



Luxembourg

Business

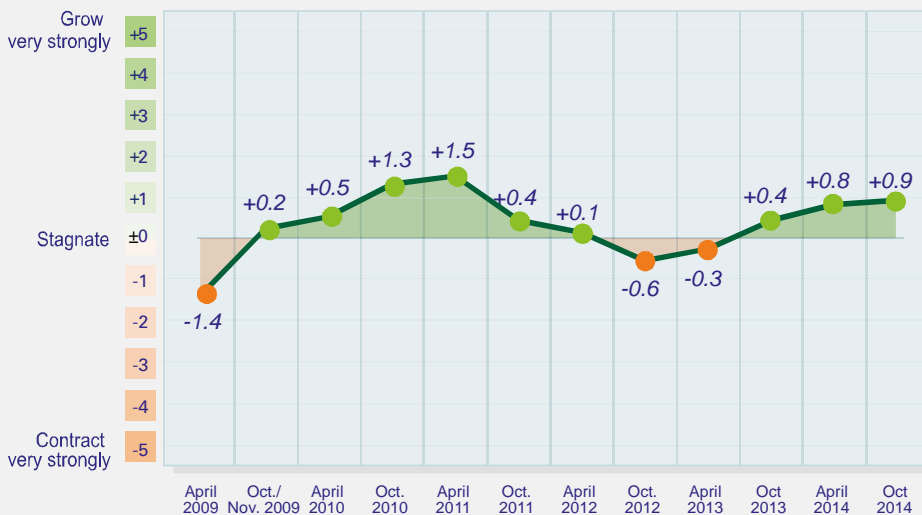
Compass

by KPMG and Luxemburger Wort



Twelve-month outlook for the Luxembourg economy

How do you think the Luxembourg economy will develop over the next 12 months ?

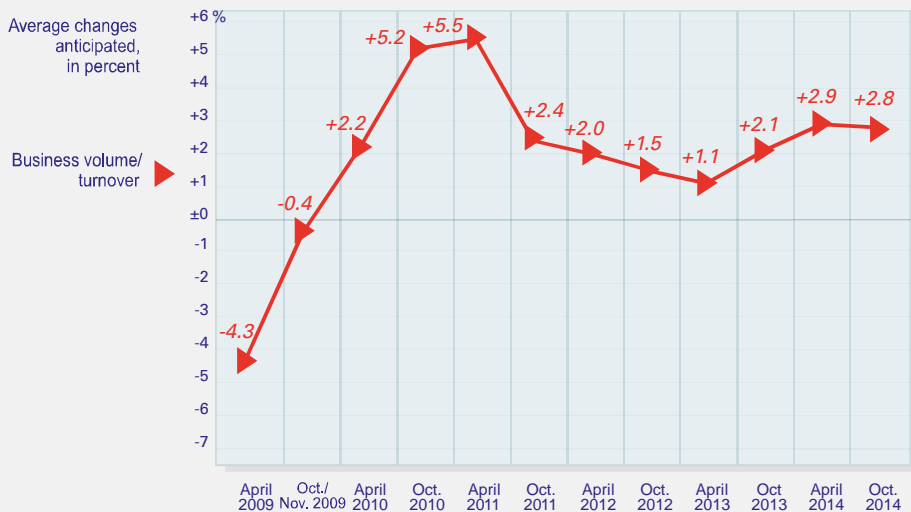


Key messages

- Continued positive outlook in October 2014, virtually unchanged compared to April.
- 5th successive improvement.
- Responses clustered around +1 level, with little spread.

Six-month outlook for respondents' companies - turnover

How do you expect the following areas or indicators to develop at your Luxembourg company over the next 6 months?

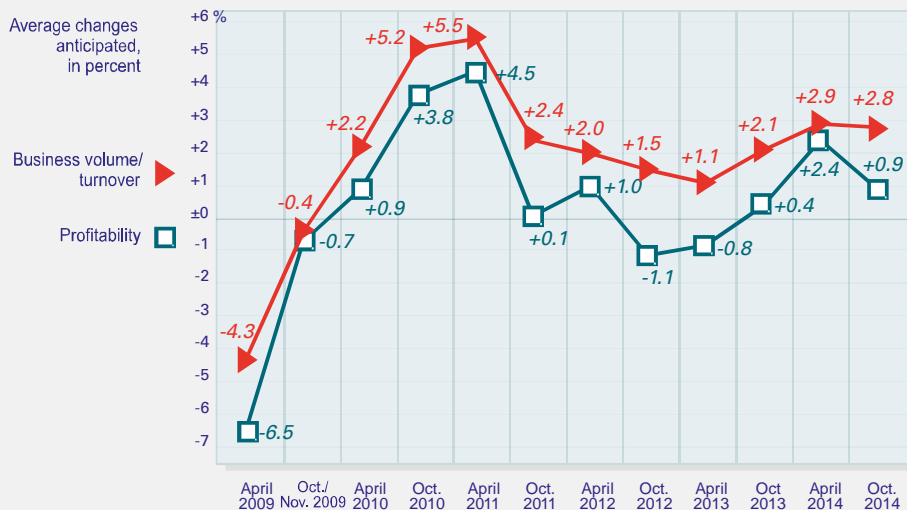


Key messages

- October 2014 volume/turnover outlook positive at 2.8%.
- Virtually unchanged compared to April.

