

Why

Luxembourg

November 2022



The attractiveness of Luxembourg as a business hub

15€



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LUXEMBOURG TIMES

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BURSTING THE EXPAT BUBBLE.

Luxembourg is holding elections next year, and foreigners can participate in the municipal part of it. Not that many will do so: turn-out is historically extremely low. That is a pity, because it is foreigners who are driving so much of the economy. By not voting, they are missing their chance to have a say in policy. On the other hand, it is understandable. Let's face it, most of us know next-to-nothing about Luxembourg when we come here for a job at the European Union, at one of the financial institutions, or in the space industry. Luxembourg is so successful because it makes it easy for companies to set up shop in the country and operate.

But that hands-off approach also means that foreign workers are confronted less with local habits and culture than they would be in, say, Germany or France. In bigger countries, the expat bubble is exactly that – just a bubble. In Luxembourg, it makes up more than half of the glass of crémant that is the labour market. None of us inside the bubble care too much, as long as the going is good. But Luxembourg is showing signs of chafing at its boundaries – notably in the housing sector. Real estate is becoming unaffordable, making people think twice before buying a place here, even if they earn enough to afford it. It is also pushing people from Luxembourg across the border, something that could, in the long run, spoil the country's welcoming attitude towards foreigners.

Should the expat bubble burst, more foreigners would no doubt vote at the next election. Understanding issues such as the housing squeeze is not so easy, I have found since taking the role at the head of the Luxembourg Times. You need to know a lot about the country before you can start thinking of solutions.

But it's worth it. Before you know, you've burst your own expat bubble.

Douwe Miedema
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WELCOME TO THE FALL 2022 ISSUE OF THE LUXEMBOURG TIMES WHY LUXEMBOURG MAGAZINE.

**AMCHAM is honored and very pleased to be a founding partner
in this Luxembourg Times project!**

We agree and join the Lux Times in this publication promoting Luxembourg as the best European location for International companies to locate their European businesses. As the Government officials, CEOs and leaders of significant Luxembourg based companies will tell you in their published comments, this is a great country to work and live in. The government is fair, pro-business, and honest implementing laws and policies without corruption or discrimination. The country is broadly multicultural and multilingual with approximately half of the population composed of foreign born residents. There is social peace, economic prosperity, and a safe high quality living environment. It is no wonder that Luxembourg has grown into an enormous sized and strongly preferred international business location with the highest per-capita GDP on the planet.

But keeping Luxembourg in this top status takes a lot of work every day fine tuning the system, discussing and finding new solutions to the challenges that constantly arise and face us. AMCHAM is very proud over the past 27 years to have grown into the largest private Chamber of Commerce in the country and to work every day on behalf of our members through 17 committees in every sector of the economy, through our weekly Newsletter and quarterly magazines, through our Doing Business in Luxembourg Books and through our approximately 40 events per year. With a melting pot membership composed of 30% US companies, 20% Luxembourg companies and 50% companies from around the world, we work every day to articulate and advocate the needs of the international business community to ensure their voice and needs are heard and considered with proper weight whenever decisions are made. It is our pleasure to very strongly serve and promote our members and this great country.

If you are already in Luxembourg and already an AMCHAM member, we thank you for your membership, support and for allowing us to serve you. If you are in Luxembourg but not yet our member, or just considering coming to Luxembourg, we warmly invite you to join us and the other existing member of our family. Together, we will ensure that Luxembourg stays the best location in Europe for business... for all of our companies, our employees and for our families!

With respect and my very best wishes,

Paul Michael Schonenberg
Chairman and CEO AMCHAM Luxembourg



AMCHAM.lu

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08

Why

Luxembourg

“

**Luxembourg
is a dynamic
and open
economy,
known as
a renowned
hub for
international
trade.**

”

INTERVIEW

“LUXEMBOURG IS AN ACTIVE PLAYER IN THE SEARCH FOR THE GREATER COMMON GOOD.”

Often described as a small country that stands out on the international scene, Luxembourg wants more than ever to make its voice heard. We meet Jean Asselborn, Minister for Foreign and European Affairs and Minister for Immigration and Asylum, who talks to us about the assets of a country like no other.

Minister, what place does Luxembourg occupy in the European Union and, more broadly, in the world today?

Luxembourg stands for an open, competitive, and thoroughly resilient European economy based on good governance, the rule of law, solidarity, innovation, and sound public finances. Indeed, Luxembourg is known for its political stability and a strong and coordinated approach to European and foreign policy. Luxembourg is among the strongest advocates for free movement, a fully operational single market, and accomplishing the digital and green transition. On the international stage, Luxembourg is a dynamic country that can be relied upon, a fervent advocate of effective multilateralism and the promotion of human

rights, a commitment that has resulted in our election to the UN's Human Rights Council for the 2022-2024 term.

How can a small country of 600,000 inhabitants make its voice heard internationally?

Luxembourg is indeed often described as a small country that stands out on the international scene. As a founding member of many international organizations, such as the UN, the EU, the Council of Europe, NATO, OSCE, and OECD, Luxembourg is deeply committed to diplomacy and international cooperation. In its efforts to achieve greater peace, security, and stability in the world, it attaches particular importance to a world order based

on respect for the rule of law, human rights, solidarity and work, and sustainable development.

What role should Luxembourg play on the international stage?

Given the fragile geopolitical situation, functioning and effective multilateral system remains the sine qua non of diplomacy, for which Luxembourg is making constant efforts. Through an agile foreign and civil service, drawing on decades of experience in all the international and regional organizations, Luxembourg can quickly mobilize to defend its values, principles, and interests on many issues. Whether in the European Union or the United Nations, Luxembourg sees itself as a

“
**Freedom
in Europe
cannot be
an exception,
it must
remain
the general
rule!**
”

mediator and an active player in the search for the greater common good.

Should the country, more than ever, rely on Europe and defend the European cause tooth and nail?

On 10 August 2022, we celebrated the 70th anniversary of the first meeting of the High Authority of the European Coal and Steel Community (ECSC), the executive body of this first European community, in Luxembourg, the historic capital of the European institutions. At the time, the Grand Duchy was one of the six founding members of the ECSC, creating economic and political ties that brought us peace and prosperity. The government at the time knew that given Luxembourg's specific geographical, societal, and economic situation, European integration would be essential to safeguard our vital interests. That approach is still valid today; our strength lies in our unity! Given the systemic challenges we are currently facing at the international level, it is obvious to me that left on its own, an individual member state, not even one of the larger ones, cannot assert itself on the international stage.

Countries in the Balkans and Ukraine are candidates for membership in the European Union. What is your opinion on the enlargement of the Union? How far should this enlargement go?

Enlargement is an important geopolitical tool of the Union, and the prospect of membership is a powerful stimulus for reforms in the respective countries. Article 49 of the Treaty on the EU stipulates that any European State, which respects our common values and is committed to promoting them, may apply to become a member of the Union.

However, the accession process is long and complicated, and there is no fast-track procedure. The pace of it largely depends on the political willingness of the respective governments to implement the needed reforms. If sufficient commitment is lacking, the process might take longer or, in the worst case, will never be concluded. Countries are judged on their own merits, and we will be very demanding in the future in areas like the rule of law, the independence of the judiciary, good governance, and the fight against corruption.

Ultimately, only the full transposition of the *acquis* with its 35 negotiation chapters, and the full respect of the Copenhagen criteria, will allow us to move towards accession. This process is also reversible in case of failure. It is also not excluded that a country withdraws its candidature. This has happened before. So being a candidate country does not automatically mean becoming a member one day.

With the conflict between Ukraine and Russia, European diplomacy has shown its limits. What can we do today to guarantee the security of Luxembourgers and Europeans and to counter the increasing threats to our democratic system?

I am not sure that European diplomacy has shown its limits with the current conflict. Short of a direct war with Russia, I do not think we could have done more. Diplomacy only works when both sides want to find a solution. Russia is not interested in peace; that much is clear. If they are not interested in peace, they are not interested in dialogue. If they are not interested in dialogue, there can be no diplomacy. As far as our security is concerned, NATO is our safest bet, and NATO has been strengthened with Finland's and Sweden's membership. But Russia is not only threatening our military, but they are also increasingly using disinformation to destabilize Western democracies. We have to adapt and prepare for hybrid warfare.

Climate crisis, energy supply difficulties (and other products), various conflicts... How do you see the world today after 18 years at the Ministry of Foreign Affairs?

In truth, the way things have evolved on the world stage over the last two decades is not

reassuring: the multilateral order is put into question and fundamental freedoms of association, peaceful assembly, and expression continue to deteriorate across the world. Armed conflict has resurfaced on our continent with the Russian aggression against Ukraine, something I would not have thought possible only ten years ago. I am even more convinced that European construction remains the only viable solution for a prosperous and peaceful continent; it is a unique project that combines respect for the rule of law, including human rights, sustainable growth, and a high degree of social protection.

You are also responsible for asylum and immigration. What is Luxembourg's record in terms of reception over the last few years, and how are you preparing for the challenges that lie ahead in this area (particularly "climate migration")?

Between 2015 and 2021, Luxembourg doubled its reception facilities with a capacity of now over 4,400 beds for persons seeking international protection. Due to Russia's war in Ukraine, the National Reception Office created a parallel network of structures with over 2,000 beds. Hence, Luxembourg can now host more than 6,000 persons that need protection, which is a record high.

For Luxembourg to continue to welcome people in need of protection in a world with various challenges, such as "*climate migration*", the government will continue to work on the extension of its reception capacities by constructing new structures and by increasing the quality and sustainability of structures.

With the Covid crisis, borders have suddenly reappeared in Europe. What can be done to strengthen the European *acquis*, including the Schengen area and the Single Market?

The principle of freedom of movement within the Schengen area is a major pillar of the European *acquis* and is most relevant in cross-border regions. Freedom in Europe is not an exception; it must remain the general rule! Therefore, Luxembourg has actively contributed to reforming the Schengen borders code to limit the possible reintroduction of internal border controls by the individual Mem-



oped. In 2021, a strategy has been published, highlighting among others 3 priorities for the future: creativity, diversity and sustainability.

**How can Luxembourg be made even more attractive? Both for investors and for the talent that has to be found further and further away?
What role do you play in this?**

Luxembourg is a dynamic and open economy, known as a renowned hub for international trade. Luxembourg has a long-standing national strategy for data-driven innovation to make the country the most trusted and best connectivity data economy in Europe. Six sectors are prioritized: Industry 4.0, green tech, health tech, logistics, space and financial services. Information and communication technologies (ICT) are major drivers of this vision. The country offers a number of advantages to companies interested in us as a base for developing and launching digital products and services for the global market. Young entrepreneurs can count on institutional start-up support, incubators and accelerators run by companies or public-private partnerships. A talent and skills recruitment strategy is in place.

As the economy has become a truly global economy, international relationships are more critical than ever to sustain economic growth. Diplomatic tools and resources naturally sustain these relationships. With the growing needs of trade relationships and the necessary attraction of investment, economic diplomacy plays an important role in the daily activities of diplomatic missions. As an integral partner in the national “*Trade and Invest*” strategy, the Ministry of Foreign and European Affairs and its global diplomatic network endeavor to actively contribute to its development and implementation, in the interest of Luxembourg. Our global diplomatic network is well versed in international economic relations. Our diplomatic and consular missions abroad advise Luxembourg companies and if necessary help them establish contacts. Our career diplomats – men and women – are experienced negotiators and experts in fields spanning from global trade rules, international economic standards and norms, export control regulations to individual personalized business-to-business promotion and marketing contacts. ■

ber States. Such controls need to be based on clearly assessed needs. They should be proportionate to the issues at hand, accompanied by stronger safeguards and a more active role of the Commission as guardian of the Treaties. A similar assessment can be made for the Single Market, established exactly 30 years ago. We must overcome unnecessary barriers for our citizens and companies and realize that this work is still far from being completed.

How can the voice of cross-border regions, which are more vulnerable in times of crisis, be heard?

In June 2021, upon an initiative of Luxembourg, the Benelux countries and the Baltic States adopted a position paper: any decision with a potential impact on cross-border regions should take into account the specificities of these regions and their communities and anticipate its potential impact. We must continue highlighting the lessons learned from the Covid crisis, where cross-border regions suffered tremendously, much more than other regions further away from internal borders.

Luxembourg currently holds the Presidency of the Committee of Ministers of the Benelux Union.

What are your ambitions at this level ?

Luxembourg currently holds the Presidency of the Council of Ministers of the Benelux Union. We have set ourselves three major priorities: to emerge stronger from the pandemic by exploring opportunities for increased policy coordination; strive for a green, safe and competitive Benelux Union that plays a leading role as a laboratory for an integrated Europe; and to promote synergies and deepen relationships with neighboring regions.

Let’s turn to the strategy for promoting Luxembourg’s brand image. What is the image that Luxembourg wants to give abroad? How is this image evolving, and has it evolved in recent years?

Our brand promotion initiative is still very young: in 2015, based on a citizen consultation, 3 core values were identified, namely that Luxembourg is a dynamic, open, and reliable country, and a visual identity was devel-

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Why
Luxembourg



125

NUMBER OF BANKS

128,514

LUXEMBOURG CITY INHABITANTS

645,397

TOTAL POPULATION

OVERVIEW

LUXEMBOURG IN FIGURES.

To discover Luxembourg at a glance, we offer you a series of figures that explore different dimensions of the country. Welcome to the Grand Duchy!





2,586 KM²

TOTAL AREA OF THE COUNTRY

560 METERS

MAXIMUM ALTITUDE

84.7%

AGRICULTURAL OR WOODED LAND

4.6%

UNEMPLOYMENT RATE

€73.314 BILLION

GDP

€114,370

GDP PER INHABITANT

6.9%

GDP GROWTH FROM 2020 TO 2021

24.4%

DEBT-TO-GDP RATIO

€6,475

MONTHLY DISPOSABLE HOUSEHOLD INCOME (2019)

6,714

STUDENTS AT THE UNIVERSITY OF LUXEMBOURG

41,000

ENTERPRISES

€13.9 BILLION

EXPORT VALUE

€21.8 BILLION

IMPORT VALUE

1,881

NUMBER OF FARMS

26,059

EMPLOYEES IN THE BANKING SECTOR

€5,367.849 BILLION

NET ASSETS UNDER MANAGEMENT IN LUXEMBOURG (MAY 2022)

€805,169

AVERAGE APARTMENT PRICE (Q1 2022)

€1,218,614

AVERAGE HOUSE PRICE (Q1 2022)

905,356 TONS

FREIGHT AT LUXEMBOURG AIRPORT (2020)

94%

OF THE POPULATION HAS ACCESS TO THE INTERNET (2020)



TESTIMONIALS

STUDYING IN LUXEMBOURG.

Luxembourg is a cosmopolitan place to live and has a rich educational offer adapted to students from abroad. In addition to public education, which is given in 3 languages (French, German, Luxembourgish) from the very beginning, institutions oriented towards a more international population have come to enrich the educational ecosystem. Federico and Hannah, who attended the International School of Luxembourg and the University, talked to us about their time at school in Luxembourg.

HANNAH BALÈS, CLASS OF 2019 AT THE UNIVERSITY OF LUXEMBOURG

Originally from Germany, Hannah came to Luxembourg in 2016 to study psychology. She talks about the educational experience at the University of Luxembourg and what it has brought her.

The choice to study in Luxembourg is due to the proximity of her hometown and the simplification of integrating the Luxembourg institution. *“In Germany, admission to universities is based on applications and grades from high school. Living near the border, it was easy for me. I filled out my application, had an interview, and was accepted,”* she explains.

Another advantage of the University’s education is that some bachelor’s degrees are in several languages. Generally, these are French and English. However, some, like psychology, are given in German. Taking classes in one’s native language was a major advantage.

Hannah emphasizes the dynamic nature of the courses. *“In psychology, we were very few*

**“HERE,
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DYNAMIC
AND
ENGAGING.”**

students. When I hear my German friends talk about their research, sometimes 100 or 200 of them are in a class where the teacher reads the material. Here, because there are fewer of us, we can interact easily and ask questions. Learning is much more dynamic and engaging.”

Created in 2003, the University of Luxembourg is the only public university in the country. Its newness and its human size are advantages for the students. Meeting other people is easier. *“The student office is extremely present and available. There is always some-*

one to listen to you and help you find a solution to your problems,” explains the psychology student.

The human character of the institution is also an asset, simplifying the welcome and integration. Each year, a Welcome Day is organized. *“On this day, the University and the courses are presented. It is also an opportunity to meet other students.”* Throughout the year, many activities are proposed by clubs or student associations.

“I can say that I have had nothing but good experiences at the University. Through the activities proposed, I was able to continue to explore my passion which is the cinema. I would recommend a future student who hesitates to go with their eyes closed.” ■



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Economics.



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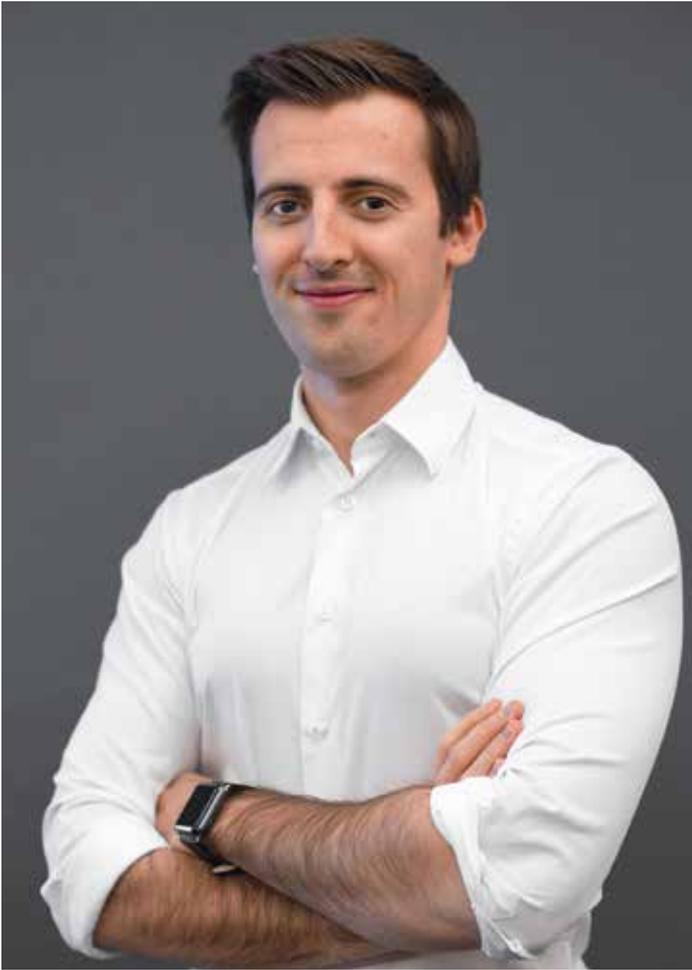


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Your future starts in Luxembourg.**



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“

Beyond the theoretical concepts seen in school, ISL's interest in the education proposed lies in its application.

