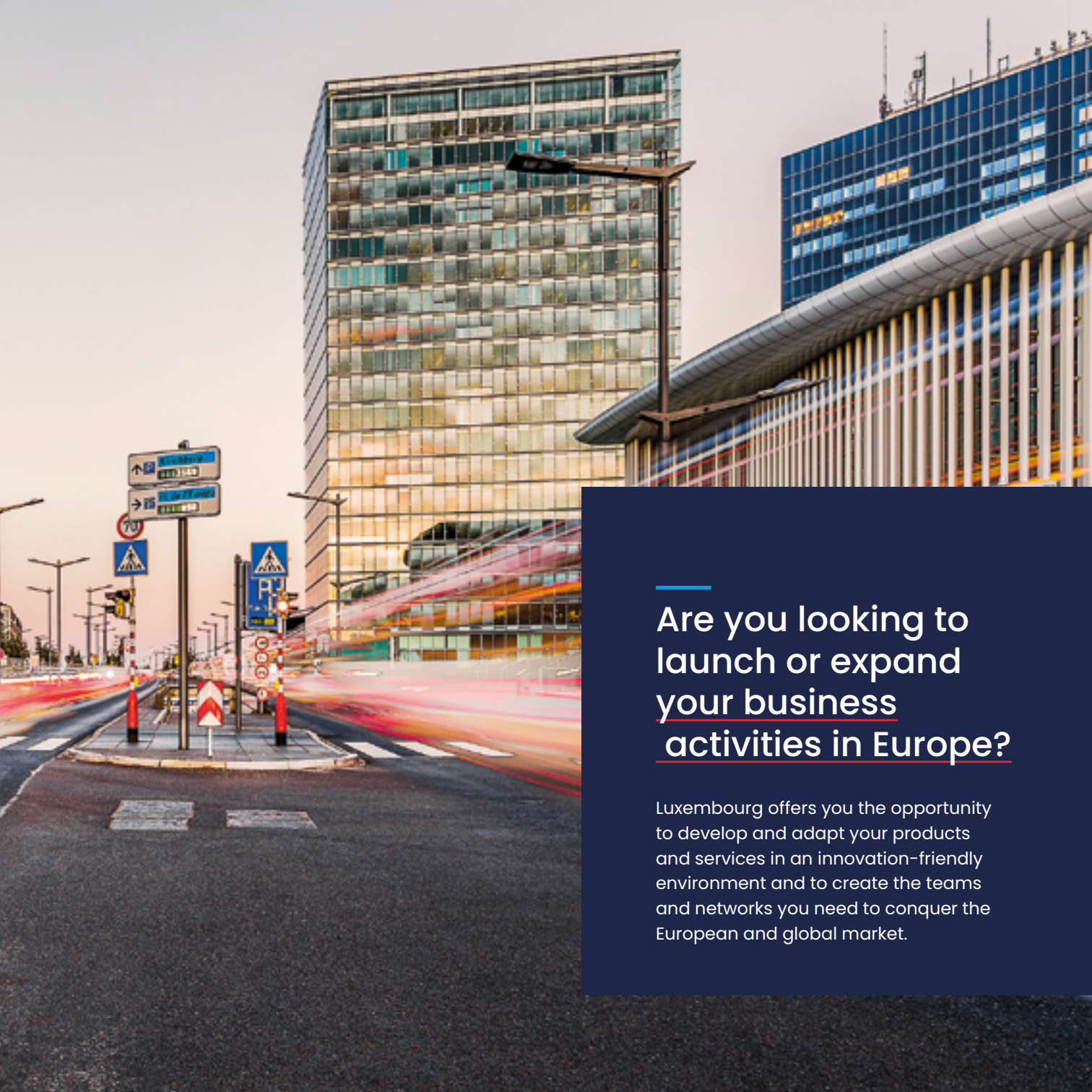


Luxembourg: Your launch pad for business in Europe

10 good reasons to choose Luxembourg

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Are you looking to launch or expand your business activities in Europe?

Luxembourg offers you the opportunity to develop and adapt your products and services in an innovation-friendly environment and to create the teams and networks you need to conquer the European and global market.

Globally connected economy

At the centre of the EU market

What better place for developing and growing your business across Europe than the most international country in the EU? With a consistently open economy, a central European location and the most international population in the EU, Luxembourg is a widely renowned business destination that provides excellent access to the European and worldwide markets.

Luxembourg's export of goods and services is the highest in the world relative to its GDP. It hosts the global or European headquarters as well as leading R&D and innovation centres of international companies: Goodyear, Amazon, ArcelorMittal, PayPal, SES, Husky Injection Molding Systems, Spire and Vodafone, to mention just a few.

Luxembourg is extremely well positioned in the heart of Europe. It borders two of the EU's main consumer markets, France and Germany. 60% of the EU's GDP can be reached within a two-hour flight. The airport is one of Europe's leading cargo hubs and offers direct flights to over 100 destinations.

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. The country has frequently been able to adapt EU legislation in a swift manner ensuring clarity and predictability for businesses.

