EIB INVESTMENT SURVEY 2024

LUXEMBOURG

OVERVIEW

European Investment Bank

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EIB Investment Survey 2024 Country Overview: Luxembourg

European Investment Bank
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About the EIB Economics Department
The mission of the EIB Economics Department is to provide economic analyses and studies to support the Bank in its operations and in the definition of its positioning, strategy, and policy. The department and its team of economists is headed by Debora Revoltella, director of economics.

About Ipsos Public Affairs
Ipsos Public Affairs works closely with national governments, local public services and the not-for-profit sector, as well as international and supranational organisations. Its around 300 research staff in London and Brussels focus on public service and policy issues. Its research makes a difference for decision-makers and communities.

For further information on the EIB's activities, please consult our website, www.eib.org.
You can also contact our InfoDesk, info@eib.org.

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About the EIB Investment Survey

The EIB Group Investment Survey (EIBIS), conducted annually since 2016, is a unique survey of approximately 13 000 firms across all European Union Member States, with an additional sample from the United States.

The survey collects data on firm characteristics and performance, past investment activities and future plans, sources of finance, financing issues and other challenges, such as climate change and digital transformation. The EIBIS uses a stratified sampling methodology and is representative across all 27 EU Member States and the United States, as well as across four categories of firm size (micro to large) and four main economic sectors (manufacturing, construction, services and infrastructure). The survey is designed to build a panel of observations, supporting the analysis of time-series data. Observations can also be linked back to data on firm balance sheets and profit and loss statements. Developed and managed by the EIB Economics Department, the survey is conducted with support from Ipsos.

About this publication

The reports resulting from EIBIS provide an overview of data collected for the 27 EU Member States and the United States. They are intended to provide a snapshot of the data. For the purpose of these publications, data are weighted by value added to better reflect the contribution of different firms to economic output. Contact: eibis@eib.org.

The EIBIS 2024 overview presents the results of the survey run in 2024. Questions in the survey might point to “last financial year” (2023) or “expectations for the current year” (2024). The text and the footnote referring to the question will specify in each case which year is considered.

Due to rounding, charts may not add up to 100%.

Download the findings of the EIB Investment Survey for each EU country and explore the data portal at www.eib.org/eibis.

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EIBIS 2024 – Luxembourg overview

Key results

Investment dynamics, needs and priorities

The share of Luxembourgish firms investing has remained similar over the last few years at around 80%. However, the share of firms expecting to increase rather than decrease investment has risen in 2024 (from a net balance of -4% in EIBIS 2023 to a net balance of 11% in EIBIS 2024).

The short-term investment outlook remains generally negative, except the outlook for business prospects in the sector. Luxembourgish firms are, on balance, negative about the political and regulatory climate, the economic climate and availability of internal and external finance. For all these investment drivers, a larger share of firms expects a deterioration rather than an improvement in the next 12 months. In net balance terms, Luxembourgish firms tend to share similar views as EU firms for economic climate, business prospects in the sector, and availability of external finance. They are less negative than EU firms about political or regulatory climate and more negative about the availability of internal finance.

Most (82%) Luxembourgish firms are satisfied with their overall level of investment over the last three years, though a significant minority reports investment gaps (13%), a share that has declined compared to EIBIS 2023. Luxembourgish firms continue to focus their investments on replacement rather than capacity expansion, and the share of firms investing to expand operations remaining 8 percentage points below that of the EU. The EIBIS 2024 shows that Luxembourgish firms dedicate a large portion (46%) of their investments to intangible assets, up from 32% in EIBIS 2023 and above the EU average of 37%.

Looking ahead, Luxembourgish firms expect to prioritise replacement and new products and/or services investment almost equally (37% and 34%, respectively).

Global value chains, climate change and innovation

Compared to EU firms, Luxembourgish firms are more integrated into international trade (75% versus 63%). In EIBIS 2024, concerns about supply chain disruptions have declined in both Luxembourg and the EU. Compliance with new regulations and standards or certifications, access to commodities or raw materials and logistical challenges were the key trade-related issues for Luxembourgish firms. Luxembourgish firms trading internationally are less likely to feel that recent changes in customs and tariffs are a challenge compared to the average EU firm. In response to trade shocks, Luxembourgish firms are prioritising the investment in digital inputs tracking and the build-up of stocks and inventory. Interestingly, compared to the EU average, Luxembourgish importers are less likely to diversify or increase the number of countries they import from (8% vs. 19% EU firms).