Six-month outlook for respondents' companies - profitability

How do you expect the following areas or indicators will develop at your Luxembourg company over the next 6 months?

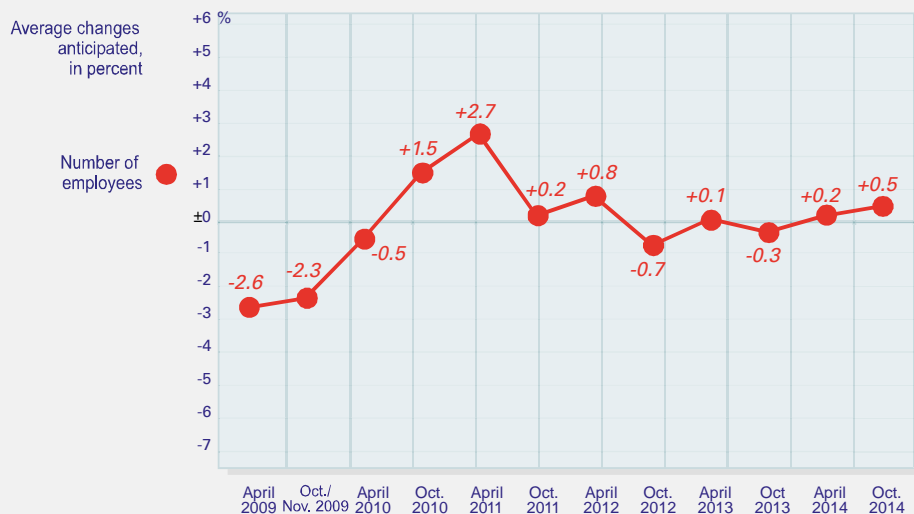


Key messages

- October 2014 profitability outlook still positive at +0.9%.
- Strong trend reversal versus April.

Six-month outlook for respondents' companies - employees

How do you expect the following areas or indicators will develop at your Luxembourg company over the next 6 months?

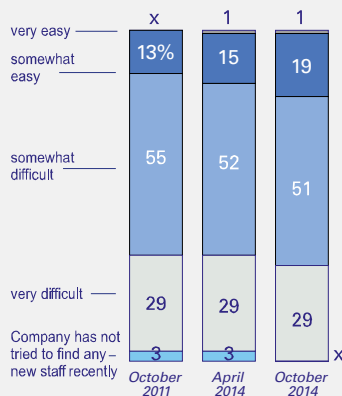


Key messages

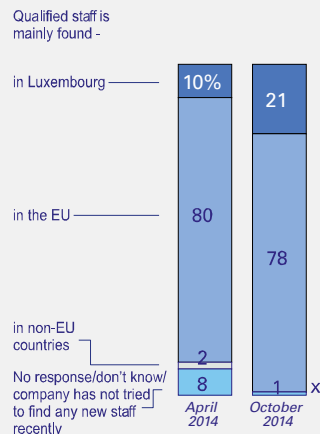
- October 2014 employee number outlook slightly positive at +0.5%.
- Slight increase compared to April 2014.
- 33% foresee a stable workforce, 44% are looking to recruit against 23% that are predicting a reduced workforce.

Availability of qualified staff

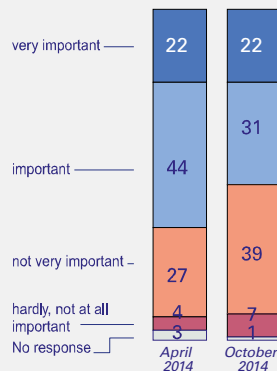
How easy or how difficult is it for your company to find qualified staff at the moment?



When you are currently looking for qualified staff, where do you mainly find these new staff members?



How important do you think it is for the government to implement a 'fast-track-process' to make it easier for Luxembourg companies to hire qualified staff from non-EU countries?