”

FEDERICO GIUSTO, ISL CLASS OF 2013

“WE MOVE QUICKLY INTO PRACTICE, WHICH IS THE BEST WAY TO LEARN.”

Federico Giusto, a member of the International School of Luxembourg's 2013 promotion, discusses secondary education in Luxembourg. *“My family and I arrived in Luxembourg in 2008 from Italy. I was 14 years old, and my parents sent me to ISL. At that time, I could manage in English but not much more. However, this was not a problem when I arrived at the school. The teaching staff does everything possible to make newcomers feel integrated.”*

Since 1963, the International School of Luxembourg has welcomed approximately 1,300 students of 57 nationalities annually. The school was originally established to allow the children of employees of an American company to continue their education as they knew it across the Atlantic. Over the years, the institution has grown to include a very international population. *“Although many students*

are only here temporarily due to their parents' travel, the support provided by the teams ensures the best possible integration and experience for each student,” continues Federico, an engineer. *“The teaching is very advanced,”* he explains. *“Beyond the theoretical concepts in school, ISL's interest in the education proposed lies in its application. You don't spend your time sitting behind a desk. We move quickly into practice, which is the best way to learn.”*

The school provides many opportunities and resources for students. *“There's something for*

everyone, from sports and art to applied language courses and field trips,” says Federico. *“Graduating students can take advantage of sessions and activities with guidance counselors.”* They also coordinate the organization of standardized tests such as the TOEFL (Test of English as a Foreign Language) SAT Reasoning Test, used for admission to universities in the United States. *“ISL was a life-changing experience that allowed me to become who I am today, personally and professionally. I was able to find my way thanks to the many resources available to me,”* concludes the former ISL student. ■



We ensure that everyone in our community becomes inspired, resilient and passionate about achieving what matters, anywhere in the world.

TOURISM & HERITAGE

DISCOVER ANOTHER LUXEMBOURG THROUGH ITS 5 TOURISTIC REGIONS.

Luxembourg is much more than a place to do business. Beyond Luxembourg City, discover 5 magnificent regions where wild nature meets history, culture, and gastronomy.

Follow the guide!

EISLEK

Pure nature in Éislek

Hills and plunging valleys, lakes, thick forests, and windy plateaus...

This is what Éislek has to offer!

Located in the north of Luxembourg, this region is known for its impressive panoramas and untamed nature. If you love outdoor activities – hiking, cycling, water sports, or paragliding – Éislek is the perfect destination for you.

Besides its natural wonders, Éislek also has a lot of cultural hotspots. Many castles and other fortresses have been

built in the region through the centuries, some of which have survived to this day (Vianden Castle in particular). WWII – especially the famous Battle of the Bulge – also left vivid memories in Éislek. You can learn more about this painful event in one of the region's museums.

As everywhere in Luxembourg, you will enjoy fine gastronomy in Éislek. Ham, honey, mustard, and cheese are just a sample of the local products you can taste in the many restaurants of the region. ■

GUTTLAND

A preserved country side just outside Luxembourg City

Luxembourg City is nestled in Guttland, a region renowned for its authenticity and preserved nature. It is the perfect place to walk and cycle around ancient castles and charming villages.

Located in the center and west of the country, Guttland is a paradise for outdoor leisure activities. The quaint villages, imposing farm buildings, tastefully restored country estates, mysterious castles, and fortresses dot the landscape forming an ideal scenery to walk or cycle. You'll find hundreds of kilometers of cycling and

hiking trails that wind their way through the largely untouched landscapes.

The historical heritage is also huge here. Several Gallo-Roman sites can be visited, as well as a rural museum with fascinating collections. But the region's highlight is undoubtedly the "Valley of the Seven Castles", where majestic buildings will transport you straight to the Middle Ages. During the summer festivals, those sites are magnified to offer you an unforgettable experience.

The destination of Slow-tourism, Guttland is the perfect place for anyone looking for a break from the hustle and bustle of everyday life. ■



MINETT

Meet the industrial past of south Luxembourg

For most Luxembourgers, the Minett region, located in the country's south, is known first and foremost for its industrial past. For several decades, iron ore (called "*Minett*") was extracted from the ground to produce steel and exported worldwide. The iron also gives the local soil its red color and the region its nickname, "*Land of the Red Rocks*". This industry left its mark on the local landscape, and you can still visit relics of this activity, like the renovated blast furnaces of Belval.

Today, the Minett region is redeveloping and focusing

on science and culture. Local rock festivals, concert halls, theatres, and museums are famous beyond Luxembourg's borders. The only university in the country is also located here, in Belval, and is a real hub for research.

In the southern part of the country, you will also find a lot of natural reserves featuring trails for bikers and hikers. The region received, in 2020, the title of "*Biosphere Reserve*" from UNESCO, highlighting its natural attractiveness. With its swimming pools, playgrounds, and theme park ("*Parc Merveilleux Bettembourg*"), the whole family will enjoy a stay in the Minett region! ■



MUSEL

Luxembourg wine paradise by the river

Did you know that Luxembourg produces great wines? In Luxembourg's Moselle, a rich wine-growing culture has developed since the Romans. On the banks of the river Moselle, vines stretch as far as the eye can see, magnifying the landscape. Auxerrois, Riesling, Pinot Gris, or Rivaner produce each year wines whose freshness is recognized worldwide.

Located in the country's southeastern part, the region is adjacent to two great European countries: France and Germany.

That's why Schengen, a municipality of this region, was chosen as the place to sign the treaty of the same name, ensuring the free movement of people and goods throughout Europe.

The river and the vines are not the only assets of the Moselle. All around the region, you will see charming villages with traditional architecture and ancient ruins. And if partying is what moves you, you'll have the chance to celebrate during one of the wine festivals dotting the year. No need to say that the gastronomy here is gorgeous, so don't hesitate to stop in one of the restaurants in the region! ■



MULLERTHAL

Discover Luxembourg "Little Switzerland"

Mullerthal is known as "*Little Switzerland*". After a few kilometers in the area, you will quickly understand why! The region offers hilly landscapes, extensive forests, turbulent streams, and impressive sandstone formations, home to unique biotopes. Many award-winning trails wind through this magnificent nature, with narrow rocky passages, caves, and gorges.

Preserving this natural treasure is one of Luxembourg's priorities. That's why the "*Natur- & Geopark Mëllerdal*" aims to join the international network of UNESCO Global Geoparks in 2022.

But nature is not the only asset of the Mullerthal region. Echternach, Luxembourg's oldest city, is also nestled in the heart of this unspoiled environment. Don't miss its basilica, abbey, market square, but especially the famous "*Dancing Procession of Echternach*", which takes place every year on Whit Tuesday and is part of the UNESCO Representative List of the Intangible Cultural Heritage of Humanity.

After a long day of walking and discovering, you will also enjoy Mullerthal's cuisine, based on local cheeses, meat and cured meat, liquors, honey, and as authentic as the region. ■





Lokdeep Singh, CEO of Talkwalker - After living in six different countries, he has been living in Luxembourg for 13 years.

“

It is an exceptional cosmopolitan country, but one that remains proud of its history and roots.

”

THE VOICE OF AN EX-PAT

“I AM PROUD TO SAY THAT LUXEMBOURG IS NOW MY HOME.”

I have always considered myself a citizen of the world. I was born in India.

Before I came to Luxembourg, I lived in six countries on different continents. My wife is from Russia, where we lived for two years.

But we found in Luxembourg an ideal place to live and raise our children.

I spent extensive time in Asia and Japan, and we lived in the United States for 10 years. There, I worked for a technology start-up that was sold to a firm based in Luxembourg. It is in this context that I arrived here in 2009. My family joined me in 2010. We found an exceptional living environment in Luxembourg to grow our two boys, who are now 17 and 19 years old.

Luxembourg is an attractive place to live in for many reasons. First, the country offers an ideal peaceful and secure environment where young families can settle down serenely. Here, children can be children. The country offers excellent infrastructure, allowing everyone to blossom. Coming from the United States, our two boys could easily pursue the sport they loved, field hockey. They are both members of the Luxembourg national team, and I am the treasurer.

The country also combines, like no other, local and global dimensions. It is an exceptional cosmopolitan country, but one that remains proud of its history and roots. The international dimension acquired in recent decades is developing harmoniously with local traditions. This is very appreciable. It is a welcoming country in which it is easy to find a place as long as you are open and make an effort to integrate well. After 10 years spent in Lux-

embourg, all the family members have taken steps to acquire the Luxembourg nationality. Our two sons have proudly represented the Luxembourg National Field Hockey Team in several international tournaments and appreciate the good sports infrastructure and support. As world citizens, we are proud to say that Luxembourg is now our home.

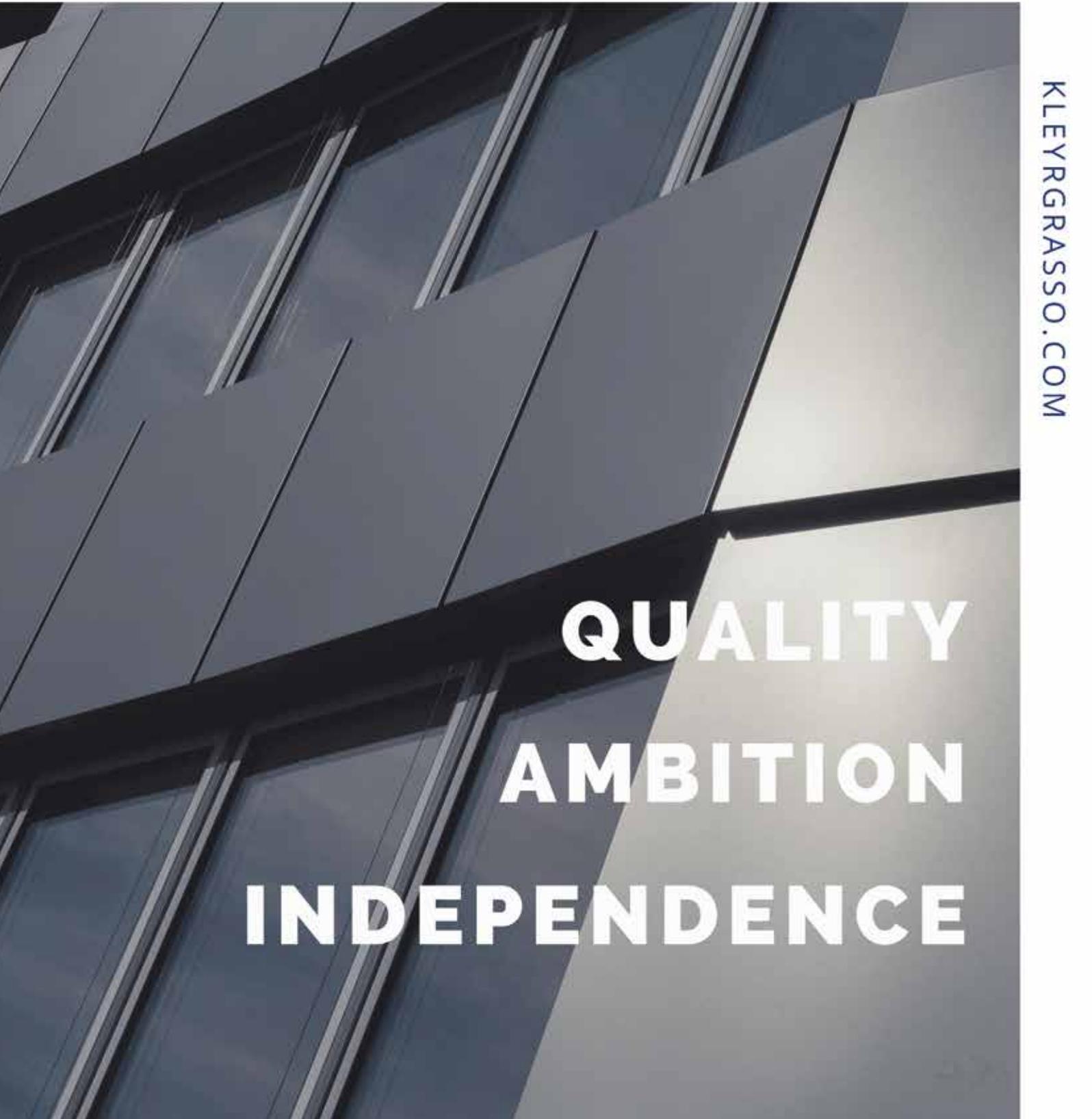
Finally, at the professional level, Luxembourg offers an environment conducive to business. I could see how the country supports entrepreneurship by simplifying and establishing new structures. Having held positions of responsibility in the digital sector, I was also able to develop projects using cutting-edge technologies, such as machine learning, by benefiting from local support, Luxinnovation, Luxembourg for Finance or the Ministry of Economy, and working with structures such as the University for example.

All these elements make Luxembourg a particularly attractive place to live in. ■

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FOCUS

LUXEMBOURG, AN ATTRACTIVE BUSINESS HUB.

Luxembourg has been a recognized host country for several decades for many investors and company managers looking for an environment conducive to business development.

But to maintain this attractiveness, the country must continue to innovate.



Carlo Thelen, Director of the Chamber of Commerce.

With an average economic growth rate of 2.1% over the last five years, almost four times higher than that of the Eurozone, Luxembourg is in a class of its own in Europe and the world. *"If we look at the last 20 years, our growth rate has always been higher than that of the Eurozone,"* says Jean-Paul Olinger, Director of the Luxembourg Employers' Association UEL (Union des Entreprises Luxembourgeoises). Several factors can explain this phenomenon, starting with Luxembourg being a small country with a flourishing and open economy. Nearly 40,000 SMEs employ 465,000 people in fewer than 2,600 km². Many cross-border workers contribute to this wealth creation. In addition, with its

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A small country has to look for opportunities and launch ambitious projects faster than others, better than others to exist and prosper.

Carlo Thelen, Director of the Chamber of Commerce.

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relatively higher productivity, the financial sector occupies a central position. It is, on average, responsible for 25% of this GDP. *"But if you compare Luxembourg with other smaller European regions with a high economic concentration, this growth is not so exceptional,"* says Carlo Thelen, Director of the Chamber of Commerce. *"To give a few examples, the Île de France, Munich, certain regions of the Netherlands, or the city of London also show strong growth, but the overall statistics for their countries drown out these good results."*

As a cosmopolitan country with some 170 different nationalities, Luxembourg is very open to the world and has been attracting foreign investors for many years. *"We live in*



Jean-Paul Olinger, Director of the Union of Luxembourg Enterprises (UEL)

a very stable country that offers a high quality of life,” says Jean-Paul Olinger. “Our schools, social security, and health systems are very good, as well as our cultural and sports infrastructure and access to nature. Distances are generally short, those to be covered daily and those to major European capitals. We do not have the mountains or the sea, and the city is not as lively as Paris or London, but we attract many different profiles. Moreover, for investors, the political and financial stability of the Grand Duchy and the regular confirmation of its triple-A rating are strong arguments, not to mention access to a qualified workforce.”

A high degree of stability that reassures

To succeed, you sometimes have to provoke luck and daring. In this respect, Luxembourg has always shown great agility. “We have been lucky enough to go from a rural and relatively poor economy to one centered around the steel industry. Then came satellites, ICT, and, of course, the financial sector,” notes Carlo Thelen. “The launch of the first satellite in 1985 involved many risks, but it was a great success. A small country has to look for opportunities and launch ambitious projects faster than others, better than others, to exist and prosper. For the financial center, the legal and fiscal framework

dates back to 1929, when we opened the stock market during a crisis. This did not bear fruit until many years later, but we established the framework. Luxembourg has been and still is very attractive. We have succeeded in attracting a lot of economic activity and much labor. This inevitably generates growth.”

The best economies develop those with access to skilled labor talent and can generate new legal, fiscal, or regulatory frameworks. “Luxembourg has always managed to attract such a workforce, but the war for talent is on. The country must maintain its stability to keep the confidence of business leaders and investors to maintain this attractiveness at its highest level. We must also take resilience and the ability to respond to the various current crises into account,” adds Carlo Thelen. “Education, professional training, and our ability to attract skills from abroad are of primary importance. Luxembourg can become even more attractive by focusing on digitalization, reducing administrative burdens, and working towards a more sustainable world.”

From the steel industry to space

Luxembourg has been confronted for years with soaring housing prices and recurring

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Overall, Luxembourg ranks among the top countries in the world for international expatriation and quality of life.

Jean-Paul Olinger,
Director of the Union of Luxembourg
Enterprises (UEL)

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mobility problems. “In this area, it is important to work closely with our neighbors of the Greater Region. To offer a prosperous environment to people working and living in the metropolitan area of Luxembourg, the authorities and the private sector devote many efforts to developing the economy and attracting, mobilizing, and retaining tomorrow’s talents,” explains Jean-Paul Olinger. “So, for instance, through its legal and tax frameworks, further education and innovation programs or additional measures in mobility: free public transport, and substantial investments in rail are good things. Overall, Luxembourg ranks among the top countries in the world for international expatriation and quality of life.”

