



# LUXEMBOURG ECONOMIC PROMOTION STRATEGY







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**Trade and Investment Board**

**Luxembourg, 28 February 2017**

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# SUMMARY

-  VISION
-  5 KEY OBJECTIVES
-  STRATEGIC PATHS TO REACHING 5 OBJECTIVES
-  KEY GUIDING PRINCIPLES
-  MEASUREMENT OF SUCCESS
-  IMPLEMENTATION OF ECONOMIC PROMOTION STRATEGY

## VISION

Our vision is to build a diversified, innovative Economy that harnesses all the best elements of our traditions and culture in Luxembourg. We shall leverage our role as an international and European crossroads, where we bring people together and add value in an effective manner. We aim to help Luxembourg firms expand into international markets and become leaders in their field. We also seek to attract top global firms here which add value to Luxembourg. We want to encourage entrepreneurial spirit and develop long-term and ambitious success stories that sometimes involves taking calculated risks.

## 5 KEY OBJECTIVES

1. Facilitate access to international markets for Luxembourg-based companies
2. Attract foreign direct investment in a targeted and service-oriented manner
3. Strengthen Luxembourg's international economic promotion network
4. Build a strong image for Luxembourg as a smart location for high-performance business and industry
5. Ensure coherence and relevance of economic promotion actions

## 1. Facilitate access to international markets for Luxembourg-based companies

- Encourage and support companies in entering foreign markets:
  - in geographically close regions and more traditional markets (neighbouring countries, Greater Region) – especially for small and medium-sized enterprises
  - in emerging markets to a greater extent (world's key growth markets)
  - in promising niche markets
- Support companies facing increased competition due to open European market and increased globalisation
- Support companies to position themselves within the international value chains
- Provide sector-specific market intelligence – meeting the needs of a sectoral group of companies
- Provide general market intelligence on growth, volume and niche markets relevant to companies pertaining to Luxembourg's eco-system
- Continue to facilitate access to financing for companies engaging on foreign markets
- Organise foreign trade activities such as trade missions, fair visits and conferences according to the specific needs of companies and sectors
- Build on Luxembourg's long tradition of development cooperation; use the relationships established with countries supported by Luxembourg's development cooperation and ensure coordination with export promotion; manage transition from aid to trade.

## 2. Attract foreign direct investment in a targeted and service-oriented manner

- Identify relevant foreign investors on the basis of focused, sector-specific market intelligence
- Proactive searching and caring by sector developers and Luxembourg's international economic network (in particular LTIOs and embassies)
- Strengthen investor care – set up an investor-care platform
  - Provide clear, useful and relevant information (legislation, regulation, conditions for investors, etc.)
  - Ensure fast and appropriate response to enquiries
  - Facilitate efficient processing of visa and residence permits
  - Provide highly-professional, allround service to prime investors
  - Connect with commercial and institutional partners, procurers, decision-makers and, whenever relevant, government representatives or members of government
- Monitor evolving sectors and activities that may create additional FDI opportunities

## 3. Strengthen Luxembourg's international economic promotion network

- Mobilize and enable Luxembourg's international economic promotion network (embassies, LTIOs, general consulates, honorary consuls and foreign trade advisors) to provide support to Luxembourg businesses (local network development support, assistance in finding potential business partners, facilitation with visa and work permits, local information, market intelligence)
- Provide international economic promotion network with sectoral guidelines to attract FDI
- Provide international economic promotion network with "business kits"
- Ensure regular information exchange with Luxembourg embassies, trade and investment offices, economic and commercial attachés, honorary consuls and foreign trade advisors
- Review and redraw, if necessary, the network of Luxembourg trade and investment offices
- Upgrade Luxembourg's network of honorary consulates and foreign trade advisors; mobilisation of those most economically relevant; inter-connect with embassies and trade and investment offices
- Monitor and mobilise other international networks such as the Belgium and EU partner organisations as well as bilateral business chambers

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# Strategic path

## 4. **Build a strong image for Luxembourg as a smart location for high-performance business and industry**

- Develop a marketing, communications and public relations strategy
- Identify priority countries from an economic point of view for branding actions (where Luxembourg's image is weak but the export and investment potential is substantial)
- Deploy a social media communication and marketing action plan focused on target groups of interest to Luxembourg's economy
- Ensure an efficient roll-out of Luxembourg's new visual identity in economic promotion activities, especially throughout Luxembourg's international economic promotion network
- Provide sector-specific and tailor-made marketing and communication material
- Promote Luxembourg's economic success stories (storytelling)
- Ensure a strong and coherent internet presence



## 5. Ensure coherence and relevance of economic promotion actions

- Ensure functional and coherent coordination of economic promotion actions by all stakeholders through the Trade and Investment Board (TIB) and Trade and Investment Steering Committee (TISC) under the chairmanship of Ministry of Economy
- Operate according to a clear division of responsibilities and tasks among the different stakeholders
- Take account of business needs through consistent engagement and frequent exchanges with business representatives
- Set targets, ensure measurement of success and adapt course when necessary
- Set out a general economic promotion action plan based on the overall strategy

## KEY GUIDING PRINCIPLES

1. Efficient and responsive government
2. Client-focused approach – in trade and invest
3. Focus on priority sectors
4. Structured and dedicated market intelligence

# 1. EFFICIENT AND RESPONSIVE GOVERNMENT

Efficient and responsive handling by the Government of requests by international investors and entrepreneurs is instrumental in attracting business to Luxembourg and allowing it to grow successfully.