Luxembourgish firms are more likely to have already invested in mitigating climate change impacts compared to the EU average (74% vs. 61%). However, fewer Luxembourgish firms plan to invest in this area in the next three years (42% vs. 53%). Overall, 35% of Luxembourgish firms consider the transition to stricter climate standards and regulations as a risk for their business over the next five years, while 18% see it as an opportunity. Almost all (97%) Luxembourgish firms have taken actions to reduce greenhouse gas emissions, more than in the EU (91%). Key strategies adopted by firms include investment in waste management and sustainable transport. Luxembourgish firms are less likely than EU firms to have invested in energy efficiency (27% vs. 50%).

About 59% of Luxembourgish firms have been directly impacted to physical risk of climate change, similar to firms across the EU. However, the share of firms taking actions in to build resilience against physical risks of climate change, such as losses from droughts, flooding, or other extreme climate events, remains relatively low in Luxembourg and below the EU average (39% vs. 48% EU firms). Only 19% of Luxembourgish firms invested in solutions to avoid/reduce exposure to physical risks, fewer than in the EU (29%).

Innovation and digitalisation are a key source of firms' competitiveness. In Luxembourg, 31% of firms report innovation activity, which is below the previous EIBIS findings and in line with the EU average. Luxembourgish firms are lagging the EU average in terms of the adoption of advanced digital technologies (57% vs. 74%). Medium or large firms have a higher adoption of digital technologies compared to micro and small firms.

Investment barriers

The business environment remains a concern for firms in Luxembourg, as it does across the European Union. Availability of skilled staff, uncertainty about the future and energy costs remain key concerns in Luxembourg and the European Union. Firms in Luxembourg are less likely than EU firms to see transport infrastructure as an investment barrier.

Looking into regulatory issues and the functioning of the EU single market sheds some new light on the fragmentation of the EU single market. Firms were asked whether their key product is subject to differentiated regulatory requirements and standards (e.g., consumer protection, health and safety standards, environmental standards for products) across EU countries. Half of Luxembourgish firms who export to other European Union countries report having to comply with different standards and consumer protection rules across EU member states, lower than the average of EU firms (60%). The survey also asks firms to estimate the number of employees employed to deal with regulatory compliance. Overall, 80% of Luxembourgish firms employ staff for this purpose. The regulatory burden is particularly high for micro and small firms; more than a third (36%) of Luxembourgish micro and small firms report that more than 10% of their staff are employed to handle regulatory requirements and reporting.

Access to finance

The share of finance-constrained firms in Luxembourg has declined mainly through a decline in firms whose finance applications have been rejected or were discouraged. There are slightly more financially constrained firms in Luxembourg than across the European Union.

In Luxembourg, 29% of firms are relying on external finance for their investment, lower than the EU average. Bank financing remained the dominant source of external funding in 2023, but to a lesser extent compared to EU firms (73% vs. 81%). Among firms that rely on external finance, 17% have access to policy support in the form of bank finance on concessional terms such as with subsidised interest rates or extended repayment terms, while 13% receive policy support in the form of grants or subsidies.

Gender equality in business

Compared to the EU average, Luxembourgish firms have a lower share of firms with more than 40% or of women in senior management (15% vs. 23%) and have a comparable share of firms with (50% or more) of women owning a majority stake in the company (13% vs. 11%).

