

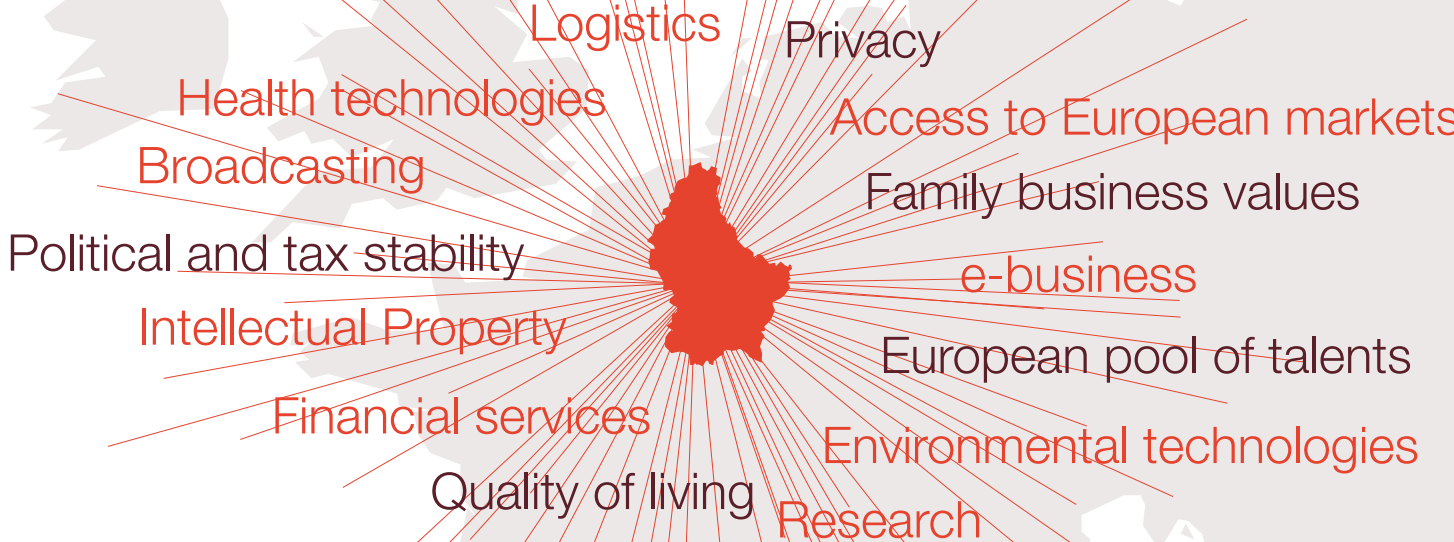
# Your access to European markets



Five minutes of business testimonials... ● check out the enclosed DVD



# Your location for innovation and tailor-made solutions in Europe





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# Editorial



**Pierre Gramegna**  
General Director  
Chamber of Commerce of  
the Grand Duchy of Luxembourg

Within the pages of this brochure you will have the unique opportunity to learn about a country that is as discreet as it is astonishing. Despite its diminutive proportions in terms of geographical size and population, the Grand Duchy of Luxembourg is recognised as a key marketplace at the very heart of Europe.

With historically enviable macroeconomic results, Luxembourg demonstrates a constant commitment to economic and social progress. Government measures taken in collaboration with public and private partners have been both ambitious and reasonable; sketching out the future of the country as a whole and stimulating competition between resident companies.

The Grand Duchy's unique business framework, in particular, has been key in attracting international groups for years. Making the most of EU opportunities, its regulatory context is one of the most attractive in the EU zone. In addition to a stable and competitive tax system,

Luxembourg has developed a simple and responsive administrative environment, providing players with the flexibility that is essential in the globalised world.

Luxembourg is also a country with great political stability. This, along with the traditionally close relationship between business and authorities, assists the set-up of new business activities and plays a strong role in their ongoing success.

Fully integrated into the European landscape, Luxembourg is perfectly in line with the development of cross-border activities. Its central geographical location, its advanced transportation and impressive logistics and IT networks have made the country a much appreciated business location.

In this brochure, you will find out more about the scope of potential partnerships in Luxembourg to manage projects and to address challenges such as research, innovation or the financing of your activities. You will also learn about the government measures in favour of economic

diversification through the set-up of clusters and other centres of excellence in promising fields like health technologies, information technologies or environmental technologies. All of which are supported by a research-oriented investment objective of 3% of the GDP in 2010.

Thus, it is with pride that the Chamber of Commerce of the Grand Duchy of Luxembourg and PricewaterhouseCoopers have joined forces to produce this brochure that highlights Luxembourg's assets. Should you wish more details on the possibilities of developing your business in Luxembourg, do not hesitate to visit the website of the Chamber of Commerce or its premises where you will always be a welcome guest.

A handwritten signature in black ink, appearing to read 'P. Gramegna', with a stylized flourish at the end.

P. Gramegna



**Didier Mouget**  
Managing Partner  
PricewaterhouseCoopers Luxembourg

Over the last decades Luxembourg has proven to be an ideal place for doing business. All its various stakeholders' efforts have shaped and guided the country over the years and have created a dynamic and collaborative market place.

Indeed, a large part of the credit for Luxembourg's success must go to its authorities, who have consistently combined a high standard of professionalism and expertise, with a business friendly and very much solutions oriented approach. They have established a simplified and flexible administration procedure and facilitated interactivity between the players on the marketplace. Thus, over the years they have become a trusted business partner to Luxembourg companies.

In addition to the advantages its geographical location at the crossroads of western Europe brings, Luxembourg is also endowed with a strong innovative spirit, which continually drives it to seek out new opportunities and attract new people and ideas.

Economic and social indicators serve as proof of this point. Luxembourg is a popular destination among expatriates; 40% of residents and 66% of the working population are foreigners, which provide Luxembourg with a multi-lingual and multicultural scene unique in Europe. This means that the Grand Duchy is perfectly suited to act as a gateway to the larger European market; a fact that has encouraged an increasing number of multinationals and SMEs to establish a business in Luxembourg.

In a constantly evolving world, Luxembourg has kept abreast with changes and is well aware of what is at stake for companies today. As such it seeks to provide a business environment favourable to development, built on a regulatory framework which is solid and reliable, yet flexible enough to be able to rapidly adapt to change, thereby allowing businesses to take advantage of emerging opportunities.

This proactive policy towards upcoming challenges has also resulted in the set-up

of strong measures for supporting R&D and innovation, as well as ongoing efforts to improve Luxembourg companies' competitiveness on the European and international stage. In addition to these strong business advantages, the high level of social cover and outstanding quality of life enjoyed in the Grand Duchy are also assets that lend weight to the argument, "Luxembourg: Where else?"

With the Chamber of Commerce, and on behalf of PricewaterhouseCoopers Luxembourg, I am pleased to present this new brochure which, I hope, will leave you in no doubt of Luxembourg's appeal. In this respect, the experts of PwC Luxembourg are at your service for more information and assistance in the potential set-up of your company.

A handwritten signature in black ink, consisting of a stylized 'D' followed by a loop and a vertical stroke.

D. Mouget



Luxembourg City, old town

# Executive summary

Situated at the heart of Europe, **Luxembourg is a unique gateway to the European market and its 500 million plus consumers.** Luxembourg has long established a reputation as a favoured location for a wide range of international companies with diverse business models from a variety of sectors.

**Luxembourg's success can be attributed to a succession of positive, long-term and innovative government policies aiming to enhance business and diversify the country's economy.** As a consequence of this approach, several factors have allowed Luxembourg to offer companies exceptional opportunities for doing business in Europe. These include its international and skilled labour force, high average return on investment, neutrality, easy access to government bodies and a very attractive, stable, legal and tax framework.

This brochure should serve as a guide to discovering the opportunities of the European market and the key differentiating advantages of Luxembourg for companies and people. Next, it describes the business framework offered by specific sectors for setting up local activities and how Luxembourg can support your implementation and development.

# A. Why address the EU market?

## 1. A wealthy and politically stable Union

The economy of the EU combines the economies of 27 Member States and generates an estimated nominal GDP accounting for about 31% of the world's total economic output. **The EU27 houses 500 million plus citizens who ensure a vast single market where consumers enjoy a high average purchasing power.** 16 Member States<sup>1</sup>, including Luxembourg have adopted a single currency, the Euro, thereby eliminating the currency exchange rate barrier. The official name of the European single currency zone is the “euro area”. The 27 Member States<sup>2</sup> meet the Copenhagen criteria<sup>3</sup> that ensure stable democracy and free trade.

## 2. A highly skilled environment dedicated to High tech and R&D

The High Value industry encompasses all companies who have set up major production plants and highly competitive R&D centres in several domains: aerospace technology, health sciences and technologies, information and communications technologies (ICT), nanotechnologies and robotics. These plants with R&D production centres based in Europe benefit from a direct link to the large consumer market and are certain of a market presence close to the final customers.

More than 460,000 companies<sup>4</sup> are already present in Europe, in ten different industries (pharmaceuticals, aircraft & spacecraft, chemical, machinery & equipment, etc.), enjoying key advantages such as a direct access to decision-makers, an entire supply chain and an efficient distribution network.

## Some key figures sizing the EU27's weight in international business and trade

- The EU produces more than 37.5% of the world's pharmaceuticals output. It is also the world's largest producer of chemicals with a turnover of EUR 580 billion, accounting for more than one third of global output;
- The European e-commerce market is expected to grow from EUR 203 billion in 2008 to almost EUR 322 billion in 2011 (+ 59%)<sup>5</sup>;
- The European broadcasting and cable TV market is forecasted to have a value of EUR 64.1 billion, i.e. an increase of 14% since 2006<sup>6</sup>.

<sup>1</sup> The 16 Member States of the Euro area are: Austria, Belgium, Cyprus, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, the Netherlands, Portugal, Slovakia, Slovenia and Spain.

<sup>2</sup> EU27 includes: the 16 Member States of the Euro area + Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Latvia, Lithuania, Poland, Romania, Sweden and United Kingdom.

<sup>3</sup> “Accession criteria established in 1993 in Copenhagen”, European Union

<sup>4</sup> Including following NACE code: Manufacture of chemicals and chemical products (24), Manufacture of machinery and equipment (29), Manufacture of office machinery and computers (30), Manufacture of electrical machinery and apparatus (31), Manufacture of radio, television and communication equipment and apparatus (32), manufacture of medical, precision and optical instruments, watches and clocks (33), Manufacture of motor vehicles, trailers and semi-trailers (34), Manufacture of other transport equipment (35).

<sup>5</sup> “Europe B2C e-commerce”, eMarketer, July 2007 (2006 average exchange rate : 1€=1.26\$)

<sup>6</sup> “Broadcasting & Cable TV”, Datamonitor, 2007 (2006 average exchange rate : 1€=1.26\$)

## Some key figures highlighting the importance of R&D investments in the EU

- In 2007, the automotive sector was the **main private investor** for R&D in Europe with **EUR 20 billion for innovation** (20% of total EU investments in R&D)<sup>7</sup>;
- ICT, pharmaceuticals and transport equipment accounted for 60% of total business R&D spending in the EU while constituting only 15-20% of total business added value. It is a measure of the high R&D intensity for these sectors which are expected to grow more than others in the coming years<sup>8</sup>;
- 38% of the R&D expenses of the automotive sector are operated in Europe<sup>9</sup>;
- The European Investment Bank's total lending for R&D in the European Union and partner countries in the past five years was EUR 31.2 billion;
- There are 1.3 million researchers and scientists in the EU27. Half of them work in the private sector.



Luxembourg-Kirchberg, European Institutions quarter and Philharmonie concert hall

Europe's future comparative advantage is likely to be in high technology manufacturing. This trend drives R&D investments and innovation towards high value added activities, which find outlets into the large pool of high average purchasing power European citizens.