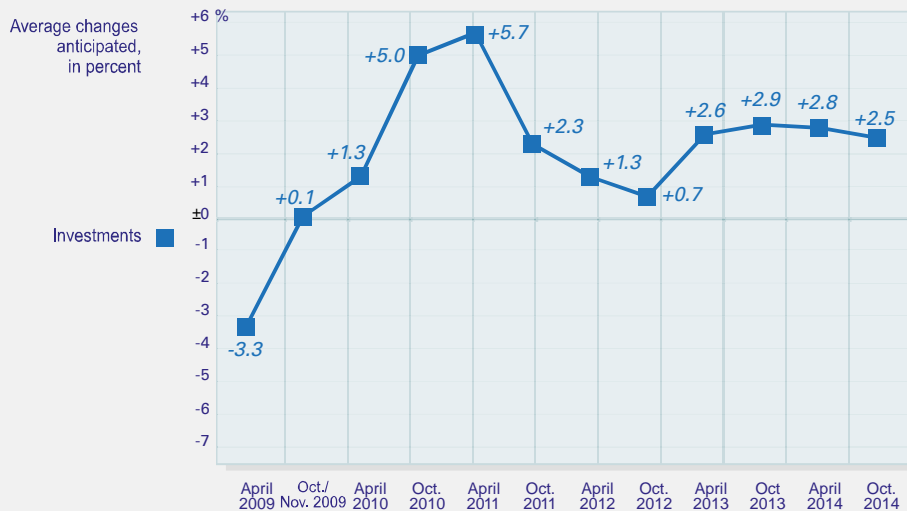


Key messages

- 80% of respondents experience significant difficulties in finding skilled employees.
- Qualified staff is generally found in EU countries.
- Making it easier to hire qualified staff from non-EU countries is viewed favorably, but by a slim margin only.

Six-month outlook for respondents' companies - investments

How do you expect the following areas or indicators will develop at your Luxembourg company over the next 6 months?

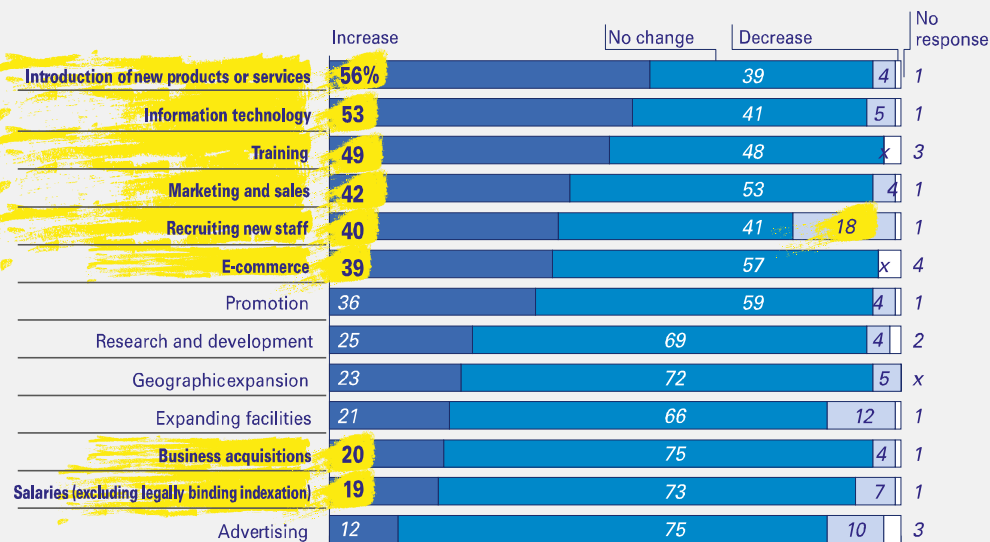


Key messages

- October 2014 investments outlook positive at +2.5%.
- Minor reduction compared to April.

Planned investments

In which of the following areas will your Luxembourg company increase or reduce its expenditures in the next 6 months?

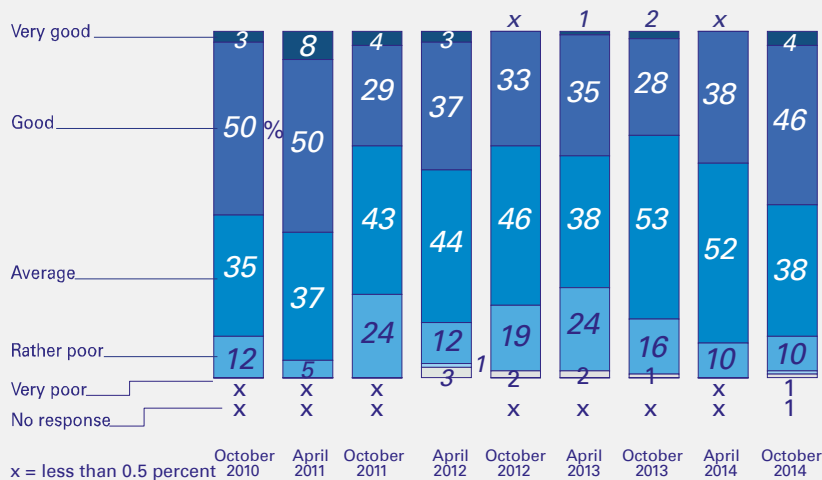


Key messages

- Increased budgets in all areas of operations.
- Marketing budgets rising, except for advertising.
- Training budgets expected to increase.
- Growth for recruitment as well as salaries.
- Push to increase business acquisitions.
- IT and E-commerce expected to increase.