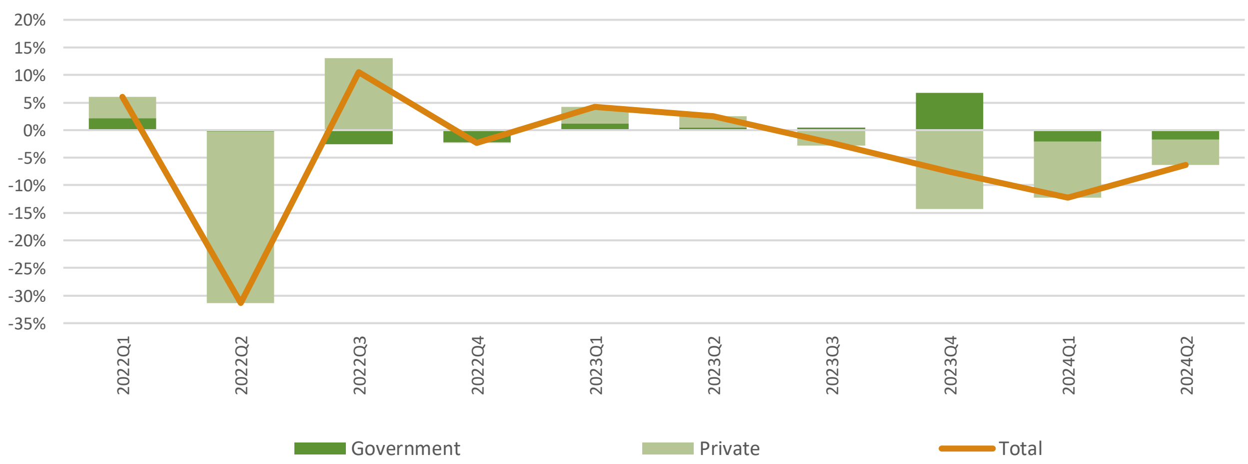
Investment dynamics and focus

Investment dynamics by institutional sector

Real aggregate investment remained muted in the first half of 2024, primarily due to a slowdown in private investment. Overall, aggregate investment dropped by more than 5% in 2024Q2 compared to pre-pandemic levels in 2019Q4, driven by a 7.2% decline in private investment, partially offset by a 2.2% increase in public investment.

Evolution of total gross fixed capital formation (in real terms, non-seasonally and non-calendar adjusted), by institutional sector

Year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector



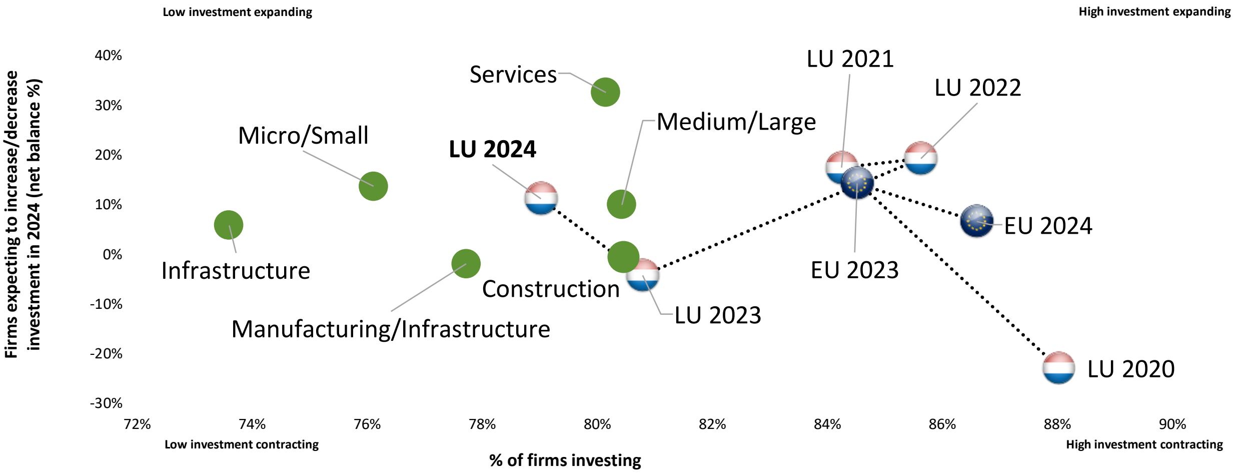
The graph at the top shows the evolution of total gross fixed capital formation (in real terms, non-seasonally and non-calendar adjusted), by institutional sector. The nominal GFCF source data are transformed into four-quarter sums, deflated using the implicit deflator for total GFCF (2015 = €100). The four-quarter sum of total GFCF in the fourth quarter of 2019 is normalised to 0.
Source: Eurostat.

The graph at the bottom shows the year-on-year growth of total gross fixed capital formation (in real terms), by institutional sector. The data are deflated using the implicit deflator for total GFCF.
Source: Eurostat.

