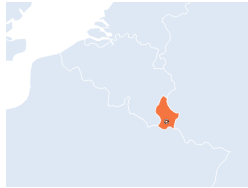


Introduction

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 Xavier Bettel

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% (2010 est.)</p>

Calling Code: 352

Voltage: 220

Key Websites

Main Government Page: gouvernement.lu

Commerce Ministry: meco.gouvernement.lu

Export Promotion Agency: luxinnovation.lu

Investment Promotion Agency: luxinnovation.lu

Key Economic Facts

Income Level (by per capita GNI):	High Income
Level of Development:	Developed
GDP, PPP (current international \$):	\$71.00 billion (2018)
GDP growth (annual %):	3.11% (2018)
GDP per capita, PPP (current international \$):	\$116,786.48 (2018)
Manufacturing, value added (% of GDP):	5.14% (2018)
Current account balance (BoP, current US\$):	\$3.33 billion (2018)
Inflation, consumer prices (annual %):	1.74% (2019)
Labor force, total:	309,094 (2019)
Unemployment, total (% of total labor force) (modeled ILO estimate):	5.36% (2019)
Imports of goods and services (current US\$):	\$124.44 billion (2018)
Exports of goods and services (current US\$):	\$149.96 billion (2018)

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 / 180
Global Competitiveness Index	18 / 141
Global Enabling Trade Index	4 / 136
Index of Economic Freedom	16 / 179
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

- Fiscal stability
- Skilled multilingual workforce
- High-quality infrastructure; business-friendly regulation
- Important international financial center
- High standard of living

Weaknesses

- Highly dependent on a large financial sector
- Economy vulnerable to eurozone economic conditions
- Long-term budgetary impact of an aging population
- International pressure for fiscal reform threatens to reduce the tax base

U.S. Embassy

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