

Luxembourg advances to 9th place

The IMD World Competitiveness Center has published its 5th edition of the "World Talent Ranking". Overall, while IMD's general "World Competitiveness Ranking" already serves as an instrument to countries in order to rate their national environment's competitiveness since 1989, IMD has continued to provide additional reference points to governments around the world, most notably by introducing the above-mentioned "World Talent Ranking" in 2014 as well as a "World Digital Competitiveness Ranking" in 2017.

Generally speaking, the "World Talent Ranking" assesses the extent to which the 63 referenced economies develop, retain as well as attract highly-skilled professionals in order to sustain the talent pool that enterprises employ. For this purpose, the

ranking aggregates performances of the referenced countries in three different areas: the investment in and the development of home-grown talent ("Investment and development" factor), the ability of a country to attract and retain talent ("appeal" factor) as well as the quality of the skills and competencies available ("readiness" factor).

In this year's edition, the Grand-Duchy advances one place up compared to 2017, hence occupying a solid 9th place regarding overall performance, just in front of its neighbors (Germany 10th ; Belgium 11th ; France 25th). Meanwhile, Western European economies continue their dominance, as Switzerland (in first) and Denmark (in second) firmly lead the IMD "World Talent Ranking" for the fifth consecutive year in a row, with Canada being the only non-European country to make it into the Top-10 of this year's edition.

In line with the results of last year's ranking, the 2018 report reveals that Luxembourg is well-posi-

tioned for each one of the 3 subcategories: 18th in "Investment and Development", 11th in "Readiness" and 4th in "Appeal".

While the "Appeal" factor has traditionally been one of Luxembourg's strengths over the last couple of years, mainly due to a good score for indicators such as the remuneration in services professions (4th), the Grand-Duchy also seems to have moved into a higher gear regarding the "Readiness" factor, as it gained 6 places in this subcategory compared to last year. In fact, this improvement can mainly be explained by a better score regarding "labor force growth" (2nd in 2018 compared to 9th in 2017) as well as by better results for "management education" (29th in 2018 compared to 36th in 2017), as survey data indicates.

However, as far as "Investment and development" is concerned, IMD's report shows that Luxembourg loses places for the third consecutive time since 2015. On one hand, as total public expenditure on

education is only measured in relative terms (% of GDP), this bad score can be explained by IMD's methodology which as a result suggests that Luxembourg invests significantly less in human capital than other countries. On the other hand, with Luxembourg currently facing a major shortage of school teachers, its traditionally good performances regarding the pupil-teacher ratio (primary / secondary education) seem to have lost a bit of momentum compared to previous years.

To sum up, it can thus be argued that these results demonstrate that the Grand-Duchy still has to increase its efforts in the coming years, in order to cultivate a skilled workforce which is crucial to strengthening competitiveness and achieving long-term prosperity.

Find more information on the IMD "World Talent Ranking" under the following link: <https://www.imd.org/wcc/world-competitiveness-center-rankings/talent-rankings-2018/>