Investment dynamics and focus

Investment cycle and evolution of investment expectations

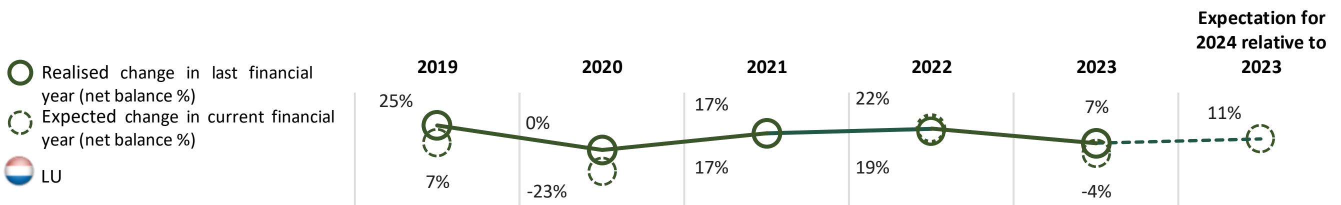
The share of firms investing has remained at more or less the same level over the last few years, at around 80%. However, the share of firms expecting to increase rather than decrease investment has risen (from a net balance of -4% in EIBIS 2023 to a net balance of 11% in EIBIS 2024), and it is in line with the EU average in 2024



Share of firms investing shows the percentage of firms with investment per employee greater than €500.

Base for share of firms investing: all firms (excluding don't know/refused responses).
Base for expected and realised change: all firms.

Expected and realised investment changes over time:

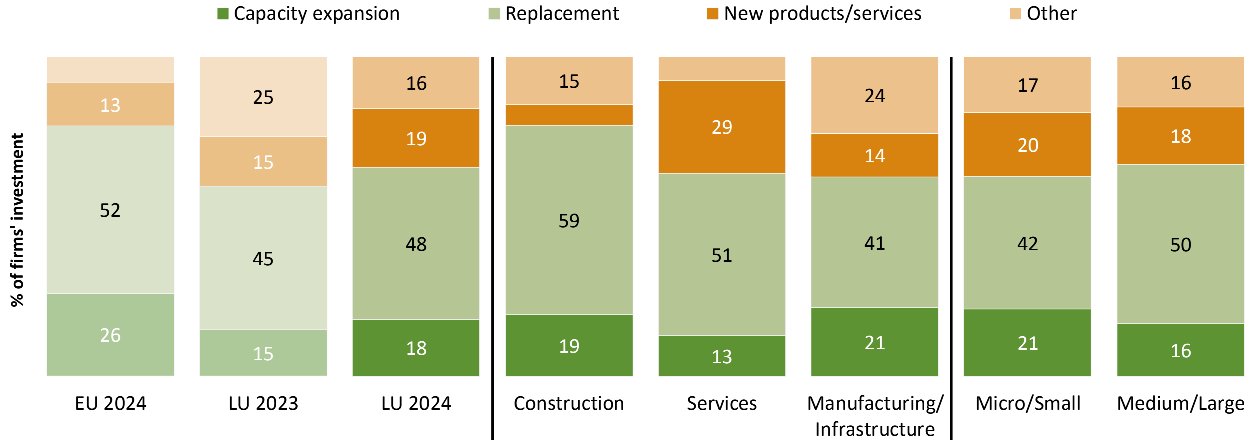


"Realised change" is the share of firms that invested more, minus those that invested less.
"Expected change" is the share of firms that expect(ed) to invest more, minus those that expect(ed) to invest less.

Investment dynamics and focus

Purpose of investment in last financial year

Luxembourgish firms continue to focus their investment on replacement rather than capacity expansion. Fewer Luxembourgish firms invested in capacity expansion in the last financial year compared to other EU firms.