Luxembourg's competitiveness as a business location

How do you assess the competitiveness of Luxembourg as a business location?

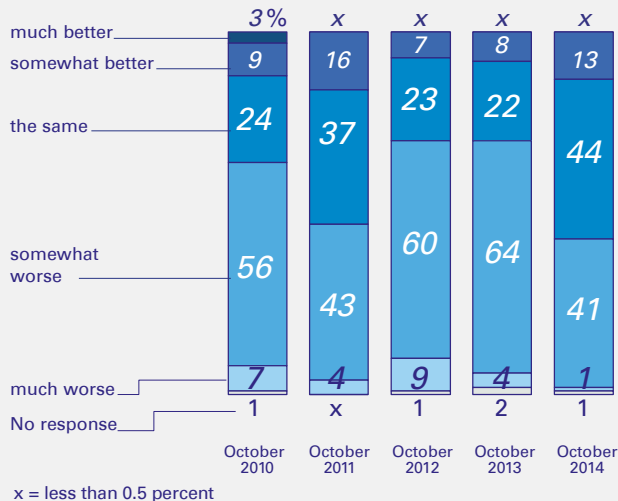


Key messages

- Competitiveness continues to improve substantially.
- Confirmation of the signs of improvement first seen in April this year.
- 50% rate the competitiveness as good or very good.

Evolution of Luxembourg's competitiveness

Compared to the situation two years ago, Luxembourg's competitiveness as a business location is now -

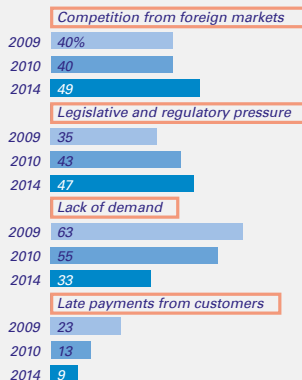


Key messages

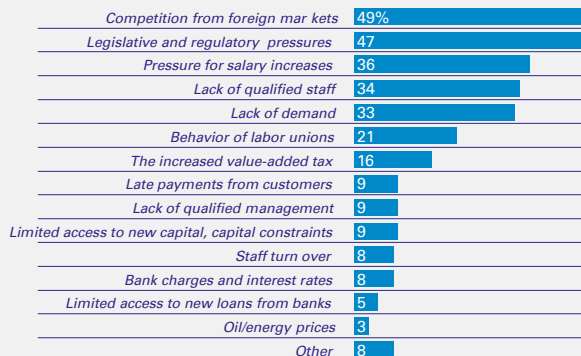
- The majority of entrepreneurs believe our competitiveness has stayed the same or even improved compared to two years ago.
- First time in three years that this is the case.

Barriers to growth

Most important barriers to growth



Thinking again of the next 6 months: Which of the following represent the most important barriers to growth at your Luxembourg company?



Key messages

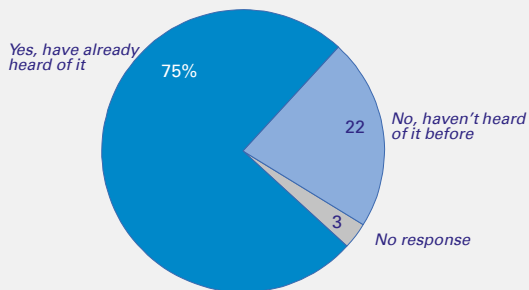
- Competition from foreign markets, legislative and regulatory pressures are top of the list.
- Notable shift in barriers since 2009.
- Access to finance not seen as an issue.

Nation branding

The government has launched an initiative to develop a 'nation branding strategy' for Luxembourg.

The aim is to establish Luxembourg as a brand and raise Luxembourg's profile in other countries.

Have you or haven't you heard of this initiative before?"



How do you view this initiative?



x = less than 0.5 percent

Will it have a positive impact on your company's business?

Key messages

- Well known initiative among Luxembourg entrepreneurs.
- Viewed positively by the majority of participants.
- Slightly more than half of all participants optimistic about the impact of the initiative.

Thanks to





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