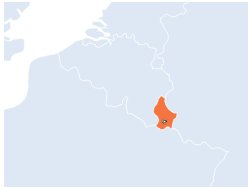


## Introduction

Luxembourg is a small, landlocked country in western Europe bordered by Belgium, France, and Germany. The government system is a constitutional monarchy; the chief of state is the grand duke, and the head of government is the prime minister. Benefiting from its proximity to France, Belgium, and Germany, Luxembourg has a mixed economy in which the economy includes high levels of openness and entrepreneurial activity, combined with centralized economic planning and government regulation. Luxembourg is a member of the European Union (EU).



**Location:** Western Europe

**Capital City:** Luxembourg (+1 GMT)

**Chief of State:** Grand Duke Henri

**Head of Govt.:** Prime Minister Luc Frieden

**Currency:** Euro (EUR)

**Major Languages:** <p>Luxembourgish (official administrative and judicial language and national language (spoken vernacular)) 55.8%, Portuguese 15.7%, French (official administrative, judicial, and legislative language) 12.1%, German (official administrative and judicial language) 3.1%, Italian 2.9%, English 2.1%, other 8.4% (2011 est.)</p>

**Primary Religions:** <p>Christian (predominantly Roman Catholic) 70.4%, Muslim 2.3%, other (includes Buddhist, folk religions, Hindu, Jewish) 0.5%, none 26.8%&nbsp;&nbsp;&nbsp;</p>

**Calling Code:** 352

**Voltage:** 220

## Key Websites

Main Government Page: [gouvernement.lu](http://gouvernement.lu)

Commerce Ministry: [meco.gouvernement.lu](http://meco.gouvernement.lu)

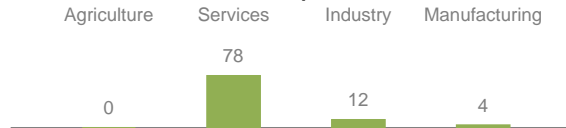
Export Promotion Agency: [luxinnovation.lu](http://luxinnovation.lu)

Investment Promotion Agency: [luxinnovation.lu](http://luxinnovation.lu)

## Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$92.55 billion (2022)
GDP growth (annual %):	1.55% (2022)
GDP per capita, PPP (current international \$):	\$142,213.85 (2022)
Manufacturing, value added (% of GDP):	4.48% (2022)
Current account balance (BoP, current US\$):	\$4.25 billion (2022)
Inflation, consumer prices (annual %):	6.34% (2022)
Labor force, total:	337,221 (2022)
Unemployment, total (% of total labor force) (modeled ILO estimate):	4.70% (2022)
Imports of goods and services (current US\$):	\$144.07 billion (2022)
Exports of goods and services (current US\$):	\$172.26 billion (2022)

## GDP Composition %



*\*Although Manufacturing is included in the Industry figures, it is also separately reported because it plays a critical role in economy.*

## Rankings

Index	Rank
Corruption Perceptions Index	9 / 178
Global Competitiveness Index	18 / 141
Global Enabling Trade Index	4 / 136
Index of Economic Freedom	7 / 176
International Logistics Performance Index (LPI)	24 / 160
Inward FDI Potential Index	5 / 139
KOF Index of Globalization	19 / 185
Networked Readiness Index (NRI)	9 / 139

## Risk Assessment (Provided by Coface)

**Country rating: A1** - The political and economic situation is very good. A quality business environment has a positive influence on corporate payment behavior. Corporate default probability is very low on average.

**Business Climate rating: A1** - The business environment is very good. Corporate financial information is available and reliable. Debt collection is efficient. Institutional quality is very good. Intercompany transactions run smoothly in environments rated A1.

### Strengths

- High standard of living (Luxembourg has the highest GDP per capita in the world)
- Very attractive job-situation, also for people from neighbouring countries (48% of the workforce are non-residents)
- High-quality infrastructure, business-friendly regulation
- Major international financial center, but also some specialisation in the metal sector and in niche sectors such as space exploration
- Fiscal stability

### Weaknesses

- Highly dependent on the financial sector
- Economy vulnerable to eurozone economic conditions as well as global financial conditions
- Long-term budgetary impact of the ageing population

## U.S. Embassy

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Phone: +352 46 01 23 00

<https://lu.usembassy.gov>