



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG

Together. For Everyone.

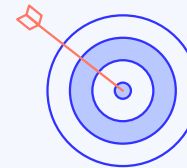
State of the Nation **2026**



“ We will not leave anyone behind. We support, we accompany, we understand. Because it is a matter of trust - trust in one another, trust in democracy and trust in the future. ”

Providing targeted support

- **Cost of living allowance** increased
- **Energy allowance** tripled to a minimum of €600
- **Rent subsidy** increased up to €80 per child
- **Minimum wage** exempted from income tax



Simplifying social assistance

- Merging five schemes into the **cost-of-living supplement**
- **Automatic renewal**
- **Automatic payment** to REVIS recipients
- **Automatic information exchange** between ministries



Safeguarding the welfare system

- First **pension reform** in 14 years
- **Modernising** the healthcare system
- **No two-class medicine** - uniform tariffs everywhere



Improving access to healthcare

- Legal basis for **medical group practices**
- **Decentralisation** of healthcare services for some procedures
- **More outpatient services** to reduce waiting times



Preparing the future

- **First status** for doctors in training
- **New infrastructure projects** across the country



“ Our shared responsibility is to give every child the same opportunities to succeed in life. The Government has presented a series of ambitious measures. For every family. For every child. ”

Supporting families

- New tax allowance of up to €3,000 per child under the age of 3
- Family allowances increased by €45, resp. €60, per month
- Reduced childcare costs
- Increase of the tax credit for single parents



Individualising the tax system

- More purchasing power
- Greater tax fairness between families and within couples
- More predictability in the face of life's uncertainties



Improving childcare

- Fairer calculation system
- Stronger quality controls
- More spaces in childcare facilities through new incentives



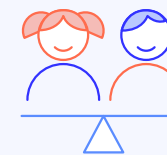
Protecting our children

- Digital violence defined as a criminal offence
- Minimum age for the use of social media
- Better screen-life balance
- Better connections between therapeutic structures



Strengthening equal opportunities

- Possibility of literacy education in French starting in September 2026
- Gradual introduction
- Luxembourgish remains the main language



“ Having a home must remain accessible to everyone. Because behind the politics of housing lies the issue of social cohesion. ”

Simplifying procedures

- **Silence means consent** principle for building permits
- A single **national building regulation**
- **Ministerial land reorganisation** to unblock construction projects
- **Natur auf Zeit** and **compensation once and for all** principle



Strengthening trust

- Stronger **rights for buyers**, especially for the completion guarantee
- **Reduced registration duties** on structural construction



Creating affordable housing

- **Doubling of the budget** for social housing developers
- **Reduced VAT rate** for the construction of affordable rental housing
- Call for projects for **Baulücken**



Buying off-plan projects

- **Increase of the budget envelope** by €300 million
- Introduction of **regional prices**
- Possibility to **partly finance projects**



Improving the rental system

- Stronger **housing quality standards**
- Creation of a **national rent committee**



“*Living together is not an abstract theory. It is a reality that is experienced – every day and every weekend – at village festivals, in sports and music clubs.*”

Strengthening security

- **More staff** - 500 more police officers
- **More presence** - as many patrols as never before
- **More proximity** - 5 municipalities with a local police
- **More prevention** - drug roundtable and camera surveillance



Supporting associations

- Simplified **law governing non-profit associations**
- Better **subsidies for sport clubs**
- Stronger framework for **municipal services**
- Strengthened role for **sports coordinators**



Improving access to culture

- New **action plan**
- **99 measures** to remove barriers to access to culture
- Automation of the **Kulturpass**



Promoting Luxembourgish

- Review of the **20-year plan**
- New **action plan**
- New translation function for the **Sproochmaschinn**



Protecting democracy

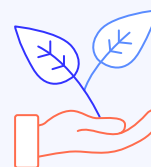
- Improved **press aid**
- **Right of access to information**
- Protection against **SLAPP lawsuits**



“ We want to protect the environment and tackle climate change, through dialogue, persuasion and incentives. This remains our guiding principle, and we will stay true to. ”