## 3. At the heart of goods and manufacturing exchanges

Europe gathers half a billion potential clients and a huge logistics market, with more than 6.3 million wholesale and retail trade enterprises and 2.3 million of manufacturing enterprises in the EU<sup>10</sup>. The nominal spend on logistics and storage in the EU will grow from an estimated EUR 191.4 billion in 2008<sup>11</sup> to EUR 269 billion by 2012<sup>12</sup>. The major part of the EU logistics market's revenue comes from the retail segment, which represented 58.2% of the overall market value in 2008<sup>13</sup>.

## 4. An attractive place for financial services

With such a large and wealthy population, the EU27 represents a significant area to develop and sell financial products. Financial activities contributed to around 28% of the EU27's gross added value, and households' net financial wealth accounted for more than EUR 15 billion in 2007. Mainly driven by regulatory harmonisation, new players have emerged and financial integration has increased.

In addition to the advantages brought by the single market, the EU is constantly evolving, with the integration of new Member States bringing new business opportunities. In this fast-changing and growing market, socio-economical trends shape the financial landscape and boost the demand for financial products and related services throughout Europe.

<sup>7</sup> "Keep on rolling", European Commission, 2008

<sup>8</sup> "R&D in Europe", OCDE, 2006

<sup>9</sup> "L'industrie de l'équipement de l'automobile", ILEA, Industrie luxembourgeoise des équipementiers de l'automobile, 2008

<sup>10</sup> "EU27", Eurostat, 2005

<sup>11</sup> "Logistics in Europe", DataMonitor, 2008

<sup>12</sup> Exchange rate: EUR 1 = USD 1.24296

<sup>13</sup> "Logistics in Europe", DataMonitor, 2008

# B. Luxembourg's advantages for doing business

Numerous state-of-the-art companies have been attracted to this small country by its dynamic and efficient approach to business. Luxembourg's strategic geographical location, excellent infrastructure, rewarding tax environment and an almost unparalleled high quality of living make it a top tier place to live and to develop business. The government's long-term commitment to continually improve the business environment, coupled with extremely solid state finance indicators, is a great guarantee for the future.



## 1. A strategic position at the heart of Europe

**Around 40% of the European Union's wealth is concentrated in a 500 km area around Luxembourg. Extend this to 700 km and the figure rises to around 70% of EU wealth<sup>14</sup>.** One of the prime features of Luxembourg's success is its geographical setting. Luxembourg profits from a strategic position at the crossroads of Europe, with direct routes to the most important European cities: Paris (now just 2h15 by train), London, Amsterdam, Brussels, Berlin, Zurich, Milan and Geneva. Sharing borders with Belgium to the west and the north, with Germany to the east and the north, and France to the south, Luxembourg enjoys a high level of cross-border trade, investment and employment.

<sup>14</sup> "European Distribution Report", C&W, 2006

Historically, Luxembourg has always been open to people from other countries, welcoming diversity. Furthermore, over the years the country has developed an export-driven industry. **More than 80% of the goods and services produced in Luxembourg are bound for foreign markets<sup>15</sup>.**

**Luxembourg is also well known for its role within Europe.** As a founding member of major international organisations such as BENELUX, the Council of Europe, the European Union, NATO, OECD, and the United Nations, the Grand Duchy has influence that belies its size, especially within Europe. Indeed, Prime Minister, Jean-Claude Juncker is the longest-serving head of government in Europe and is well known and respected abroad as, since 2005, he has been President of the Eurogroup, which is the regular meeting of finance ministers from those EU Member States that belong to the euro area.

<sup>15</sup> Stateg, 2008

A number of European institutions, such as, the European Court of Justice, several EU Commission services, the European Investment Bank, the Court of Auditors and the Secretariat of the European Parliament are based in Luxembourg.

**Schengen, a symbol of European free movement and a Luxembourg village.** Schengen is a small wine-making village in the south-eastern corner of Luxembourg, near the point where the borders of Germany, France, and Luxembourg meet. The village became famous on June 14, 1985, when the Schengen Agreement was signed by the EU members. This agreement provides for the removal of systematic border controls between Member States and allows the free movement of individuals within the EU.

“Luxembourg has an important role to play in Europe, both in terms of its business environment and more broadly. It may be a small country but it is not afraid to take its rightful place at the table. Luxembourg after all was one of the founders of the European Union.”

Lakshmi Mittal, Chairman and CEO, ArcelorMittal<sup>16</sup>

## 2. Business-friendly and politically stable

The Luxembourg political system consists of a parliamentary democracy under the form of a constitutional monarchy. **The political stability of Luxembourg** is marked by a political culture of consensus where the parties coexist within the context of broad agreement on key issues. In this context, a group of key ministers have been allowed to remain in government for a significant period of time **providing continuity in important policy initiatives under successive coalition governments, with an emphasis on economic policies.**

**The business-friendly political environment is conducive to welcoming decision-makers and entrepreneurs.** Indeed, attracting international players is considered paramount in building an efficient business framework and economic growth, and allows Luxembourg to establish a permanent and innovative business community.

The size of Luxembourg and its efficient business approach also means that politicians and key civil servants are approachable and open to dialogue.

**Luxembourg has an unique system of social dialogue that involves regular meetings between the government, employers' representatives and unions.** This tripartite instrument is key to avoiding social conflicts and to reaching consensus on important decisions regarding economic and social affairs. As such, Luxembourg appears to be the country with the lowest number of strike days among OECD countries<sup>17</sup>.



Luxembourg City, “La Passerelle” bridge

<sup>16</sup> FEDIL, Luxembourg Business Federation, January 2008

<sup>17</sup> “Five-year average in days not worked per 1000 employees”, OECD, 2007

“For SES, the support of Luxembourg’s government has been critical over the history of the company, particularly in its development and expansion, which would not have taken place without it.”

Romain Bausch, CEO, SES<sup>18</sup>

### 3. A stable and rewarding tax environment

Luxembourg offers a legal and regulatory framework with a tailor-made approach for business creation. The tax framework is considered among the most stable and rewarding in Europe for companies, their shareholders and their employees. This is a key component of Luxembourg’s development.

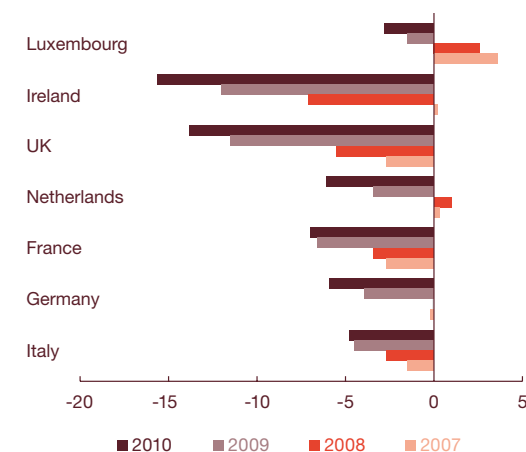
### A stable tax regime despite the fiscal impacts of the crisis<sup>19</sup>

In order to ensure economic recovery and sustain future growth, most western countries, including Luxembourg, have financed stimulus plans.

Although it was necessary to fight against the short-time consumption downturn, these plans will have a major impact on public finance. This will be the case in most European countries as well as the USA, where government deficits and public debt are expected to increase substantially.

To stay competitive in the long-term, national economies have to keep their public finances healthy, which means reducing public debt and deficit. In this respect, countries from euro area must comply with the Stability and Growth Pact, requiring a general government debt of less than 60% of GDP and a general government balance sheet that does not exceed 3% of GDP.

### General government balance sheet (in % of GDP)



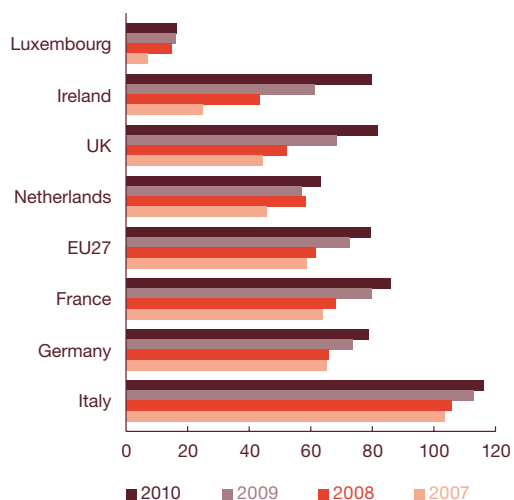
After assessing national stimulus plans and public finances, the European Commission forecasts that over the next few years, government debt from most of European countries is going to breach the EU Stability and Growth Pact criteria.

However, Luxembourg public finances are still healthy and constitute the best guarantee of stability for its tax regime.

<sup>18</sup> Interview “Luxembourg: Where Else?” DVD enclosed, September 2008

<sup>19</sup> “Interim forecast Spring 2009 (based on available data up to April 22, 2009)”, European Commission, 2009

### General government debt (in % of GDP)



**With public finances comfortably within EU Stability and Growth Pact requirements, Luxembourg will maintain one of the most attractive tax regimes in Europe.**

### A rewarding tax environment

#### Corporate tax rate and incentives

In 2009, the **combined corporate income tax rate in Luxembourg City is 28.59%**. In the next few years, the rate is expected to decrease progressively to 25.5%. Luxembourg has **52 non double taxation treaties in force as of July 2009**, from which companies that have set up their business in Luxembourg can benefit (additional treaties are currently under negotiation notably with Qatar, Lebanon, etc.).

#### A new attractive tax regime for Intellectual Property (IP):

IP has always been a company's most valuable asset. Thus investments made by companies in terms of invention, creative work and R&D activities should be protected and supported.

Conscious of the important role that intellectual property plays in innovation, the new Luxembourg tax regime (adopted in December 2007) provides an 80% exemption for net income deriving from certain IP rights and

capital gains realised on the sale of IP. Its legal system and infrastructure make Luxembourg an ideal location for the exploitation and protection of IP. The partial exemption applies to income paid to Luxembourg taxpayers for the use and the right to use software copyright, patent, trademark, design, model or domain name under certain conditions. All revenues from IP also benefit from the net wealth tax exemption.

**Investment tax credits:** The global investment tax credit provides a credit of 6% of the acquisition value of investments made during the year, subject to a ceiling of EUR 150,000 and of 2% on the balance. The complementary investment tax credit provides a credit of 12% of the complementary acquisition value of investments made during the tax year.

**New business tax credit:** 25% exemption (or 50% until 2013) on both corporate income tax and municipal business tax for up to eight or ten years on profits arising from the implementation of new businesses, manufacturing processes and new high technology services under certain requirements.

More generally, various types of incentive regimes are available, notably for developing R&D and innovation (see page 15).

## Indirect tax rate and incentives

**VAT advantages:** Since the institution of VAT in the European Union (EU), Luxembourg has always applied the lowest rates in the EU. The different rates applicable in Luxembourg are: 3%, 6%, 12% and 15%, according to the goods or services purchased.

**No VAT pre-financing on imports:** Most EU countries ask for payment of the VAT due on imports. In Luxembourg, no cash payment of the VAT on imports occurs because the VAT due only needs to be reported in the VAT return. This procedure applies automatically and unconditionally, whereas application of the same procedure in some other EU countries may be subject to preliminary authorisations and/or guarantees. Therefore, **no cost is linked to the pre-financing of import VAT in Luxembourg**, with a minimum administrative burden.

## Personal tax

The personal tax regime is constantly being adapted to the benefit households and people involved in Luxembourg daily life. As such, there are many allowances, deductions and exemptions in the Luxembourg income tax regime, deductions for employment-related expenses, deductions for interest payments, deductions related to share purchase, exemptions for pay earned by working unsocial hours, part exemptions on dividend income, etc.

Feel free to visit our website [www.setupineurope.com](http://www.setupineurope.com) and its dedicated and innovative cost calculator. It will offer you a benchmark of many European cities where you can set up your business.



The Moselle valley and river

#### 4. A commitment towards R&D and Innovation

Luxembourg has confirmed its commitment to making research and innovation a top priority of its national policy agenda and to help it thrive in the Grand Duchy.