- ✦ Easy access to decision-makers
- ✦ Understanding of business needs through close interaction with the business community and the organisations representing business interests
- ✦ Pragmatic, hands-on approach to finding solutions fitting the needs of business
- ✦ Providing and adapting instruments to support business that fit their needs
- ✦ Seizing opportunities that arise and acting swiftly
- ✦ Mobilization and motivation of all relevant Government administrations and agencies

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## 2. CLIENT-FOCUSED APPROACH IN TRADE AND INVEST



### Client care for companies based in Luxembourg

- ✦ Efficient and responsive handling by Government and other stakeholders of requests by companies engaging on foreign markets
- ✦ Understanding and seizing opportunities that arise for companies
- ✦ Sector-specific market intelligence as well as general market intelligence on growth and volume markets relevant to companies
- ✦ Proactive development of relevant markets
- ✦ Financial instruments to support companies engaging on foreign markets
- ✦ Trade missions and other activities organised according to the specific needs of companies and sectors
- ✦ Customer-satisfaction surveys and follow-up carried out after trade missions and trade promotion activities
- ✦ Accessibility and responsiveness of international economic promotion network to companies

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## 2. CLIENT-FOCUSED APPROACH IN TRADE AND INVEST



### Investor care

- ✦ Efficient and responsive handling by Government and all other stakeholders of requests by international investors and entrepreneurs
- ✦ Investor-care platform
- ✦ International economic promotion network tuned in to the needs of investors and capable of providing guidance and advice
- ✦ Proactive and focused prospecting for foreign investment and partners

### 3. FOCUS ON PRIORITY SECTORS

- ✦ Development of sectoral economic promotion strategies and action plans
- ✦ Goals determined on the basis of:
  - Government's policy priorities
  - Priority sectors as defined and regularly reviewed by Government's diversification policy: ICT, Space, Life sciences, Materials and Production technologies, Automotive components and smart mobility, Ecoinnovation, Logistics, MICE
  - Sector-specific assessment by dedicated market intelligence unit
  - Local assessment by international economic promotion network (LTIOs and embassies)
  - Input from private sector organisations and actors
- ✦ Proactive and focused prospecting for foreign investment and partners

## 4. STRUCTURED AND DEDICATED MARKET INTELLIGENCE

- ✦ Support Ministry of Economy to determine, assess and review sectoral and geographic priorities
- ✦ Monitor general economic and technological trends – both that are relevant to Luxembourg's existing eco-systems and that give rise to new economic opportunities for Luxembourg
- ✦ Identify foreign investors and FDI opportunities
- ✦ Provide sector-specific market intelligence meeting the needs of a sectoral group of companies

## MEASUREMENT OF SUCCESS

- ✦ Result-oriented, cost-benefit approach (results to be evaluated with regard to cost and effort put in)
- ✦ Sector-specific indicators
- ✦ Measurement concept and indicators to be elaborated 2017



## IMPLEMENTATION OF ECONOMIC PROMOTION STRATEGY

- ✦ Determine organisational principles and processes for investment promotion (Ministry of Economy – Luxinnovation – Chamber of Commerce / House of Entrepreneurship)
- ✦ Elaborate sectoral strategies and action plans (Ministry of Economy – Luxinnovation)
- ✦ Elaborate foreign trade action plan (Ministry of Economy - Chamber of Commerce - Luxinnovation)
- ✦ Review and broaden access to Ministry's foreign trade and investment information exchange tool (i-Net); stimulate its use
- ✦ Develop and deploy marketing, communication and public relations strategy

# APPENDIX

-  TRADE AND INVESTMENT BOARD
-  TRADE AND INVESTMENT STEERING COMMITTEE

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# TRADE AND INVESTMENT BOARD



## 1. Role

- Validates the economic promotion strategy and monitors its implementation
- Oversees the work of the Trade and Investment Steering Committee

## 2. Composition and functioning

- Biannual meetings / Collegial and consensual decision-making
- Honorary chairmanship of HRH Prince Guillaume, Hereditary Grand Duke of Luxembourg
- Chaired by the Minister of the Economy
- Composed of high-level representatives from:

Ministry of the Economy	Ministry of Foreign and European Affairs
Ministry of Higher Education and Research	Ministry of State – Department of Media and Communications
Ministry of Finance	Chamber of Commerce
Luxinnovation	Chamber of Skilled Trades and Crafts
FEDIL	

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# TRADE AND INVESTMENT STEERING COMMITTEE



## 1. Role

- ✚ Develops and ensures implementation of economic promotion strategy and action plan
- ✚ Coordinates foreign trade and investment promotion activities
- ✚ Synchronises the relevant agendas of the stakeholders
- ✚ Federates the stakeholders

## 2. Composition and functioning

- ✚ Monthly meetings
- ✚ Chaired by the Ministry of the Economy and composed of representatives from:

Ministry of the Economy (cabinet)	Ministry of State – Prime Minister’s office (cabinet)
Director General for Foreign Trade and Investment Promotion at the Ministry of the Economy	Director for International Economic Relations and European Affairs at the Ministry of Foreign and European Affairs
Director General of the Chamber of Commerce	CEO of Luxinnovation