If Luxembourg has based its development on innovation, it must now redouble its efforts to remain a host country for companies worldwide. “New priority sectors have been defined to diversify our economy. The industry remains a very important sector, as does logistics. But we are also very active in ICT, cybersecurity, and data management, which will be the wealth of the future,” says Carlo Thelen. “Luxembourg has also surprised many people with its commitment to space. During our economic misadventures, we see that many observers now know us for this new industry. Health technologies, with the creation of a new hub in Belval, and all the personal services, are sectors of the future in our eyes, as well as the circular economy and sustainable development, without forgetting the financial sector, which must continue to diversify.” ■

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Why

Luxembourg



Yuriko **Backes**, Luxembourg Minister of Finance

02

INTERVIEW

“WE MUST STRIVE FOR OUR FINANCIAL CENTER TO BE A LEADER IN SUSTAINABILITY.”

As a pillar of Luxembourg's prosperity, the financial center never stops evolving. It is transforming itself to meet today's major challenges, particularly to enable sustainable models to emerge.

We discussed these transformations with Ms. Yuriko Backes, Luxembourg's Minister of Finance.

Dear Minister Backes, can you give us a quick overview of the Luxembourg financial center? Can you remind us of the main pillars of financial activity in the Grand Duchy?

We are one of the world's leading financial centers, thanks to our international approach. Most financial services in Luxembourg do business across national borders, within the EU, and outside. Luxembourg has accordingly developed unique expertise in cross-border financial services and products. Today's main sectors are private and corporate banking investment fund services, including a growing leadership role in alternative funds, life insurance, reinsurance and international non-life insurance, capital markets, and financial technologies.

How has Luxembourg become an international financial center?

Luxembourg developed into an international financial center in the 1960s when it became home to the Eurodollar market and became the first country in the world to list Eurobonds, i.e., bonds denominated in a different currency than the local currency of the

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The key element to our success has been our international outlook and openness to new ideas.

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country where the bond has been issued. Our origins as a financial center thus lie in capital markets. International banks from the US to Japan and Switzerland established operations in Luxembourg in the 60s and 70s to serve an international client base. The Luxembourg financial center continued to grow substan-

tially with the gradual integration of European markets, leading to the Single Market. Luxembourg also leveraged its first mover advantage in implementing the European UCITS Directive in 1988, which allowed international asset managers to set up in a single location and serve clients all over the European Union. Today, Luxembourg is a competence center for financial institutions from all over Europe and beyond.

The institutions settling in Luxembourg could find staff in the country who speak the languages of their key markets and financial services regulators who understand cross-border business. In recent years, nearly 100 financial institutions chose to come to Luxembourg due to Brexit to continue to serve EU clients.

What are the elements that have made the financial sector successful?

What makes Luxembourg a pole of attraction for international financial players?

The key element to our success has been our international outlook and openness to new ideas. This is a common feature of the economic development of our country over the



past two centuries: from our steel industry to telecoms to finance and space industries.

Our size has also been an advantage. Other countries' financial centers have tended to focus on their domestic economy first, understandably so, given their market size. In Luxembourg, however, we must look beyond our borders and leverage larger economic spaces, such as the Single Market. Our small size also allows us to innovate in finance, be a first mover, and quickly implement initiatives and projects.

Finally, the political, economic, and social stability offers businesses a reliable place to do international business over the long term, with an AAA rating and a predictable legal and tax environment.

During my recent visits abroad, this was, once again, confirmed in meetings I had with leading banks and asset managers.

How does the financial sector contribute to national economic prosperity?

For over 40 years now, Luxembourg's financial center has been a key driver of Luxembourg's economy and State revenues. Financial services are responsible for a large share of our country's growth, and the sector generates a significant part of tax revenues. It is a story of continuous long-term growth and a testimony of the strength and attractiveness of Luxembourg.

The financial sector employs well over 55,000 people directly. This figure reaches more than 63,000 employees if we include legal, audit, and consulting firms working, to a large extent, for the financial sector. Then, there are even more indirect jobs and services in sectors buoyed by a large financial center, such as hospitality, commerce, or IT services. It is thus also thanks to the financial sector and its employees that we have a relatively prosperous nation and that we can afford many of the social policies that make Luxembourg a great place to live. Think of free transporta-

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Luxembourg already has a long track record as a pioneer in sustainability.

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tion, public infrastructure, healthcare, subsidies for housing and schooling, and economic support packages during the peak of recent crises.

How can the competitiveness and attractiveness of the Luxembourg financial center be maintained and strengthened in the long term?

Our competitiveness and attractiveness go hand in hand with the internationalization and globalization of financial services. We are a key center of excellence for many companies, but this relies on international capital markets to remain open. We are seeing a worrying tendency towards protectionism and de-globalization, including in Europe. Regarding the EU regulatory framework in financial services, we must avoid creating a “fortress Europe.” Brexit or a renewed post-Covid focus on achieving strategic autonomy should not be used as excuses to erect new barriers in the Single Market.

At a national level, we must increase efforts to attract, retain and develop the necessary talent. The labor market in Luxembourg and elsewhere has become very competitive: Luxembourg firms have long started looking beyond the Greater Region to recruit. They are competing with capitals across Europe and other parts of the world today. We must continue supporting innovation, notably in the financial sector's digital transformation. 5 years ago, we set up the Luxembourg House

of Financial Technologies (the LHoFT), a dedicated Fintech platform where finance and technology interact to foster innovation and develop solutions. Over the coming months and years, the LHoFT will step up its efforts in areas such as access to talent and green and sustainable Fintech. It will also support the development of mutual solutions to the financial sector's common challenges.

We have implemented our sustainable finance strategy similarly with the Luxembourg Sustainable Finance Initiative. This is another area where we need to continue developing expertise and leveraging existing know-how within the sector. A core challenge, for example, will be access and management of sustainability data. In addressing these various challenges, Luxembourg can rely on its strong tradition of building public-private partnerships.

What role should the financial sector play in meeting the climate challenge?

The financial sector has a huge role in transitioning to a more sustainable global economy and fighting climate change. Finance is the key enabler in allocating resources in the economy, for example, into sustainable companies and out of activities damaging the planet. Without the alignment of finance, our climate goals will never be reached.

We must strive for our financial center to be a leader in sustainability in the different industry sectors in which it acts as a competence center today. We must aim to increase the share of sustainable investment funds: over the past two years, the share of ESG funds in Luxembourg has grown from 12% to 16%. This is good, but it is still only the beginning. We must aim that our banking sector supports green businesses and helps polluting industries transition towards net zero. However, governments can only do so much – the market is free to act independently. With the new European regulations and the pipeline, the market is getting all the necessary tools. At the same time, we need to ensure coher-



ence across different regulations and other jurisdictions. The financial sector, for example, is already reporting on the sustainability risks of its portfolios and activities. However, there still exist large data gaps and obstacles related to access to reliable and coherent sustainability data, which is a real challenge for the financial sector: this can only be remedied if companies are obliged to report on their environmental and social impact.

How should the Luxembourg financial sector position itself toward these challenges?

Luxembourg already has a long track record as a pioneer in sustainability with an exemplary partnership between public and private stakeholders. Over the years, several initiatives have been implemented in Luxembourg to increase transparency and access to data on sustainable investment. For example, we are a leader in financial labeling, thanks to LuxFLAG, which we initiated more than 15 years ago. Our stock exchange, too, took a stand back in 2016 by setting up the Luxembourg Green Exchange, which is now the leading sustainable bond exchange in the world.

More recently, we launched further initiatives to guide the financial sector's efforts to become more sustainable. As already mentioned, the Luxembourg Sustainable Finance Initiative was launched, which offers finance workshops and self-assessment tools for financial institutions, among other things.

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In Luxembourg, however, we must look beyond our borders and leverage larger economic spaces.

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Then, there is the International Climate Finance Accelerator, which has supported 18 innovative fund managers in climate finance.

Luxembourg has also made a statement with its climate finance platform, set up in conjunction with the European Investment Bank. This platform invests in climate funds and aims to mobilize private capital.

Just recently, I announced a new initiative, the aim of which is to help to direct private investment into the green transition and environmental protection in emerging markets. The initiative will focus more on climate mitigation, climate adaptation, and water and biodiversity protection. We are strengthening our long-term commitment to blended finance

and helping seed a new strategy that supports sustainable investments and contributes to resilient economies in emerging markets.

You are the first woman to hold the position of Minister of Finance, which is eminently important for Luxembourg. Are diversity and inclusion issues in the financial sector at the heart of your concerns? What are the challenges in this area?

Indeed, it is an honor to be the first female Minister of Finance in Luxembourg, especially as finance is still a largely male-dominated sector. At the Ecofin Council, we are 7 female finance ministers out of 27 today. Diversity and inclusion come naturally to me, and it is something I am keen to improve and help foster. Women face many challenges that men barely notice. I am hosting regular leadership meetings, information exchanges, and discussions to best assess the struggles and what we can do to become a more fair, inclusive, and diverse sector. I also strongly believe in increasing dedicated financial instruments, such as gender bonds, in helping channel investments in the right direction. The reality is that women remain an untapped potential for economic growth and the development of the financial sector, even more so when access to talent is becoming an increasing challenge. We need to empower women and girls not only to dare to work in male-dominated industries such as finance and tech but also to take on leadership roles. ■



Pierre Etienne is the Chairman of the Private Banking Group Luxembourg, a cluster of the ABBL (Association of Banks and Bankers, Luxembourg)

FOCUS – WEALTH MANAGEMENT

A ROBUST ECOSYSTEM FOR WEALTH MANAGEMENT.

Growing year after year, showing real agility in the face of the challenges it encounters, the Luxembourg wealth management sector offers many advantages to investors.

Starting with a high degree of stability and a wide range of expertise provided by an entire ecosystem dedicated to wealth management.

The success of the Luxembourg financial center is well established. It owes much to the arrival of the European UCITS Directive at the end of the 1980s and its rapid transposition into Luxembourg law, which made the country a hub for fund distribution in Europe. In the wake of the development of this fund industry, private banking and asset management also took off in Luxembourg. *“This sector has grown rapidly from 300 to 600 billion euros under management in the last 10 years, a sum that represents 10 times the country’s GDP,”* says Pierre Etienne, Chairman of the Private Banking Group Luxembourg, a cluster of the ABBL (Association of Banks and Bankers, Luxembourg).

Valuable assets in times of crisis

Suppose wealth management has flourished to such an extent in the country. In that case, it is because Luxembourg is a real haven for investors, offering rare advantages at the international level. *“First of all, the country is small and located in the heart of Europe. It has therefore always looked beyond its borders and is fundamentally multilingual and multicultural,”* continues Pierre Etienne. *“Regardless of where a customer of a Luxembourg-based private bank comes from, he will find an advisor who not only speaks his language but also understands his culture.”*

But Luxembourg has also managed to win the favor of investors thanks to its great economic

and political stability. The country still has a triple-A rating, a very low public debt (25% of GDP), and leadership that pursues a common vision, term after term. *“This stability, therefore, offers great predictability to investors. This is an essential element for our customers, particularly amid the current turbulent times,”* says Pierre Etienne. *“We should also mention the agility of the Luxembourg legislator. It adapts quickly to the challenges and developments at work, which is also valuable,”* adds Émilie Serrurier-Hoël, Vice-President of the ABBL’s Private Banking Group Luxembourg.

Among the country’s assets is the proximity of political leaders, whose attentive ear can be sought more easily than elsewhere, the

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Emilie Serrurier-Hoël, Vice-President of the ABBL's Private Banking Group Luxembourg

quality of the local regulator (the CSSF, the Financial Sector Supervisory Commission), and the country's living environment, which makes Luxembourg attractive to the various talents the sector needs.

A complete but demanding ecosystem

In Luxembourg, wealth management is not the exclusive domain of private bankers. It relies on a range of structures and experts, enabling them to cover the diversity of dimensions that private bankers must manage for their customers. Investments in less traditional assets - such as art, for example - are commonplace, and since the banker cannot be an expert in every field, he has recourse to specialists who can give him the right advice. *"Banks, family offices, external asset managers, lawyers, and other experts form a complete ecosystem to serve the customer's needs. The role of the private banker is to seek out the right expertise to provide the best advice to the customer,"* says Émilie Serrurier-Hoël.

The abundance of this ecosystem, a real asset for the customer, is not without its challenges. *"The human factor is the most important,"* explains Sandrine De Vuyst, Vice President of the ABBL's Private Banking Group Luxembourg. *"Luxembourg must be able to continue to train and attract qualified personnel. However, there is real pressure at this level, notably due to the regulatory inflation of the last few years, which has required many risk-related profiles within the finance sector. But the commercial functions are also heavily*

looked after." This challenge is all the more important as the country's attractiveness suffers from the rising cost of housing, now comparable to that of London or Paris. *"The question of the profitability of the various companies is also crucial: it is now essential to reach a certain critical size, without which we will no longer be able to cope with the increase in costs, particularly those linked to regulation,"* adds Pierre Etienne.

A wealthier and more sophisticated clientele

Demand continues to be strong. However, in recent years, there has been a significant shift in the client base, which has become wealthier, more sophisticated, and more international. *"We have also noticed that they are increasingly interested in alternative assets, such as private equity. Returns have been a little higher. In addition, they allow investors to reconnect with reality,"* explains Sandrine De Vuyst. *"However, we must recognize that this type of investment remains marginal compared to more traditional investments."*

Green or sustainable investment demand remains just as marginal, despite the transition between generations that is taking place. If the demand is there, it is indeed far from being generalized. But the country has already set itself up to meet the expectations of its customers, which are expected to grow. *"Luxembourg is well positioned on the subject through numerous private and public initiatives. Most major banks already have a 'sus-*

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The human factor is the most important. Luxembourg must be able to continue to train and attract qualified personnel.

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tainable' department that takes care of these aspects," says Émilie Serrurier-Hoël.

This overview of the wealth management sector in Luxembourg is therefore causing optimism. By controlling certain risk factors, it should continue to develop over the next few years, serving a European (85%) and international clientele in search of the stability and expertise that Luxembourg is undoubtedly one of the few countries in the world that can offer. ■



Why LPEA?

Our role is advancing Private Equity and the Venture Capital sectors in Luxembourg

If you are a **private assets manager** or a **provider of services** in the **alternative investments industry**, **join our community!**

With 400+ members, LPEA plays a leading role in the discussion and development of the investment framework and actively promotes the industry beyond the country's borders.

MEMBERSHIP APPLICATION



FOCUS – FUNDS INDUSTRY

BOOSTED BY THE SUCCESS OF THE ALTERNATIVE ASSET CLASS.

If the Luxembourg financial center, particularly its fund industry, has developed thanks considerably to UCITS by acquiring specialized expertise in the management and cross-border distribution of these products, it is now the alternative fund segment that is driving its growth.

In the late 1980s, Luxembourg, as a little but smart country, was the first to implement the UCITS Directive into national law. It was the beginning of an incredible success story that allowed its financial center to succeed in attracting many fund promoters and gradually become the second most important domicile for investment funds in the world, after the United States.

A first mover in the implementation of European fund regulation, Luxembourg has played a pivotal role in opening up markets for international funds distribution and providing European retail and institutional clients access to international investments.

“Alt”-growth driver

Though the financial center owes its success to UCITS, a brand now strongly linked to Luxembourg, the growth of its financial industry is now driven by another segment: alternative funds.

“These funds offer investors exposure to investments beyond stocks, bonds, or cash. Private equity, real estate, or venture capital are all examples of these alternative funds,” Michel Feider, Partner, Alternatives Leader at EY Luxembourg, explained. *“These funds focus on non-traditional investing opportunities and employ alternative strategies to enhance fund performance. Although alternative funds don’t seem suitable for everyone, they may be beneficial for diversifying an investment portfolio.”*

Assets under management (AUM) in alternative investment funds are at record highs, as investors and fund managers’ interest in alternatives have increased steadily over time. Globally, the industry had steady growth,

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**In 2011,
the AIFMD
Directive
was issued,
allowing
Luxembourg
to position
itself to onshore
alternative
funds.**

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with an AUM of \$4.06 Tn in 2010 increased to \$10.74 Tn in 2020.

“Stimulated by a growing and promising market, investors have progressively moved away from traditional assets such as listed equities, with their regular but limited returns, to alternative investments, which offer much higher returns and create value,” Michel Feider said. *“These products have less correlation to stock markets and thus provide better returns and diversification. Alternatives generate better*

income for long-term investors, bridging the wealth gap.”

Evolving the toolbox

However, the well-known Luxembourg UCITS are not appropriate vehicles for alternative investments. The country evolved its toolbox for alternatives in the early 2000s. *“In 2004 and 2007 respectively, the Investment Company in Risk Capital (SICAR) and Specialized Investment Funds (SIF) regimes were established,”* Michel Feider said. *“These structures enabled investment managers to provide alternative investments to institutional investors. At this time, investment was largely concentrated on real estate, yet most funds remained offshore in unregulated environments, such as the Channel Islands and the Cayman Islands.”*

International Alternative Investment Fund Managers (AIFMs) began to use Luxembourg vehicles to finance pan-European private equity and real estate acquisitions. This ultimately contributed to the first phase of growth in the Alternative Investment Fund (AIF) industry.

Leverage on the existing expertise

The financial crisis of 2008-2009 ultimately accelerated the creation and adoption of regulations for AIFMs in Europe. It shifted alternative funds to relocate its fund domiciles from offshore jurisdictions to onshore jurisdictions such as Luxembourg.

“In 2011, the AIFMD Directive was issued, allowing Luxembourg to position itself to onshore alternative funds,” Michel Feider explained. Despite the regulation, growth in onshore AIFs was initially slow, which led to Luxembourg extending the framework by introduc-



Michel Feider, Partner, Alternatives Leader at EY Luxembourg

ing the Retail Alternative Investment Fund (RAIF) regime of 2016. This legislation refreshed the Limited Partner regime, promoting the concept of regulation via the investment manager instead of the fund vehicle.