With 74% of the workforce made up of foreigners, it is easy to recruit staff with the language skills and cross-cultural experience needed for doing business internationally. Having a base here often facilitates the reach to various European markets from one single location.

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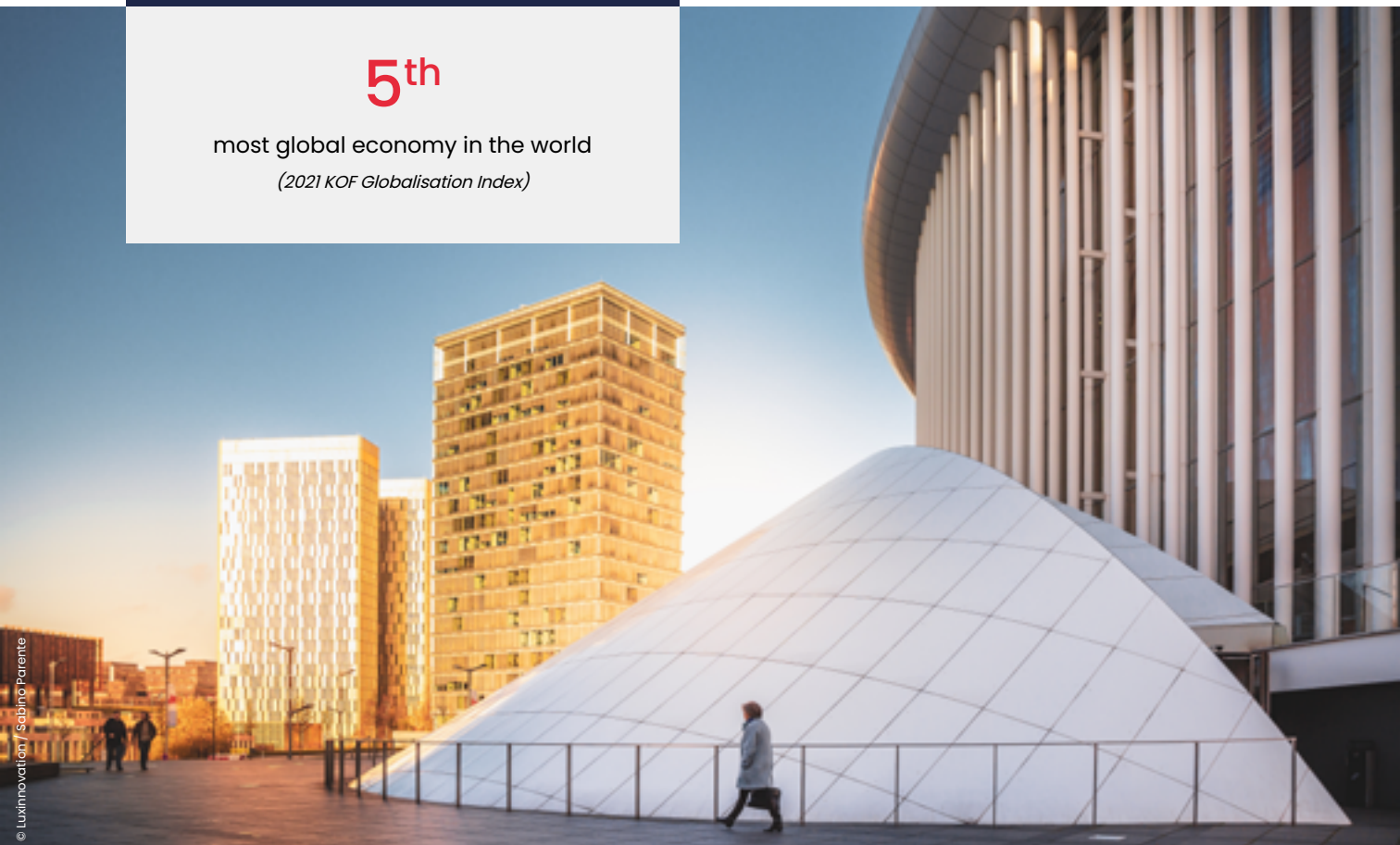
in the world for trade openness

(The World Bank, 2020)

5th

most global economy in the world

(2021 KOF Globalisation Index)



