

Speech to the US Chamber of Commerce

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Ladies and Gentlemen,
Distinguished guests,

It is a great pleasure for me to take the floor in front of so many distinguished representatives of the business community. I would like to thank all of you for joining us this morning and showing your interest in Luxembourg and its role as a gateway for doing business with Europe. I am grateful to the US Chamber of Commerce for organizing this event and for their kind invitation to speak to you.

As friends and allies, the United States of America and Luxembourg have developed a strong bilateral relationship.

That relationship has been fostered by exemplary progress in trade and in business generally. Over the years, Luxembourg has become a prime location for American investment. I believe that the representatives of Goodyear, DuPont, Guardian, AOL and others can confirm that Luxembourg is indeed business-friendly. It is definitely favorable to the presence of foreign investments and especially of our American friends.

Many factors contribute to the attractiveness of Luxembourg for American business and investment in Europe.

Luxembourg is centrally located in Europe at the crossroads of the German and French cultures and offers outstanding political, economic and social stability. Its population is fluent in German, French and English. Luxembourg has an open, essentially export-driven economy based upon sound fundamentals, which allow the Government to pursue a growth-oriented and business-friendly fiscal policy. Furthermore, Luxembourg can proudly claim a climate of social peace which is unique in Europe: an ongoing dialogue founded on trilateral talks between Government, employers and trade unions.

Efficient communication and transportation infrastructures reinforce Luxembourg's position as a European hub for the export of goods and services. A long-time champion of cross-border cooperation, Luxembourg is a founding member of the European Union and part of the Euro Zone. It is fully integrated into the European common market, but still offers a kind of

“commercial neutrality” to companies choosing to locate there. Eleven million consumers live in the Greater Region around Luxembourg, one of Europe’s most prosperous regions.

Luxembourg is home of important institutions of the European Union, among them the European Court of Justice, the European Court of Auditors, the European Investment Bank and several strategic directorates-general of the European Commission, including the Office for Official Publications as well as Eurostat. Eurostat, the biggest office for statistics in the world, produces in addition key figures for the evaluation of Member States' economic performances within the framework of the stability and growth pact which is the basis of the European Monetary Union.

In addition Luxembourg is specialized in language services thanks to the presence of no less than four translation services working in the 20 languages of the European Union.

All in all that makes more than nine thousand staff, whose families have access to a European school, an English school, a French lycée and an international school.

Beyond the European Union, Luxembourg is also a founder member of NATO. That is why we are home to the NATO Maintenance and Supply Agency (NAMSA), the organization’s largest agency, which has more than 900 highly specialized personnel coming from practically every member state of the Alliance.

In addition, and in close collaboration with the US High Command in Europe, my country is host to Warehouse Service Agency (W.S.A.), a maintenance and supply agency which is recognized as the finest available to American forces in Europe.

And regarding the legitimate climate of concern with international terrorism threats which I have noted since my arrival here in the United States, may I remind you that the AWACS aircraft which have been in the air since the triple tragedies of 11th September are flying under Luxembourg colors, as they have done since February 1982.

However, Luxembourg is known not only as capital of international institutions. In the business world, it is recognized for its remarkable economic performance and for its dynamic economic and financial sectors.

It hosts the headquarters of both ARCELOR, the world’s largest steel producer, and of SES Americom, the world leader in the satellite business.

Luxembourg airport is the home of Cargolux, which with its fleet of 14 recently-delivered Boeing 747s is the number three freight carrier in Europe.

And Luxair is also an excellent customer of Boeing, with no fewer than five 737s.

Several American companies such as Goodyear, DuPont and Guardian have large manufacturing facilities in our country and use Luxembourg as a gateway to Europe.

Luxembourg is also a leading financial center in Europe and has been for more than thirty years now. Over the years it has become a solid, well supervised and regulated financial center with a broad, diversified offer of financial services and products, and it is now the 7th largest in the world in terms of assets. More than 160 banks are located in the country, including branches of every one of the world's 50 largest banks. It is also home to more than 7000 funds and to more than 250 reinsurance companies.

Diversification and the need to innovate have always been driving forces for successive Luxembourg Governments.

From the steel industry to the communications sector to the mutual funds industry, the economic development of Luxembourg has been marked by the continuous search for new niches. The Luxembourg Government knows that it has to be responsive to the needs of the business community, create a flexible legislative framework and react quickly to new developments taking place in Brussels.

After being the first country to implement the directive on mutual funds which allowed it to become a leader in that sector, Luxembourg has targeted technology companies and has been privileged to welcome recently companies like AOL and Amazon, who were attracted to Luxembourg because of its central location, its favorable tax environment, the nation's sophisticated communications infrastructure, as well as its state-of-the-art interconnections within the European Internet landscape.

Mr Jeannot Krecké, our Minister for Economic Affairs and Foreign Trade will in a few moments be talking about some of the new orientations of our Government which are aimed at making Luxembourg even more attractive for further investments.

The enlarged European Union of 455 million citizens, producing a quarter of the world's GDP, is the largest common market in the world. The transatlantic trade relationship is already strong, to the benefit and continuing prosperity of both Europe and America.

Transatlantic trade and, more importantly, foreign direct investment will greatly benefit from the growth potential of the enlarged Europe. The United States and the European Union represent 57% of the world's GDP, and the trade between us accounts for 40% of world trade. Our trade relationship is the most important in the world and we have a common interest in the liberalization of trade.

There is also a huge interdependence between our economies in terms of jobs and investments. Four million American jobs depend on European investment, and four million Europeans owe their jobs to American companies in Europe. Greater understanding of the depth of involvement of our respective economies is crucial. We are each other's partner of choice and this EU enlargement will increase the opportunities available to both sides.

Next year, Luxembourg takes over the Presidency of the European Council for six months, and we look forward to contributing to the further development of the European Union within the framework of a strong transatlantic relationship.

I want to conclude this address by stressing that the purpose of my first visit to the United States as Head of State, is to acknowledge our debt of gratitude. Gratitude, first of all, to the many American soldiers who came to rescue our country and contributed to its liberation, as they had done once before during the First World War. We are still indebted and deeply grateful to the brave American soldiers who fought so that we could live free and in peace. Over 5000 soldiers are buried on Luxembourg ground in the American military cemetery of Hamm; among them General George Patton.

And in the same spirit I should like today to express all my appreciation of the American business community, represented here at the highest level, who have chosen to invest in Luxembourg.

We are proud to have you amongst us, just as we are delighted at each new US investment in Luxembourg. Such investments mean that over the past forty years the United States has contributed significantly to my country's prosperity. I believe that this is a point which is important to make today in front of such an eminent assembly.

Thank you for your attention.