Luxembourg embraced the alternative funds – by leveraging the existing expertise in serving public funds, the know-how of serving asset managers, and the presence of numerous players already in Luxembourg.

The place to be

The Association of the Luxembourg Fund Industry (ALFI) announced an all-time high of 5.5 trillion euros in net assets under management for investment funds domiciled in Luxembourg in 2021, of which alternative fund managers manage 843 billion euros. With more than 9 out of 10 private equity firms, 14 of the top 15 real estate fund managers, and more than 50% of the top 20 hedge fund managers, Luxembourg is the place to be for alternative funds.

Over the past two decades, Luxembourg has built an undeniable reputation as a major center for alternative investment funds. “However, the success of the past is not a guarantee for future success. We need to continue relentlessly building on our strengths as a status

€962 BILLION
in AuM
by regulated
alternative funds

CSSF (April 2022)

quo will only decrease Luxembourg’s position as competition from other jurisdictions intensifies,” EY’s Partner explained.

Embrace new challenges

So, what are the challenges to supporting the development of alternative funds in Luxembourg in the coming years? Michel Feider points out some of them: “Only an open dialogue between asset managers, investors, advisors, lawmakers, and regulators will allow the industry to prosper while meeting the highest international industry standards,” he said.

Taxation also remains a key factor for attractiveness. “Indeed, in aspects of the taxation of industry-specific remuneration schemes such as carried interest, other jurisdictions are offering more competitive advantages,” Michel Feider explained. “This is particularly relevant in a small country that needs to import or attract talent in an international competition.”

Among many other challenges - integration of ESG factors, the attraction of talents - “Retailization” is also a key growth driver. In this uncertain environment, fund managers are seeking to attract fresh capital from retail investors. “In fact, with barely a 1% to 2% allocation to alternatives in a global retail market worth about 80 trillion dollars, the opportunity for asset managers is significant. As a study by Preqin shows, 35% of them expect retail investors to account for a larger share of their assets under management in the next five years,” Michel Feider said.

Luxembourg should take full advantage of this growth potential by maintaining its leading position and offering a suitable framework for alternative fund promoters. ■



STEPHANE PESCH, CEO OF THE LUXEMBOURG
PRIVATE EQUITY & VENTURE CAPITAL ASSOCIATION

“PRIVATE EQUITY IS ADAPTING ITS MODEL INTO A SUSTAINABLE ONE AND MAKING IT READY FOR THE FUTURE.”

How are the Private Equity (PE) and Venture Capital (VC) activities developing and being structured in Luxembourg?

The PE/VC activities and launches have developed extremely well over the last 10 years and have shown an immense acceleration since 2016 (in parallel to Brexit). The local market has, during this decade, evolved quite positively from a Special Purpose Vehicle, holding a company-driven model, to a fully-fledged “Alternative Fund center” domiciling nowadays the European flagship structures of the biggest PE houses worldwide (18 out of 20, based on Preqin statistics) and hosting also in many cases the group or EU AIFM (ManCo).

This change has permitted us to develop next to the standard “back office” activities, “middle office” capacities, and real, local expertise around Risk management, valuations, and Compliance. This growth was made possible thanks to the introduction and refurbishment of the Limited Partnerships (SCSp, SCS) in 2013, which is worldwide one of the preferred set-ups, and the RAIF in 2016, which again underlines that an innovative, up-to-date toolbox makes a difference and should always be favored.

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The democratization
of the PE/VC asset
classes represents
a fabulous opportunity
for many GPs.

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How do you see this asset class developing in the future?

I see the asset class evolving quite well in the future because of 3 main reasons.

1. Over the recent years, the PE and VC actors enriched the offer, and the exposure to private markets/assets has inspired many niche players to specialize further and ultimately look for the best opportunities in their specific fields. The biggest or most agile GPs have created (sometimes from scratch) completely new teams and have injected funds (because of a high demand from investors) in additional areas, sectors, and target companies.

2. The PE and VC asset classes have systematically delivered over the last 10 years a high, robust, and resilient performance (as highlighted in the Invest Europe statistics with an IRR between 12% and 17.6% for Buyout funds, 19% for Growth funds and 25% Venture funds). They are well equipped to continue doing so in the future despite recent drops in certain segments (valuations of technology), some lasting effects of Covid-19, and the terrible war in Ukraine.

3. The PE and VC practitioners have also integrated many trends of the future nowadays into their way of doing business. They have understood how important transparency and reporting are. They already have or are currently embedding the ESG standards and adapting their model into a sustainable and compatible one that bears some concrete effects on the real economy and the environment and may produce long-term impacts.

What are the major development challenges around PE, in general, and Luxembourg, in particular?

The major development challenges in general and, more precisely, Luxembourg comprise the scarcity of talents, a new continued wave of international/national regulation, and some difficulties in attracting new clients due to complex and changing rules (for example, AML/KYC). The democratization of the PE/VC asset classes represents a fabulous opportunity for many GPs.

As seen in the past, “*fortune smiles to the audacious.*” suppose we want to push further this great success story. In that case, the entire sector and larger community, with its collective intelligence, should encourage and facilitate the next level of evolution of the Luxembourg PE/VC hub. ■

QUESTIONS

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WE OFFER A **COMPREHENSIVE AND
INTEGRATED RANGE OF **SERVICES** TO BOTH
LOCAL & INTERNATIONAL PLAYERS**





Christian **Scharff**, President of IMS Luxembourg



René **Winkin**, General Manager of FEDIL

SUSTAINABILITY

LUXEMBOURG'S ECONOMY IS ON THE ROAD TO A GREEN TRANSITION.

For a society, becoming truly sustainable implies profound organizational changes. In Luxembourg, many companies and industries have taken this path, embracing the challenges that this transition represents.

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**Many
companies
in Luxembourg
now have
a more or less
comprehensive
CSR policy.**

Christian Scharff, IMS

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As a small country located in the heart of Europe and with a flourishing economy, Luxembourg seems to have all the cards in hand to become a real laboratory for ecological transition in the European Union and the world. The political will, essential to obtain concrete results, does not seem to be lacking either. The Rifkin strategy for a “*third industrial revolution in Luxembourg*”, unveiled in 2016 and since transformed into the “*Luxembourg Strategy*” plan, was thus an ambitious roadmap for the country. But in reality, how have companies followed suit? Where do we stand in Luxembourg in terms of sustainability?

To understand this, we must first agree on what we mean by “*sustainable enterprise*”: “*A sustainable company must necessarily align its strategy with ESG principles - environmental, social, and governance principles.*,” says Christian Scharff, President of IMS Luxembourg, an organization that works to develop a more sustainable society. “*To achieve this, however, it is necessary to carry out in-depth work: review the organization and processes, train staff, adapt the supply chain, think about recycling, etc. Several companies in Luxembourg started this structural work 15 or 20 years ago and are already reaping the benefits. On the other hand,*

we have a series of companies that often invest in one aspect of the ESG spectrum and are content with that. Today, however, that is no longer enough.”

Avoiding being offside

Suppose it is urgent to make one's business model more sustainable. In that case, it is not only because the climate situation requires it but also because regulations in this area

are developing rapidly, particularly at the European level. Soon, companies will have no choice but to comply with strict rules; otherwise, they will find themselves out of the game, with significant financial consequences. “*Moral duty - towards the generations that follow us - and moral imperatives are coming together, and this is good news,*” continues the President of IMS Luxembourg.

In some sectors, however, change may be more difficult to implement. This is the case in the industry, which has been a pillar of Luxembourg's economic development and has already undergone considerable transformation, particularly in energy production (almost entirely green in Luxembourg). “*Over the last decades, the more polluting industries have changed significantly. The steel industry is a good example illustrating this transformation, which is far from being completed. This kind of industry plays a key role in the energy transition. Their products are essential for the decarbonization roadmap. Their processes require huge investments to meet the overall zero carbon target*”, says René Winkin, General Manager of FEDIL, the association representing the Luxembourg industry. “*Developing a sustainable industry requires modernization or transformation of the existing industries to*



meet tomorrow's environmental standards and the productivity levels that justify their presence in a high-cost country. New investments will reflect more and more what I call the "next generation" industry, highly productive, meeting high ecological standards from the start, and developing and producing solutions and products in line with more sustainable investment and consumption patterns. We will need enablers within the industry, well-qualified people, technology providers, a low carbon energy infrastructure, and high-level qualification and R&D activities to enable the required development."

A well-balanced regulation

For the country's industrial players, the challenges are therefore numerous. And the development of a regulatory framework and administrative procedures that lack flexibility could make them impossible. "We must not underestimate the discouraging effects that too restrictive and costly frameworks can produce. The likelihood of a scenario in which Europe sets the standards, and others provide the solutions increases with every burden hindering, delaying, or increasing the cost of transition projects within Luxembourg or Europe," adds René Winkin. By acting as a relay between industry players and the political world, FEDIL pushes for solutions that improve the investment framework in favor of the energy transi-

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We'll need enablers within the industry, well-qualified people, technology providers, a low carbon energy infrastructure... to enable the required development.

René Winkin, FEDIL

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tion and the emergence of local solutions that significantly reduce the carbon footprint of Luxembourg industries.

The IMS has been trying to convince public and private organizations, both local and international, to commit to greater sustainability for just over 16 years. And much progress has already been made, as seen in the construction sector (a European model) or waste management. "Fifteen years ago, nobody knew

what CSR was," recalls Christian Scharff. "But we did a lot of awareness-raising work, coupled with a series of concrete actions on specific themes, such as diversity or the issue of purchasing, with the creation of a central purchasing unit that still exists today. We are now structuring our action around three pillars - people, planet, and prosperity - and we are launching a series of projects in each area. Many more companies in Luxembourg now have a more or less comprehensive CSR policy."

However, this does not mean that the game is won. "Today, CEOs, who must provide the impetus for change in the company, are half convinced by the need to change and half constrained by the regulations. There is a real educational effort to be made in companies to convince everyone of the urgency of these issues. This is similar to change management, which we are familiar with, for example, when we talk about digitalization," says Christian Scharff. To further accelerate this dynamic around the ecological transition in companies, the president of IMS Luxembourg adds that the fiscal lever will probably have to be used even more in the future. It is indeed an essential weapon to make Luxembourg a real European example in terms of sustainability. ■

3
QUESTIONS

CLAUDE TURMES, MINISTER FOR ENERGY AND MINISTER
FOR REGIONAL PLANNING

“WE WANT TO REDUCE OUR GREENHOUSE GAS EMISSIONS BY 55%.”



What will be the energies of tomorrow in Luxembourg? And how can we ensure that they are both clean and affordable?

The development of solar energy, but also onshore and offshore wind power, is a priority. By 2021, we had already increased our solar energy production capacity 15-fold compared to 2017-2018. In addition, 17 new wind turbines will be built in 2022-2023. We can see that the population and the local elected offi-

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We are collaborating with Denmark, who will create energy islands at sea, enabling them to produce green energy that meets one-third of Western Europe’s electricity needs.

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cial favor wind energy development, which facilitates the implementation of new wind turbines. Luxembourg has an important industry sector, so we still need to import electricity from abroad. In this respect, we are, for instance, collaborating with Denmark, who will create energy islands at sea, enabling them to produce green energy that meets one-third of Western Europe’s electricity needs.

What is Luxembourg’s vision for urban development and the place of nature?

We want to accelerate the development of low-cost housing in resolutely green cities. We further connect city centers with their

green belt to reduce travel distances and promote soft mobility. This process is participatory, creating social cohesion around these urbanization projects. Supported by an international team, we have also developed the “Luxembourg in transition” plan, which sets out very concrete ways to achieve zero carbon in the country.

Is the country on track to meet the targets set by the Paris Agreement?

Traditionally, Luxembourg is a country that is very dependent on imported fossil fuels, such as oil and gas. But through our new Integrated National Energy and Climate Plan, we want to reduce our greenhouse gas emissions by 55% to meet the requirements of the Paris Agreement. We will achieve this by developing renewable energies in housing: no more fossil fuels can be used in new buildings in Luxembourg, and the Klimabonus program will accelerate the renovation of existing buildings. Finally, we want to make Luxembourg a pioneer in electromobility, whether we are talking about cars or trucks and vans. The country already has the second densest network of charging stations in Europe. We will complete it with a set of “Superchargy” charging stations while helping supermarkets and other service stations install charging stations accessible to the public. ■



CIRCULAR ECONOMY

WILTZ, LABORATORY FOR THE CIRCULAR ECONOMY.

Since 2015, the municipality of Wiltz has held the title of “Circular Economy Hotspot in the Grand Duchy of Luxembourg”. About 20 pilot projects based on the circular economy principles have since been developed and are currently being implemented.

1

The “*Wunne mat der Wooltz*” urbanization project aims for the redevelopment and requalification of the 25ha industrial wasteland located in the heart of the city. The project is based on renewable energy supply.

In collaboration with the “*Fonds du Logement*,” a new neighborhood will be created, accommodating around 850 homes for around 2,000 inhabitants in the medium term, promoting a social mix.

2

Located in the heart of the “*Wunne mat der Wooltz*” neighborhood currently under development, a new campus will house a school, a child-care centre, a sports hall, the children’s museum “*PLOMM*” and various other facilities as of the 2023 school year. The buildings are modular and use healthy, reusable, and sustainable materials.

3

The project “*Wunne mat der Wooltz*” includes the renaturalization of the river Wiltz, which was severely damaged during the city’s industrial period.

4

The Salzbaach 1 economic activity area, already in operation, brings together national, regional, and local economic players. A circular economy committee promotes the development of joint projects and the pooling of certain services (logistics, mobility, waste, etc.)

5

The Salzbaach 2 economic activity area, currently in the planning stage, is being developed according to the circular economy principles. It will be characterized by the rational use of land, modular and reusable buildings, and the on-site production of renewable energy.



6 The Circular Innovation HUB aspires to become a national center of competence and training in the circular economy. The HUB is a place to exchange knowledge, facilitate the transition to the circular economy and share the experience gained from the pilot projects developed on the territory of Wiltz. Its training is aimed at municipalities and public actors, schools, the general public, and companies.

7 Between 2016 and 2021, Wiltz town hall, whose existing structure is listed, was completely renovated and refurbished according to the principles of circular economy. Where possible, existing materials were retained or reused elsewhere in the building. Even the furniture has been reused or recycled if possible. The new material was chosen for its ergonomic qualities, reparability, and recyclability.

8 Innovative materials are used and tested. For example, furniture made from... used jeans!

9 Sensors are controlling air quality, and research is underway to measure the effects of vegetal walls on it.

10 Patty Koppes (Circular Economy Project Manager) on the left and Ariane Bouvy (Circular Innovation Hub Manager) on the right.

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Why

Luxembourg



Marc Hanse, Minister of the Civil Service and Minister Delegate for Digitalization

INTERVIEW

“SIMPLIFY THE LIFE OF ALL THOSE INVOLVED WITH DIGITAL TECHNOLOGY.”

The Luxembourg government has made digitalization a lever for the strategic transformation of its society and economy. Marc Hansen, Minister for the Civil Service and Minister Delegate for Digitalization, agreed to talk about the national ambitions in this area and the issues involved in developing a “*smart nation*”.

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Data processing is at the heart of the issue if we talk about digital transformation.

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Mr. Hansen, as Minister Delegate for Digitalization, can you outline the government’s ambitions in setting up your ministry following the last elections?

Digital transformation is a vast subject that, on a national scale, requires a transversal approach. Technology is intervening everywhere in our lives, transforming them with many related issues. We felt it was essential to be able to manage these changes at the highest level by setting up a dedicated ministry. This ministry is led by Xavier Bettel, Prime Minister, Head of Government, and Minister for Digitalization, who also has an ambassadorial role for Luxembourg as a digital nation, and myself as Minister Delegate, and at the same time Minister for the Civil Service, who supports the digital transformation of the State. We can count on the Government IT Center to support numerous digitalization projects from this perspective. As we speak, over 400 digital projects are on their way to the Center.

The digital transformation affects all sectors, health, economy, justice, public service, education... How does the Ministry for Digitalization act, considering the projects’ diversity?

Each ministry within the government has its projects to carry out, which may include a digital dimension. The Ministry for Digitali-

zation plays a coordinating and facilitating role, on the one hand, in pushing the digital issue and, on the other hand, in proposing the most appropriate answers, thanks to digital technology and its expertise in simplification processes, to the problems encountered by each. We can often put common responses in place when faced with specific issues. It is also important to address the opportunities offered by technology and better use of data at the government level, particularly through the interdepartmental committee for digitalization that we have formed. This translates, in the end, into the increasing digitalization of the processes within the state departments and of the steps that citizens and companies take towards the administration. This benefits both parties involved.

How important are these “digital” approaches today?

The essence of digitalization is to simplify the life of citizens and to make exchanges be-



tween the actors of society and the administrations more fluid. This is reflected in many ways. The health crisis, in particular, has revealed the crucial importance of digital technology in maintaining links and ensuring good management of society. Before the pandemic, MyGuichet.lu, the portal that allows everyone to perform administrative operations online, had 380,000 transactions annually. Last year, we recorded 3.8 million.

While some of these transactions were related to Covid, for example, in the context of test campaigns, we have also seen a significant increase in the use of other available procedures. Our mobile application, MyGuichet.lu, launched at the heart of the crisis, has been downloaded 210,000 times. We can see that citizens trust our digital products, meet their expectations, and use them more daily. Moreover, in the latest EU eGovernment Benchmark, Luxembourg scored very well with a result of 87%, which propelled us to the excellent 3rd place in the ranking.

How can better use of data contribute to the emergence of a smart nation?

Data processing is at the heart of the issues if we talk about digital transformation. The State has a huge amount of data it can use to improve processes or understand future developments. However, this data must be used in compliance with the regulations in force and with the citizens' trust. Our first challenge is to guarantee their security. Beyond that,

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While it is necessary to support the digital transformation, we must also ensure that it benefits everyone and leaves no one behind.