Sizing the weight of innovation in future economic growth, Luxembourg's Ministry of the Economy and Foreign Trade, together with Luxinnovation, the National Agency for Research & Development, has deployed a series of Clusters since 2002.

This program aims at establishing both research and business-based structures for innovative companies and institutions, and at creating synergies between them.

To optimise the efficiency of this process, the idea is to develop one Cluster for one business sector in accordance with the diversification policy led by the Government. There are five Clusters managed by Luxinnovation:

- Cluster **Biohealth** for the promotion and development of health science and technologies in Luxembourg;
- Cluster **EcoDev** encouraging sustainable development and environmental technologies;
- Cluster **SurfMat** for the creation of expertise in Luxembourg in the fields of surface treatment and new materials;
- Cluster **InfoCom** for all information and communications technology activities;
- Cluster **Aerospace** for all technologies related to aeronautics and aerospace.

This proactive policy underlines the government's strong volition, at this time where the future of the world economy is at a turning point, to make Luxembourg a prime location for high value added activities. Other national clusters are also in force and will be presented later in the brochure.

#### Financial support

Luxembourg offers a full range of custom-made investment incentives designed to give new ventures a head-start and, in particular, to foster R&D and innovation. Financial support may be granted for the funding of specific investment and R&D projects in order to complement equity and bank financing. Medium and long-term loans from the SNCI<sup>20</sup> are available at interesting rates.

R&D plays an important role in the innovation process, which is increasingly vital to the current and future profits of Luxembourg companies and institutions. In order to support them in this field, the government has introduced a new public incentives framework for R&D, effective since July 1, 2009.

The common incentives framework grants aid of up to 25% of the R&D investment. However, on specific matters the level of aid can be higher.

New direct incentives, along with the maximum level of aid on specific matters, include:

- A specific regime for technical feasibility studies (up to a maximum of 75% of total investment);
- A specific support for the creation of young innovative companies (up to a maximum of EUR 1 million);
- A specific incentive for advisory services focused on innovation (up to a maximum of EUR 200,000);
- A specific regime for innovative approaches related to corporate organisation and services activities (of between 15% and 35% of total investment).

<sup>20</sup> Société Nationale de Credits et d'Investissement: National Credit and Investment Corporation.

In addition, all existing aid has been renewed with an extension to its maximum level on specific matters:

- Up to 100% for fundamental research;
- Up to 80% for industrial research;
- Up to 60% for experimental development.

Companies of all sizes, private research organisations and public organisations which expect to invest in research are eligible for this aid. These incentives aim at enhancing the visibility of Luxembourg as a key centre for the management of technical innovation through research and development by encouraging public-private cooperation and investments in innovative fields.

### **What are the eligibility requirements for R&D and innovation incentives in Luxembourg?**

The eligibility requirements depend on two major elements, which are the type of beneficiary and the nature of the project. If each incentive's scheme has its own specificities, the beneficiaries generally include enterprises (SMEs or large companies) or research centres that are legally registered in Luxembourg. The type of incentive (generally subsidies or interest-rate subsidies) and the amount will also depend on the types of research program. For example, the notion of collaboration between firms with a national public research center, or with any research partners, is taken into consideration. The type of research (basic research, industrial research or pre-competitive development for example) or the type of innovation (incremental or breakthrough) are among the criteria influencing the nature and amount of the incentive.

For most of the incentive schemes, the beneficiary should enclose a short business plan with:

- a quantified description of the research and development project;
- an overview of the specific regime for IP rights protection (see page 13);
- a description of the possible outcomes of the project; the financial plan (with the detail of potential eligible costs).

### **Example of additional incentives:**

#### **Environmental incentives**

To promote the development of environmentally friendly manufacturing practices, investments encouraging the protection of the environment and the rational use of energy may benefit from incentives of up to 25% of related costs.

### **Organisations**

- The SNCI<sup>21</sup> is specialised in the financing of investments and exports. With an approach based on co-financing with the commercial banks, it tries to guarantee an appropriate balance between the different sources of financing.
- The Office of Ducroire works to promote economic and financial relations in favour of Luxembourg. One of the most notable ways it does so is by providing guarantees against export risks.

<sup>21</sup> Société Nationale de Credits et d'Investissement: National Credit and Investment Corporation.

“We base our development on Knowledge and Research & Development. Innovation is key for us.”

**Jeannot Krecké**, Minister of the Economy and Foreign Trade<sup>22</sup>

#### Esch-sur-Alzette, Belval: the city of knowledge and innovation

Built on the stones of the former industrial site of Belval, a unique Science Quarter is emerging in the south of Luxembourg (15km from Luxembourg City). Sustained by public authorities and private stakeholders, this ambitious project aims to form both an extremely competitive and innovative community. With its state-of-the-art infrastructure, Belval will, in the near future, bring together and connect all the key institutions necessary to become a centre of excellence in knowledge and innovation with direct routes to address the European market:

- The University of Luxembourg;
- The Public Research Centres Gabriel Lippmann and Henri Tudor;
- Research centre in biotechnologies and molecular medicine;
- Top research and innovative companies;
- An advanced urban living plan;
- About 200,000 sq.m. of new offices;
- Incubator for start-ups, etc.

Scientists, students and entrepreneurs will work side by side in a place where the worlds of science and business converge to create an area that promotes the exchange of ideas and communication.

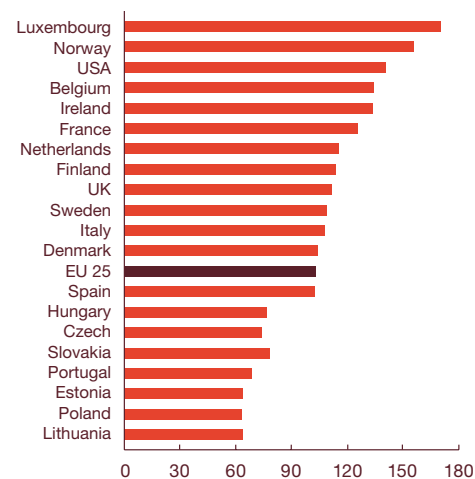


Esch-sur-Alzette, Belval (RBC Dexia building)

<sup>22</sup> Interview, “Luxembourg: Where Else?” DVD enclosed, September 2008

## Labour productivity per person employed

(EU25<sup>23</sup>= base 100, base on a PPS series)



Source: Eurostat – Key figures on Europe 2008/2009

## 5. Highly skilled and multilingual workforce with high productivity

The labour market in Luxembourg offers a pool of highly skilled and multilingual resources from Luxembourg and from France, Germany, and Belgium. Due to its history, Luxembourg also has a strong potential workforce pool from Portugal and Italy. **Many people in Luxembourg speak 3 or 4 languages** (Luxembourgish, German, French, English, Portuguese, Italian, Spanish, etc.). As the business community puts it: “In Luxembourg, we speak the language of your customers”. Almost 40% of the people in Luxembourg say that they speak English at work<sup>24</sup>.

The high level of professional qualifications held by staff has allowed the Grand Duchy to respond to the requirements of multilingual and multicultural investors.

In 2008, Luxembourg was ranked first in terms of productivity per person employed thanks to a pleasant working environment as well as good social relations and an added-value economy.

Luxembourg’s people also benefit from one of the most attractive social security systems in Europe (social security contributions and coverage) with relatively low rates (both for employees and employers) and broad coverage, high benefits, and generous package. **Another advantage that sustains Luxembourg’s outstanding labour competitiveness, is its lower taxation and social charges compared to other European countries.** This is a key feature in attracting European talents.



<sup>23</sup> EU25 includes: the 16 Member States of the Euro area + Croatia, Czech Republic, Denmark, Estonia, Latvia, Lithuania, Poland, Sweden and United Kingdom

<sup>24</sup> TNS ILReS Survey, 2007

## 6. An international country welcoming foreign people

Due to its history, Luxembourg is a land of permanent migration. **The country offers a huge capacity to facilitate the economic and social integration of foreigners.** Luxembourg City is one of the European Union's three official capitals, and, situated at the crossroads of France, Germany and Belgium, it is an unparalleled cultural metropolis.

Luxembourg City is characterised by the encounter of numerous cultures and languages with over 60% of its residents coming from other countries. In addition, the country welcomes around 166,000 daily commuters. The integration of foreigners is very easy in Luxembourg. Luxembourgish, French and German are the official languages and 75% of Luxembourg people speak English<sup>25</sup>.

As Luxembourg is a member of the EU and part of the Schengen zone, there are no difficulties for employers to attract European talent. Luxembourg is very familiar with the principle as **66% of its active population is foreign.** Moreover, on July 9, 2008, the members of the Luxembourg parliament adopted a new immigration law in order to simplify and speed-up administrative application procedures and modernise the legislation on immigration.

Researchers and highly skilled profiles are attracted to Luxembourg by the quality of living, the social security coverage, fine public infrastructure, rewarding packages and its position as an ideal gateway to European careers.



Luxembourg City, Place Guillaume, market

<sup>25</sup> «Le marché de l'emploi transfrontalier et le marché linguistique du Luxembourg», University of Luxembourg, BaleineBis, 2008

## 7. A safe country with a high quality of living

According to Mercer's 2009 survey<sup>26</sup>, **Luxembourg is the city with the highest level of personal safety** thanks to its high scores in the following criteria: relationship with other countries, internal stability, crime and law enforcement.

**Luxembourg is known for its quality of life. It belongs to the top cities in terms of quality of living in Mercer's 2009 survey**, ranking 19<sup>th</sup> out of 215 cities. Luxembourg is also ranked 13<sup>th</sup> out of 144 countries in the 2009 Global Peace Index, drawn up by Vision of Humanity.

Luxembourg offers a wide variety of landscapes and places of tourist interest like the Moselle valley with vineyards in the east and castles across the country. Vianden, a small village with one of the largest and most beautiful medieval residences of the romanesque and gothic periods in Europe, is also known for its once famous inhabitant, 19<sup>th</sup> century French Romantic writer, Victor Hugo.

<sup>26</sup> [www.mercer.com](http://www.mercer.com)

In addition, Luxembourg is the **country of nature lovers**. It has one of the largest hiking networks in Europe in relation to the size of the country. More than 500 of hiking tracks (5,000 km). In the north of Luxembourg, the regions of "Ösling", and in the South the "Gutland", with thick forests and plenty of small streams are popular with walkers.



Moselle valley, vineyards

The old Luxembourg City and its Vauban's fortifications are listed as **UNESCO world Heritage sites**.

The new part of the City (Kirchberg) where the EU institutions have established their headquarters, hosts new buildings such as the Museum of Modern Art (Mudam) with a contemporary art collection designed by Pritzker Prize laureate and Chinese American Architect, I.M. Pei, and the Philharmonie concert hall designed by the French Pritzker Prize laureate, Christian de Portzamparc.

In Luxembourg, excellent sports facilities are also available (six golf courses, twelve swimming clubs and 53 tennis clubs).

Luxembourg cuisine is a mix of French and German culinary specialties. Thanks to its role as an immigration centre for Portuguese and Italians, as well as central position in Europe, Luxembourg's restaurants offer a wide choice of specialties that reflect the City's cosmopolitan diversity. In Luxembourg, you can eat top quality food from all over the world: European, Chinese, Indian, Japanese, Latin American...

### Luxembourg, high quality and affordable cost of living

The Mercer "Worldwide Cost of Living Survey 2009"<sup>27</sup> shows that Luxembourg is less expensive than most other European cities. The country ranks 38<sup>th</sup> out of 143 and is doing much better than Moscow, London, Geneva, Zurich, Milan, Paris, Dublin, Rome, Vienna, and Amsterdam, Luxembourg also ranks 7<sup>th</sup> out of 254 cities worldwide in terms of lifestyle and facilities for expatriates, according to an ECA International 2009<sup>28</sup> survey. Luxembourg remains a favourite European destination for immigration due to its peaceful environment.