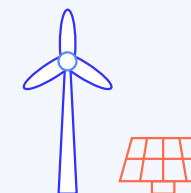
Protecting the environment

- New **nature restoration plan**
- Coherent national **water strategy**
- National **forest plan**



Promoting renewable energy

- **Prefinancing** for photovoltaic installations and extension planned to other support schemes
- Draft law for the construction of **photovoltaic installations along motorways**
- **Silence means consent** for new projects



Keeping energy affordable

- Reduction of **network costs** by €150 million
- Tripling of the **energy allowance**
- Additional financing via the **compensation mechanism**



Ensuring a socially fair transition

- **New Social Climate Plan** with 45 measures, including:
 - Low-interest **climate loan**
 - **Social leasing** for electric cars



Responding to the energy crisis

- Working towards solutions in **tripartite** talks
- Maintaining **purchasing power**
- Preserving business **competitiveness**



“A strong economy is a collective endeavour. We want our country to keep moving forward and growing together. Growth is the foundation of our standard of living.”

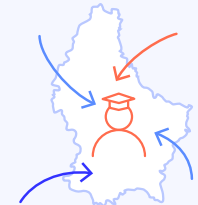
Simplifying procedures

- **Single digital identification number**, valid across all public administrations
- **Single procedure** for setting up a business
- **Modernisation** of company, accounting and contract law



Developing & attracting talent

- Strengthening of measures (f.ex. **Skills plan**, young jobseekers, Digital Learning Hub)
- **Expanding higher education opportunities** through leading universities
- New **initiative** Work in Luxembourg



Supporting the financial centre

- New **AI Experience Centre** at the LHoFT
- Tax regime for **carried interest**
- Dedicated **cybersecurity body** for the financial centre



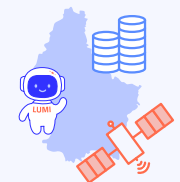
Strengthening entrepreneurship

- Improved access to **start-up financing**
- **New tax measures** for start-ups and scale-ups
- Action plan for the **self-employed**
- Strengthening the **second chance regime**



Driving diversification

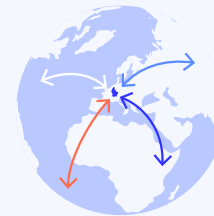
- Luxembourg as a European hub for **data and AI**
- First national **defence industry** strategy
- **Satellite manufacturing** in Luxembourg



“ For the Government, the course is clear: an AI in service of people, that enables everyone to realise their full potential and make more informed choices – a sovereign AI for the people. ”

Moving research to the real world

- New framework agreements for the Uni.lu and research institutes
- Around €500 million in annual funding
- More focus on the **practical applications of research**



Advancing autonomous driving

- First legal framework
- Practical applications in **logistics, on roads, and for specialised services**



Creating the Deep Tech Lab

- Strengthening the **ecosystem** to bring innovation into real-world applications
- Focus on **AI and quantum technologies**
- New investment fund for **innovative spin-offs**



Bringing AI into government

- **First partnership** worldwide with Mistral AI at government level
- **Secure and sovereign use**
- Dedicated **training programmes** for public sector staff



Making AI tangible

- **AI solutions based on Legilux** to read, understand and draft legislation
- **Skills project** for dynamic analysis of the labour market
- Involvement of **local start-ups**



“ *The EU is our best guarantee to defend our place amid other major powers, as well as our values of freedom, democracy and respect for international law.* ”

Strengthening multilateralism

- Increased **contributions to UN agencies**
- Recognition of **Palestine**
- Proposal for a **multilateral bank for security and resilience**



Strengthening Europe

- Common **European foreign policy**
- Greater **economic and financial integration**
- Defending the **Schengen spirit**



Strengthening security

- Increased **recruitment** in the Armed Forces
- More **attractive conditions** for military careers
- Development of **new defence capabilities**



Building a defence industry

- First national strategy for a **defence industry**
- **Legal framework** for defence production
- **Innovation fund** of €150 million



Strengthening resilience

- Implementation of the first **national resilience strategy**
- **Practical guide** to raise awareness and preparedness
- Dedicated strategies against **cyberattacks** and **climate change**

