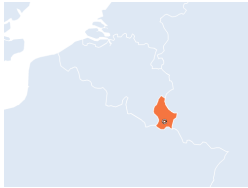


Introduction

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% </p>

Calling Code: 352

Voltage: 220

Key Websites

Main Government Page: gouvernement.lu

Commerce Ministry: meco.gouvernement.lu

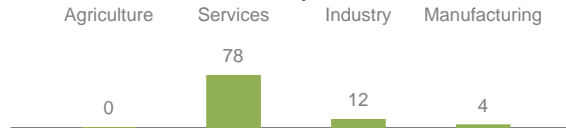
Export Promotion Agency: luxinnovation.lu

Investment Promotion Agency: luxinnovation.lu

Key Economic Facts

| | |
|--|-------------------------|
| Income Level (by per capita GNI): | High Income |
| Level of Development: | Developed |
| GDP, PPP (current international \$): | \$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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