Globally connected economy -
At the centre of the EU market



Luxembourg gives you access to the EU Common Market

Benefit from free mobility of goods, capital, services and labour

■ EU countries



Testbed for innovative products

Research partnerships, full-scale living lab

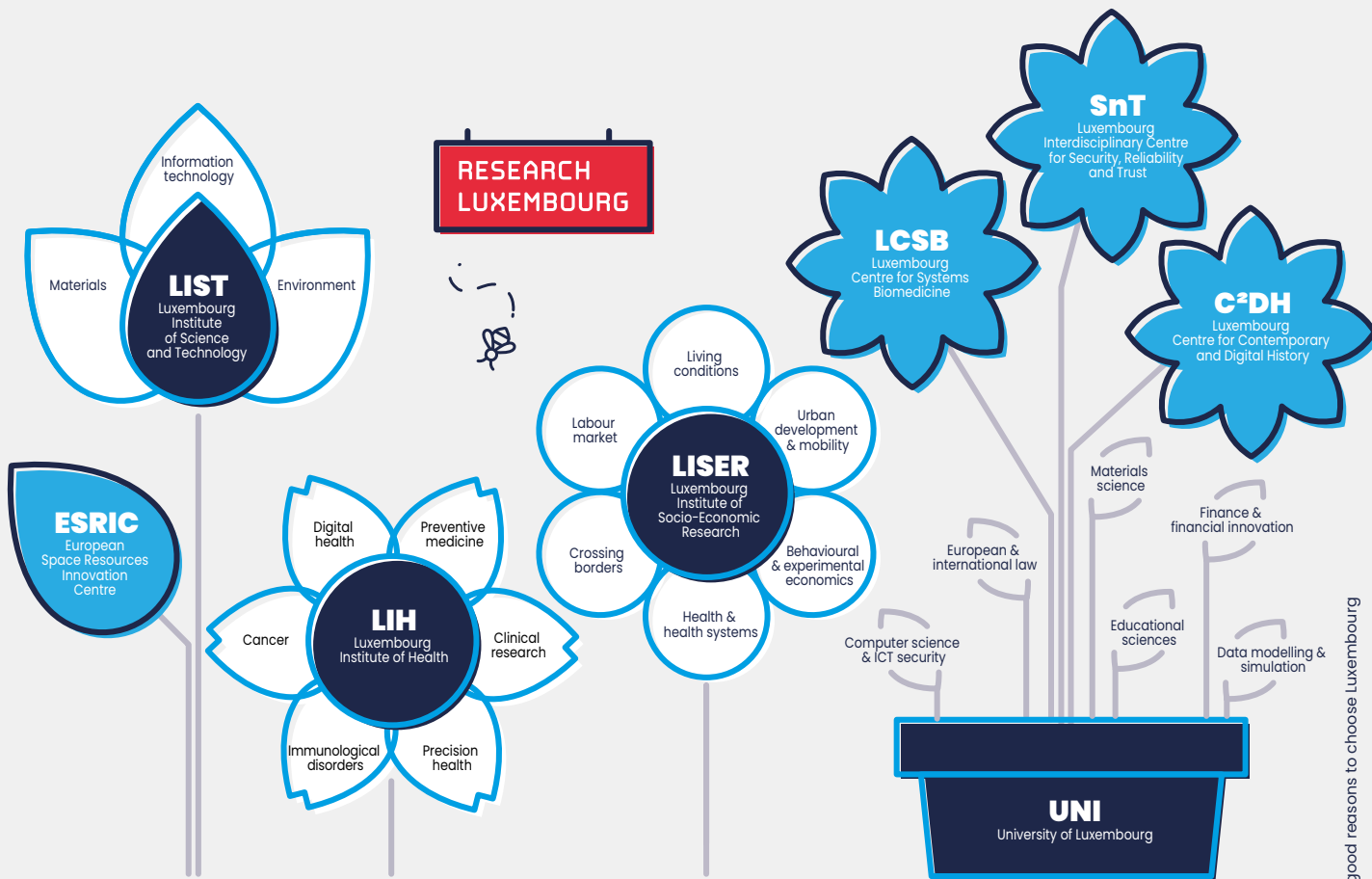
With its openness to innovation, public-private research partnerships and closeness to technological hotspots in Europe, Luxembourg is an excellent testbed for the development and commercialisation of new products and services. Adding to this its manageable size and diverse population, it is also a good place for carrying out product localisation for different EU markets.

Luxembourg has always been thinking out of the box. It was the second country in the world to adopt a legal framework on the exploitation and use of space resources and the first to make all public transport free of charge. It is home to a unique, business-oriented high performance computer and a leading green and sustainable finance centre thanks to its openness to financial innovation. These examples, and many more, illustrate why Luxembourg provides a fertile ground for developing innovative products and services.

Policy makers understand the needs and opportunities of companies and are interested in the technologies that drive business. This makes them able to put in place frameworks and regulations that are catalysts, rather than roadblocks, to innovation.

Luxembourg offers a safe, secure environment for companies wishing to geo-localise, test and certify their products and services for the EU market. Its manageable size, good infrastructure and highly diverse, international population makes it an attractive living lab.

Research organisations frequently cooperate with the private sector and work with companies on product development and tests. European and national grants are available for R&D and innovation projects.



Source: Research Luxembourg Infographic: Based on an idea by Quattro Creative

10 good reasons to choose Luxembourg

Pro-business policies

Accessible decision makers supporting innovation

“Your success is our success” – these words could well summarise the approach of Luxembourg policy makers to businesses. International companies choose to come here for the country’s holistic support system as well as for its forward-looking approach and availability of decision makers strongly motivated to facilitate business.

The ease of interaction with public authorities and the readiness of decision makers to listen and understand the concerns and ideas of business are key to many successful business endeavours in Luxembourg. The social climate is characterised by dialogue and mutual understanding.

