

***METROLUX***

***"Attraction of Luxembourg-City  
for global service firms"***

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## **Research approach**

- **Survey on advantages and disadvantages of Luxembourg-City location**
  - **21 personal interviews with international companies of financial sector in May – June 2007**
  - **Interviews included**
    - **quantitative questions = > hard location factors**
    - **qualitative questions = > soft location factors**
- = > specific characteristics of Luxembourg-City as business location in an international context**

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## **Perception of Luxembourg-City as business location**

- Overall positive perception mainly due to attractive legal and physical environment
- Luxembourg seen as entrepreneurial city where it is easy to do business
- Small size of city facilitates access to relevant services
- Luxembourg location as quality label in fund administration

- Conservative country and city
- Transport infrastructure should be improved, particularly international flights
- *"...if there was no market we would not be here."*

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### **Relevance of informal contact with other companies**

- **Very important aspect for companies**
- **Seen as *"mine of information"***
- ***"The informal contacts in Luxembourg are probably the most important thing that you can have here..."***

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### **Recent development of Luxembourg-City as business location**

- Positive evolution in certain fields
  - Increased internationalisation of labour market contributing to increased professionalism
  - Upgrading of cultural life
  - As business location, city is *"...showing that it's resilient and flexible and can adapt to a changing environment..."*
- Big shortage of qualified staff
  - Requirements of work permits can hamper hiring qualified people
  - Luxembourg is *"...not always as sexy as New York or other financial centres..."*
  - With increasing labour costs outsourcing could become an issue in the future

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### **Perception of multicultural diversity of city's labour force**

- One of the most important assets of the city
  - A *“richness ... that makes the city a field study for Europe”*
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- Only small problems related to language issues

The ideal employee for many companies would be a Luxembourger, fluent in at least 3 languages.

**BUT**

Luxembourg people are hardly interested in this job market!

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## **Quality of life in Luxembourg-City**

- **Generally perceived as very high**
  - **Appreciated are cleanliness, short-distances, feeling of security, close proximity to nature**
  - **Valued to be good for family life and an ideal place to raise children**
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- **Lack of vibrancy**
  - **City is perceived as *"dead in the evenings"* and *"too calm"*, also on weekends**
    - => ongoing animation after shop-closing time and/or extension of opening hours would be very much appreciated**
  - ***"It's good for work, it's good to be here in the week ... but Luxembourg-City is quite lonely in the weekends when business is out"***
  - **Costs for rents too high**

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## **Image of Luxembourg-City**

### **1. From an internal point of view**

- **Positive image on business side, due to business friendly regulatory environment.**
- **In private life, international people have serious difficulties being integrated into the national community.**
- ***"...the normal Luxembourg people ... do not care about the image because they hardly go (to the city), except if they live there..."***



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## **Image of Luxembourg-City**

### **2. From an external point of view**

- **Lack of information leads to a wrong image of the city or even no image at all!**
- **Communication & marketing not very strong, nor good enough developed.**
- **After a first encounter, people often see a lot of positive aspects.**

- **Banking centre and/or tax paradise**
- **Luxembourg is often perceived as *"...a boring place where there is nothing to do and people just work and do banking..."***

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### **Brief concluding description of Luxembourg-City**

- ***"Small is beautiful."***
- ***"Small and nice cosmopolitan city in the European Union."***
- ***"Small, interesting, multicultural but unknown."***
- ***"There is a lot of space for improvements regarding the appreciation across the border."***