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: 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.)

Primary Religions: Christian (predominantly Roman Catholic) 70.4%, Muslim 2.3%, other (includes Buddhist, folk religions, Hindu, Jewish) 0.5%, none 26.8%

Calling Code: 352
Voltage: 220

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 %

<table>
<thead>
<tr>
<th>Sector</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0</td>
</tr>
<tr>
<td>Services</td>
<td>78</td>
</tr>
<tr>
<td>Industry</td>
<td>12</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4</td>
</tr>
</tbody>
</table>

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

Rankings

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

Risk Assessment (Provided by Coface)
Country rating: A2 - The political and economic situation is good. A basically stable and efficient business environment nonetheless leaves room for improvement. Corporate default probability is 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
- Major international financial center
- High standard of living

Weaknesses
- Heavily dependent on the financial sector
- Economy vulnerable to Eurozone economic conditions
- Long-term budgetary impact of population ageing

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