Key partners can be connected swiftly and decisions are thus enabled in the interest of innovative business. Policy makers’ ability to gain insight into innovative business opportunities and turn them into reality has resulted in pioneering initiatives such as SpaceResources.lu and a business-oriented high performance computer. Thanks to the close-knit business community, companies can also be easily introduced to potential partners, clients, suppliers, and so on.

Companies interested in incorporating in Luxembourg can benefit from the professional advice of the House of Entrepreneurship, a one-stop shop for entrepreneurs and established businesses offering its services free of charge. English can be used for all incorporation-related documents (with a French/German translation).

Luxembourg is home to a large number of private and public-private incubators, co-working spaces and accelerators that offer premises as a good starting point for companies looking to establish a foothold in the country. Other types of land and office space are also available.

Business-oriented regulations

Luxembourg's business-friendly attitude is reflected in various regulations, such as the following:



Streamlined and transparent administrative procedures



Competitive corporate tax rate



Extensive network of double tax treaties



Favourable indirect labour costs



Advantageous import and export regulation



Thriving start-up community

Where international entrepreneurs are seen and valued

Luxembourg's start-up ecosystem has grown from virtually nothing to a thriving community in less than two decades – a feat that perfectly exemplifies the country's "can-do" attitude and open-mindedness to entrepreneurship. We welcome international entrepreneurs and know them by name.

Luxembourg's objective has always been to meet the real needs of entrepreneurs. It currently hosts over 15 incubators, accelerators and innovation hubs, which often become a first local hub for international innovative companies. Instead of competing with each other, incubators work together and are open to help each other's start-ups when needed.

Start-ups with a high potential to succeed can benefit from various programmes and support measures, such as accelerator programme Fit 4 Start or the Ministry of the Economy's Young Innovative Enterprise support scheme, among others.

For many start-ups, Luxembourg is an excellent location for testing their products and services before launching internationally. The close proximity to major European markets makes it attractive to use the country as a showcase market to understand the needs and develop the offering.

The ability to provide personalised support to each start-up is a competitive edge that differentiates Luxembourg from other larger start-up hubs. Start-ups reap all the benefits of a close-knit ecosystem where different players work seamlessly together. They can also facilitate contacts with large companies, investors, specialised advisors and others – partners that will prove invaluable on the road to success.

+15

incubators
accelerators
innovation hubs

+500
start-ups



**Main targeted
markets:**



Finance



Information
technology



Health &
wellbeing



Generic business
software



Space



Industry &
manufacturing

9

corporate programmes
supporting start-ups

Reliable data hub

Connectivity, cybersecurity, data processing

Luxembourg pursues its ambition to become a leading data economy, capitalising on its internationally recognised strengths in connectivity, data-processing capacity and cybersecurity. The country provides a comprehensive, supportive ecosystem where all parties involved work hand in hand to provide a seamless customer experience.

Luxembourg's data ecosystem includes all the most central components, such as a national cybersecurity centre, data lakes, research institutes and world-class infrastructure. The country welcomes companies wishing to develop, test and geo-localise digital solutions and develop their compliance in a safe, secure European environment.

Luxembourg offers exceptional connectivity secured by very fast, ultra-low-latency connections and a nation-wide coverage of ultra-high-speed broadband. The country hosts 23 data centres, including 9 with Tier IV certification – the highest concentration of Tier IV data centres in Europe. 5G mobile networks are already implemented on the territory of the City of Luxembourg and other pilot areas.

Multiple players with complementary skills form a mature cybersecurity ecosystem able to provide companies with hands-on tools to help them increase their level of cybersecurity. Estonia opened the world's first digital embassy here in 2018 to store valuable, sensitive government information.

Luxembourg's business-oriented high performance computer MeluXina has a unique modular architecture, which has been designed to meet businesses' needs for various amounts of processing power.