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we are working on implementing a platform for anonymizing and pseudonymizing data, which should simplify the use of data while guaranteeing respect for the privacy of everyone.

What, for example, should this approach achieve?

Making extensive use of data allows us to anticipate future challenges better. I will give you a concrete example: one of the latest events organized at the GovTech Lab consisted of a hackathon to generate ideas for innovative tools using and enhancing open data from the Housing Observatory and related fields (e.g., transport, environment, energy, mapping). Without this data, such developments would be either impossible or difficult to achieve.

Another goal is to provide better support to each person throughout their lives by reduc-

ing the administrative burden. Today, this is reflected, for example, in the project to digitalize student loans conducted with the Ministry of Higher Education and the Spuerkeess, which uses the public sector blockchain. Since last year, students no longer have to go through multiple steps with the bank and the administration to access the loan to which they are entitled.

For a few years now, Luxembourg has been hosting an e-embassy for Estonia. What is the role of such “digital embassies”, and how does Luxembourg position itself to welcome them?

The development of e-embassies is part of a new diplomatic approach, intending to contribute to the safeguarding of sensitive data of a friendly country in a secure data center in Luxembourg. These e-embassies are digital twins of the IT environment of the administration of the friendly country. The approach is twofold, managed by the Ministry of Foreign Affairs, which aims to grant the data hosting immunity guarantees and privileges similar to those of a traditional embassy. The other, which we handle, aims to provide this secure space in one of our data centers in Luxembourg. For some years, Estonia has positioned its e-embassy in Luxembourg, demonstrating its confidence in Luxembourg for preserving this critical data. The country has acquired a solid reputation for preserving sensitive data. Many other actors, countries, and institutions



today testify of this trust in Luxembourg and how it manages to preserve information.

How can the state help accelerate the adoption of digital by other actors in society and the economy?

We can play a role as a catalyst for the digital transformation of the private sector. In particular, this means implementing projects with the support of the private sector, for example, through the GovTechLab we have set up. It allows us to work with companies that can provide answers to the challenges we face. Several projects have been set up in recent months within this framework. The public and private sectors work together to create a video-conferencing tool, allowing everyone to interact with the public servant online. Another example of this dynamic is the legal

obligation since this year for economic operators to send their invoices electronically to the State in the context of public procurement and concession contracts. Thanks to the electronic invoicing and the automation it allows, private actors will be able to realize the opportunity to digitalize and save significant resources. It shall contribute to increasing the competitiveness of the private sector and, therefore, the competitiveness of Luxembourg's economy.

Digital inclusion is also a key issue...

Yes, it is one of the main strategic axes of this ministry. While it is necessary to support digital transformation, we must also ensure that it benefits everyone and leaves no one behind. Some people - we are thinking in particular of the elderly, but other categories

of the population are also concerned - have difficulty handling digital tools or are uncomfortable with technology. We must be able to help them, to accompany them.

A national action plan for digital inclusion has been defined to do that. The 40 initiatives presented in the action plan focus on increasing confidence in digital technology, simplifying access, and developing skills. ■

FOCUS

EXPLORING THE POTENTIAL OF BLOCKCHAIN.

In Luxembourg, initiatives contributing to the adoption of blockchain and the development of solutions based on this revolutionary technology are multiplying. The country intends to position itself as a pioneer, to take advantage of the infinite possibilities linked to its use. A vector of trust, it could reshape entire sectors of the economy.



Emilie **Allaert**, Head of the Luxembourg Blockchain Lab



Tom **Kettels**, Project Lead at Infracrain

For several years, crypto-currencies have been attracting much attention. What is less well explained is that these digital assets are based on a revolutionary and promising technology: the blockchain. Also known as distributed ledger technology, it opens up new opportunities in many sectors, hinting at a major new digital revolution.

In Luxembourg, many players are coming together to explore the potential associated with this technology. *“The opportunities and possibilities are endless,”* says Emilie Allaert, Head of the Luxembourg Blockchain Lab, a Luxembourg-based technological innovation

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The intention is to enable us to move forward better to ensure effective deployment and adoption of the technology.

Emilie **Allaert**,
Luxembourg Blockchain Lab

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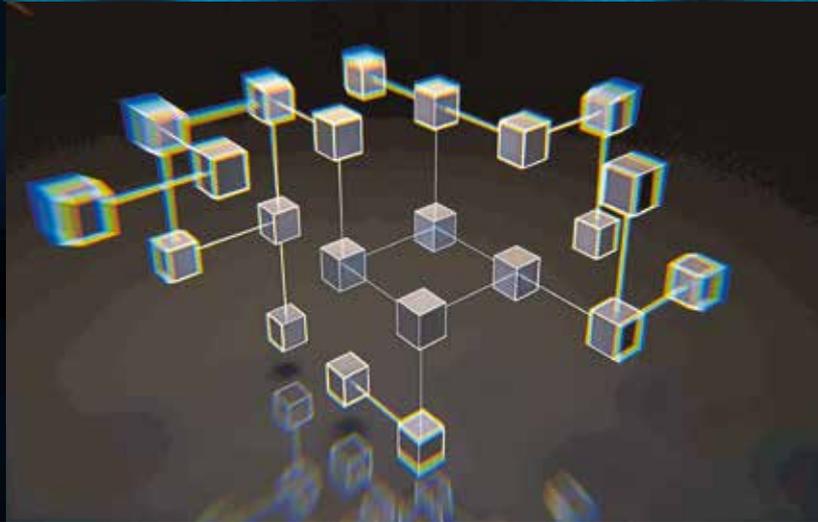
cluster dedicated to blockchain. *“Our role is to explore what can be done based on this technology, to bring the various actors in society to consider and implement new applications based on blockchain.”*

The Luxembourg Blockchain Lab is a joint initiative led by Infracrain, the Luxembourg House of Financial Technology, the Luxembourg Institute of Science and Technology, the SnT - Interdisciplinary Centre for Security, Reliability, and Trust of the University of Luxembourg, and Lëtzblokk. It aims to create and nurture the blockchain ecosystem in Luxembourg, with the ambition to contribute to

check



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the country's economic diversification and strengthen its competitiveness.

Ensuring confidence

Technology is a vector of trust between actors. It enables decentralized management of transactions. *"If we talk about finance, the most important economic sector in Luxembourg, the technology makes it possible to carry out exchanges without the need for intermediaries,"* explains Tom Kettels, Project Lead at Infrachain, an association bringing together private and public players in the blockchain community, with the ambition of advancing the adoption curve of blockchain. *"The information recorded in distributed registers in an immutable manner can be shared more easily with strong guarantees of trust. The data is unforgeable and incorruptible. By relying on these registers, we can dispense with many intermediaries and significantly reduce the operational costs associated with a transaction."*

New approaches

The first applications meet traceability needs along a supply chain. This blockchain can guarantee the authenticity of a diploma, an invoice, a contract, a certificate, a show ticket, or medical prescriptions. If we push the technology further, the blockchain also allows the execution of transactions (thanks to smart contracts). For example, the technology is used by the Luxembourg insurTech Ibis to propose new insurance solutions dedicated to farmers in developing countries. Using block-

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The technology has the potential to reshape entire sectors of our economy completely.

Tom Kettels, Infrachain

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chain and Earth observation data, it has been able to automate compensation for farmers. Once certain conditions, such as drought, are met, the farmer automatically receives compensation without needing an expert's visit and without having to multiply administrative procedures. The costs associated with the insurance are lower, and the coverage proposed is accessible to these farmers in remote areas. All this is part of a financial inclusion process.

That is just one of many examples. *"The technology has the potential to reshape entire sectors of our economy completely,"* confirms Tom Kettels. *"What is happening around blockchain reminds me of the early days of the Internet. Luxembourg's challenge is positioning itself as a pioneer in developments related to this technology. Considering how it can re-*

shape the financial industry, from the design of investment products to their distribution, it is essential to be at the forefront, to lead this transformation instead of undergoing it."

Vector of diversification

While there is a lot of talk about finance in Luxembourg, exploring blockchain-related possibilities is not limited to this sector. *"We want to touch all the activities carried out in Luxembourg, with a view to diversification,"* adds Emilie Allaert. *"Blockchain has a lot of potential impacts in industry, automotive, health or the circular economy, especially in favor of sustainable development."*

Simplifying the adoption of technology means addressing many dimensions. *"We need to develop skills and support the regulatory framework's development. One of the key issues lies in sharing experiences. It is up to us to simplify the meeting between players, to consider how blockchain can provide answers to the problems encountered,"* continues Emilie Allaert. *"The Luxembourg Blockchain Lab intends to be a central point for stakeholders interested in blockchain in Luxembourg. The intention is to enable us to move forward better to ensure effective deployment and adoption of the technology." ■*

LUXEMBOURG NATIONAL COMPETENCE CENTRE IN HPC

UNLEASHING THE POWER OF DATA.

Cutting edge technologies such as artificial intelligence, machine learning, large-scale simulations and digital twins consume huge computing power to deliver timely, top-quality results.

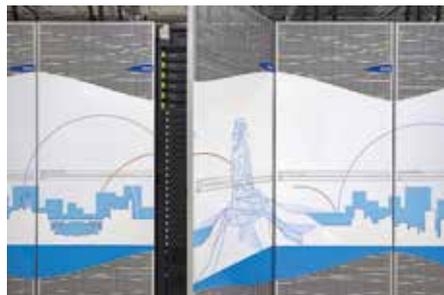


Ramona Caulea

In Luxembourg, there is no need to invest in the infrastructure required to achieve this: you can have access to a pay-per-use, world-class supercomputer powered by green energy, with international security standards to protect sensitive data and intellectual property rights.

High performance computing (HPC) uses parallel data processing to improve computing performance when running long and complex calculations. *“Running the same calculations on an ordinary computer could take days, weeks or even months longer. Sometimes it is even impossible to obtain results without a supercomputer,”* explains Ramona Caulea, who coordinates the Luxembourg National Competence Centre in HPC at national innovation agency Luxinnovation.

HPC offers companies a wealth of opportunities to turn massive amounts of data into actionable information. *“One example is that many modern applications require a lot of physical testing and prototyping before they can be released for public or commercial use. Using HPC systems, researchers, developers and testers can create powerful digital simulations that minimise or even elimi-*



nate the need for expensive or repeated physical tests,” Ms Caulea points out. *“This can reduce the time to market considerably.”*

Most supercomputers are designed for academic research, and businesses would generally need to cooperate with a university in order to get access. Luxembourg’s HPC MeluXina, inaugurated in June 2021, is a real game changer. Its modular design has been created to suit different business needs, and 65% of its capacity is reserved for company use. A team of business-oriented experts is in charge of providing a smooth and easy on-boarding process and help even first-time users get the best results and ensure cost optimisation.

“HPC is relevant for use in all types of sectors: space companies can benefit from it for analysing satellite imagery, healthtech companies for researching and developing new vaccines and drugs, and financial services for developing artificial intelligence algorithms capable of constructing diversified portfolios or detecting fraud,” exemplifies Ms Caulea. *“Both new and advanced HPC users are welcome to contact us to discuss how they could benefit from the Luxembourg supercomputer MeluXina.”* ■



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Roland Bastian, Head of Country Luxembourg of ArcelorMittal

INTERVIEW WITH ROLAND BASTIAN, HEAD OF COUNTRY LUXEMBOURG OF ARCELORMITTAL

“LUXEMBOURG, A LAND OF HIGH ADDED VALUE STEEL.”

For almost two centuries, Luxembourg has been a land of steel production. ArcelorMittal, one of the world's leading steel companies, has its global headquarters and continues producing some of the most innovative products globally.

Innovation, the driving force behind the development of the business, both locally and in Europe, should enable this global player to meet many key challenges and achieve ambitious objectives.

The first of these, certainly, is the implementation of carbon-neutral production.

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Can you remind us how the economic development of Luxembourg is linked to the steel industry?

Until the end of the 19th century, Luxembourg was an agricultural country marked by poverty. At that time, the population left the territory for other countries. The economic situation of the Grand Duchy changed drastically at the beginning of the 20th century, with the exploitation of the iron ore present in the ground: the “*Minette*”, discovered 50 years earlier. Luxembourg benefited from the development of the iron and steel basin in the north of France, extending over the country's southern half, and the development of the German customs union open to Luxembourg steel products. In 1911, Arbed, the Reunited Steelworks of Burbach-Eich-Dudelange, the first national steel group, was created and contributed to the development of the industry over the following decades. From that moment on, the country became a territory of immigration, which it still is today. The steel industry contributed to the country's prosperity until the crisis of the 70s, which strongly affected the industry. At that time, steel production employed 28,000 people.

The steel industry is the foundation of Luxembourg's prosperity.

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Since then, the steel industry has continued to operate in Luxembourg, notably through ArcelorMittal. What does it represent today?

In 2022, ArcelorMittal employs 3,400 people. We remain the leading industrial company in Luxembourg. Although the number of employees has fallen sharply over the last 50 years, production has not been reduced to the same extent. Today, our teams in Luxembourg still produce 2.1 million tons of steel each year, compared with 6 to 7 million tons at the

peak of Arbed's production. Productivity per employee has increased considerably, as well as the know-how.

You can find Luxembourg steel all over the world. Through our 3 main production sites in Luxembourg, Belval, Differdange, and Rodange, we realize what we call “*long products*” (i.e., beams, sections, sheet piles, rails) with high added value, starting from a raw material consisting of 95% scrap, that is to say, steel recycled in our electric furnaces. These include beams used in the construction of skyscrapers worldwide (the skylines of NYC, San Francisco, or Chicago are made with our steel, as well as many other skyscrapers in Europe, the Middle East, or Asia) or rails used to develop tramway lines, such as the one currently being implemented in Luxembourg. And our 100 years old wire drawing mill in Bissen offers a wide range of wires and ropes, for example, in vineyards all over the globe.

What does Luxembourg represent within the ArcelorMittal group?

A central position. Since 2006, following the merger of Arcelor (successor to Arbed) with

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Why

Luxembourg



The Burj Khalifa in Dubai (the highest tower in the world), made with Differdange beams.



The Veluwemeer aqueduct in the Netherlands, made with steel sheet piles from Belval.

Mittal Steel, the group's headquarters have been established in Luxembourg. This explains why we have fewer than 64 nationalities in our teams there! All segments of the group's activity are represented in Luxembourg. The European headquarters for "long products" is also in Esch-Sur-Alzette, with our global R&D center for this range of products, counting 43 engineers and technicians. Luxembourg is still of great interest in developing steel and industrial activity.

How is the local environment favorable?

If we talk about the steel industry, there is local know-how, a legacy of decades of investment and innovation in steel. If we talk about the workforce, there are advanced skills. This is true for steel as well as for other industries. Across the country, players in the sector are developing high-performance products. For manufacturers, the country offers short administrative paths, simplifying the implementation of development initiatives. It also offers solid political, fiscal, and social stability, which is essential for long-term investment projects. Finally, the country is very well connected to all European regions by road and rail and the rest of the world by air with the presence of Cargolux. 20 to 30% of our production is destined for regions outside the European Union. Heavy beams or sheet piles are, for example, transported to Antwerp by train and then transported by sea.

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You can find Luxembourg steel worldwide.

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You mentioned the need to innovate to maintain a competitive edge. How does this translate in Luxembourg?

In addition to our R&D activities, we maintain close links with the University of Luxembourg, whose international recognition continues to grow through funding a chair dedicated to steel construction. This partnership, in particular, allows us to host doctoral students regularly. We are also conducting a large-scale research project with the Luxembourg Institute of Science and Technology to improve energy efficiency and the responsible use of resources, intending to implement more responsible production. These research projects allow us to remain at the forefront of the market, to better respond to new expectations.

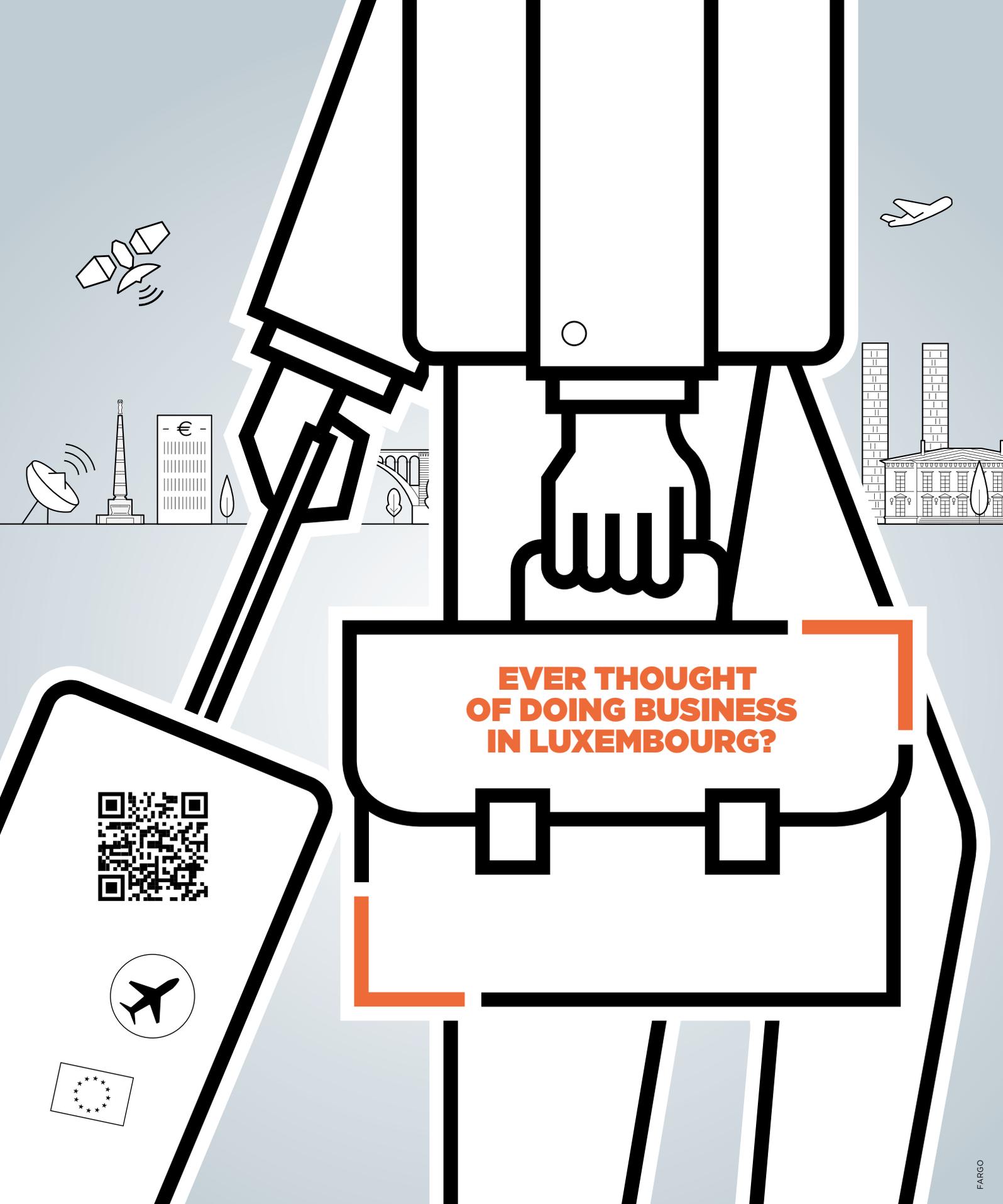
Because to remain competitive at a global level, it is essential to innovate...