<sup>27</sup> [www.mercer.com](http://www.mercer.com)

<sup>28</sup> [www.eca-international.com](http://www.eca-international.com)

## 8. A tailor-made international school system

**Luxembourg allows excellent accessibility to education for foreign children with various renowned international schools** (International School of Luxembourg, European School, St George's International School or Lycée français Vauban). With the steady increase of foreign children in the population, the Luxembourg government recently announced a new investment program for international schools to meet future demand.

The national public schools in Luxembourg offer the opportunity to learn German, French and Luxembourgish from a very young age.

### **The University of Luxembourg is a young and dynamic institution.**

The University of Luxembourg has international multilingual abilities and has established privileged partnerships with other universities and private and public institutions. Since 2003 it has offered Bachelor and Master Degrees, and Doctorates in line with the Bologna criteria, as well as other specific courses. The University of Luxembourg has chosen its model to be that of a university led by research and supports a number of scientific research focus areas (such as security and reliability of information technology, material science, life sciences, European and business law, etc.).

In addition to the University of Luxembourg, other institutions such as Sacred Heart University and the Miami University Luxembourg are present. Luxembourg is also only a couple of hours away from well-known universities in France, Germany and Belgium.



## 9. Luxembourg, the country of culture

**Luxembourg has a large number of museums, theatres (with a wide range of plays and operas in English, German and French) and cinemas with movies in their original version.**

The Philharmonie Concert hall offers one of the best acoustics in Europe and has been chosen by famous orchestras and conductors, to name but a few; the London Philharmonic Orchestra, Bayerische Staatsphilharmonie, Orchestra Filarmonica de la Scala, Philadelphia Orchestra, as well as Daniel Barenboim, Riccardo Muti and Jonathan Nott.

Luxembourg has hosted some of the world's most prestigious operas, such as those played at the International Opera Festival at Aix-en-Provence in France. Moreover, it is one of the few places that offers spectators the chance to discover the famous British theatre and opera director Deborah Warner's latest production, one by the internationally acclaimed American avant-garde stage director and playwright Robert Wilson and the last dance production of Sasha Waltz, Akram Khan, and Sidi Larbi Cherkaoui. The several concert and opera venues of Luxembourg (Rockhal, Grand Théâtre de la Ville and Philharmonie) are home to amazing and eclectic programmes from the New York Philharmonic Orchestra to R.E.M. and from Kylie Minogue to world-renowned saxophonist Ornette Coleman, **Luxembourg provides for every taste.**



Luxembourg Philharmonie concert hall  
Architect: Christian de Portzamparc, 2005

### Contemporary Art in Luxembourg and the Greater Region

The Luxembourg Museum of Modern Art (Mudam), designed by Pritzker Prize laureate Pei, hosts a large collection of contemporary Art. In Metz (France), 45 minutes away from Luxembourg, the new Pompidou centre will open in 2010. This centre, sister of the famous one in Paris and designed by Shigeru Ban, will exhibit a part of the 59,000 pieces, that make the Pompidou centre, the 2<sup>nd</sup> most important contemporary art collection in the world after the MoMA in New York City.

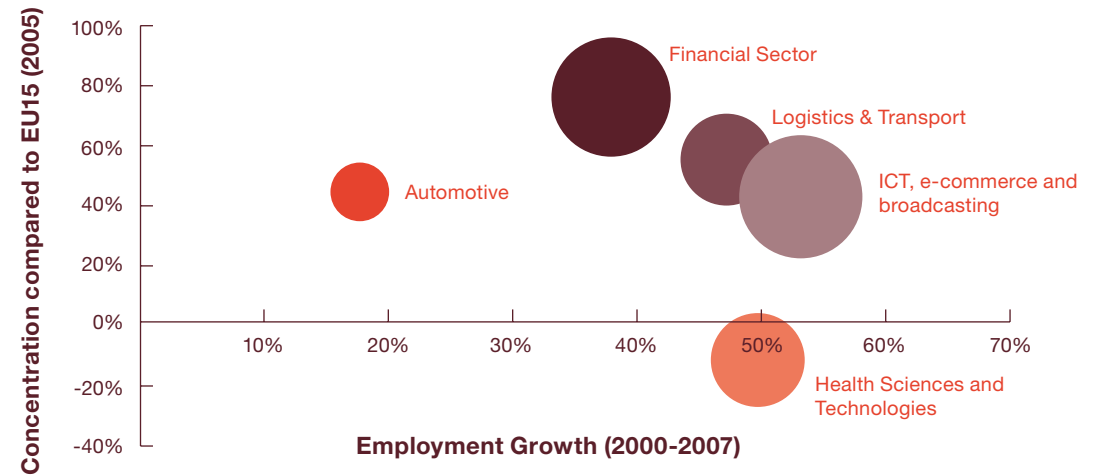


# C. Luxembourg's unique proposals for your business

Luxembourg offers key advantages that make it stand out from other countries as the place to live and develop business. **Luxembourg gives the business community the opportunity to have tailor-made proposals for each enterprise in all industries.** In Luxembourg, each business will find an open approach, real and appropriate solutions, with outstanding public and private partners and a rich pool of resources.

This section highlights the opportunities offered by business sectors and how Luxembourg could support your creation, implementation and development in Europe. To give you a first idea, the chart reveals the dynamic evolution of key sectors in Luxembourg and their influence on the national economy compared to the European Union with 15 countries<sup>29</sup> (EU15). Circle sizes are representative of the persons employed per sector and are mapped according to their employment growth and concentration<sup>30</sup>.

Strategic Development of key sectors in Luxembourg



<sup>29</sup> The EU15 includes: Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom

<sup>30</sup> The concentration is defined as the workforce divided by the EU15 workforce total and gives an idea of the Luxembourg sector weight in terms of workforce in the EU15 economy

Most of the sectors have shown fast growth for several years. The higher concentration of certain sectors compared to the EU15 reveals a level of particular maturity and influence over external markets. In fact, most of the local firms in Luxembourg address the **European or international market** as a strategic priority.

In Luxembourg, according to the Fourth Community Innovation Survey (CIS4), only **five percent** of the firms in the sample regard the national market as their primary market, and the majority of the firms declared that they compete in international markets.

The **automotive industry** in Luxembourg benefits from a competitive business environment. It is a prime location for Tier 1 and Tier 2 suppliers, for setting up a distribution centre and for developing research and innovative projects.

The **financial sector** benefits from the strong development of its players and service providers to reinforce its leading position in Europe. Luxembourg offers a highly supportive environment for developing a “Wealth Management Strategy”, and corporate banking functions at group level and e-financial services.

**Logistics** is a key focus area of the economic development in Luxembourg in order to encourage activities with high added-value and the implementation of European distribution centres for companies.

**Information and communications technologies (ICT) and business services** are considered as emerging sectors with high potential for any entry-level competitor to set up a global platform for e-commerce, for example.

Finally, **health sciences and technologies**, and in particular research activities, are expected to grow significantly in the long-term and catch up with sectors of higher concentration. There are evident opportunities to develop synergies with leading scientists, projects and infrastructure in Luxembourg.

All the opportunities and Luxembourg’s proposals per sector will be detailed in the following sections.

# 1. High Value Industry

## Luxembourg at the heart of knowledge

At the heart of Europe, with substantial logistics facilities, Luxembourg offers many opportunities for high value industries and is becoming the ideal place for development, production and distribution. With a wide network of Public Research Centres (PRC) and government backing, Luxembourg has been chosen by top tier companies for their R&D activities.

## Luxembourg's opportunities for your business

### Operating R&D activities in Luxembourg

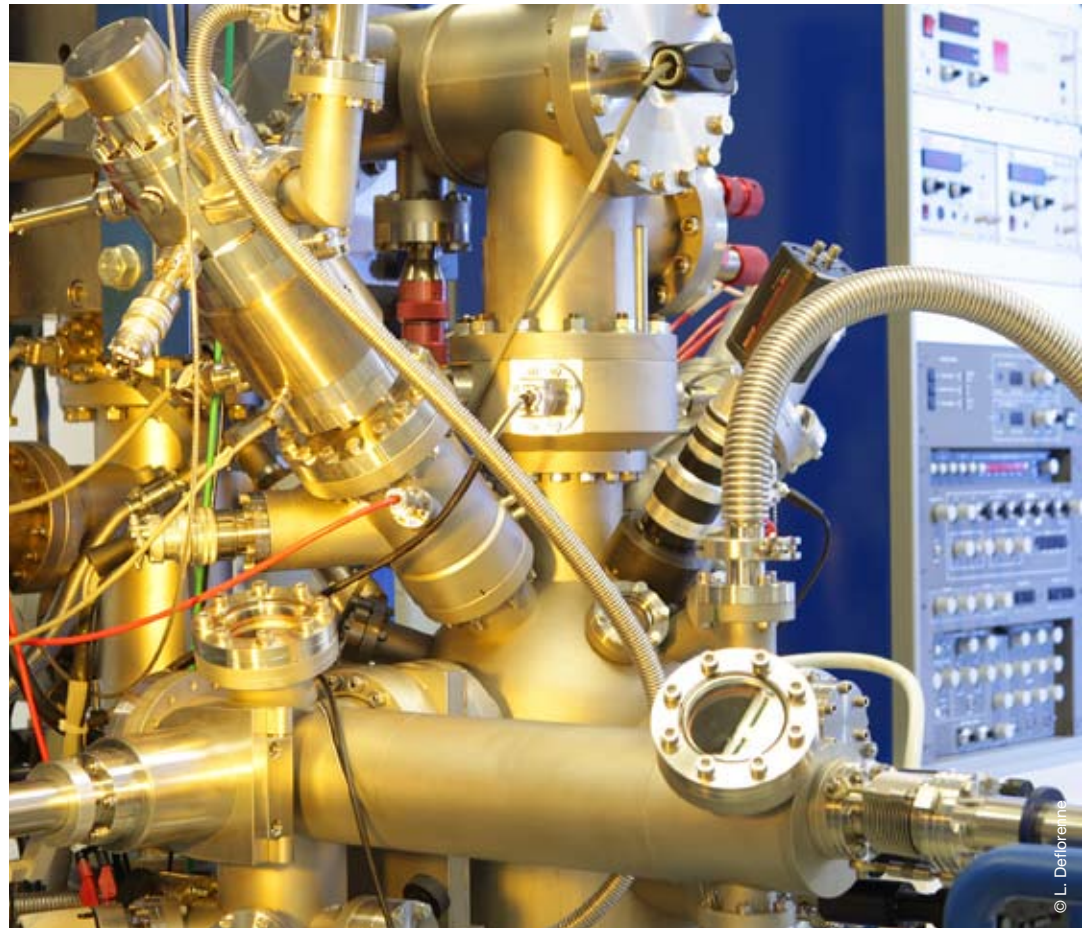
To reinforce the national competitive position, the Luxembourg government's priority is to encourage R&D via financial support. The credit allocated to public R&D is becoming more and more significant.

In fact, it has been multiplied by five since 2000<sup>31</sup> and will double by 2010. In 2009, the government budget forecasts an EUR 215 million investment in public research and EUR 250 million in 2010.

### Setting up high tech production and distribution centres

Due to the low rate of social contributions and the high level of net salaries, Luxembourg is a very attractive country for industrials and highly skilled workers. **Industrial companies find high productivity and a peaceful environment in Luxembourg, thanks to one of the highest weekly working hours in Europe and the absence of strikes.**

<sup>31</sup> "L'évolution, de 2000 à 2005, des ressources dédiées aux activités nationales de Recherche et de Développement", Vincent Dautel, Statec, CEPS/Instead, June 2008



Luxembourg ranks 3<sup>rd</sup> out the 40 wealthiest countries in Global Innovation-based Competitiveness<sup>32</sup>.

Many companies and start-ups based in Luxembourg produce and deliver high tech products to their European clients in a very efficient, secure and consistent way. **Reactivity to clients' needs is optimal thanks to the geographical position, the multilingual workforce and logistics solutions (air freight, roads, railroads and waterways).** In Luxembourg, there is the unique possibility to have production centres linked to distribution centres in one place, as well as the possibility to be on clients' doorsteps.

