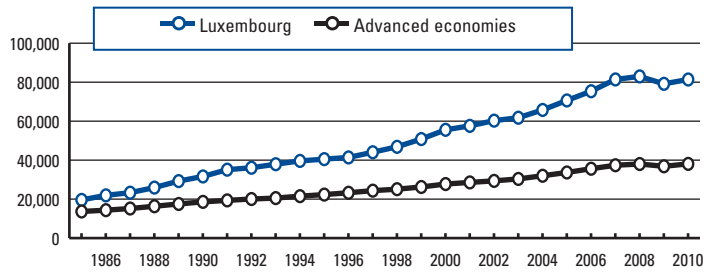


Luxembourg

Key indicators, 2010

| | |
|--|---------|
| Population (millions)..... | 0.5 |
| GDP (US\$ billions)..... | 55.0 |
| GDP per capita (US\$)..... | 108,832 |
| GDP (PPP) as share (%) of world total..... | 0.05 |

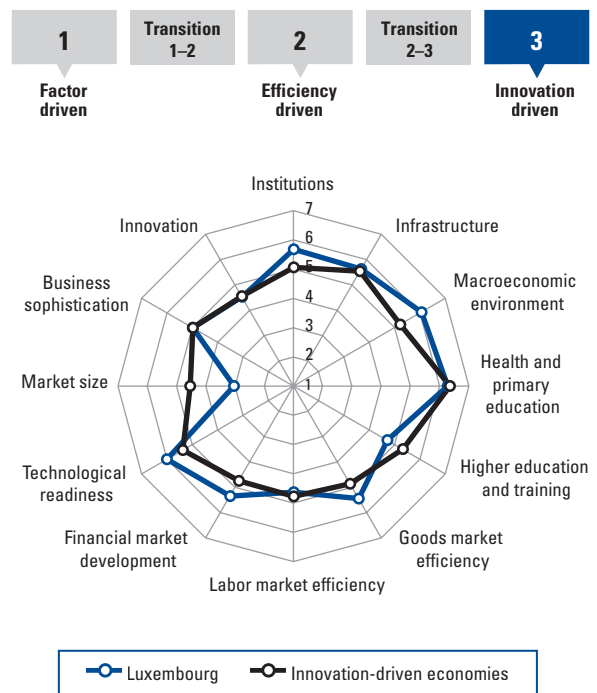
GDP (PPP) per capita (int'l \$), 1985–2010



