

## LUXEMBOURG: A NEW PARADIGM!

CARLO THELEN, THE NEW DIRECTOR GENERAL OF LUXEMBOURG'S CHAMBER OF COMMERCE, IS A QUALIFIED ECONOMIST. INTERVIEW.

### HOW WOULD YOU ANALYSE THE CURRENT POLITICAL AND ENVIRONMENTAL SITUATION IN LUXEMBOURG?

We have now entered a key phase for the country's future: Luxembourg has all the assets it needs to succeed and now, more than ever, is the time to focus on our future development. Take, for example, inter-generational equity. Budget consolidation is finally receiving the attention it deserves. And with good reason, the Grand Duchy has real room for manoeuvre. Public expenditure currently represents €34,000 per citizen and per year, i.e. double the European average. Even if we cut this contribution by 10%, Luxembourg will still rank among the most generous countries. As well as the budget, we need to ensure that other projects are not pushed into the background. For example, the social model, housing or even competitiveness. Budgetary balance is not something that can be decreed. It is driven by a consistent socio-economic policy mix. This dynamic is fuelled by growth, attractiveness and competitiveness.

### WHAT ARE YOUR PRIORITIES AS DIRECTOR GENERAL OF THE CHAMBER OF COMMERCE?

At the end of 2012, together with my predecessor Pierre Gramegna, (now Minister of Finance, editor's note), we introduced the Chamber of Commerce's 2020 strategy. I am continuing to



“*Our philosophy is to do better with less.*”  
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implement this strategy with my team. The Chamber aims to remain the key contact for companies, professional organisations and the government. Our main objective is defending companies' general economic interest, beyond individual interests. We are maintaining an overall perspective as part of a long-term approach. We are continuing to be a critical partner of policies implemented, refraining from personal criticism at all times and instead supporting our arguments with facts and addressing the government as a whole.

### WHAT THREATS AND OPPORTUNITIES ARE ON THE HORIZON?

The financial crisis has changed the paradigm:

we no longer have the growth rates we enjoyed in the past. To make the Luxembourg model sustainable, we need to redefine it and target it more effectively. Our philosophy revolves around doing better with less, to further improve our competitiveness and social cohesion. Having said this, Luxembourg has many assets. First and foremost, we need to look after what exists: by opening up new markets for our companies, promoting innovation, capitalising on the financial market, industry, trade and tourism. But we also need to develop new niches. For example, the RMB platform, philanthropy, gaming, cloud computing, eco-technologies and logistics. We have some great entrepreneurs and start-ups in these fields,

creating strong foundations for the future.

### WHAT ABOUT PROPERTY?

Corporate property is developing favourably, recording performance above the European average and very low vacancy rates. Our financial market also supports the structuring of property funds and even “Sharia compliant” funds. Home to more than 160 nationalities, Luxembourg is a real cultural crossroads, a laboratory of ideas and a smaller scale version of Europe.

### MORE INFORMATION

[www.cc.lu](http://www.cc.lu)  
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