Choosing Luxembourg where high tech industries are knowledge-based

#### **Ceratizit, a Luxembourg company leader in ballpoint production**

Founded in 1931, in Walferdange in Luxembourg, Ceratizit is one of the leaders in ballpoint production. Aware of the asset value of R&D activities, Ceratizit has developed a research centre in Luxembourg with 100 researchers working to find and develop new products.

As of today they have registered 400 patents. Ceratizit is the leader in Europe and it ranks 5<sup>th</sup> in the world in hard metal industry.

#### **Luxembourg's support for your business**

##### Material sciences & analysis expertise

Luxembourg offers a wide range of assets and areas of expertise in the development and optimisation of materials

The Science and Analysis of Materials (SAM) department **of the Public Research Centre (PRC) Gabriel Lippmann** is a laboratory that is both a fundamental and an applied research facility, as well as an analytical services laboratory. It provides assistance to more than 100 industrial and academic partners worldwide in their technological research and development, with regards to materials and surfaces R&D.

The areas of expertise are:

- Characterisation of materials, surfaces and interfaces. The department is coordinator of the Nanobeams European Excellence Network, the only network dedicated to the characterisation of nanomaterials;
- Development of innovative surface treatments;
- Elaboration of nano-objects and nanostructured materials;
- Design and development of new instrumentations and new equipment for the fields of materials analysis and surface treatment.

<sup>32</sup> According to the Atlantic Century survey of the Information Technology and Innovation Foundation, Benchmarking EU & US, 2009

**The PRC Henri Tudor** has developed a large scale of competencies aimed at the industrial and construction sectors. The PRC works on plasma surface treatment, bulk treatment and further coordinates material trials in several domains (macro mechanical trial, etc.).

**The University of Luxembourg** hosts a high priority research program and has developed first-rate partnerships. TDK in partnership with the University of Luxembourg and the government has created a “Chair for research on semiconductor materials for photovoltaic batteries”.

#### **Launch of the Environmental Technologies and Sustainable Development Cluster, “EcoDev” by Luxinnovation on February 2009**

This is the first concrete step in favour of the Luxembourg Eco-Technologies Action Plan 2009 created by the Ministry of the Economy and Foreign Trade. This ambitious plan aims to encourage the development of eco-companies in Luxembourg in order to stimulate both environmental protection and high tech diversification. Enterprises involved in eco-technologies and research laboratories will get in touch with each other, thanks to the Cluster, to monitor innovation and competitiveness and develop research projects in this field. Eco-companies will also profit from special subsidies and European aid to develop their activities in Luxembourg. In addition, the Cluster will allow its members to share key technological information within a network of cross-technical competencies.

#### **Research, tax and Intellectual Property support**

The Luxembourg government provides a range of supportive measures to develop research and innovative activities and has recently introduced new measures to boost Intellectual Property (IP) developments (80% exemption for net income deriving from certain IP rights) (see page 13 and 15).

#### **From Differdange (in Luxembourg) to the Freedom tower: ArcelorMittal has produced the Freedom Beams**

One of the world’s most iconic and awaited buildings and New-York’s symbolic replacement of the World Trade Center will be built with steel from ArcelorMittal. The jumbo beams (now renamed the Freedom beams) will reinforce the Freedom Tower. The jumbo beams are a unique product, made in Differdange, Luxembourg. A few shots were also made in the AOB site in Esch-sur-Alzette where the R&D, sales and technical advisory departments are based. Due to its key experience in rolling beams and its close cooperation with R&D, the factory of Differdange is the only one in the world which can produce and laminate such high beams.

To learn more about the opportunities to implement your activities in Luxembourg, feel free to get in touch with our team of experts at [setupineurope@lu.pwc.com](mailto:setupineurope@lu.pwc.com), or have a look on our website at [www.setupineurope.com](http://www.setupineurope.com)



## 2. Health Sciences and Technologies

### Luxembourg: the development of a health science hub

By establishing an internationally competitive health science hub, Luxembourg proposes a unique and dedicated environment for developing life sciences projects.

In Luxembourg, out of 1,000 working persons, 7.3 are researchers; the average in the EU is 6 researchers for 1,000 working persons.

*“Luxembourg petit pays, grand nombres”,  
Chamber of Commerce, 2008*

### Luxembourg's opportunities for your business

#### Developing a project in the field of diagnostic and research medicine

Luxembourg is becoming a preferred location in Europe for world leading scientists and industrial players in the field of personalised medicine, mainly due to the advanced research projects supported by numerous international partnerships at all levels, a unique public-private interaction environment and strong governmental support of life sciences and healthcare research.

**Develop and centralise IP** and benefit from an attractive tax regime, as well as save up to 80% of the net income received (see page 13).

#### Developing a complete value chain from R&D to marketing

Take advantage of the pool of highly skilled professionals and modern equipment accessible in Luxembourg for conducting research at the frontier of science, and for using your results to develop a safe and efficient drug production process (covering all important matters, e.g. manufacturing, packaging, regulatory compliance). Luxembourg also offers advanced process technologies for improving process efficiency and reducing time-to-market.

#### Distributing health care products and services all over Europe and beyond

Thanks to its central location and its neutrality, Luxembourg has unique expertise for distributing health products and services worldwide, complying with the highest international standards of safety and security.

#### Ensuring fundraising for start-up companies

Being one of the leading European financial centres with a high presence of asset managers, private banking, diverse private equity and venture capitalist funds, Luxembourg emerges as a dedicated location for raising international funds and organising corporate structures. In addition, some public bodies, such as the Ministry of the Economy and Foreign Trade, the National Research Fund and the SNCI<sup>33</sup>, may decide to co-finance your project.

#### Using IT capacity, a catalyst for discovery

Luxembourg has developed numerous state-of-the-art information technology infrastructures with a multitude of services to offer (storage facilities, managed connectivity, IT managed services, etc.) and has one of the best developed national fibre networks within Europe.

<sup>33</sup> Société Nationale de Credits et d'Investissement: National Credit and Investment Corporation.

## Leading areas of University research competencies in Luxembourg

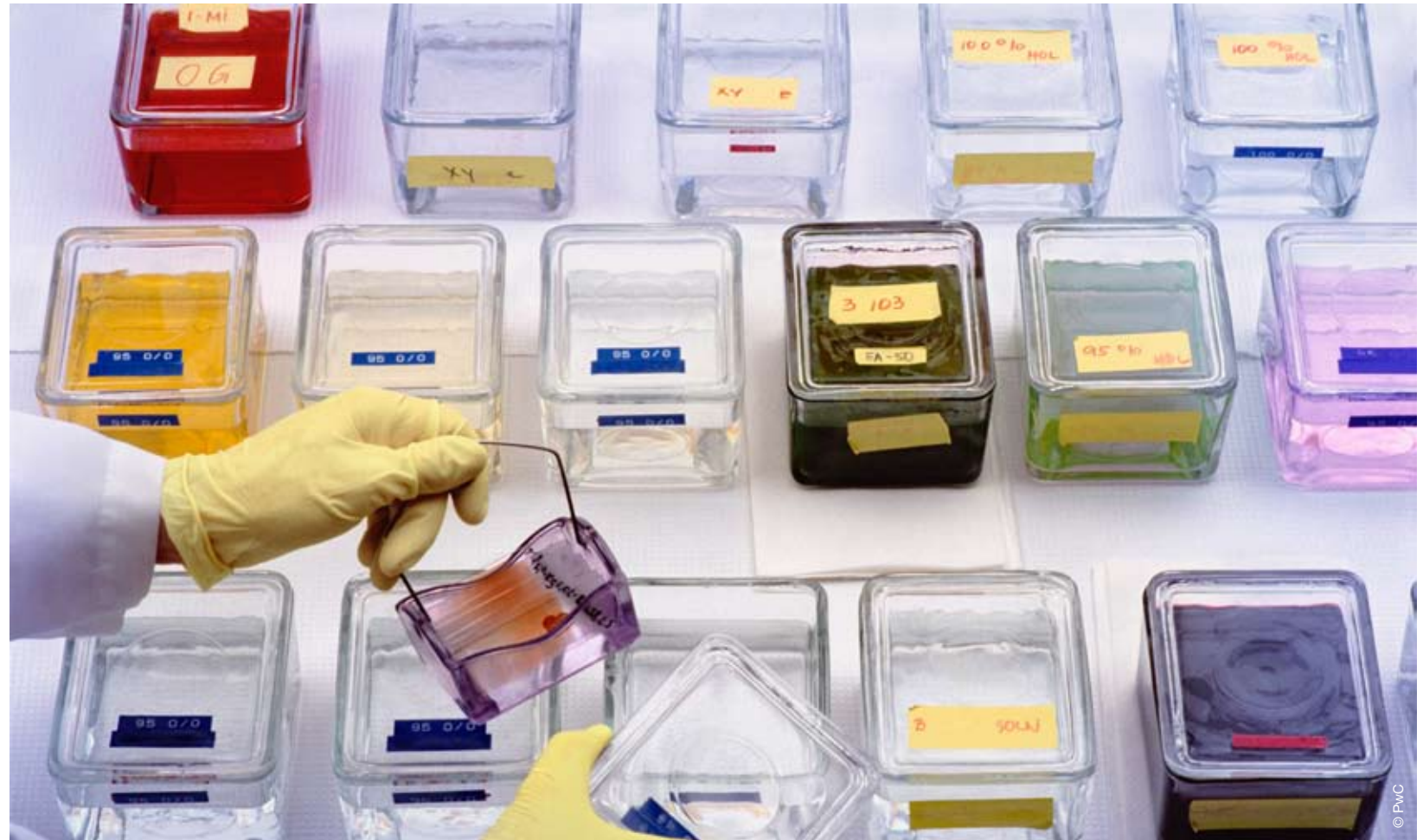
Luxembourg will be at the center of a **health sciences and technologies hub**, under development. It will regroup **15 universities and 14,000 medical students** within high profile biomedical research institutions and international research consortia.

### The development of a BioBank marks the start of collaboration with world renowned research institutions

The “Integrated BioBank of Luxembourg” will promote international research projects, and will serve as a catalyst for transforming research findings into tools for prevention, diagnosis and treatment of disease. This ambitious initiative, with first-rate American partners and a five-year investment of **EUR 140 million**, was signed in June 2008 to develop advanced skills and expertise in molecular medicine in Luxembourg.

So far **three projects** with international collaboration are in course:

- Integrated BioBank of Luxembourg;
- Institute for Systems Biology;
- Partnership for Personalised Medicine.



## Luxembourg's support for your business

### Presence of key public research institutions with high tech equipment

<b>Public Research Centre Gabriel Lippmann</b> <i>including the Department of "Environment and Agro-Biotechnologies"</i>	The institution focuses on four primary areas of research: <b>innovative materials technology</b> (in particular, nanotechnologies and instrument development); <b>sustainable management of natural resources</b> ; <b>technologies of the information society</b> ; and <b>automobile equipment</b> .
<b>Public Research Centre Henri Tudor</b> <i>including the "Resource Centre for Healthcare Technologies"</i>	The PRC Henri Tudor is recognised for its expertise in <b>medical and biomedical image processing, clinical engineering quality controls and bioinformatics</b> . The multi-disciplinary team of the PRC Henri Tudor has proven expertise in diverse technological applications ranging from <b>image processing</b> in bioinformatics to security research.
<b>Public Research Centre for Health (PRC Santé)</b>	The PRC Santé is recognised for its exploration in the areas of <b>cancer research, immunology, infectious diseases, and cardiovascular pathology</b> .
<b>University of Luxembourg</b> , Faculty of Sciences, Technology and Communication <i>including the "Life Sciences Research Unit"</i>	The University laboratories are fully equipped for advanced research in the fields of molecular and cell biology, biochemistry and physiology. A new master in <b>Integrated Systems Biology</b> started in 2008. Its main objective is to prepare students for the <b>challenges of biosciences in the 21<sup>st</sup> century</b> .

