

E-commerce Luxembourg

• **E-commerce today**

E-business has become part of our society. The continuously growing implementation of technology into our daily business and administrative operations makes it a need to adapt to this inevitable evolution. One third of European companies now use e-commerce in business procurement, logistics, finance and product development. Luxembourg is aware of this change, hence it has been “rapidly expanding its electronic commerce infrastructure”. With its high penetration of computer and internet users and its well-developed telecommunications infrastructure, Luxembourg has established cornerstones on which to build a robust e-commerce market.



• **Global players**

Many global players have already chosen Luxembourg as their place of establishment. AOL, Microsoft, Amazon and Apple are just a few among other major groups who value Luxembourg’s well-sophisticated business environment and who have constructed a distribution platform for Europe on Luxembourg grounds.

• **Why Luxembourg?**

Luxembourg offers many advantages for international companies who want to establish on its ground.

► **High IT penetration and a good telecommunications infrastructure**

Presence of highly qualified IT and communication providers offering state-of-the-art technological infrastructures.

- ◆ A good optical fibres infrastructure
- ◆ Strong development of the broadband network
- ◆ No restrictions to ADSL access
- ◆ Broadband networks have a penetration of 7 % (89 % ADSL et 11 % CATV) with a rise of 66 % from 2003 to 2004
- ◆ 50 % of the population buys on-line

► **Competitive wages**

- ◆ Ranked Number 3 for medium hourly wage (20,08 € / hour)
- ◆ Monthly gross minimum wage: 1.403 € for non qualified workers and 1.684 € for qualified workers
- ◆ A good equilibrium between high salaries and low social costs allows to maintain competitive unit costs compared to other adjacent countries.

With a population of approximately 450.000 people, Luxembourg’s e-commerce sales on a total basis are not likely to match those of its much more populous neighbours; however, given the relative wealth and sophistication of its population and their access to the internet, one could predict that their per-capita e-commerce spending would be among the highest in the world.

► **E-Government**

- ◆ Luxembourg authorities initiated numerous projects to facilitate on-line administration and to render it more transparent.

Proactive and open attitude of the authorities towards e-commerce players. The Luxembourg government has the will to transform the country into an international high-technology hub.

- ◆ The information society is a priority for the Luxembourg government.
2000: Luxembourg was the first country to transpose the European directive on commerce and electronic signatures
14th August 2000: Luxembourg adopts a law on electronic commerce
1st June 2001: Introduction of a law on electronic signatures
2nd August 2002: Implementation of a law on protection of personal data
These laws provide a legal framework to protect consumers in a field based on virtual relations.

February 2001 : The Government launches eLuxembourg, following the action plan eEurope. Its aim is to help Luxembourg becoming an information society.

1st July 2003: Implementation of the VAT Directive on e-commerce

◆ From this date on, in case of B2C electronic transactions, non-EU suppliers are required to register and account for EU VAT. Within this context, establishment of a B2C e-business in Luxembourg can offer very significant advantages.

Ranked Number 4 worldwide in the number of secure servers per million inhabitants.

◆ More than 100 projects that are financed and coordinated by the national Commission for the information society aim to enhance e-commerce, improve public electronic services and develop the telecommunications and IT infrastructure.

► **And more...**

- ◆ Geographically located in the heart of Europe
- ◆ Multilingual and highly-educated workforce
- ◆ Political, economic, and social stability
- ◆ Lowest VAT rates in the European Union – standard rate of 15 % and super-reduced rate of 3 % applicable on certain items.
- ◆ E-invoicing and electronic VAT returns
- ◆ Low corporate tax rates (30,38 %)
- ◆ Large financial centre, holding, finance and headquarter location

Luxembourg is in the heart of Europe with a multilingual and qualified workforce

• **Interested ?**

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• **Advantages at a glance!**

- ◆ High IT penetration and a good telecommunications infrastructure
- ◆ Competitive wages
- ◆ Proactive and open government towards e-commerce players
- ◆ Extremely high security of servers
- ◆ Geographically located in the heart of Europe with easy access to its 450 million inhabitants
- ◆ Multilingual and highly-educated workforce
- ◆ Political, economic, and social stability
- ◆ Lowest VAT rates in the European Union, i.e. a standard rate of 15 %
- ◆ E-invoicing and electronic VAT returns
- ◆ Low corporate tax rates (30,38 %)
- ◆ Large financial centre, holding, finance and headquarter location