Yes, we compete with players worldwide, many of whom do not face the same con-

straints and costs as we do in Europe. It is therefore up to us to distinguish ourselves by proposing high-value-added products that meet the highest market requirements. Another challenge lies in transforming production towards a sustainable model, neutral in CO₂ emissions. Through the XCarb™ brand, we are developing products with low CO₂ emissions from recycled steel and green energy that powers our electric furnaces.

The contribution of industrial players to the objectives of reducing CO₂ emissions and the transition of economic models towards more sustainable approaches are key issues. How do you approach them?

These issues are now integrated into our development perspectives. Since 2015, ArcelorMittal has been committed to a socially responsible approach by adhering to the "Responsible Steel" standards to implement responsible steel production for society and the planet. This is reflected in the pursuit of 12 objectives against which an independent third party audits us. In Luxembourg, our production sites in Belval, Differdange, and Rodange are certified and are committed to continuous improvement in these areas. Furthermore, we are continuing to implement the roadmap that should lead us to reduce our CO₂ emissions by 25% at the group level and 35% for European - and therefore Lux-



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The One World Trade Center in NYC, whose foundations are made with Differdange beams.



The tram of Luxembourg City which runs partly on rails made in Rodange.

embourg - production by 2030. The ultimate goal is to become carbon neutral by 2050.

Are such ambitions realistic?

Today, the technologies that should enable us to achieve these objectives already exist. The established roadmap allows us to consider them concretely. However, certain key steps must be taken to achieve this. In Luxembourg, with production based on 95% recycled raw materials and the use of electric furnaces, we have reached a threshold of less than 600 kg

of CO₂ per ton of steel produced, which could eventually reduce to 300 kg. Using the traditional method using blast furnaces, the amount of CO₂ emitted by production from iron ore is 2 tons per ton of steel produced. There is a process using natural gas instead of coke, which reduces this volume to 1.2 tons of emissions. To reach the objective of neutrality, beyond that, production must be able to rely on green energy and green hydrogen, which are currently not available in sufficient quantities. Remember that steel production,

essential to human activity today, represents 8% of global CO₂ emissions, behind the energy sector, agriculture and transport.

You speak of major steps towards sustainable production. What are they?

Many things need to fall into place, many of which are beyond our control. The key issue is investing in these new technologies, which are very capital-intensive, and in the infrastructure to produce and supply green energy and hydrogen to steel sites. Meeting the 2030 targets will require \$10 billion in investment. But our costs, especially because of the carbon tax in Europe, are reducing our ability to invest. On the other hand, the regulatory framework, allowing the implementation of new projects, must also follow. We can only achieve neutrality if we have sufficient infrastructure to produce and supply green energy and hydrogen.

Does this transformation process respond to a market logic?

We see a growing demand for green steel, such as our XCarb™ products. We are convinced that this demand will continue to grow. The development of this market is a key issue for the transition, which we must also support. Steel will be needed everywhere in the world. And green steel is part of the solution for a decarbonized economy. ■

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LUXEMBOURG TIMES



REPORT

INSIDE GOODYEAR.

Over 70 years in Luxembourg and still rolling strong.

Goodyear is one of the world's largest tire companies. It employs about 72,000 people and manufactures its products in 55 facilities in 23 countries around the world. Its 2 Innovation Centers in Akron, Ohio, and Colmar-Berg, Luxembourg, strive to develop state-of-the-art products and services that set the technology and performance standard for the industry.

In order to be closer to the European market with its high growth potential, the management of Goodyear in Akron decided in 1948 to open a production site on the European continent.

Many criteria such as the political and social stability as well as the favorable geographical situation in the heart of Europe pointed Luxembourg as the best choice. Thus, production began in Colmar-Berg in 1951.

**Goodyear
employs
72.000 people
and manufactures
its products
in 55 facilities
in 23 countries
around
the world.**

- Goodyear Luxembourg is a research & development and industrial complex, which is complemented by various plants and facilities. It is Goodyear's most diversified complex outside the United States.
- Today approximately 3,500 associates from over 80 nationalities are working in the Goodyear facilities (Colmar-Berg, Bissen and Dudelage), making Goodyear the 7th largest employer in the Grand Duchy.
- This central position in Europe enables the proximity with leading car and truck manufacturers across the region and to support them with the latest Goodyear technologies, services and products that anticipate their needs and requirements.



- The Tire Plant was officially inaugurated on 24 April 1951.
- This is the largest Goodyear factory in EMEA producing truck tires as well as tires for all kinds of civil engineering.
- With a fully automated wheel assembly machine, Goodyear Mounting Solutions is specialized in producing tire assemblies for truck and trailer manufacturers for all over Europe.
- In the Goodyear Mold Plant, aluminum and steel molds are produced for the vulcanization presses and delivered to all Goodyear manufacturing facilities in Europe and beyond.



OUR SELECTION

6 LUXEMBOURG INDUSTRIALISTS IN POLE POSITION.

Luxembourg's industrial sector is particularly diversified, with many players constantly investing and innovating to remain at the forefront.

01

TARKETT

Starting in Luxembourg, the international group Tarkett has embarked on the circular economy path. The flooring manufacturer chose to develop a new product line based on cradle-to-cradle principles, implementing an eco-innovation strategy. This new approach now allows the production of floor coverings that can be recycled over and over again while contributing to the well-being of users. Tarkett recycles its products. Since 2010, the "Restart" program has collected clean off-cuts on construction sites, which are then transformed into particles and reintroduced into the manufacturing circuit.

02

B-MEDICAL SYSTEMS

Established in Hosingen in 1979, the business initially grew within the Electrolux and Dometic groups. In 2015, following its acquisition by an institutional expert in this field of activity and increased empowerment of senior management, B-Medical Systems became independent. The company's innovative approach is to save lives by proposing state-of-the-art refrigeration equipment (down to -86°C) to preserve vaccines and treatments and ensure their traceability in all contexts. To date, the company has supplied more than 500,000 pieces of medical cold chain equipment to over 140 countries worldwide.

03

GRADEL

Through a project in collaboration with the Luxembourg Institute of Science and Technology (LIST), the company Gradel has created a unique laboratory in Luxembourg that brings together researchers and engineers. Together, they are developing a technology to create, in the future, satellites (among others) with ultra-light components. The technology developed, thanks to a weaving system based on carbon fibers or other natural materials, will make it possible to reduce the weight of the devices, and thus proportionally the costs, "up to 75%".

04

SATURNE TECHNOLOGY

Saturne Technology, a Luxembourg-based SME, is a major player in the European market for metal additive manufacturing by laser fusion (SLM). Saturne Technology works particularly for the aeronautics, aerospace, transport, and medical industries. With its significant 3D printers adapted to the production of metal parts, it meets the needs of industrialists (including Goodyear, Stryker, Safran Group, Rotarex, and Alstom Transport) by "qualifying" its parts, i.e., by proving that these parts will not deform or break, and therefore that they will meet the highest standards.

05

CEBI

Established in 1976 in Steinsel, Cebi Luxembourg SA (formerly ELTH SA) is recognized worldwide for developing and manufacturing electromechanical components (thermostats, temperature sensors, level probes, etc.) for the automotive and household appliances sectors. The company, now the European leader, supplies all European car manufacturers and almost 100% of European household appliance producers. You can find at least one component from Luxembourg in every European car or household appliance. The group has 670 employees in Luxembourg and nearly 3,500 employees worldwide.

06

IEE

Founded in Luxembourg in 1989, IEE is a flagship of the Luxembourg industry, specializing in automotive safety systems and, in particular, in developing intelligent sensor systems. In Bissen, the group has developed the VitaSense sensor, the group's latest innovation, which can detect the presence of a child left unattended inside a car, or the intelligent sensor for sports shoes, which allows the customization of soles. With a research center in Bissen and a production website in Echternach, the company employs 660 people in Luxembourg (and 3,500 worldwide).

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Why
Luxembourg



Andrea **Monnat**, Deputy CEO of the FNR



Marc **Schiltz**, CEO of the FNR



06

DISCOVER

RESEARCH LUXEMBOURG: GOING FASTER, FURTHER, TOGETHER.

Luxembourg has built a competitive, innovation-driven research ecosystem in just a few decades.

On the one hand, the government promotes science to address economic and societal challenges.

On the other hand, the Luxembourg National Research Fund (FNR) supports projects that foster research excellence and build bridges with the private sector.

“

**It is the FNR's
vision
to establish
Luxembourg
as a leading
knowledge-based
society through
science,
research, and
innovation.**

”

Institute of Health (LIH) for 2022, as well as the support by the Luxembourg National Research Fund (FNR), which finances public and private projects. Accordingly, public funding is a key pillar of research in Luxembourg.

The government budget allocations for R&D have constantly increased to €1.7 billion for 2022-2025. Moreover, the country's research institutions continue to conclude multi-year contracts with the government in which performance indicators are defined. These multi-year agreements provide for joint activities in 4 missions in digital technology for personalized medicine, financial technologies of the future, education, training, and skills for the 21st century, and climate and energy challenges. *“These missions are intended above all as a collective commitment of public research to nourish and strengthen the economic and social development of the country. The concept of the missions is based on the triple helix model,”* explained the Minister of Higher

To structure the national approach to research and innovation, the Luxembourg government has developed a strategy defining the areas in which investments should be targeted over the next 10 years. Four priority research areas have emerged from this roadmap: industrial and service transformation, sustainable and responsible development, personalized healthcare, and 21st century education.

Luxembourg's biggest R&D budget per person

With €689 per person, the Luxembourg government is the biggest research & development (R&D) spender in the European Union (EU) in terms of budget allocation per inhabitant, according to Eurostat. In comparison, the total government budget allocation for R&D across the EU in 2021 was €109,250 million, corresponding to €244 per person. This is largely due to the budgets of the University of Luxembourg, the Luxembourg

Institute for Science of Technology (LIST), the Luxembourg Institute of Socio-Economic Research (LISER), and the Luxembourg



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Public research actors are at the forefront of innovation thanks to a culture of partnership as well as knowledge and technology transfer.

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Education and Research, Claude Meisch, at the signing of these multi-annual agreements.

The Triple Helix as a model of the Luxembourg knowledge-based economy

The Triple Helix of university-industry-government relations has become one of the strongest assets of Luxembourg to boost its research and innovation activities. The country has successfully strengthened collaborations between public research, higher education, and the economic world and society. Luxembourg's size and agility are advantageous in matching research and industry needs.

Indeed, the relevant stakeholders are easily approachable and can be quickly mobilized to examine what makes the most sense. *“We have the freedom to launch things quickly and improve them in a way that I think is quite unique. In many other countries, this would not be possible,”* stated Marc Schiltz, CEO of the FNR.

Following this approach, the FNR has set up dedicated funding instruments to support research partnerships through collaborative research projects and industrial fellowships. *“It is the FNR's vision to establish Luxembourg as a leading knowledge-based society through science, research, and innovation, thereby contributing to the country's economic diversification and future prosperity,”* stated Andrea Monnat, Deputy CEO of the FNR. Industrial Fellowships and BRIDGES are typical funding instruments for collaboration between

research and business. Other programs are dedicated to fostering knowledge transfer and getting prototypes ready for investment.

Public research actors are at the forefront of innovation thanks to a culture of partnership as well as knowledge and technology transfer including chairs, private-public partnerships, intellectual property licensing, and spin-off creations. Research Luxembourg, a joint initiative of the main actors in Luxembourg public research, set up a collaborative open innovation platform to facilitate the development of partnerships and promote technology transfer.

Both the University of Luxembourg and LIST have ready-made framework contracts for different types of research cooperation with companies. For example, the University of Luxembourg and Paul Wurth S.A. signed a five-year agreement to create and finance the Paul Wurth Chair in Energy Process En-



gineering, designed to conduct cutting-edge research in the field of hydrogen processing and related aspects of carbon-neutral industrial processes. The Interdisciplinary Centre for Security, Reliability, and Trust (SnT) of the University of Luxembourg also plays a key role in bringing together the academic world and companies by translating research efforts into innovation and business. In 2021, SnT added 9 new partners for 61 and established 67 projects with the industry. LIST carries out projects with strong added value for the market as a public research and technology institute. Thanks to a push and pull dynamic, which involves proactively proposing innovations that will contribute to the growth of industrial partners while adapting the research agenda to the innovation needs of its industrial partners, LIST has succeeded in conducting major industrial partnerships. Among the many collaborations, the institute works with the manufacturer Goodyear in the fields of sustainable mobility and materials of

the future, CircuitFoil to develop the next generation of copper foils as well as Air Liquide/CNES, and Airbus Defence and Space to contribute to the R&D activities of the European Space Resources Innovation Centre (ESRIC).

Producing knowledge with societal impact

When the going gets tough, the tough get going. This saying proved particularly true during the pandemic, as research directly benefits society and the country. Indeed, the first step taken by Research Luxembourg was the establishment of a dedicated COVID-19 task force to coordinate communication and align efforts between Luxembourg's research institutions, ministries, and hospitals. Specifically, the task force puts the combined expertise of the LIH, LISER, LIST, Laboratoire National de Santé (LNS), University of Luxembourg, and FNR at the service of the national healthcare system, under the supervision of the Ministry of Higher Education and Research. Accordingly, the FNR freed up €7.5 million

in funding for pandemic-related research projects. The crisis has been a defining moment for Research in Luxembourg. All actors joined forces to bring in the combined expertise of Luxembourg's science to tackle the pandemic. The Large-scale Testing initiative, the prevalence and stratification studies, epidemiologic modeling as well as assessment of socio-economic impact are but a few of the activities that the Research Luxembourg Task Force leads. It was demonstrated how research institutions have now become firmly embedded in Luxembourg's society and how they can generate impact.

While society expects research to produce knowledge that will positively impact people's quality of life, economic diversification, and sustainable development, Luxembourg actors have well integrated the needs, values, and expectations of society's stakeholders into research and innovation activities. ■

OUR SELECTION

GROUNDBREAKING RESEARCH DISCOVERIES.

Luxembourg has a world-leading research portfolio. Its researchers are at the forefront of the search for innovative solutions to some of the biggest challenges we face today. Here are a few groundbreaking discoveries that have impacted the international scientific community.



01

STAY ACTIVE, STOP COVID-19

A consortium of Luxembourgish research institutions, led by Dr. Laurent Malisoux, group leader at the Luxembourg Institute of Health's Physical Activity, Sport and Health research group, has been looking to identify factors that may contribute to variations in the severity of COVID-19 and its associated symptoms. In their most recent study, the teams showed that individuals who were more physically active before infection exhibited less severe illness and were less likely to experience symptoms such as fatigue, dry cough, and chest pain.

The Luxembourg National Research Fund (FNR), the André Losch Foundation, and European Regional Development Fund supported the study.



02

NEW TACTICS IN THE HUNT FOR SHAPESHIFTING CANCERS

Glioblastoma (GBM) is a highly aggressive form of cancer that develops in the brain, leaving sufferers with an average survival time of 12-18 months. The issue is that with the current tools, stopping the targeted tumors from growing back is virtually impossible. Recent results from researchers at the Luxembourg Institute of Health (LIH) revealed a paradigm shift in how researchers should approach the treatment of GBM and other aggressive tumors. As the key strength of GBM is the ability to transform and disguise itself, then perhaps this should be the target, potentially allowing other treatments to act on an unmasked foe.

This study is supported by the European Union's Horizon 2020 research and innovation program under the Marie Skłodowska-Curie 'GLIOTRAIN' ITN initiative and through intramural funding of LIH through the Ministry of Higher Education and Research (MESR) of Luxembourg.



03

REAL-TIME FLOOD MAPPING

A team of researchers from the Luxembourg Institute of Science and Technology (LIST) developed HASARD® – a new near-real-time flood monitoring solution. The HASARD® software is an unprecedented tool for generating real-time flood maps on a global scale. This innovation has already proven useful during floods worldwide as it was used to monitor cyclone Idai in Mozambique in March 2019 or Burma a few months later.

The made-in-Luxembourg solution has since attracted the attention of renowned entities such as the United Nations, NASA, and the World Bank. More recently, the European Space Agency (ESA) and the Luxembourg Space Agency (LSA) have used this groundbreaking solution.

THE INTERNATIONAL BUSINESS DEVELOPMENT TEAM OF NATIONAL INNOVATION AGENCY LUXINNOVATION

THE RIGHT START FOR BUSINESS IN EUROPE.