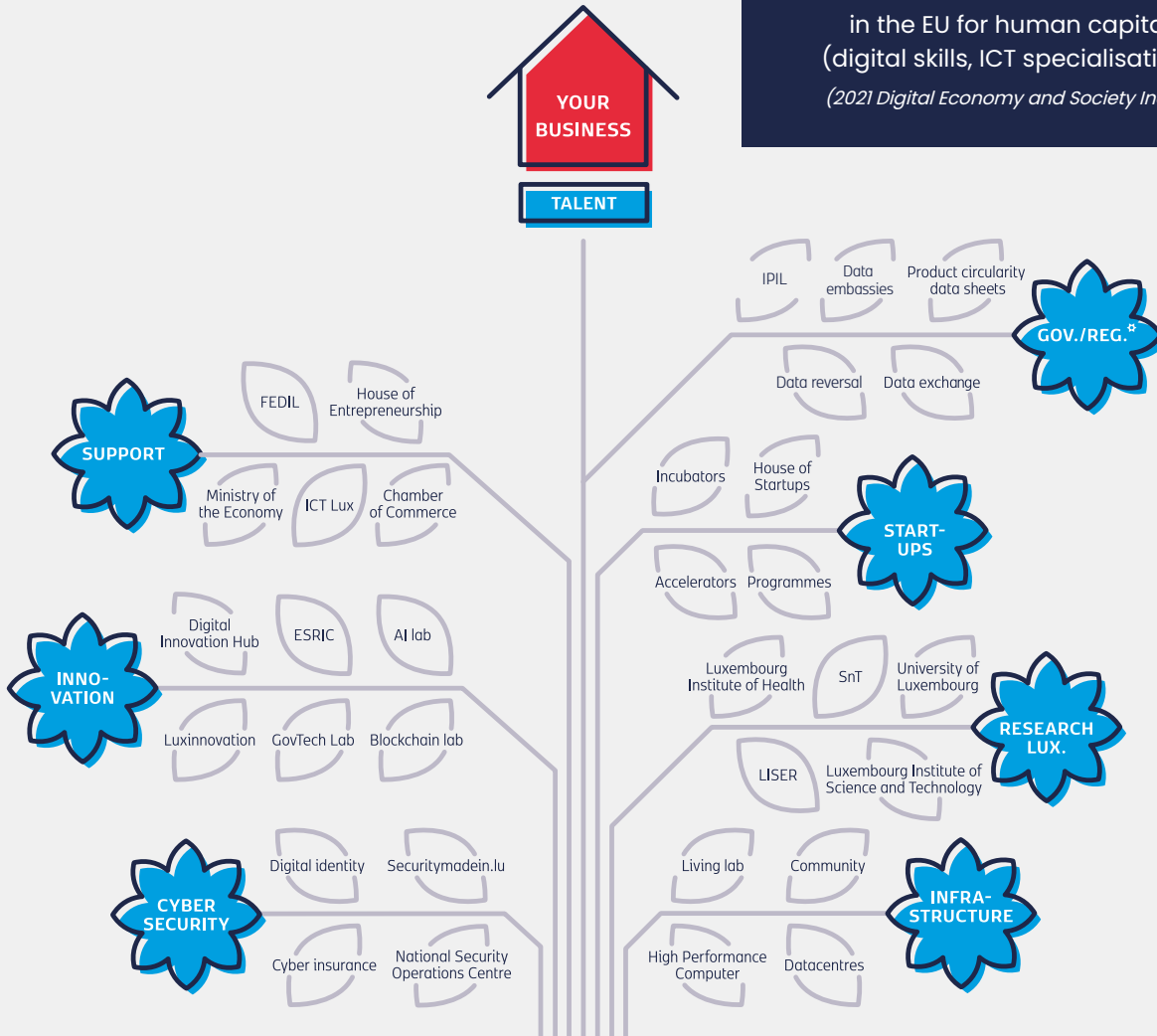
4th

best connectivity in the EU

(2021 Digital Economy and Society Index)

6th

in the EU for human capital
(digital skills, ICT specialisation)
(2021 Digital Economy and Society Index)



DATA DRIVEN INNOVATION STRATEGY

(*) Governance/Regulations | Infographic: Based on an idea by Quattro Creative

International talent pool

Skilled, multilingual, multicultural

Luxembourg has the most international population in the EU and a workforce that stands out for its multinational character, language skills and level of education. This is not only a huge asset for companies addressing the European and global markets, it also creates businesses with a truly international mindset from the word “go”.

Home to over 180 nationalities, Luxembourg has three official languages: Luxembourgish, French and German. English is widely spoken, in particular in the business community. Being fluent in 3 or more languages is the norm, not the exception. This makes it easy to deal with customers in different countries and find staff able to gain an in-depth understanding of their needs.

Employers in Luxembourg have access to a highly skilled workforce – the country ranks 1st in the world for highly skilled employment (Statista, 2015). 74% of the workforce are foreigners, both foreign nationals residing in Luxembourg and cross-border workers from the surrounding regions in France, Germany and Belgium with a population in excess of 11 million. Employers also frequently recruit staff from the rest of Europe and

beyond. Simplified work permit procedures for qualified non-EU nationals have been put in place and the processing of applications is fast.

Many people in the workforce have extensive experience of working in international markets and bring valuable networks from their home countries. With international teams, business structures become international and their products multilingual from the very beginning, which makes it much easier to reach new markets.

Most international population in the EU



53%

Luxembourgers



38%

EU residents



9%

non-EU residents

STATEC, EUROSTAT



#1

in the EU for average number of languages spoken:

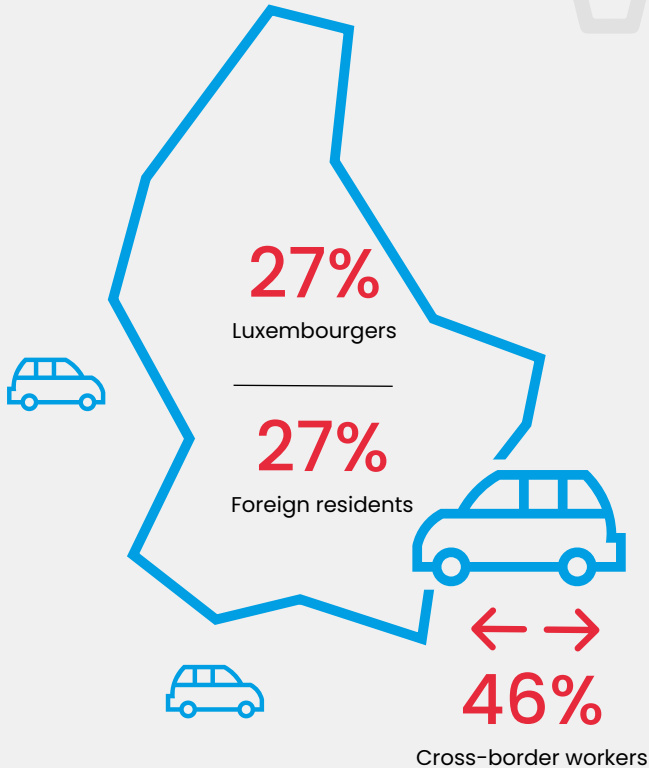
3.6

(Eurobarometer)

International talent pool –
Skilled, multilingual, multicultural



International workforce



STATEC

2nd

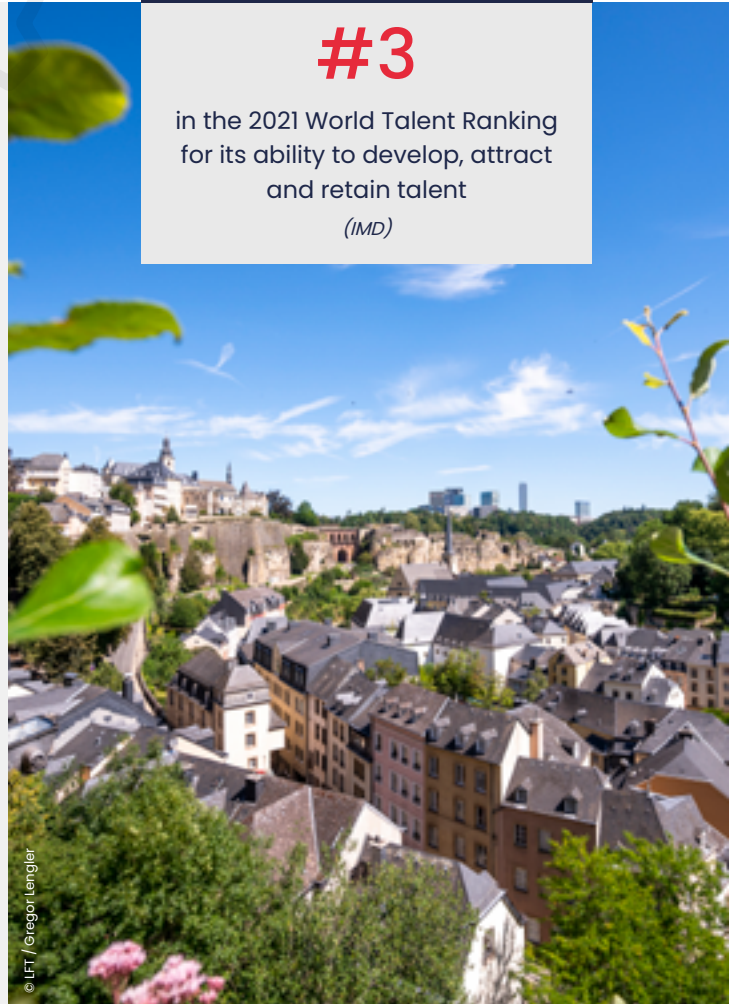
highest labour productivity
in the world at basic prices

*(2019 The Conference Board
Productivity Brief)*

#3

in the 2021 World Talent Ranking
for its ability to develop, attract
and retain talent

(IMD)



© LFT / Gregor Lengler

Your long-term home

Solid economy, stable society

Luxembourg is internationally renowned for its strong financial and economic performance, its sustained job creation and its social and political stability. Companies that choose to set up offices here can count on strong long-term growth prospects. The Luxembourg economy provides them with a favourable environment for developing their business.

Luxembourg has a robust and diversified economy that has been growing steadily over the years, continuously outperforming the EU average. It is one of the three countries with the highest GDP per capita in world – thanks in part to the high number of cross-border workers.

Due to its international trade, employment, domestic economy, public finance, business legislation, and societal and institutional framework, Luxembourg ranks as the world's 12th most competitive economy. It ranked 3rd most resilient economy in the world in 2021, and has the 2nd lowest government debt rate in the EU.

Luxembourg is one of the few countries in the world that are consistently AAA-rated by all major credit rating agencies. It has the 2nd highest labour productivity in the world (The Conference Board Productivity Brief, 2019), and the unemployment level is considerably lower than the EU average.

Well known for its political and regulatory stability, Luxembourg ranks among the 10 most politically stable countries in the world. It has a stable labour environment where open dialogue between business and union representatives is favoured. The number of working days lost through industrial action is among the lowest in Europe.