### Tapping into the European pool of resources to recruit

The development of international research projects, high salaries for scientific and expert staff and the overall quality of living confer **Luxembourg a special attractiveness in Europe when it comes to recruiting future researchers**. 82% of researchers in Luxembourg are foreigners from more than seven nationalities<sup>34</sup>.

To learn more about the opportunities to implement your activities in Luxembourg, feel free to get in touch with our team of experts at [setupineurope@lu.pwc.com](mailto:setupineurope@lu.pwc.com), or have a look on our website at [www.setupineurope.com](http://www.setupineurope.com)

<sup>34</sup> "L'évolution, de 2000 à 2005, des ressources dédiées aux activités nationales de Recherche et de Développement", Vincent Dautel, Statec, CEPS/Instead, June 2008



### 3. ICT, e-commerce and Broadcasting

#### Luxembourg, a strategic place for e-commerce activities

Luxembourg, with the presence of major key players, is a pioneer in communication technologies and home for several leading brands in media and electronic services. Luxembourg is developing **state-of-the-art infrastructures** and has a pool of **highly qualified people**. Luxembourg is becoming a preferred place for developing e-commerce opportunities and in particular for electronically supplied services, TV and radio broadcasting and telecommunication services.

#### Luxembourg's opportunities for your business

##### Setting up a global platform for e-commerce

In a Business to Consumer relationship (B2C), a company providing e-services (dematerialised services) from **Luxembourg can benefit from one of the lowest standard VAT rates in the EU**, whatever the location of the buyer (i.e. 15% for all private consumers based in the European Union). This regulation will apply until 2015, thereafter, the country of the buyer will determine the applicable VAT rate, and will, therefore, be the same for any cross-border businesses in the EU. There is a clear 6-year window of opportunity.

#### Leading opportunities in broadcasting & media development

In addition to the expertise developed by the country and by the key media and communication players already here (e.g. eBay, iTunes, Microsoft, RTL, Skype, Amazon, etc.), Luxembourg offers the possibility to benefit from a reduced VAT rate of 3% for broadcasting services to any EU market.

#### Distributing e-commerce financial services

In Luxembourg, e-commerce companies which aim to develop financial services (e.g. Paypal) may apply for a banking license. If granted, they are able to deliver financial services, such as deposit taking, credit offering, financial advice, credit card offering, etc. This new field of services is fully complementary to standard e-commerce services.



Luxembourg-Kirchberg, European Institutions quarter



### Developing IT services & data centre activities

The country offers strong communication infrastructures, through, amongst others, broadband fibre optics networks connected to the major European networks and satellite connections. Therefore, Luxembourg is becoming a strategic place for developing new IT and data centre services.

#### **eBRC awarded Best Data Centre Operator in Europe**

This event organised by Broadgroup (London) draws candidates from around the world. Successful businesses are elected by a panel of independent, highly respected industry experts. During the fourth edition on “Power and Cooling for Data Centre”, e-Business & Resilience Centre (eBRC) was awarded Best Data Centre Operator Europe 2008.

### Leveraging on Intellectual Property’s opportunity

Luxembourg recently approved a highly favourable IP regime, which applies, amongst others, to copyrights, patents and trademarks but also to domain names (see page 13).

#### **EuroDNS: One of the market leaders in the domain name industry**

Founded in 2002 by Xavier Buck, EuroDNS is a domain name registrar specialised in international domain name extensions, and is part of the DCL Group. Based in Luxembourg, with branch offices in Europe, the USA and Asia, the company serves a large variety of clients, ranging from SMEs to some of the world’s largest domain investors, and offers dedicated naming solutions to trademark holders. Since 2002, the company has been recording an annual growth of 80%. This success is due in part to its highly successful “one-stop-shop” strategy, which allows customers to consolidate their portfolio in Europe, Asia, Latin America and worldwide under one roof. In addition, following ICANN’s new naming conventions, EuroDNS has set up a program that will ultimately give companies and brand holders the possibility to hold their own space on the internet. Luxembourg is the first European country to offer an investor-friendly legal environment for domain names, which makes it also an ideal platform for domain names’ location.

## Luxembourg's support for your business

Luxembourg has well developed modern communication infrastructures and offers a broad range of IT services, responding to the most sophisticated needs of Luxembourg companies (banks, fund administration, e-commerce, etc.).

### The TERALINK network, high connectivity to Europe

TERALINK is a trans-European fibre network spanning more than 4,000 km with 12 points of presence (PoP) in six EU countries, linking Amsterdam, Brussels, London, Paris, Frankfurt, Strasbourg and Luxembourg. Each city is connected by redundant fibre routes, provided by different suppliers with cutting edge technology (up to 88 x 40 Giga bits 3.5 terabits/s).

## The University of Luxembourg at the forefront of IT research and education: a step towards innovation

- In view of the digital revolution with significant increase of digital communications, the University of Luxembourg has created the research unit called the **Laboratory of Algorithmic, Cryptology and Security (LACS)** to focus on computational number theory, system and network security and information security management;
- In 2009, the University of Luxembourg has launched the **Interdisciplinary Centre for Security, Reliability and Trust (SnT)**, establishing a crucial instrument for the University to foster interaction and collaboration between academia and industry in the area of interconnected communication networks and systems<sup>35</sup>.

<sup>35</sup> Interdisciplinary Centre for Security, Reliability and Trust, Université du Luxembourg, ([www.securityandtrust.lu](http://www.securityandtrust.lu))



### Luxconnect

Luxconnect is an international fibre network and internet-related data and access centre, focused on strengthening and facilitating the international connectivity of Luxembourg through a performing data and communications centre.

### Initiatives to enhance e-commerce monitoring

- **LuxTrust**, Luxembourg's electronic certification services agency is a certification authority that guarantees, as a trusted third party, a highly secured electronic certification service, which allows strong client authentication and digital signatures with legal value via internet and intranet;
- The **commercial Internet Exchange Point (LU-CIX)**, launched in 2009 is an important step forward for Luxembourg's internet community as it will further develop the country as a prime e-commerce platform in Europe by substantially increasing connection speed. LU-CIX allows all players (from internet access suppliers and telecommunication operators, to multimedia content creators) to interconnect in a convenient and efficient way.

Luxembourg is ranked 1<sup>st</sup> out of the OECD countries in terms of the number of communications access paths, of which it has 222 per 100 inhabitants. These include analogue, ISDN lines, DSL cable modem, fibre and mobile subscribers.

### New investment plan in ICT infrastructure

On February 2009, the Luxembourg Ministry of Communications, together with the Luxembourg Ministry of the Economy and Foreign Trade, unveiled an ambitious **EUR 100-million action plan** aimed at boosting and reinforcing the Luxembourg ICT landscape, in line with the will to keep Luxembourg's competitiveness high. As a result of the Luxembourg government's efforts for ICT, the country has been ranked **3<sup>rd</sup> out of 150 countries for the lowest cost of ICT** according to the 2008 **ITU's ICT Development Index**. Luxembourg offers one of the most affordable ICT services globally.

To learn more about the opportunities to implement your activities in Luxembourg, feel free to get in touch with our team of experts at [setupineurope@lu.pwc.com](mailto:setupineurope@lu.pwc.com), or have a look on our website at [www.setupineurope.com](http://www.setupineurope.com)

## 4. Logistics & Transport

### Luxembourg for process and delays optimisation

The logistics sector is one of the key focus areas of economic development identified in Luxembourg in order to create **new added value, sustained growth and new jobs**. Logistics players and high value consumer goods producers and distributors benefit from the central location of Luxembourg, which offers a unique gateway right in the middle of the “Blue Banana”<sup>36</sup> where half of Europe’s GDP is produced.

### Luxembourg’s opportunities for your business

#### Putting the European distribution centre at the heart of Europe

The central location of Luxembourg constitutes an ideal and efficient **distribution hub** to the European market with no less than 500 million consumers. Luxembourg confers direct access to the major consumer markets and to a wealthy population within an accessible range and multilingual workforce.

#### Being in the competitive location of centralised procurement in Europe

Over the years, companies have increasingly looked for cost and operational efficiencies linked to the centralisation of supply chain related activities such as a single procurement and trading entity. The collaborative approach of the Luxembourg government and authorities also makes Luxembourg a preferred place in this field.

### Developing green logistics

The future of logistics is intimately linked with the development of sustainable modelling and environmentally friendly solutions. Since 2007, to comply with ecological constraints, a unique railway service in Europe has been developed. It permits intermodal (road and freight) transport without unloading between Bettembourg (Luxembourg) and Perpignan (France).

### Developing added-value logistics activities

Luxembourg offers a **competitive environment** and an **attractive place** to develop added-value services, in particular for third party logistics providers or 3PL (product assembling, pick and pack, distribution, cross-docking, etc.), fourth-party logistics or 4PL (planning, freight services, customs brokerage, etc.), reverse logistics operators (for IT equipments, health products, raw materials, etc.) and shared services centres (e.g. for planning, reporting, tax and customs compliance, billing and collection).

Logistics services providers present in Luxembourg are almost all **ISO-certified** and supply a wide range of value-added services such as co-manufacturing and co-packaging, organisation and management of the customer service and invoicing treatment. Luxembourg presents a ‘unique value proposition’ in Europe for high value services thanks to direct routes to more than 90 world destinations, rapid goods and customs processing to ensure a fast delivery to European clients, specialised service providers in high value, luxury and medical devices goods, and, a favourable regulatory and tax environment.

<sup>36</sup> The Blue Banana is a concept developed by Brunet in 1989. It is a discontinuous corridor of urbanisation, approximately from north-west England (in the north) to Milan (in the south). The curvature of this corridor (looks like a banana) encompasses cities such as London, Brussels, Amsterdam, Cologne, Frankfurt and Milan, and covers one of the world’s highest concentrations of people, money, and industry.

## Luxembourg's support for your business

### No VAT prefinancing on imports

Importing goods into the EU generally triggers a VAT liability in the country of importation, unless the goods are placed under a specific suspensive customs regime. Most EU countries ask for payment of the VAT due on import. In Luxembourg, no cash payment of the VAT on import occurs because the VAT due only needs to be reported in the VAT return. This procedure applies automatically and unconditionally, whereas application of the same procedure in some other EU countries may be subject to preliminary authorisations and/or guarantees. Therefore, **no cost is linked to the pre-financing of import VAT in Luxembourg** with minimum administrative burden.

### Simplified administrative tasks with the fiscal representation

Since January 1, 2008, Luxembourg has introduced the system of fiscal representation for VAT purposes. With this particular system, foreign traders who are not VAT registered in Luxembourg but importing goods in the country, can appoint a third party (fiscal representative) in Luxembourg. This fiscal representative carries out the necessary VAT formalities and pays any VAT due in Luxembourg on their behalf, without having to obtain their own VAT number and be confronted with the relating compliance obligations. This system aims to simplify the administrative tasks for the foreign exporter and allows them to benefit from the advantage of no prefinancing for VAT on import (see page 14).

### Customs & Paperless Douanes and Accises (PLDA)

Paperless Douanes and Accises (PLDA) is an IT system allowing paperless procedures and which is currently being implemented in Luxembourg. Through this system, operators do their electronic customs declarations, via a web interface or an EDI (Electronic Data Interchange).

### AEO Status: a partnership between authorities and business

The Authorised Economic Operator (AEO) program is designed to authorise "trusted traders" to benefit of a number of advantages.

- A reduced number of cargo inspections at Community borders;
- A priority treatment at a convenient place for customs control to be performed;
- Easier and quicker access to simplified customs procedures;
- A reduced amount of data to provide to customs authorities upon the introduction of pre-arrival/pre-departure declarations in 2009.