The EU offers international companies a multitude of business opportunities – but also a great variety of cultures, languages and preferences.



How can an innovative company get its entrance to the European market just right? The International Business Development team of national innovation agency Luxinnovation provides some key insights.

1. FIND A NICHE IN THE MARKET

“New tech solutions are key to success. The companies in Europe which have the fastest growth are the ones that can deliver green energy and solutions based on innovative technologies. If you can find a niche here, a future in Europe is definitely within reach,” says Jenny Hällén Hedberg, who heads Luxinnovation’s International Business Development team.

Luxembourg is located between two of the EU’s biggest consumer markets, Germany and France, and is close to a number of European technological hotspots. *“Luxembourg has short decision paths and is a magnet in the region and worldwide for talent attraction. It will not be difficult for you to find skilled people here. It is also a great place to from which to expand your network of relevant players in Europe.”*



2. CONNECT WITH THE RIGHT PARTNERS

“My advice to international businesses is always to try to find a local partner to test their technology and solution in a real-life situation,” says Joost Ortjens, who specialises in smart mobility. *“There are often open innovation opportunities provided by public stakeholders, and Luxembourg is also home to large corporates that push innovation forward.”*

Luxinnovation works with international companies that want to open offices in Europe and that fit in with the local ecosystem. The agency tries to identify potential partnerships that can bring about win-win situations. *“If pilot projects are conclusive and validated by a prospective customer in Luxembourg, they could be used to sell solutions all over Europe.”*

3. ASK FOR HELP – IT IS AVAILABLE

“It is often very complicated to find and get access to key decision makers when you come to a new country,” says David Foy, who works with companies in the field of the digital economy. *“However, international companies often point out to me how easy this is in Luxembourg – in particular when we are there to open the doors. We can provide you with fast, reliable information, help you kick-start your local network and explore funding opportunities. There is just no reason to do it all alone.”* ■



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FOCUS

LUXEMBOURG TO BECOME A MAJOR PLAYER IN BIOHEALTH INNOVATION.

Biohealth in Luxembourg represents an emerging and fast-evolving market with significant investments in research and attracting companies, aiming at bolstering innovation and diversifying the economy.



Franz **Fayot**, Minister of the Economy



Ulf **Nehrbaas**, CEO of LIH

Luxembourg has prioritized personalized healthcare and aims to be a forerunner in implementing the latest healthcare technologies. Personalized data-driven digital medicine has emerged as a priority for the country. To lead the way in this field, Luxembourg has thus developed biomedical research benefiting patients and contributing to the consolidation of an innovative, sustainable and efficient healthcare system.

Personalized medicine as a research priority

Luxembourg has strongly encouraged significant contributions to personalized medicine from research to accelerate the development

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The health technology sector is a pillar of our economic diversification strategy.

Franz **Fayot**,
Luxembourg Minister of the Economy

”

of more effective prevention and diagnostic tools and better and safer medicines for patients. As the main funder of research activities in Luxembourg, the Luxembourg National Research Fund (FNR) supports innovation in the health sector through its instruments. Accordingly, Professor Dr. Jochen Klucken was recently awarded a €3.3 million five-year FNR PEARL Chair to analyze how digital tools can be integrated into healthcare processes and how data should be visualized to personalize patient care. Professor Dr. Klucken will develop digital health concepts for Luxembourg through a joint research program involving the Luxembourg Centre for Systems Biomedicine (LCSB) of the University of Luxembourg, the Luxembourg Institute

of Health (LIH), and the Centre Hospitalier de Luxembourg (CHL).

A major public funding initiative includes a call for Health Tech projects jointly launched by the Ministry of the Economy, the FNR, and Luxinnovation, across Luxembourg, where 4 health technology projects from LIH were selected for funding in April 2022. In addition to developing a novel device or digital health solution, the winning projects will use the funding to provide ground-breaking improvements in treating autism, chronic respiratory diseases, Long-COVID, and orthopedic conditions. *“This joint call for projects is part of the economic diversification strategy aimed at further developing the health technology sector, driven by innovation, resilience, and competitiveness,”* explains Minister of the Economy Franz Fayot.

Translating research into clinical applications

Luxembourg’s small size stands out for its ability to use clinical observations to stimulate research and then quickly apply these laboratory results to develop new treatments for patients, i.e., bedside-to-bench-to-bedside integration. *“Everything is more integrated, and vertical planning is more effective,”* observes Ulf Nehrbass, CEO of LIH, in a news report about the crossroads of medical research.

This tight integration of the medical industry enables Luxembourg to become a testbed for a more personalized approach to healthcare. *“Luxembourg can have a first mover advantage in providing highly personalized healthcare solutions,”* says Ulf Nehrbass. *“Because Luxembourg sits at the crossroads between Germany and France, we have the potential to translate basic research for patients,”* the CEO adds.

Translational medicine, therefore, plays an important role in medical research in Luxembourg. LIH aims to bridge between different research areas and the unmet needs of patients, caregivers, healthcare professionals, and the healthcare systems by building on its multidisciplinary research teams and cutting-edge technology and facilitating collaborations in translational medical research projects.

A growing health tech sector

Luxembourg has a booming health technology sector and attracts start-ups from all over the world. Case in point: the country is home to a vibrant health technology community of over 130 companies, half of which were founded less than 10 years ago, according to Luxembourg Trade & Invest. These companies focus on digitizing all aspects of healthcare and the patient’s medical journey and devel-



The Luxembourg Institute of Health (LIH) is part of a joint research program aiming to develop digital health concepts for Luxembourg.

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**Luxembourg
can have a first
mover advantage
in providing
highly personalized
healthcare
solutions.**

Ulf Nehrbass, LIH

”

oping smart healthcare products and services centered on personalized and digital medicine. Public initiatives to support companies include the Luxembourg Health Tech Cluster, managed by Luxinnovation. The cluster supports the development of sustainable and trusted services and products aimed at the European healthcare market in fields such as digital health, medical devices, and software.

Recent investments in facilities dedicated to healthcare companies have shown how strategically important the sector is. In this respect, Luxembourg’s first bio incubator, housed in the House of Biohealth in Esch-Belval, opened in spring 2021. With 350 m² of office and laboratory space dedicated to start-ups and spin-offs, the incubator accelerates the economic impact of investments to develop public research in biomedicine in Luxembourg. *“The health tech-*

nology sector is a pillar of our economic diversification strategy,” said Luxembourg Minister of the Economy Franz Fayot.

In addition, the country is developing a Health and Lifescience Innovation (HE: AL) Campus, which will primarily target companies active in medical devices, in vitro diagnostics, and digital health tools and services. Planned for 2024, the campus will also be open to R&D, innovation, and production activities, as well as consulting and services in health technologies. The ambition of the HE: AL Campus is to create a unique and integrated platform linked to research, healthcare, and the health economy. The campus will be located between the House of Biohealth, a future major hospital center servicing the south of Luxembourg, and the nearby City of Sciences, which hosts the University of Luxembourg and several of the country’s major research organizations and business incubators. It will thus be a geographical bridge between research, innovation, and the medical sector, which are all key innovation partners in the health technologies ecosystem. According to the Luxembourg Minister of the Economy, the campus *“will further contribute to developing the health sciences and technologies sector in Luxembourg, which has experienced great growth in recent years.”*

Luxembourg’s health technology sector currently employs 1,900 people across 136 different companies. The new campus is expected to have room for up to 5,000 employees. ■

OUR SELECTION

6 LUXEMBOURG START-UPS TO WATCH.

Home to over 130 health tech companies, half founded less than 10 years ago, Luxembourg has made personalized health one of its growth priorities. The number of digital-focused companies is constantly increasing. They are developing smart health solutions based on personalized and digital medicine.

01

DOCTENA

Doctena is a next-generation medical booking platform designed to give patients easier access to doctors' agendas. The Covid-19 pandemic has accelerated the launch of new services such as a teleconsulting platform and follow-up tools. The Luxembourgish company, created in 2013, is available in Austria, Belgium, Germany, Luxembourg, the Netherlands, and Switzerland. With 1.7 million medical appointments booked monthly and more than 10,000 doctors using the solution, Doctena has become one of Europe's leading health tech companies.

02

SOVI SOLUTIONS

Founded in 2019, the Luxembourg-based startup SOVI Solutions developed an app called Talkii, a digital solution for Augmentative and Alternative Communication (AAC), enabling the development of language and communication skills. The app offers more autonomy to thousands of people who have cognitive disabilities. Talkii is currently available in 7 languages. In 2020, SOVI was one of the 15 other startups selected by the Luxembourg Ministry of the Economy as part of the call for projects "StartupsVS-Covid-19".

03

LUXAI

LuxAI is an innovative startup specializing in disruptive robotic solutions for education, health care, and entertainment. Founded in 2016 as a spin-off of the Interdisciplinary Centre for Security, Reliability, and Trust (University of Luxembourg), LuxAI developed QTrobot. This expressive social robot helps children with autism and special educational needs to learn new social, emotional, and communication skills, used by top research institutes and therapy centers in 14 countries worldwide. In 2021, the company launched the parent version of QTrobot to support home therapy for autistic children.

04

NIUM

NIUM develops personalized nutrition solutions to understand metabolism and health better. Founded in 2019 as a spin-off of the Luxembourg Centre for Systems Biomedicine (University of Luxembourg), Nium has developed a set of technologies to unravel how food and ingredients impact metabolism with applications to the food industry, pharma, and healthcare. The company launched Nutrida, a highly innovative digital platform that creates an ecosystem where testing laboratories, online supermarkets, and users are all connected to boost health and expand economic areas, all through balanced nutrition.

05

ARSPECTRA

Founded in 2018, Arspectra is a Luxembourgish health tech company that develops Augmented Reality based visualization and navigation solutions for medical applications. Arspectra designs modular Augmented Reality hardware and software platforms ranging from lightweight Augmented Reality glasses to high-performance navigation platforms. As part of the "StartupsVSCovid19" call for projects, Arspectra was selected by the Luxembourg Ministry of the Economy for developing mobile headsets equipped with thermographic sensors and an augmented reality capability to detect a possible fever and checking personal documents remotely.

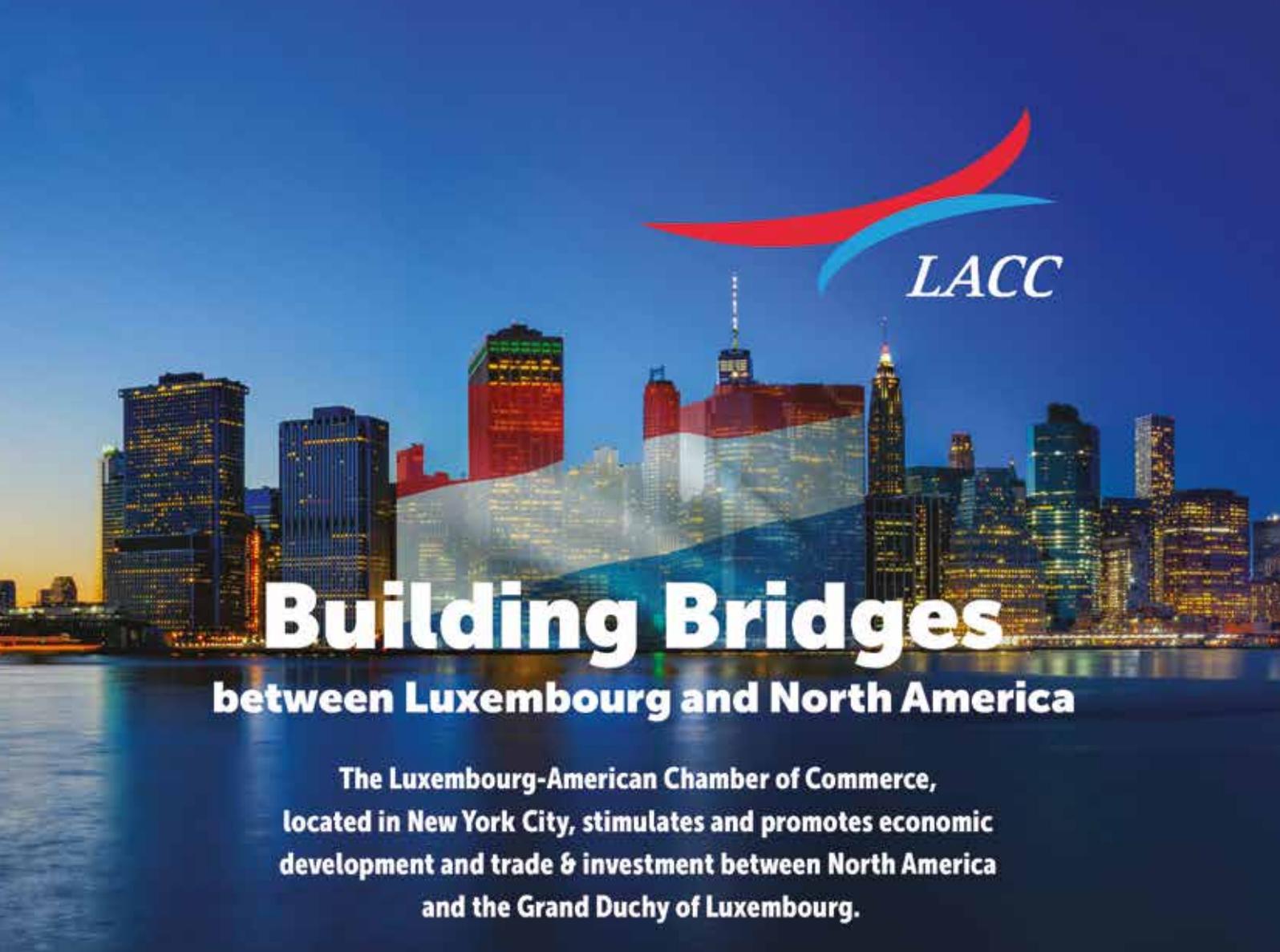
06

HEALTH IT

Health IT is a Luxembourg-based company providing digital services for medical analysis laboratories and healthcare professionals. The health tech company offers secure, tailor-made, multilingual digital solutions designed to be fully interoperable with all information management systems used in medical laboratories and medical practices. Their flagship solution, myLAB, is a digital health ecosystem that ensures patient care from the initial medical prescription to the final results, including tests. More than 300,000 patients use myLAB.



LACC



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Why
Luxembourg



REAL ESTATE

WHERE TO SET UP YOUR COMPANY IN LUXEMBOURG?

With a reduced vacancy rate and a demand that is not weakening, the Luxembourg business real estate market continues to flourish. Various neighborhoods and business parks are attracting the attention of investors and tenants wishing to offer a pleasant working environment to their occupants.

"The commercial real estate market remains good," says Frank Rosenbaum, Managing Director of CBRE Luxembourg. *"Given the current economic situation, caution is the order of the day. Still, the geopolitical crisis has not impacted the market, which remains very dynamic with an extremely low vacancy rate of 4.3%, continuing strong demand, and limited supply."* In this context, companies looking for an address should start early to find the hidden gem.

For the first part of 2022, take-up figures remain stable compared to previous years. *"What we see, however, is a significant increase in the average amount of space taken under-occupancy. The demands - and the resulting transactions - are for larger spaces. The median area taken in occupation, which is around 350m², is on the rise,"* explains Frank Rosenbaum. *"Several factors can explain this phenomenon, starting with the country's continued positive economic growth. This is a good barometer for the real estate sector,"* adds the Managing Director. *"At the same time, new foreign occupants are constantly coming to Luxembourg."*

Stay vs. move

In addition, new environmental standards in real estate are forcing occupants to ask

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Companies looking for an address should start early to find the hidden gem.

”

themselves certain questions and, therefore, to consider a possible move. *"We talk about 'stay vs. move' thinking in the jargon. Companies are thinking about their location. Should they stay where they are and consider rearranging their space or should they move to a more modern environment?"* continues Frank Rosenbaum. *"The Covid crisis is no stranger to this phenomenon. All the thinking going on before this crisis accelerated during this period.*

It is clear that we no longer work in the same way as we did 2 years ago. Mentalities are changing; companies are giving more space to flexibility. Teleworking has taken on unexpected proportions, even if, in Luxembourg, legislative decreases prevent border workers from taking full advantage of it."

Today, companies are thinking, asking questions, and studying all available options. *"Large companies are the first to ask themselves the question of their location, but smaller structures, faced with the same problems, will also go to the market to find other solutions, with the desire to integrate buildings displaying new ESG standards, the latest environmental standards. We, therefore, expect an increased imbalance in the future between this demand and a supply made up of aging and therefore less attractive buildings,"* analyses Frank Rosenbaum.

"In recent months, construction costs have risen dramatically; financing is increasingly difficult to obtain, interest rates are rising... As a result, we expect to see a decline in the number of real estate projects developed on a speculative basis without having occupants first. So, for large occupants, who want a new building designed to meet their needs, you have to go in three to four years early. But if you do not have

LUXEMBOURG (GLOBAL)

- Inventory: **4,643,000 m²**
- Vacancy rate: **4.3% (or 197,853 m²)**
- Prime rent: **54€/m²/month**

CENTRAL BUSINESS DISTRICT (CBD)

The Central Business District (CBD) is extremely popular with all types of occupants. Due to its nature and typology, the neighborhood does not allow for large-scale new development, and square footage is scarce.

Stock: **775,000 m²** | Vacancy rate: **2.3% (or 18,000 m²)** | Prime rent: **54€/m²/month**

CLOCHE D'OR

The move of the European Commission to its headquarters in Kirchberg will create a little rental void, but the demand is there. The Cloche d'Or and Ban de Gasperich neighborhoods are booming. 70,000 m² is still to be developed, and some speculative projects are already underway.

Inventory: **404,000 m²** | Vacancy rate: **3.6% (or 14,400 m²)** | Prime rent: **37€/m²/month**

BELVAL

Located in the country's south, Belval is a booming neighborhood with a pleasant mix of housing, retail, and office space. Suppose the first occupants were administrations and the University of Luxembourg. In that case, Belval is today on the map of all types of occupants, including companies wishing to set up their headquarters and satellite offices of a certain size.