GDP growth (2021- preliminar figure)

+7 %

EU average **+5%**



Unemployment rate (April 2022)

4.7%

EU average **6.2%**



Public debt of GDP (2021)

24.4%

EU average **95.6%**



Employment growth (2005-2020)

54%

EU average **9%**

3rd

most resilient economy
in the world

(2021 FM Global Resilience Index)

9th

most politically
stable country
in the world

(The World Bank, 2020)

12th

most competitive
economy in the world

*(2021 IMD World Competitiveness
Ranking)*

Logistics and supply chain hub

Multimodal and digital

Luxembourg offers a range of advantages for exporting and importing goods and managing e-fulfilment activities. Home to a leading cargo airport and equipped with excellent road, rail and waterway infrastructure, the country is a competitive inter-continental logistics hub for value-added logistics activities.

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. Logistics service providers offer quality services targeting the needs of on-line retailers.

Luxembourg's multi-product specialisation strategy for the logistics sector focuses on certain types of products requiring specific handling and/or storage solutions. The airport has air links to all continents and offers, among other features, a GDP-certified Pharmaceuticals & Healthcare Centre and a temperature-controlled environment for perishable handling. Rail and road access is

easy and uncongested, and the river port of Mertert connects with inland and North Sea destinations.

The country offers fast and easy procedures for import, transit and export including paperless customs procedures, simplified customs procedures with Authorised Economic Operator status and the possibility to appoint a fiscal representative. Two logistics parks provide dedicated real estate solutions.

Benefiting from the 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. Intelligent transport systems are in use for the rail, waterway and roadway networks.



© Luxair Cargo

7th

largest airfreight platform in Europe

(STATISTA, 2021)

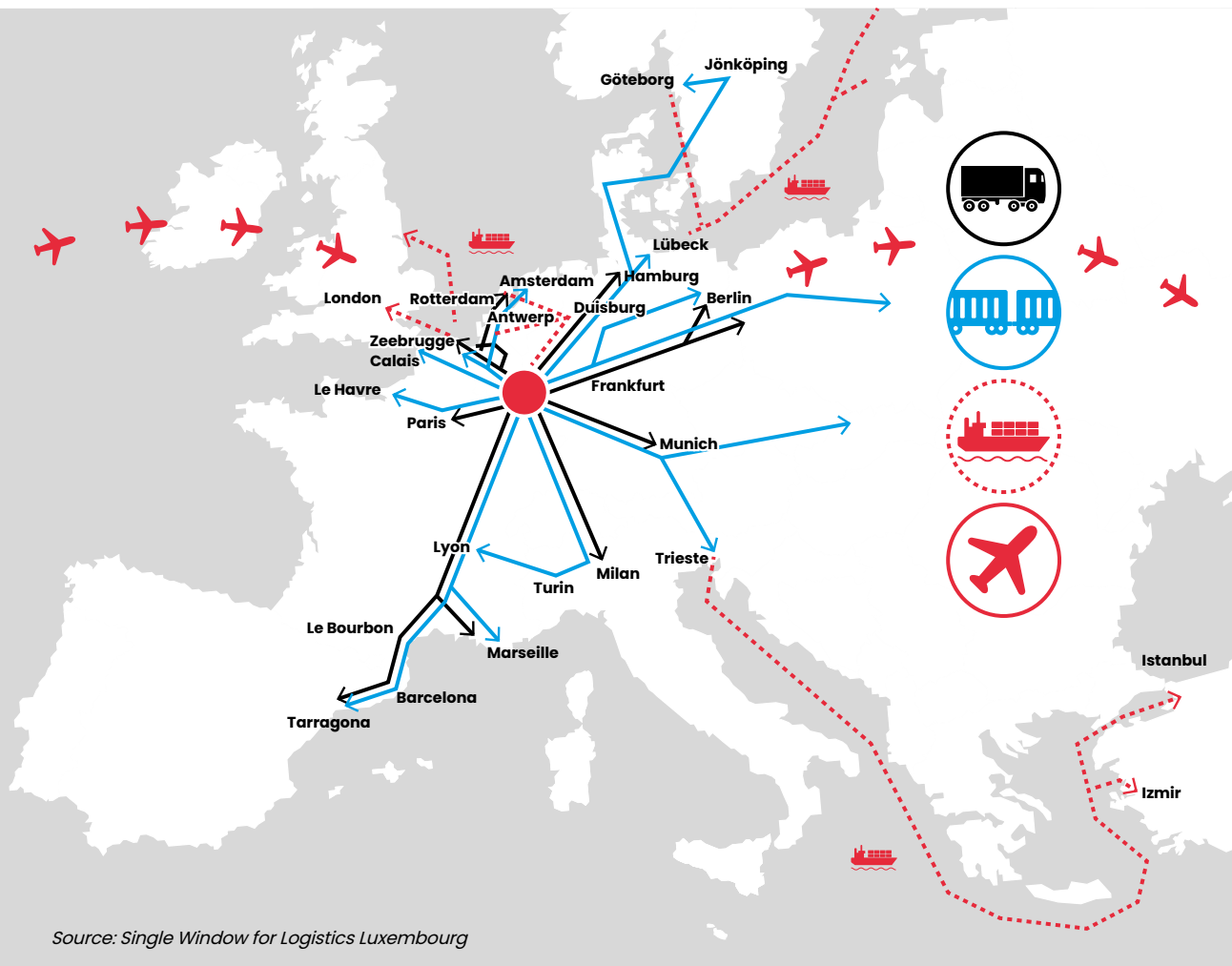
Logistics and supply chain hub – Multimodal and digital