### At the heart of an excellent communication network

Luxembourg is, on an ongoing basis, developing an advanced infrastructure to improve the efficiency of its logistics capabilities. Firms can benefit from the current **synergies** with bordering logistical centres, key players or infrastructures.

Every exporter in Luxembourg can rely on **optimised distribution** with advanced logistics parks dedicated to **air freight at the Eurohub Centre and to rail-freight at the Eurohub south**.

### Logistics Cluster strengthens Luxembourg's position as the intercontinental logistics hub in Europe

In accordance with all the institutional decision-makers, the Logistics Cluster was launched in 2009. It aims at creating an information exchange platform, strengthening collaboration and synergies between the different actors, supporting R&D and innovation initiatives in the logistics sector and generating proposals for improving the legislative, regulatory and administrative framework in Luxembourg.

### Launch of a Maritime Cluster in Luxembourg

Lacking a maritime coast, Luxembourg is nevertheless situated at less than 300 km from several world-scale ports (Rotterdam, Antwerp, etc.) and offers the river-Port Mertert on the Moselle. Luxembourg can therefore provide entrances and exits which are easily accessible for its international trade operations. In order to consolidate a sector in expansion, the Luxembourg Chamber of Commerce has created a new Maritime Cluster, including world leading companies, aiming to promote the maritime sector, as well as support activities like logistics or financial and consulting services.

### Jan De Nul Group, the dredging world leader

Jan De Nul Group was established in 1938 as a civil engineering construction company, and then diversified into dredging. This is now its main activity in which it has become the world leader. More than 4,500 employees (400 in Luxembourg), a yearly turnover of EUR 1.8 billion and the most modern and technologically advanced dredging fleet are many aspects that rank Jan De Nul at the top of international dredging industry. Today the main vessels of the Jan De Nul fleet are running under a Luxembourg Flag, which represents 15% of the Luxembourg Maritime Register. The Jan De Nul Group is a founding member of the new Luxembourg Maritime Cluster and aims to intensively promote the maritime sector in the Grand Duchy. The Jan De Nul Group has chosen to set-up its head office in Luxembourg, as it offers tailor-made solutions in the field of investments, banking and tax, not to mention the easy "reachability" of Luxembourg institutions and authorities.

## “Luxembourg’s business environment offers an ideal framework to develop our logistics contract and lead logistics activities.”

**Clemens Abt**, CEO, Kuehne+Nagel

Kuehne+Nagel, which has been present in Luxembourg since 1970, is one of the world’s leaders in Global Logistics. In October 2008, the Group announced an extension of its logistics centre in the state-of-the-art logistics park Eurohub Centre, financed by a EUR 22.5 million investment.

Air freight	Railroads
<ul style="list-style-type: none"> <li>• 5<sup>th</sup> freight airport in Europe and home base of Cargolux, Europe’s leading airfreight carrier;</li> <li>• Landing strip of 4,000 meters;</li> <li>• 900,000 tons of freight were transported in 2007 (expected growth of 6% until 2023).</li> </ul>	<ul style="list-style-type: none"> <li>• The logistic park “Eurohub South” offers a unique intermodal transport without unloading;</li> <li>• Traffic: 1.2 million tons/km;</li> <li>• The density of motorway is one the highest in the world.</li> </ul>
Waterways	Roads
<ul style="list-style-type: none"> <li>• Port of Mertert (65 hectares) had a traffic of 1.3 million tons in 2006;</li> <li>• Common goods transported: fuel, steel products, construction material, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Motorways connected to Belgium, France and Germany;</li> <li>• Motorways network highly developed: all European capitals are within easy reach (&lt;24h drive).</li> </ul>

To learn more about the opportunities to implement your activities in Luxembourg, feel free to get in touch with our team of experts at [setupineurope@lu.pwc.com](mailto:setupineurope@lu.pwc.com), or have a look on our website at [www.setupineurope.com](http://www.setupineurope.com)



## 5. Automotive Industry

**Luxembourg's automotive cluster at a glance: there are currently 30 automotive equipment suppliers.**

Thanks to the central location and outstanding technologies, car manufacturers based in Europe, BMW, Daimler-Chrysler, Fiat, Ford, PSA, Renault-Nissan, Toyota or VW, use products that were “made in Luxembourg”. Automotive components are also exported to assemblers in the USA and in Asia.

**Around one third of employees in the automotive industry in Luxembourg work in R&D<sup>37</sup>.**

**Luxembourg's opportunities for your business**

**Being in the prime location for Tier 1 and Tier 2 suppliers<sup>38</sup>**

Luxembourg's highly competitive business environment is particularly favourable for specialised Tier 1 and Tier 2 suppliers, who provide almost two-thirds of the average car's value added. Luxembourg offers suppliers the ideal strategic location; close to 50 assembly lines of Original Equipment Manufacturers (OEMs) in a radius of 600 km allowing the development of a collaborative and open relationship with them.

**Setting up your European distribution centre**

Luxembourg's long-established routes across Europe help you optimise your distribution performance by allowing you to be close to, and therefore timely in your delivery to, a multi-customers base. All car manufacturers in France, Germany and the United Kingdom, as well as assembly lines in Belgium and the Netherlands, can be supplied from Luxembourg **on a same day delivery basis<sup>39</sup>.**



<sup>38</sup> A Tier 1 supplier takes generally responsibility for developing, producing and refining complete components or modules of the car. They make products specifically for one of the OEMs (Original Equipment Manufacturer). A Tier 2 supplier for value adding parts sells to a Tier 1 supplier, while a Tier 3 (steel, raw material) sells to a Tier 2 supplier, and so on

<sup>39</sup> “Luxembourg, at the automotive heart of Europe”, Luxembourg Board of Economic Development, September 2006

<sup>37</sup> Industrie Luxembourgeoise des Equipementiers de l'Automobile (LEA), 2008

### Developing research and innovative projects

Product and technology changes will be the major drivers of the automotive industry and a key criterion for success in this competitive sector. In this respect companies can benefit from the expertise of Luxembourg research centres (e.g. the Research in Equipment for the Automobile industry (REA) of the PRC Lippmann) to develop **new raw materials, nanotechnologies, eco-technologies, or simply any innovative project.**

### Luxembourg: an EU technology platform for developing and testing new generations of hybrid vehicles

The Grand Duchy of Luxembourg has all the advantages to become a genuine real-size laboratory for developing and testing the new generations of alternative fuels vehicles. Luxembourg has some key distinctive assets: a multi-cultural environment, the shortest average distance between home and work in Europe, an important commercial vehicle fleet, a very short average vehicle lifetime (about four years), attractive financial supports, highly supportive authorities, as well as high tech infrastructures.

### Luxembourg's support for your business

#### Benefit from Luxembourg's research expertise

REA, a specialised department of the PRC Gabriel Lippmann, intends "to be fully at the service of the world of automobile equipment manufacturers and attentive to their needs" and is a potential partner of automotive suppliers to develop research projects. The REA department has developed strong synergies with several key public and private players. Its areas of expertise cover:

- The development of new products for the automobile sector;
- The improvement of the quality of products for the automobile sector;
- The development of new production processes;
- The improvement of the production processes of automobile equipment manufacturers.

### Distinctive Intellectual Property environment

Many multinational companies across the board of manufacturing industries need to protect revenues coming from patents and licenses. The new legal and regulatory context pertaining to the protection of intellectual property allows international companies to design tailor-made solutions (see page 13).

### Best practices in automotive R&D in Luxembourg

- Goodyear is specialised in the production of tires, steel cords, fabric and moulds. Goodyear has set-up its second research centre in the world, the “Goodyear Innovation Centre Luxembourg” for the development of automotive systems and components;
- Delphi’s site in Luxembourg hosts a customer technology centre and now the global headquarters of the Powertrain division, as well as the regional headquarters of the company. The site is designed to support Delphi customers and to be a full service system development facility, with testing and development capability for Thermal systems and Powertrain systems for automotive applications<sup>40</sup>;
- International Electronics & Engineering S.A. (IEE) is specialised in the development and mass production of electronic sensors on thin flexible films. IEE has been developing and producing pressure sensors since its creation, and electromagnetic sensing has since been added as an additional function. Major products for car manufacturers are PPD (passenger presence detection), CPOD (child-seat presence and orientation detection), OC (occupant classification) and SBR (seat-belt reminder);
- Guardian Automotive, in addition to the two main plants producing Float Glass, Clear Float, Heat Treated Glass, Laminated Glass, etc. has set-up its Research Centre for Glass and Ceramic (C.R.V.C.) in Luxembourg.



<sup>40</sup> “Delphi opens the new global headquarters of its Powertrain division in Luxembourg”, Delphi press release, January 2007



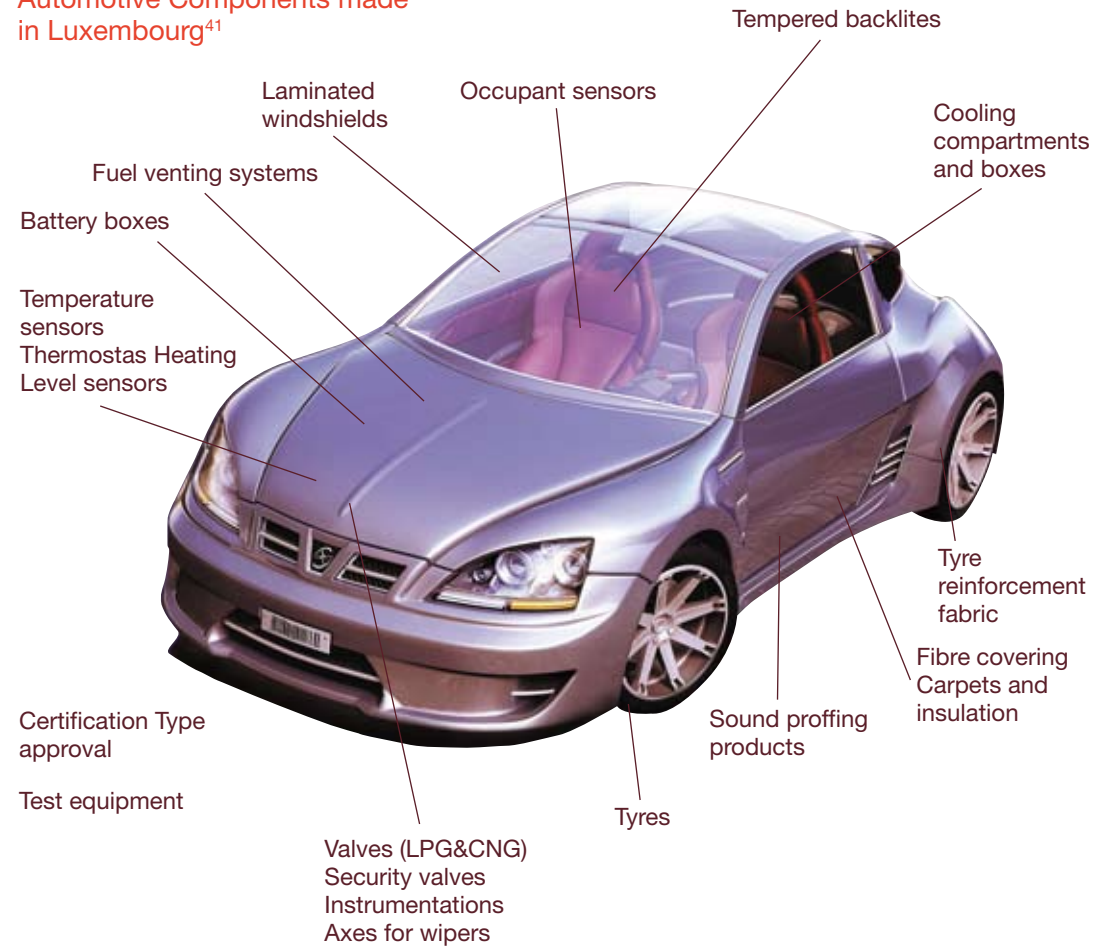
### Automotive homologation for entering new markets

Luxcontrol and the National Homologation Authority (SNCH) are both specialised in the certification and approval of vehicles, components and systems for the European and international markets. They provide a full range of services adapted to the client's needs, from active and passive car safety, to environmental protection or the quality assurance of products and production process.

