



Eurohub Luxembourg – putting Europe at your fingertips.



MINISTRY OF THE ECONOMY  
AND FOREIGN TRADE  
Board of Economic Development

Global production has led to increased logistical challenges around the world. The need for efficient, time- and cost-effective supply chain management has created new opportunities for integrated logistics providers.

Located in the heart of Europe, Luxembourg provides global companies with many strategic advantages for conducting successful business in Europe. Indeed, with its open and export-driven

economy, Luxembourg is fully integrated into the EU common market, yet offers commercial neutrality: Luxembourg is the ideal gateway to the European market with some 500 million consumers.

Over the last decade, Luxembourg has continuously improved its positioning as an intercontinental logistics hub in Europe for contract, air- and rail-freight-based, as well as added-value logistic activities.



## IDEAL GATEWAY TO THE EUROPEAN MARKET

### ► Airlinks to the five continents

Luxembourg's international airport is the 5th largest freight airport in Europe and home base of Cargolux, Europe's leading airfreight carrier. The global network of Cargolux and other airfreight carriers includes multiple daily destinations to all continents and makes Luxembourg a true European platform.

Luxembourg's airport cargo centre, with its planned capacity of 1.2 million tons of freight per year, offers a high level of quality

service. Efficient infrastructure and processes allow for jumbo freighter planes to be customs cleared and unloaded at a record speed of as low as 90 minutes.

### ► A hinterland port

Moreover, efficient railway connections to the ports of the North Sea make Luxembourg a hinterland port of Antwerp, Zeebrugge, Amsterdam, Rotterdam and Hamburg.

## OUTSTANDING CONNECTIVITY TO THE MAIN EU CONSUMER MARKETS

Luxembourg is at the heart of the European road and rail network: major North-South and East-West arteries provide an easy and uncongested access to the main European consumer markets. Indeed, with its efficient communication and multi-modal transportation infrastructure, Luxembourg offers an ideal location for the import and export of goods and services.

CFL Multimodal manages the country's most important container terminal, which is located close to the largest marshalling yard in the region. The company offers a complete and professional

service such as handling, trans-shipment, storage and loading of containers, customs clearance, security checks, organization of combined rail and road transports. CFL Cargo (conventional rail freight) and CFL Multimodal (containers) operate daily railway connections to the ports of the North Sea.

The Lorry-Rail concept provides for transportation modes that complement road transport. The company operates a road/railway piggy-back service between Luxembourg and the South of France which is able to ensure the transportation

of some 30,000 semi-trailers per year over a distance of more than 1,000 km. New routes through Europe are planned and will enhance the Lorry-Rail transportation modus.

Inland navigation constitutes a further reliable and safe transportation mode. It offers the possibility to overcome congestion

## DEDICATED INFRASTRUCTURE AND EDUCATION

### ► Highly skilled, multilingual workforce

Cross-border thinking, mobility and the cosmopolitan nature of its workforce, of whom more than one third commutes each day from the three neighboring countries, contribute to the high productivity of the Grand Duchy. In an effort to develop the skills and talents needed, dedicated training programs in logistics have been set up. These programs complete the multiple training courses offered by many professional organizations.

## FAVOURABLE TAX AND REGULATORY ENVIRONMENT

### ► Fiscal representation

Businesses that source their goods from outside the European Union do not need a fixed establishment in the country of destination to comply with their fiscal obligations. They may use the service of a fiscal representative that takes care of their import declaration, payment of VAT due, if any, and other duties such as the reporting of intra-Community supplies as well as the statistical and VAT declarations for the importation of goods.

### ► Easy access to Customs authorities

Increasing internationalization of business and supply chain security considerations increase pressure for the automation of trade and customs procedures. Since 2007, the Luxembourg Customs authorities have implemented in cooperation with the European Commission a paperless trade and customs environment, hence enabling effective control while reducing trade transaction costs and contributing to trade facilitation.

### ► Authorized Economic Operator (AEO)

To comply with EU security standards, the Luxembourg Customs authorities have implemented the AEO certification. This concept

## LEADING LOGISTICS PLAYERS

The global international logistics providers are expanding their activities in Luxembourg. Cargolux, China Airlines, Cobelfret, DHL, Kuehne + Nagel, Morrison Express, Nippon Express, Panalpina,

problems encountered on other routes. Luxembourg has a river port, which can be used for the dispatching of raw materials as well as of agricultural, iron and steel, and petrol products to other inland and North Sea destinations.

