

Luxembourg

1. National Recovery and Resilience Plans

Question 1	How satisfied or dissatisfied are you with the way your country is implementing the national recovery and resilience plan?	Neutral
Question 2	How satisfied or dissatisfied are you with the involvement of social partners in the implementation so far of your national recovery and resilience plan?	---
Question 3	How effective do you think the European Commission is being in ensuring strong implementation of the reforms in the national recovery and resilience plans across the EU?	Somewhat confident

2. Assessment of Country Specific recommendations 2022 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	<p>In 2023, ensure that the growth of nationally-financed current expenditure is in line with an overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and to people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, RePowerEU and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions. Improve the long-term sustainability of the pension system, in particular by limiting early retirement and by increasing the employment rate of older workers. Take action to effectively tackle aggressive tax planning, including by ensuring sufficient taxation of outbound payments of interests and royalties to zero and low-tax jurisdictions.</p>	Extremely important	Unsatisfactory	Especially important in Luxembourg: the long-term sustainability of the pension system (see the 2021 Report of the Ageing Working Group).
CSR 2	<p>Proceed with the implementation of its recovery and resilience plan, in line with the milestones and targets included in the Council Implementing Decision of 13 July 2021. Submit the 2021-2027 cohesion policy programming documents with a view to finalising their negotiations with the Commission and subsequently starting their implementation.</p>	Helpful (but not a priority)	Mixed	The amount of the recovery and resilience plan is quite limited (as a % of GDP) in Luxembourg.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Reduce the impact of inequalities on pupils' performance and promote equal opportunities for all students in the educational system.	Important	Unsatisfactory	A recurrent problem in Luxembourg (see the OECD Pisa studies). This is to a certain extent related to high linguistic requirements.
CSR 4	Reduce overall reliance on fossil fuels by accelerating the deployment of renewables, electricity transmission capacity, and investment in energy efficiency in both the residential and non-residential sectors. Support municipalities in developing detailed local plans for the deployment of renewable energy, including wind power and photovoltaics, and for district heating and cooling systems. Further promote electrification of transport and invest in public transport networks and infrastructures.	Important	Mixed	Very important, but the relevant area should be Luxembourg and the surrounding foreign areas, not just Luxembourg (which functions as a sort of regional metropolitan centre, with high inflows of foreign employees and the related impact on transports for instance).

3. Reform Progress in your Member State in 2022

How would you assess reform progress in 2022, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Unsatisfactory
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2023 Reform Barometer?

4. Reform priorities for 2023

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	---	---	---
Priority 2	---	---	---
Priority 3	---	---	---
Priority 4	---	---	---
Priority 5	---	---	---