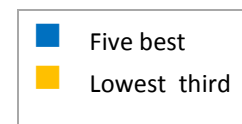



SPRING 2011 REFORM BAROMETER - LUXEMBOURG

	Level			Rank			Gap		Areas of Action	
	2009	2010	Change	2009	2010	change	EU top 5	Gap ¹	2010	
Pillar I	1 GDP per capita (Purchasing Power Parity- PPP)	49086	51079	4,1%	1	1	0	NL IE SE AT DE	68%	
	2 GDP per capita (€ at 2000 prices)	44075	44032	-0,1%	2	2	0	DK SE IE FI AT	44%	
	3 Labour productivity per hour worked (PPP)	60,2	60,8	1,0%	1	1	0	NL BE FR DE IE	47%	
	4 Labour productivity per person employed (PPP)	89961	93177	3,6%	1	1	0	IE BE FR SE NL	40%	
	5 Private investment (excluding non residential, %GDP)	5,4	5,7	0,3	29	29	0	BG BE AT DE IT	-7,9	
	6 Industrial activity (% total value added)	9,0	8,7	-0,3	31	31	0	IE SK CZ FI SI	-23,9	
	7 R&D expenditure (% GDP) *	1,6	1,7	0,1	15	17	-2	FI SE DK DE AT	-1,5	
	8 Operating surplus (% total value added)	45,5	46,3	0,8	11	11	0	BG GR MT SK IE	-8,3	
Pillar II	9 Current Account (% GDP)	6,7	8,4	1,7	5	3	2	LU SE NL DE DK	2,5	
	10 Export market share (gain from 2000)	-7,5	-7,8	-0,2	24	24	0	RO LT CZ HU BG	-71,2	
	11 Net export contribution to GDP	1,6	-0,5	-2,1	18	28	-10	BG IE GR HU CY	-4,4	
	12 Share in global trade	0,2	0,2	0,0	25	25	0	DE FR NL UK IT	-4,1	
	13 Relative unit labour cost (gain from 2000)	1,2	1,6	0,3	10	10	0	DE PL AT SE FR	9,4	
	14 High-tech exports (% total exports) **	32,4	35,2	2,8	2	2	0	MT LU IE HU CY	6,4	
Pillar III	15 Employment rate (% working age population)	65,2	64,7	-0,5	5	6	-1	NL DK SE AT DE	-4,0	
	16 Employment rate 15-24 (% population 15-24)	26,7	19,4	-7,3	23	30	-7	NL DK AT UK DE	-34,2	
	17 Employment rate 55-64 (% population 55-64)	38,2	40,3	2,1	26	25	1	SE DE UK CY DK	-19,4	
	18 Annual hours worked (per capita)	1494	1532	2,5%	28	28	0	PL GR HU LV CZ	-22%	
	19 Labour participation (% working age population)	68,5	68,7	0,2	25	24	1	DK SE NL PT DE	-11,3	
	20 Working age population (as % total population)	68,1	68,2	0,1	13	13	0	SK PL CY CZ RO	1,0	
	21 Unemployment rate (% labour force)	5,1	5,5	0,4	5	6	-1	AT NL LU MT CY	-0,1	
Pillar IV	22 Gross debt - general government (% GDP)	14,5	18,2	3,6	2	2	0	EE LU BG RO LT	-5,9	
	23 Net debt - general government (% GDP)*	N/A	N/A	N/A	N/A	N/A	N/A	FI EE SE BG CZ	N/A	
	24 Government budget balance (% GDP)	-0,7	-1,8	-1,0	3	5	-2	SE EE LU FI DE	0,3	
	25 Primary balance (% GDP)	-0,4	-1,4	-1,1	5	11	-6	HU SE IT EE MT	-1,0	
	26 Tax burden (% GDP)	38,0	37,8	0,0	20	20	0	LV SK RO BG LT	7,2	
	27 Highest marginal tax rate, individual rate (%)*	39,0	39,0	0	14	15	-1	BG CZ LT RO SK	0	
	28 Public investment (% total public expenditure)	9,3	9,4	0,0	12	13	-1	PL CZ RO BG LV	-4,6	
	29 Budgetary adjustment related to age (% GDP)	N/A	7,5	N/A	N/A	27	N/A	PL EE HU BG SE	7,4	
	30 Net foreign assets (% GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	NL BE DE DK FI	N/A	
Pillar V	31 Net financial assets, households (% GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	BE IT NL FR DE	N/A	
	32 Net financial liabilities, non financial corporations (% GDP)*	N/A	N/A	N/A	N/A	N/A	N/A	SK NL DE GR PL	N/A	
	33 Regulatory tier 1 capital to risk weighted assets *	15,4	18,9	3,5	3	2	1	MT LU BE BG EE	1,7	
	34 Non performing loans to total gross loans *	1,0	1,3	0,3	4	3	1	FI LU SE SI AT	-0,4	
	35 Loans to private sector (% GDP)	353,0	343,1	-9,9	26	26	0	RO SK PL CZ HU	300,5	
	36 Bank liabilities (%GDP) *	N/A	N/A	N/A	N/A	N/A	N/A	SK RO PL LT BG	N/A	



1. Percentage points, when not indicated otherwise

* 2008/ 2009 data
 ** 2007/ 2008 data

Source : European Commission, Eurostat

A methodological note can be found in the report or [here](#).

PRIORITIES FOR REFORM: ANSWERS FROM FEDIL (LUXEMBOURG)

	Policy Area	Concrete Recommendations	Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	12	Better implementation of the Bologna process and reform of the employment administration	x	
Priority 2	8	Flexibility of working hours and work contracts. Swift implementation of temporary work directive.	x	x for working hours
Priority 3	11	Freeze or modulation of automatic indexation. Improve the selectivity of social transfers.		x
Priority 4	14	Guarantee the sustainability of health care and pension systems	x for pensions	x for health care
Priority 5	22	Develop and increase the venture capital sector.		x

<u>Policy areas</u>
1. Business Environment - Regulatory barriers to entrepreneurship
2. Business Dynamics - Start-up conditions
3. R&D and Innovation
4. ICT
5. Competition policy framework
6. Sector specific regulation (telecom, energy)
7. Market integration - Openness to trade and investment
8. Active labour market policies
9. Job protection
10. Labour supply measures for specific groups (older workers, women...)
11. Wage bargaining and wage-setting policies
12. Labour market mismatch and labour mobility
13. Making work-pay: interplay of tax and benefit system
14. Pension and health care reforms
15. Quality of fiscal institutions and budgetary framework
16. Consolidation of public expenditures
17. Public sector efficiency
18. Public investment
19. Tax reforms
20. Access to bond markets
21. Access to equity markets
22. Venture capital and SME financing instruments
23. Bank lending conditions
24. Long term investment instruments