### ► Dedicated logistics parks

The Ministry of the Economy and Foreign Trade has developed and owns logistics parks in the immediate vicinity of the Luxembourg Airport (Eurohub Centre) and of major railway and highway corridors (Eurohub South). Only added value activities that have a strong international market orientation are admitted to these parks, such as: Third Party Logistics, Fourth Party Logistics and Reverse logistics.

gives reliable operators the status of a secure and trustworthy operator of the supply chain. Depending on the level of certification, an AEO will benefit from various advantages in relation to customs clearance.

### ► Recognized certification agency

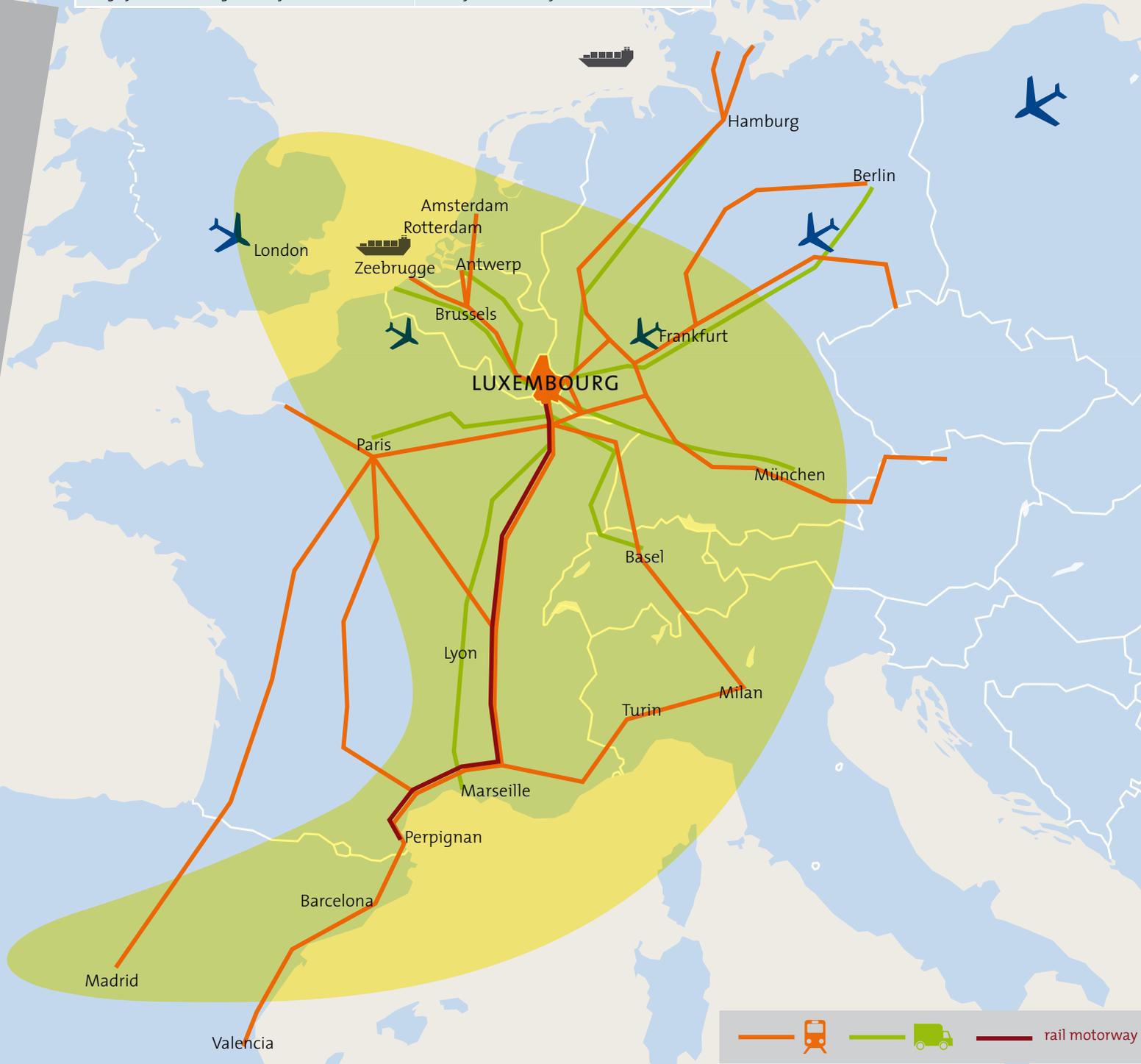
Many international automotive and electronic manufacturers take advantage of the know-how and the efficiency of Luxembourg's certification agency (SNCH), which offers EU wide recognized services. Thanks to the service offered by SNCH, it is possible to access international markets within a minimal period of time and at a reasonable cost.