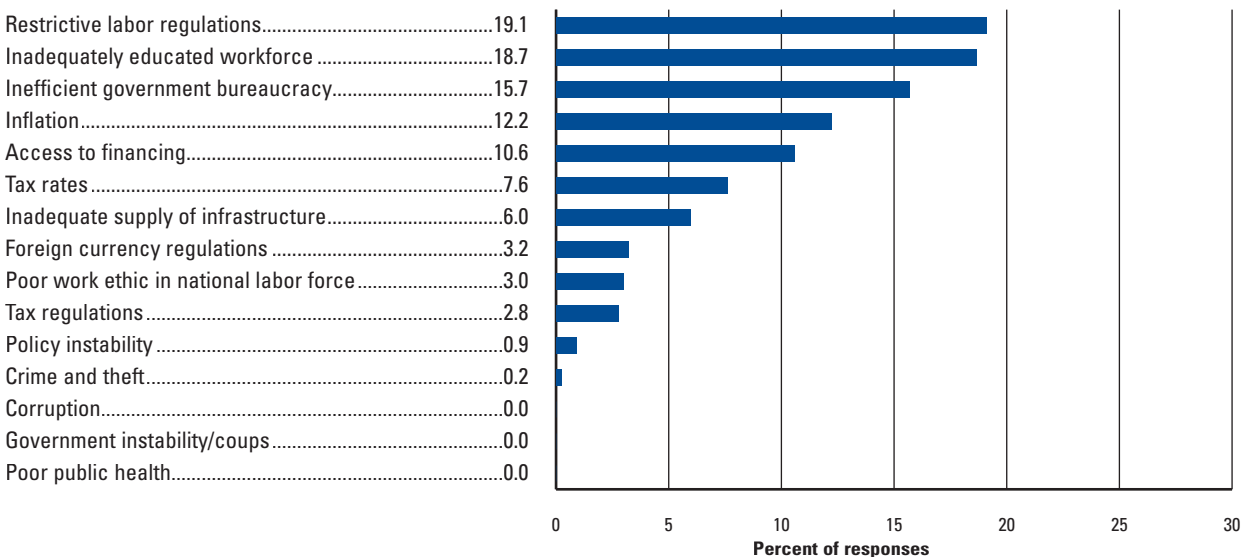
Global Competitiveness Index

| | Rank (out of 142) | Score (1–7) |
|--|----------------------|----------------|
| GCI 2011–2012 | 23 | 5.0 |
| GCI 2010–2011 (out of 139)..... | 20 | 5.0 |
| GCI 2009–2010 (out of 133)..... | 21 | 5.0 |
| Basic requirements (20.0%) | 6 | 5.9 |
| Institutions..... | 8 | 5.7 |
| Infrastructure..... | 21 | 5.6 |
| Macroeconomic environment..... | 15 | 6.0 |
| Health and primary education..... | 25 | 6.3 |
| Efficiency enhancers (50.0%) | 23 | 4.9 |
| Higher education and training..... | 40 | 4.7 |
| Goods market efficiency..... | 2 | 5.4 |
| Labor market efficiency..... | 41 | 4.6 |
| Financial market development..... | 8 | 5.3 |
| Technological readiness..... | 9 | 6.0 |
| Market size | 96 | 3.0 |
| Innovation and sophistication factors (30.0%) | 20 | 4.8 |
| Business sophistication | 21 | 5.0 |
| Innovation..... | 21 | 4.5 |

Stage of development



The most problematic factors for doing business



Note: From a list of 15 factors, respondents were asked to select the five most problematic for doing business in their country and to rank them between 1 (most problematic) and 5. The bars in the figure show the responses weighted according to their rankings.

The Global Competitiveness Index in detail

| INDICATOR | VALUE | RANK/142 |
|---|---------|----------|
| 1st pillar: Institutions | | |
| 1.01 Property rights..... | 6.3 | 4 |
| 1.02 Intellectual property protection | 5.9 | 5 |
| 1.03 Diversion of public funds | 6.1 | 7 |
| 1.04 Public trust of politicians | 5.6 | 6 |
| 1.05 Irregular payments and bribes | 6.4 | 7 |
| 1.06 Judicial independence..... | 6.1 | 14 |
| 1.07 Favoritism in decisions of government officials | 4.5 | 17 |
| 1.08 Wastefulness of government spending..... | 4.5 | 16 |
| 1.09 Burden of government regulation | 3.6 | 40 |
| 1.10 Efficiency of legal framework in settling disputes | 5.3 | 12 |
| 1.11 Efficiency of legal framework in challenging regs. | 5.4 | 5 |
| 1.12 Transparency of government policymaking..... | 5.7 | 9 |
| 1.13 Business costs of terrorism..... | 6.2 | 25 |
| 1.14 Business costs of crime and violence | 6.0 | 12 |
| 1.15 Organized crime | 6.7 | 5 |
| 1.16 Reliability of police services..... | 5.9 | 22 |
| 1.17 Ethical behavior of firms | 6.2 | 10 |
| 1.18 Strength of auditing and reporting standards | 5.7 | 19 |
| 1.19 Efficacy of corporate boards | 5.2 | 16 |
| 1.20 Protection of minority shareholders' interests..... | 4.9 | 27 |
| 1.21 Strength of investor protection, 0–10 (best)* | 4.3 | 100 |
| 2nd pillar: Infrastructure | | |
| 2.01 Quality of overall infrastructure..... | 5.9 | 16 |
| 2.02 Quality of roads..... | 5.9 | 12 |
| 2.03 Quality of railroad infrastructure..... | 5.1 | 16 |
| 2.04 Quality of port infrastructure | 5.2 | 34 |
| 2.05 Quality of air transport infrastructure..... | 5.8 | 30 |
| 2.06 Available airline seat kms/week, millions* | 21.9 | 117 |
| 2.07 Quality of electricity supply..... | 6.4 | 21 |
| 2.08 Fixed telephone lines/100 pop.* | 53.7 | 10 |
| 2.09 Mobile telephone subscriptions/100 pop.* | 143.3 | 16 |
| 3rd pillar: Macroeconomic environment | | |
| 3.01 Government budget balance, % GDP*..... | -1.7 | 38 |
| 3.02 Gross national savings, % GDP* | 25.1 | 41 |
| 3.03 Inflation, annual % change*..... | 2.3 | 1 |
| 3.04 Interest rate spread, %* | 1.7 | 6 |
| 3.05 General government debt, % GDP* | 16.6 | 19 |
| 3.06 Country credit rating, 0–100 (best)* | 92.5 | 7 |
| 4th pillar: Health and primary education | | |
| 4.01 Business impact of malaria..... | N/Appl. | 1 |
| 4.02 Malaria cases/100,000 pop.* | (NE) | 1 |
| 4.03 Business impact of tuberculosis..... | 6.7 | 7 |
| 4.04 Tuberculosis incidence/100,000 pop.* | 9.2 | 27 |
| 4.05 Business impact of HIV/AIDS | 6.3 | 14 |
| 4.06 HIV prevalence, % adult pop.* | 0.3 | 69 |
| 4.07 Infant mortality, deaths/1,000 live births*..... | 1.5 | 1 |
| 4.08 Life expectancy, years* | 80.1 | 19 |
| 4.09 Quality of primary education..... | 4.7 | 30 |
| 4.10 Primary education enrollment, net %* | 95.7 | 44 |
| 5th pillar: Higher education and training | | |
| 5.01 Secondary education enrollment, gross %* | 96.0 | 44 |
| 5.02 Tertiary education enrollment, gross %* | 10.0 | 109 |
| 5.03 Quality of the educational system | 4.5 | 35 |
| 5.04 Quality of math and science education | 4.4 | 47 |
| 5.05 Quality of management schools | 4.3 | 58 |
| 5.06 Internet access in schools..... | 5.8 | 22 |
| 5.07 Availability of research and training services | 5.1 | 25 |
| 5.08 Extent of staff training | 5.3 | 7 |