7th

most globally connected country in the world

(DHL Global Connectedness Index 2020)



Source: Single Window for Logistics Luxembourg

10 good reasons to choose Luxembourg

Business incentives and support

Acceleration, loans and grants

As part of its efforts to strengthen the competitiveness of the Luxembourg economy, the government offers several types of R&D and innovation support measures. Companies that establish a sustainable presence here 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-ups coming to Luxembourg can apply to acceleration programme Fit 4 Start, which offers 6 months of coaching and co-funding of up to €150,000. Innovative start-ups in Luxembourg may also be eligible to apply for a young innovative enterprise subsidy provided by the Ministry of the Economy. Several Luxembourg equity funds invest in start-ups and technology-intensive small and medium-sized enterprises.

Companies with substantial activities in Luxembourg can benefit from R&D and innovation subsidies provided by the Luxembourg Ministry of the Economy. Companies located in Luxembourg can also benefit from European funding programmes such as Horizon Europe, the EU framework programme for research and innovation.

State investment bank SNCI specialises in medium and long term financing of Luxembourg-based companies and their projects. SNCI's financing instruments are investments in fixed assets, innovations and exports. SNCI also grants start-up/transmission loans to newly incorporated or inherited SMEs and may also finance investments of Luxembourg companies abroad.

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

Several associations bring together private investors. The Luxembourg Business Angel Network (LBAN) aims to match private investors with scalable and disruptive start-ups. The Luxembourg Private Equity and Venture Capital Association (LPEA) represents, promotes and protects the interests of private equity companies and venture capitalists in Luxembourg.

R&D and innovation subsidies available to Luxembourg-based companies



Feasibility studies



Research and development (R&D) projects and programmes



Support for young innovative enterprises



Innovation aids for SMEs



Subsidies for process and organisational innovation



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Great place to live

Green, safe and fun

Luxembourg offers an excellent quality of life for natives and expats alike. A truly cosmopolitan country with a long tradition of welcoming residents from abroad, it is a great place to live and raise a family, as well as to build an international career.

The Luxembourg health system is one of the best in the world. Over 95% of inhabitants are covered by health insurance. The highly developed and efficient social security system provides benefits related to illness, workplace accidents and occupational diseases, as well as extensive insurances.

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 offer a free curriculum in English, and there are around 15 well-respected international schools. The University of Luxembourg has a distinctly international, multilingual and interdisciplinary character.

With its generous paid leave and parental leave, family-friendly attitude and relatively short distances between homes and work places,

Luxembourg is renowned for offering a great work/life balance. Different providers offer various types of childcare.

Luxembourg's vibrant cultural life includes art, music, dance, theatre and much more performed by world-class artists. For a small country, Luxembourg has an impressive list of museums, art centres, galleries and independent stages. The old town and fortifications of Luxembourg City are UNESCO World Heritage sites, and across the country, medieval castles are a familiar sight.

The countryside, with diverse and unique landscapes crisscrossed by several thousand kilometres of hiking and biking paths, is never far away. Luxembourg has a first-class infrastructure of sports centres, a nautical base to discover water sports and an ice rink. The country is home to 6 golf courses and 38 swimming pools.



#1

in the world for economy and job security

(2021 Inter-Nations Expat Insider survey)

Great place to live – Green, safe and fun



© SIP

3rd
most attractive city in the world
(2021 Global 150 Cities Index)



© Luxinnovation / Sabino Parente



© SIP / Ulf Fiehlitz



5th

best country to raise a family
(Asher & Lyric website, 2020)

How we help

Luxembourg Trade & Invest

Investing abroad is a challenging endeavour. In case you are interested in opening an office or setting up a global or European headquarters in Luxembourg, the partners of Luxembourg Trade & Invest offer a range of high-quality, free services to support you every step of the way and help make your venture a success.

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 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.

Kick-start your local network

We have extensive personal networks in the Luxembourg business world. We can introduce you to multinational corporations, local companies as well as to start-ups and highly specialised service

providers and help you quickly become part of the local business community.

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.

Explore funding mechanisms and incentives

Luxembourg-based companies can apply for national funding measures and participate in European funding programmes. Our experts guide you to the most appropriate funding mechanisms according to your strategy and provide help with your applications.

Contact us today

tradeandinvest.lu/contact-us

Meet our team

tradeandinvest.lu/how-we-help





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TRADE & INVEST**

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THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of the Economy



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