To learn more about the opportunities to implement your activities in Luxembourg, feel free to get in touch with our team of experts at [setupineurope@lu.pwc.com](mailto:setupineurope@lu.pwc.com), or have a look on our website at [www.setupineurope.com](http://www.setupineurope.com)

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### Automotive Components made in Luxembourg<sup>41</sup>



<sup>41</sup> Industrie Luxembourgeoise des Equipementiers de l'Automobile (ILEA), 2008

## 6. Financial services: a framework designed to widen global distribution capabilities

**Luxembourg is a leading market for financial activities. It is the first private banking centre in the euro area and the world's second largest domicile for asset management, behind the US.**

The financial sector in Luxembourg benefits from the development of supportive local players and service providers which reinforces its leading position in Europe. In addition to its numerous inherent assets for developing business – such as a central geographical location, a competitive taxation or the expertise developed in specific businesses – Luxembourg is positioned as an international hub for the development of new financial products and, therefore, the widening of its global distribution capabilities.

**Luxembourg's opportunities for your business**

Developing your “Wealth Management Strategy”

Easy access to European investors

Located at the crossroads of Europe, Luxembourg has developed a strong cross-border financial culture. As such, Luxembourg-based activities can reach a wealthy population of almost half a billion inhabitants in the EU27. Luxembourg financial products and services target both institutional and individual investors, from retail to High Net Worth Individuals (HNWI). In order to meet these clients' expectations, **the Grand Duchy has built and continuously adapted an innovative range of both traditional and sophisticated financial products.**

Best range of innovative products in Europe

Thanks to a close dialogue between the authorities and the market, Luxembourg financial products meet the expectations of both the supply and demand sides.

**The long-term expertise in mainstream products has made Luxembourg the fund domicile of choice for international asset managers.**

The country did not only develop the traditional financial segment, but also positioned itself as a leading centre for alternative products: investment vehicles such as the SICAR (for private equity) or the Specialised Investment Funds (SIF) for alternative asset classes contribute to the widening of the scope of eligible assets and to the improvement of flexibility of investment for institutional and qualified investors.

Luxembourg also offers the opportunity to set up various types of life insurance products giving access to a large scope of eligible assets.

Specialised service providers to ensure strong distribution capabilities

In order to support the growth of the financial sector, there exists a dense network of service providers in Luxembourg; all along the value chain, from administration to tax, regulatory and distribution services. Specialised and recognised service providers have developed competencies to manage sophisticated products dedicated to European and international distribution. As such, Luxembourg is the domicile of choice for global fund distribution and today, 75% of worldwide fund registrations<sup>42</sup> are allocated to Luxembourg products. In order to manage and administrate 10,000 plus sub-funds for more than EUR 1.5 trillion of assets, Luxembourg-based service providers have developed innovative and reliable IT financial systems.

<sup>42</sup> Refers to true cross-border funds registrations, i.e. fund distributed in at least 3 countries including their domicile

All these opportunities represent key differentiating factors that make the set-up of international structures in Luxembourg attractive. They contribute to building a dynamic environment in favour of innovation and global distribution. As a result, the biggest international groups, such as State Street, JPMorgan, CACEIS, BNP Paribas Securities Services and many others, have already chosen Luxembourg as a prime location for their business.

#### A first-class UCITS IV platform

As from the introduction of the **Undertakings for Collective Investments in Transferable Securities (UCITS) Directive** (85/611/EEC) in 1985, the development of the European investment management industry has evolved toward a single market for collective investment schemes, evidenced by the extent of cross-border distribution within the EU and on a global scale. The investment fund industry has made an important step forward with the adoption of the UCITS IV Directive, whose enforcement into national laws is planned for 2011. Major breakthroughs

will be the authorisation of cross-border fund mergers and the set up of the management company passport that will allow the domiciliation of UCITS funds in countries without the necessity of having the management company domiciled in the same jurisdictions. In this context, the Luxembourg UCITS brand as well as the competitive tax and regulatory frameworks will play a crucial role in the reorganisation of the industry and of the funds domiciliation map.

#### A hub for your alternative investment activities

In April 2009, the European Commission submitted a new proposal for a directive on **Alternative Investment Fund Managers (AIFM)** to the European Parliament and Council. Under this proposed Directive, European investment managers of non-UCITS investment funds will have to comply with a common set of rules in terms of licensing and supervision. In return, alternative investment funds (AIF), or non-UCITS funds, will benefit from a European passport for cross-border distribution to EU professional investors. This new

market development will constitute an additional opportunity for Luxembourg as a centre for the redomiciliation of offshore alternative funds.

#### Developing your corporate banking functions at group level

Luxembourg has an attractive regulatory framework, adapted for international groups that want to develop their group banking function in order that they, and their clients, might have easier access to financial facilities. The government is actively facilitating the development of new activities in various sectors such as technology, life sciences, private equity, real estate and the establishment of the headquarters of multinational companies. These numerous international firms are seeking top-class corporate banking services, especially cash management and transaction services, as well as short/long-term financing solutions. Some multinational companies have also established their own corporate banks in Luxembourg in order to optimise their internal finance techniques when investing abroad, or in the case of mergers and acquisitions.

#### Developing e-financial services

Luxembourg is considered an interesting place to develop new financial services linked to e-commerce. The achievement of a banking license for e-commerce activities follows a quick and simplified process. As an example, Paypal, a solution for e-commerce businesses, allows payments and money transfers through the internet. This Luxembourg bank is an electronic alternative to traditional paper methods such as cheques or money orders.

## Luxembourg's support for your business

### An innovative and tailor-made framework

Luxembourg disposes of undeniable assets to develop your financial activities or those of your clients:

- A continuously reviewed and improved regulatory framework, due to a close collaboration between authorities and business;
- A stable tax environment;
- The presence of numerous recognised service providers with a long-term expertise in administration, management and distribution;
- Very supportive authorities that focus on promoting Luxembourg and your activities.

These key success factors greatly contribute to the development of innovative financial products and services, with an increased geographical focus.

## Luxembourg, the new place for corporate philanthropy

Luxembourg is well-known for its expertise in the field of development aid<sup>43</sup> and microfinance (for example the Crédit Agricole Grameen Microfinance Foundation is Luxembourg based) and is now going to play a significant role in philanthropy. The umbrella foundation "Fondation de Luxembourg", created in January 2009 will act as an intermediary between donors and beneficiaries with the aim of promoting private philanthropic commitments. The Foundation can also simplify the process by hosting dedicated funds, which are set up and managed in accordance with the wishes of the donors, but which as a result do not have to set up their own legal structure.

<sup>43</sup> Since 2000, Luxembourg has been one of the five countries that have been dedicating more than 0.7% of their GDP to cooperation towards development. In 2008, the public aid for development amounted some EUR 287,68 million, i.e. 0.95% of the gross domestic revenue

The philanthropic legal framework of the Law of December 19, 2008 has brought significant improvements. As of 2009, the maximum amount that can be deducted for charitable donations is 20% of net income up to a ceiling of EUR 1 million. Amounts donated in excess of this limit can be deducted during the two subsequent years under the same conditions and limits. Foundation endowment capital is entirely deductible for the same thresholds as donations. The inheritance tax on donations received by a foundation is 4%.

Through its expertise and the professionalism of the financial centre, and thanks to its new legal framework, Luxembourg is now the place for creating a corporate foundation.

## The Fondation de Luxembourg: your key contact for building tailor-made and cross-border philanthropy

As well as hosting funds, the Fondation supports private donors or companies with advice and expertise on project selection and monitoring. The Fondation places emphasis on several key themes such as solidarity and humanitarian aid, scientific and medical research, biodiversity, and artistic and cultural heritage. The Fondation is a member of the Transnational Giving Europe for Cross-border Giving.

To learn more about the opportunities to implement your activities in Luxembourg, feel free to get in touch with our team of experts at [setupineurope@lu.pwc.com](mailto:setupineurope@lu.pwc.com), or have a look on our website at [www.setupineurope.com](http://www.setupineurope.com)

# How to set up your business in Luxembourg?



# How can PwC help you?



PricewaterhouseCoopers Luxembourg

For an investing company, doing business in a foreign environment requires local knowledge and expertise to guide it through the local context, identify business opportunities and operate successfully in the selected markets.

Contacting us for information about Luxembourg could be an additional asset, helping you to discover all the economic and financial opportunities Luxembourg can offer.

Thanks to our vast network and our numerous contacts in Luxembourg, we can help you make an effective contribution to your company and your decision-making.

For example we can, on your behalf, organise visits and meetings with authorities in Luxembourg: this could be the opportunity to meet the right persons in a short-time frame.

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# How can the Chamber of Commerce help you?



Chamber of Commerce of the Grand Duchy of Luxembourg

The Chamber of Commerce is a public institution encompassing all sectors of activity other than agriculture and the skilled-craft industry. Today, the Chamber of Commerce has some 40,000 affiliated members, representing 80% of GDP and 75% of total employment. The plenary assembly of the Chamber of Commerce consists of 25 elected members representing six sectors of activity: trade and other trade related activities; financial participations companies (Soparfi); industry, small and medium-sized industries; banking and other financial activities; insurance and the catering and accommodation sector. The primary task of the Chamber of Commerce is to express and represent general economic interest. On this basis, the Chamber of Commerce promotes an open, dynamic and competitive economy in order to enable companies to benefit from unrestrained development. It also supports the promotion of Luxembourg companies and products abroad and encourages foreign investment.

## **Chamber of Commerce of the Grand Duchy of Luxembourg**

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Luxembourg, Kirchberg European quarter

**Chamber of Commerce  
of the Grand Duchy of  
Luxembourg**

[www.cc.lu](http://www.cc.lu)

**Key institutional contacts  
for foreign companies**

**Board of Economic Development,  
Ministry of the Economy and  
Foreign Trade**

The “one-stop-shop” for new investment  
projects

[www.investinluxembourg.lu](http://www.investinluxembourg.lu)

**Ministry of the Middle Classes**  
The dedicated Ministry for small and  
medium-sized businesses

[www.mcm.public.lu](http://www.mcm.public.lu)

**Luxembourg for Finance**

The agency for the development of the  
financial sector

[www.lff.lu](http://www.lff.lu)

**Luxembourg for Business**

The trade promotion organisation

[www.luxembourgforbusiness.lu](http://www.luxembourgforbusiness.lu)

**Luxembourg for ICT**

The Luxembourg government agency for  
Media and ICT

[www.luxembourgforict.lu](http://www.luxembourgforict.lu)

**The National Credit and Investment  
Corporation (SNCI)**

Luxembourg’s state investment bank

[www.snci.lu](http://www.snci.lu)

**Luxinnovation**

The agency for innovation

[www.luxinnovation.lu](http://www.luxinnovation.lu)

**The National Research Centre  
(Fonds National de la Recherche)**

[www.fnr.lu](http://www.fnr.lu)

**The Commission for the Supervision  
of the Financial Sector (CSSF)**

[www.cssf.lu](http://www.cssf.lu)

## Foreign associations

**American Chamber of Commerce (AMCHAM)**  
[www.amcham.lu](http://www.amcham.lu)

**British Chamber of Commerce for Luxembourg (BCC)**  
[www.bcc.lu](http://www.bcc.lu)

**Indian Business Chamber of Luxembourg**  
[www.ibcl.lu](http://www.ibcl.lu)

## Professional associations

**Luxembourg Business Federation (FEDIL)**  
[www.fedil.lu](http://www.fedil.lu)

**Association of the Luxembourg Funds Industry (ALFI)**  
[www.alfi.lu](http://www.alfi.lu)

**The Luxembourg Bankers' Association (ABBL)**  
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**Public Research Centre Gabriel Lippmann**  
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