| INDICATOR | VALUE | RANK/142 |
|---|-------|----------|
| 6th pillar: Goods market efficiency | | |
| 6.01 Intensity of local competition..... | 5.2 | 41 |
| 6.02 Extent of market dominance..... | 4.8 | 18 |
| 6.03 Effectiveness of anti-monopoly policy..... | 4.9 | 20 |
| 6.04 Extent and effect of taxation..... | 5.1 | 8 |
| 6.05 Total tax rate, % profits*..... | 21.1 | 13 |
| 6.06 No. procedures to start a business*..... | 6 | 34 |
| 6.07 No. days to start a business* | 19 | 74 |
| 6.08 Agricultural policy costs | 4.7 | 11 |
| 6.09 Prevalence of trade barriers | 6.0 | 6 |
| 6.10 Trade tariffs, % duty*..... | 0.8 | 4 |
| 6.11 Prevalence of foreign ownership..... | 6.5 | 1 |
| 6.12 Business impact of rules on FDI | 6.0 | 4 |
| 6.13 Burden of customs procedures | 5.5 | 9 |
| 6.14 Imports as a percentage of GDP* | 113.3 | 6 |
| 6.15 Degree of customer orientation..... | 5.3 | 21 |
| 6.16 Buyer sophistication..... | 5.1 | 3 |
| 7th pillar: Labor market efficiency | | |
| 7.01 Cooperation in labor-employer relations..... | 5.5 | 10 |
| 7.02 Flexibility of wage determination | 4.3 | 110 |
| 7.03 Rigidity of employment index, 0–100 (worst)* .. | 56.0 | 131 |
| 7.04 Hiring and firing practices | 3.4 | 108 |
| 7.05 Redundancy costs, weeks of salary* | 52 | 89 |
| 7.06 Pay and productivity | 4.1 | 51 |
| 7.07 Reliance on professional management..... | 5.2 | 26 |
| 7.08 Brain drain | 5.0 | 16 |
| 7.09 Women in labor force, ratio to men* | 0.80 | 60 |
| 8th pillar: Financial market development | | |
| 8.01 Availability of financial services..... | 6.3 | 2 |
| 8.02 Affordability of financial services | 5.8 | 6 |
| 8.03 Financing through local equity market..... | 4.3 | 27 |
| 8.04 Ease of access to loans | 4.4 | 9 |
| 8.05 Venture capital availability | 4.1 | 11 |
| 8.06 Soundness of banks..... | 6.0 | 23 |
| 8.07 Regulation of securities exchanges..... | 5.8 | 36 |
| 8.08 Legal rights index, 0–10 (best)* | 7.0 | 39 |
| 9th pillar: Technological readiness | | |
| 9.01 Availability of latest technologies | 6.3 | 19 |
| 9.02 Firm-level technology absorption | 5.7 | 24 |
| 9.03 FDI and technology transfer..... | 5.3 | 13 |
| 9.04 Internet users/100 pop.* | 90.6 | 4 |
| 9.05 Broadband Internet subscriptions/100 pop.* .. | 32.8 | 8 |
| 9.06 Internet bandwidth, kb/s/capita*..... | 78.8 | 12 |
| 10th pillar: Market size | | |
| 10.01 Domestic market size index, 1–7 (best)* | 2.5 | 111 |
| 10.02 Foreign market size index, 1–7 (best)* | 4.7 | 58 |
| 11th pillar: Business sophistication | | |
| 11.01 Local supplier quantity | 4.5 | 83 |
| 11.02 Local supplier quality..... | 5.4 | 20 |
| 11.03 State of cluster development..... | 4.7 | 22 |
| 11.04 Nature of competitive advantage | 5.7 | 13 |
| 11.05 Value chain breadth | 5.0 | 20 |
| 11.06 Control of international distribution..... | 4.1 | 60 |
| 11.07 Production process sophistication | 5.7 | 12 |
| 11.08 Extent of marketing..... | 5.3 | 20 |
| 11.09 Willingness to delegate authority | 4.4 | 27 |
| 12th pillar: Innovation | | |
| 12.01 Capacity for innovation..... | 4.5 | 16 |
| 12.02 Quality of scientific research institutions | 4.7 | 29 |
| 12.03 Company spending on R&D..... | 4.6 | 16 |
| 12.04 University-industry collaboration in R&D..... | 5.0 | 18 |
| 12.05 Gov't procurement of advanced tech products.... | 4.7 | 7 |
| 12.06 Availability of scientists and engineers | 3.9 | 81 |
| 12.07 Utility patents granted/million pop.* | 62.0 | 21 |

Notes: Values are on a 1-to-7 scale unless otherwise annotated with an asterisk (*). For further details and explanation, please refer to the section "How to Read the Country/Economy Profiles" on page 89.