



SPRING 2010 REFORM BAROMETER - LUXEMBOURG

1. SUMMARY TABLE

<u>Luxembourg</u>				Rank among 29 **			Relative Gap	
	2008	2009	Change	2008	2009	Change	EU 5 top performers 2009	Gap to EU 5 top performers 2009
GDP per capita (Purchasing Power Parity - PPP)	51646	48697	-5.7%	1	1	0	LU, IE, NL, AT, BE	43%
GDP per capita (€ at 2000 prices)	46281	44236	-4.4%	1	2	-1	LU, DK, SE, IE, UK	29%
Labour Utilisation (Annual hours worked per capita)	673	651	-3.2%	26	26	0	CY, SI, GR, CZ, PL	-26%
Annual hours worked per person employed	1557	1511	-3.0%	25	26	-1	GR, HU, PL, SI, CZ	-25%
Employment as % of labour force (100-unemployment rate)	95.1	93.8	-1.3	9	7	2	NL, DK, AT, CY, LU	-1
Labour participation (labour force as % of active population)	66.8	67.6	0.8	24	22	2	NL, DK, SE, DE, UK	-14
Dependency ratio (working age population as % of total population)	68.0	68.0	0.0	15	14	1	SK, PL, CY, CZ, RO	-4
Labour Productivity (GDP per hour worked, in PPP)	46.5	45.3	-2.6%	2	2	0	LU, BE, NL, FR, DE	5%
Labour Productivity (GDP per hour worked, € at 2000 prices)	68.8	68.0	-1.2%	1	1	0	LU, SE, BE, DK, FR	44%
Capital deepening (capital stock per hour worked)*	6.6	6.5	-1.2%	1	1	0	IE, FR, LU, AT, SE	12%
Total Factor Productivity (level of economic efficiency per hour worked)*	10.4	10.4	0.0%	1	1	0	LU, UK, DK, SE, BE	21%
Corporate Investment (private investment excluding non-residential, % GDP)	6.6	4.4	-2.2	28	28	0	BE, RO, AT, DK, SK	-8.7
Current Account Balance (as % GDP)	5.5	9.4	3.9	4	2	2	LU, SE, LV, DE, EE	3.0
Export market share measured in volume relative to main 35 trading partners (from 2000)	-7.7	-11.4	-3.7	22	23	-1	RO, LT, HU, CZ, PL	-66.1
Unit labour Costs relative to main 35 trading partners (from 2000)	0.1	-0.2	-0.3	9	8	1	DE, PL, AT, SE, GR	6.9
Government gross debt (as % GDP)	13.5	15.0	1.5	2	2	0	EE, LU, BG, RO, LT	-2.8
Net lending/net borrowing of general government (as % GDP)	2.5	-2.2	-4.7	5	5	0	BG, DK, SE, LU, FI	-0.2
Required budgetary adjustment related to ageing (as % GDP)	N/A	7.5	N/A	N/A	26	N/A	PL, EE, HU, BG, SE	7.4
Public Investment (as % total public expenditure)	10.8	11.2	0.3	10	8	2	BG, RO, EE, CZ, PL	-5.2
Tax burden (as % GDP)	35.7	36.5	0.9	13	17	-4	LV, RO, IE, SK, LT	8.7

Note: Labour utilisation and productivity are a product of its sub-components.

* Rank refers to EU15 ** EU 27, Norway and Switzerland

Source : European Commission, Eurostat

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

2. PRIORITIES FOR REFORM: : ANSWERS FROM FEDIL (LUXEMBOURG)

	1. Priority areas	2. Concrete Recommendations	3. Are the proposed recommendations already in the agenda of your Government?	
			Yes	No
Priority 1	Wage bargaining and wage-setting policies	Abolish or freeze automatic indexation of salaries		X
Priority 2	Labour market mismatch and labour mobility	Flexible labour market policies and reform of agency for employment	X	
Priority 3	Sector specific regulation (telecom, energy)	Liberalize energy market and liberalize access to broadband network	X	
Priority 4	Orientation and sustainability of public finances	Cut public spending	X	
Priority 5	Education and life-long learning	Reform secondary education system to make it more labour market oriented	X	