Inventory: **287,000 m²** | Vacancy rate: **4.5% (13,000 m²)** | Prime rent: **24€/m²/month**

STATION

The neighborhood around the train station is undergoing major changes. The streetcar's development contributes to this central area's growth, which offers many amenities. With the "Nei Hollerich" project and its expected 400,000 m² of mixed-use development, the landscape will radically change in the coming years.

Inventory: **403,000 m²** | Vacancy rate: **1.8% (or 7,400 m²)** | Prime rent: **38€/m²/month**

KIRCHBERG

As the financial neighborhood of Luxembourg, the Kirchberg offers very little availability. It is the largest neighborhood in the country in terms of office space. It is home to European institutions, major financial institutions, law firms, etc.

Inventory: **1,100,000 m²** | Vacancy rate: **3.1% (or 34,000 m²)** | Prime rent: **42€/m²/month**



that flexibility relative to your lease expiration, for example, it can become very complicated." says Frank Rosenbaum.

Priority for comfort

As far as rents are concerned, the trend is again upward. The prime rent in the city center has risen from 52 to 54 euros per square meter per month in recent months. "Cloche d'Or had a prime rent of 28 euros five years ago, compared to 37 euros per square

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Employers need to get employees back to the office.

”

meter per month today. The neighborhood is becoming more and more mature and is attracting more and more occupants," illustrates Frank Rosenbaum. "Since the health crisis, demand has shifted to more central neighbor-

hoods, offering better accessibility thanks to alternative mobility and free public transportation. Occupants appreciate being able to access services nearby. Rent has taken a back seat. Employers need to get employees back to the office. The comfort they got from working from home, they need to find it, at least in part, in their work environment."

While in other European capitals, the trend is towards "downsizing", Luxembourg is not experiencing this phenomenon. In addition to the main neighborhoods (see infographic), the country has other important economic zones such as the Airport, near the Findel air terminal, Leudelange (between Luxembourg and Esch-Belval), where developments are still to come, or Howald, which can be seen as an extension of Cloche d'Or. "Overall, we are in a rather healthy market, and many of our European neighbors envy us," concludes Frank Rosenbaum. ■

A home in Luxembourg?

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who **seek...**
and those who **Find!**



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FOCUS

WELL-BEING, THE NEW IMPERATIVE OF LUXEMBOURG REAL ESTATE.

In recent years, the well-being and health of building occupants have become fundamental issues for the real estate sector in Luxembourg. An increasing number of buildings built in the country are certified BREEAM or WELL, the 2 main certifications that govern these aspects. Starting with a high degree of stability and a wide range of expertise provided by an entire ecosystem dedicated to wealth management.

If the comfort of the occupants has always been an essential aspect in the design of buildings, it is now accompanied by other imperatives, particularly in Luxembourg. Among these, health and well-being now occupy a predominant place. This movement, which began in the 1990s with the creation of the BREEAM certification, has accelerated in recent years, particularly through the development of the WELL label. The Covid crisis, telecommuting, and the need to offer employees a perfectly healthy work environment to secure their return to

the office have undoubtedly reinforced the importance of these issues.

Complementary seals of approval

In Luxembourg, most of the buildings being built are now BREEAM certified. “However, this certification is quite different from WELL, in that it focuses on the overall environmental virtues of the building,” explains François Deravet, Project Engineer at Energy and Environment, a Luxembourg company that certifies compliance with BREEAM and WELL criteria. “The WELL certification, whose first

version is more recent (2014), is focused on well-being and health. To give a concrete example, WELL will look less closely at a device that consumes more energy within a building if it is intended to ensure greater well-being for its occupants. So, the 2 certifications are rather complementary.”

WELL, is also a label that is constantly evolving. WELL is based on on-site tests and laboratory analyses in its second version. Its criteria are re-evaluated every trimester, and although the certification is valid for 3



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**In Luxembourg,
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years, certain tests must be carried out every year. Independent bodies then grant certification.

Air, water, sports, community...

But specifically, on what criteria is such a certification based, ensuring that one building is healthier than another? *“In reality, 10 themes are studied to assess whether the building meets the minimum WELL standards,”* continues François Deravet. *“In each of these areas, certain basic elements are checked. But it is possible to further optimize the well-being of occupants by working on other aspects and awarding additional points, which can lead to WELL Bronze, Silver, Platinum, etc., certification.”*

The different themes addressed are very diverse. For example, air quality is studied through tests realized on the premises and by assessing the ventilation flow rate, filtration, air treatment, etc. Pollutants in the water supply are also closely scrutinized, as are the contents of the company’s canteen menus (sugars, fats, special meals for people intolerant to certain foods, etc.). The quality of artificial and natural light is also assessed within the framework of WELL, considering that it is particularly important to diffuse light that respects the circadian rhythm. Thermal and acoustic comfort are among the other criteria assessed, as well as the possibilities offered within the building for physical exercise (fitness room, coach, dynamic workstation, bi-

cycles, stairs rather than elevators, etc.). The introduction of natural elements, the use of healthy materials, and integrating the building into its environment are among the other themes analyzed by WELL.

WELL certification is particularly comprehensive and, together with BREEAM, forms a solid normative framework for everything that concerns the well-being of a building’s occupants. *“It is the reference in Luxembourg. And compared to what we find abroad, we can say that the requirement level is very high in the country,”* concludes François Deravet. ■

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Why

Luxembourg



Nicolas **Schmit** took over the family estate Fohl-Schmit in 2021



DISCOVER

MOSELLE WINES, LUXEMBOURG'S HIDDEN TREASURE.

A deep valley crossed by a majestic river, the Luxembourg Moselle is a little-known territory outside the country's borders. On its hillsides and in the heart of its charming preserved villages, vines have been cultivated for generations. The quality of the wines produced here is now widely recognized.

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**Luxembourgers,
as they drink less,
prefer to pay
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one at that.**

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Many tourists and business travelers passing through Luxembourg City may not know it. Still, just 20 minutes from the capital is a pastoral region with a centuries-old tradition of wine production: the Luxembourg Moselle. This territory owes its name to the eponymous river, which marks the border with neighboring Germany. It has managed to preserve its remarkable natural setting and charming villages. In its deep valley, a microclimate allows the vine to grow in optimal conditions, bringing its juice-filled fruit to perfect maturity.

Over a total length of 42 km, from Schengen (in the south) to Wasserbillig (in the north), the Luxembourg Moselle is home to a dozen villages in which several winegrowers, both independent and working for a cooperative, are established (see inset). Together, they offer a taste of the incredible diversity of Luxembourg's winegrowing territory, through its typical grape varieties (Rivaner, Elbling, Auxerrois) or more international ones (Pinot noir, blanc, gris, Chardonnay, Riesling, Gewürztraminer), giving mostly white wines (90%).

A race for quality

Although the cultivation of vines in the Moselle is very old - some say it dates back to the Roman occupation of the region - it has evolved greatly throughout its history. Until the beginning of the 20th century, the winegrowers of the Luxembourg Moselle, who were also farmers, produced mainly Elbling,

which the Germans appreciated. The creation of the Remich Wine Institute (1925), the National Brand (1935), and the Protected Designation of Origin “*Luxembourg Moselle*” in the 1980s contributed to the diversification of the Luxembourg vineyard and the increase in quality of its wines.

Until a few decades ago, all the region's winegrowers were only associated with cooperatives. The advent of independent winegrowers and their better organization in the 1960s allowed a paradigm shift from mass production to precision viticulture focused on the quality of the finished product. Today, a new generation is taking up the challenge and innovating to meet consumer expectations and better express the Luxembourg territory and its clay-limestone subsoil. This is the case of Nicolas Schmit, who, in 2021, took over the family estate Schmit-Fohl located in Ahn with his brother Mathieu. “*Our parents, who still help us at the estate, had already introduced major changes, including going organic in 2017 and certified in 2020,*” he explains “*the idea was to improve our wines, to make them more complex. This decision is not without con-*



Anouk Bastian, Mathis Bastian estate

sequences for the conduct of the vineyard: we must be very attentive and react to the slightest alert to avoid a health disaster. This encourages us to be closer to our vines."

Merlot, a newcomer

But the Schmit brothers are also attentive to the new needs of the market as well as to the constraints that are imposed on them. To meet these needs, they do not hesitate to innovate. Recently, for example, they planted a few rows of Merlot. Due to global warming, this grape variety is beginning to experience difficulties in its region of origin, the Bordeaux region. "Global warming also concerns us, and, despite the disasters that this phenomenon produces, we must recognize

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We have sought to propose more elegant wines which magnificently express all the different nuances of their terroir.

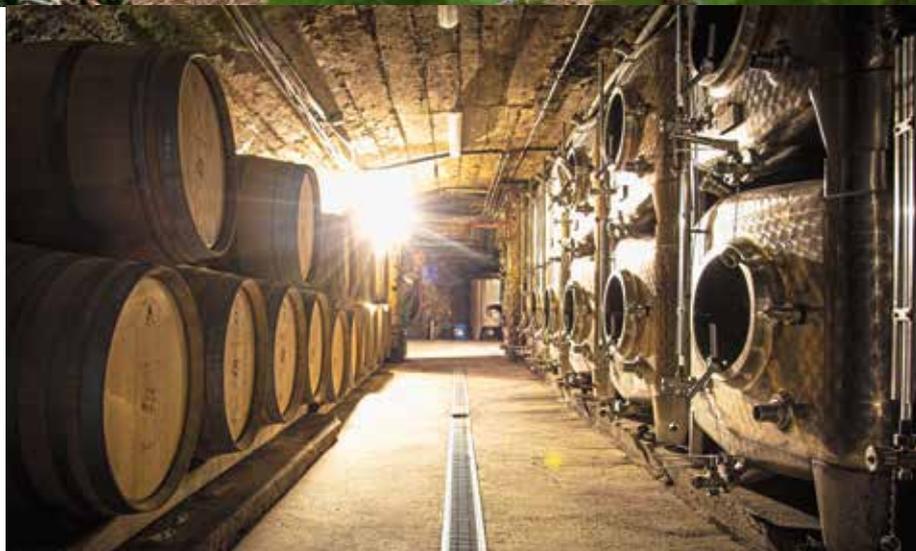
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that it allows us to obtain better maturities and, therefore, better wines. The introduction of Merlot will allow us to diversify our offer of red wines until now, limited to Pinot Noir," points out Nicolas Schmit.

The domain's wines are mostly fresh and mineral, the fruity and sweet nectars being a little less favored by the 2 young winemakers. The diversification of the range, with the creation of special cuvées (the SF cuvées at Schmit-Fohl), produced only when the quality of the grapes is optimal, is part of this race towards quality while allowing the Luxembourg wineries to generate more comfortable income. Above all, thanks to constant attention to the vines, a drastic reduction in yields, and growing know-how in using barrels for maturing, the quality of the products has become very interesting. "Luxembourgers notice this and, as they drink less, they prefer to pay the price to taste a better-quality wine, and a local one at that," adds the young winemaker, who has just celebrated his 30th birthday.

Enjoy the wine... and the setting

Moselle is delicious, but you can also appreciate the region with your eyes. While walking through the region, you will certainly be charmed by its green landscapes and pretty villages. In Remich, the "Pearl of the Moselle", the Mathis Bastian estate has understood this. Its headquarters - a remarkable building designed by the architect Jean Ewert - is located in the middle of the vineyards, on the heights of the village. Anouk Bastian, who has been the head of the family company since January 2022, has capitalized on this exceptional location. She now offers wine



tiful emotions. So don't hesitate to visit this region, which is small in size but has many assets! ■

lovers and tourists a complete wine tourism experience. "We noticed how many people who came to see us, sometimes from far away, were charmed by the natural setting of our estate," she explains. "So, we decided to propose a tour of the vineyards, with different explanations, a visit to the winery, and a tasting of a *crémant* and 3 wines. By limiting this proposal to small groups and by receiving people ourselves with care, we offer the amateurs a privileged moment, which is truly appreciated."

As everywhere on the Moselle, the Mathis Bastian estate also seeks to make high-quality wines. This is achieved by reasoned viticulture and by certain choices in the vinifica-

tion. "For me, the identity of Luxembourg wines is freshness and fruitiness. In recent years, we have sought to propose more elegant wines that magnificently express all the nuances of their *terroir*," continues Anouk Bastian. "We are also thinking about introducing new grape varieties, but we also want to give our children room to develop. Winegrowing is a long-term business, and the decisions we make today will also have to be taken by the next generation..."

In this magnificent region of the Luxembourg Moselle, we are constantly seeking to achieve harmony between nature and man, which allows us to produce great wines and beau-

COOPERATIVES, A HISTORICAL MODEL

If the independent winegrowers of the Luxembourg Moselle are multiplying their efforts to develop exceptional wines, the cooperatives continue to have a predominant role in this region. Among them, *Domaines Vinsmoselle* is the undisputed leader. Working with more than 200 families of winegrowers in the region, who agree to deliver their entire production to the cooperative, they produce white and red wines from all the grape varieties grown in Luxembourg. These are sold on the local market or for export. For some years, the cooperative has been working to diversify its vintages and produce the highest quality wines.



TASTE

10 RESTAURANTS NOT TO BE MISSED.

Luxembourg's terroir is also expressed in numerous culinary dishes through the talent of its cooks.

The country is full of restaurants offering varied and inventive cuisine.

Here is a selection of exceptional restaurants waiting for you to whet your appetite.

01



Ma Langue Sourit

1, rue de Remich – L-5331 Moutfort

Considered the best table in the country, “*Ma Langue Sourit*” is the only Luxembourg restaurant with 2 stars in the prestigious Michelin guide. Chef Cyril Molard welcomes you to his establishment in Moutfort, a few dozen kilometers from Luxembourg City. The open kitchen will give you an idea of the precision and generosity of the chef and his team. You will be invited to enjoy a bubble of well-being in a refined setting. ■

02



Apdikt

1, rue des Martyrs – L-8442 Steinfort

Chef Mathieu van Wetteren welcomes you into a former pharmacy for a unique experience. As soon as you make your reservation, the tone is set. Indeed, you will only discover the menu during the service; on the website, no information. The chef works only with seasonal products, depending on the arrival of his suppliers. To fully enjoy your evening, you are asked to arrive on time because “*dining at the Apdikt is more like a visit to the cinema.*” ■

03



OiO – Osteria con Cucina

48, Montée de Clausen – L-1343 Luxembourg

During confinement, chef Leonardo De Paoli took on the challenge of opening his establishment on the banks of the Alzette. His desire to bring Italian flavors to the heart of Luxembourg's capital quickly won him over. The promise of dishes made from fresh and tasty products is kept. The menu changes regularly, according to the chef's desires, always with fresh products! And if you feel like it, you can, for an evening, discover the backstage by following the chef throughout the service. ■

04



Ryodo – Japanese fine dining restaurant

27, rue Raymond Poincaré – L-2342 Luxembourg

Recently honored by Gault&Millau and with a Michelin star, Chef Ryodo Kajiwara takes you on a journey to the heart of Japan. You will taste traditional and elaborate dishes, with exceptional products such as Wagyu entrecôte. With this setting and these flavors, you will feel you are traveling to Japan. Nothing is left to chance. ■





05



La Table de Clervaux

2, route de Marnach – L-9708 Clervaux

Would you like to discover typical Luxembourg gastronomy? The restaurant “*La Table de Clervaux*” is what you need. Don’t worry; you can also find international dishes on the menu. But no matter what you choose, you will always be sure to taste local products. The chef makes it a point of honor to work with local producers who respect the environment. ■

06



Léa Linster

17, route de Luxembourg – L-5752 Frisange

Since 1982, the Linster family has welcomed you in their restaurant in Frisange. Launched by Léa Linster, the first woman to receive the “*Bocuse d’Or*” in 1989, it is now her son Louis who manages the kitchens of the establishment. You will discover a delicate and elegant cuisine, just like the setting. The chef is committed to proposing a refined cuisine in the continuity of the family heritage. Louis Linster is the youngest starred chef in the country and was named Young Chef of the Year 2021 by Gault&Millau. ■

07



La Distillerie

8, rue du Château – L-6162 Bourglinster

Nestled in the heart of Bourglinster Castle, the restaurant “*La Distillerie*” has been voted the best plant-based restaurant in the world. Established by the “*We’re Smart World*” guide to plant-based cuisine, this ranking is based on the proportion of fruit and vegetables used, culinary creativity, ecological footprint, and social impact. When you go to “*La Distillerie*”, expect a plant-based menu prepared by chef René Mathieu. But don’t be mistaken, even if this restaurant serves vegetables, it is not a vegetarian restaurant! ■

08



La Maison Lefèvre

Boulevard John F. Kennedy, 138 – L-4071 Esch-sur-Alzette

Established in the heart of Esch-Sur-Alzette, the “*Maison Lefèvre*” has become an essential part of Luxembourg’s cuisine. In one of the buildings erected by André Lefèvre in the 1800s, the Sidoni sisters welcome you in a warm setting. Chef David Formica’s menu changes every 2 months according to the seasons. A little bonus: you can accompany your meal with wines recommended by the man named by Gault&Millau as the Best Sommelier of 2021. ■

09



Yves Radelet

11, Duerefwee, Drauffelt, L-9746 Clervaux

Installed in the middle of the natural park of Our, Yves Radelet and his wife invite you to their farmhouse to spend a moment in all friendliness. The chef and his team propose generous and refined dishes. The priority of the chef is to work with local and quality products. You will be able to taste cheeses produced by the chef himself. ■

10



Clairefontaine

9, Place de Clairefontaine – L-1341 Luxembourg

The rendezvous is at the heart of the Clairefontaine restaurant, just a few steps from the Grand Ducal Palace. The atmosphere is calm and intimate, as much for a family meal as for a professional meeting. Through his dishes, the chef wants, above all, to transmit emotions by seeking a balance between visual and gustatory pleasure to stimulate the curiosity of his clientele. ■

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