### ► No VAT prefinancing

Importing goods into the EU generally triggers a VAT liability in the country of importation, unless the goods are placed under a specific warehousing regime. Most EU countries ask for immediate payment of the tax. In Luxembourg, payment of the tax is shifted to the VAT return automatically and unconditionally. Therefore no cost is linked to the prefinancing of import VAT in Luxembourg.

Schenker, TNT, Transalliance, Yangtze River and Yusen Air & Sea to name but a few have already chosen Luxembourg as an operating base for added value logistic activities.

BUSINESS CARD	
Area:	2,586 sq km
Population:	500,000 inhabitants
Languages:	Lëtzebuergesch (mother tongue), French, German, English
Currency:	Euro
Political System:	Constitutional Monarchy   Parliamentary Democracy
Head of State:	HRH Grand Duke Henri
EUROPEAN UNION CAPITAL	
European Commission Services (Translation, Publications, Statistics)   European Court of Auditors   European Court of Justice   European Investment Bank   European Investment Fund   Secretariat of the European Parliament	
FOUNDING MEMBER OF MAJOR INTERNATIONAL ORGANISATIONS	
BENELUX   Council of Europe   European Union   NATO   OECD   United Nations	
HIGHLIGHTS	
Strategic geographical location	Lower labor costs than neighboring countries
Predictable and stable business environment	Easy access to Government and
Multimodal transportation (air/rail/road/waterways)	Customs authorities
Rewarding tax environment	Quick implementation of relevant
Dedicated logistics parks	EU legislation results in first mover advantage
Highly skilled multilingual workforce	State-of-the-art ICT infrastructures



## WHY LUXEMBOURG?

In today's competitive world, the ability to accurately assess the attractiveness of countries or markets becomes increasingly important for companies operating on a global scale.

The facts leave no doubt that Luxembourg has much to offer in this respect. Comparisons with other countries illustrate its attractive business environment and its superior performance in many areas.

### ► A long industrial tradition

Luxembourg's long industrial tradition reaching back to the late 19th century and its successful economic diversification have allowed the country to create an exceptional workforce whose exemplary industriousness and work ethics are internationally recognised.



However, what makes Luxembourg stand apart is the fact that it manages to combine a unique series of assets:

### ► Sound economic fundamentals

Far-sighted and pro-business policies supported by a strong national consensus have enabled Luxembourg to successfully meet the challenges of economic change over the past decades. Today the Grand Duchy enjoys the highest standard of living in Europe, low inflation and unemployment, competitive corporate and personal income taxes and a balanced budget.

Due to its central location in Europe, its cosmopolitan population, the high level of education, the multilingual capabilities and the high productivity of its labour force, Luxembourg is an ideal starting point from where to gain access to the approximately 500 million European consumers.

### ► Luxembourg: connecting people

Located in the "Heart of Europe", Luxembourg offers well-developed transportation and communication networks. The extended road and rail system as well as the Luxembourg international airport link the country with economic and political centres throughout the world.

### ► An exceptional business environment

Luxembourg's economic policies value the strength of private initiative and innovative spirit. A free market approach gives businesses broad freedom of action. It is a small country where business can be developed easily and directly, avoiding cumbersome administrative red tape. The Government is willing to provide tailor-made incentives for investment, research and development.

### ► A high quality of life

A high standard of living as well as a comparatively low cost of living in a cosmopolitan environment provide an ideal basis on which to build future development and success. As one of the largest per capita contributors towards developing countries, Luxembourg and its population display a profound sense of compassion for the less well-off.

### ► Social and political stability

Social conflicts in the Grand Duchy are avoided by regular consultations between the various social partners and the Government. These are just some of the reasons why there has hardly been a strike in the last 80 years.

**Clemens Abt**  
Managing Director  
**Kuehne + Nagel Luxembourg**

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"An important advantage for establishing a distribution hub in Luxembourg is the easy access to Customs authorities and their flexible approach, the presence of major players in the freight forwarding business and the governmental commitment to develop the logistics sector."  
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**Makoto Makita**  
Branch General Manager  
**Nippon Express Luxembourg**

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"Thanks to the favourable business environment that we find in Luxembourg, our company has rapidly developed high added-value logistic activities to serve its customers throughout Europe."  
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**Helmut Scholz**  
Vice President Airfreight Division  
**Panalpina Luxembourg**

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"We appreciate the Government's initiative to strengthen Luxembourg's positioning as a logistics hub by developing a suitable infrastructure as well as specific competences. For this reason we are actively involved in the training program for qualified logistics administrators."  
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