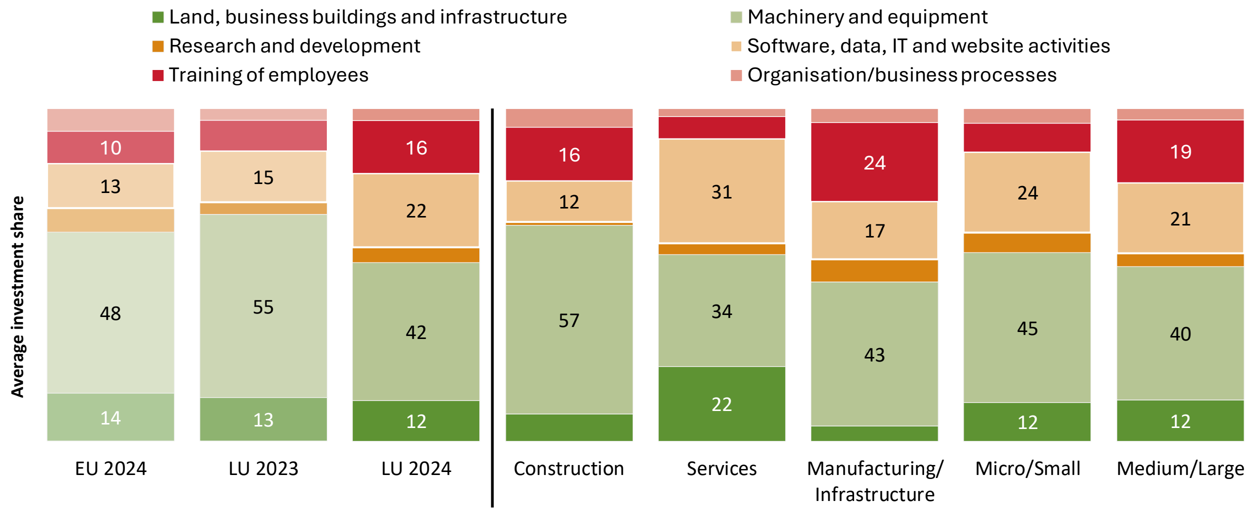


Please note: Sector and firm size show LU data only.

Q. What proportion of total investment was for (a) developing or introducing new products, processes or services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services?
Base: All firms that invested in the last financial year (excluding don't know/ refused responses).

Investment areas

Firms in Luxembourg report an average of 46% of their investment in intangible assets for 2023, more than last year's findings and the EU average.



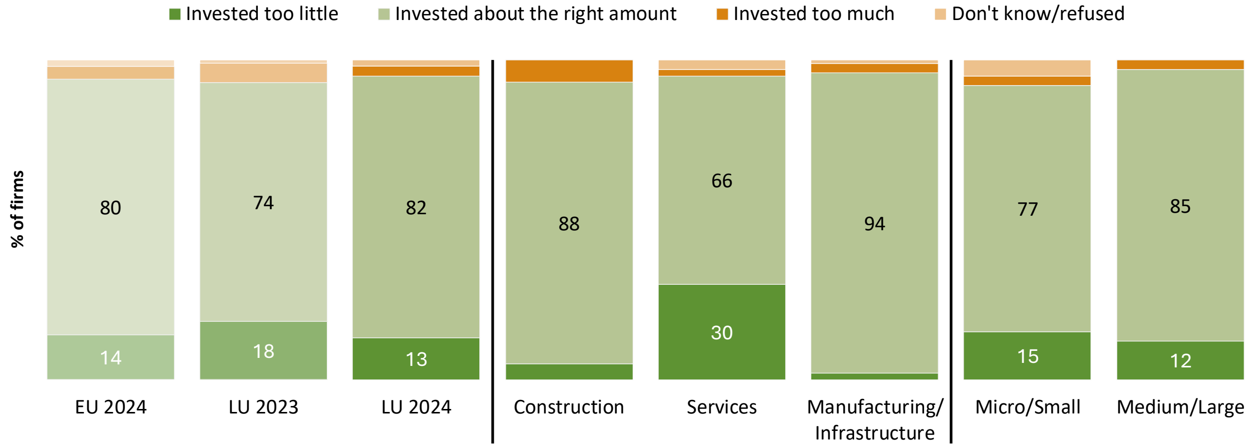
Please note: Sector and firm size show LU data only

Q. In the last financial year, how much did your business invest in each of the following with the intention of maintaining or increasing your company's future earnings?
Base: All firms that invested in the last financial year (excluding don't know/ refused responses).
Note: Tangible assets are land and machinery; intangible assets are research and development, software, data, IT and website activities, training of employees and organisation/business processes.

Investment needs and priorities

Perceived investment gap

Most Luxembourgish firms are satisfied with their overall investment level over the past three years, but a significant minority (13%) report an investment gap, although fewer than in the preceding year.



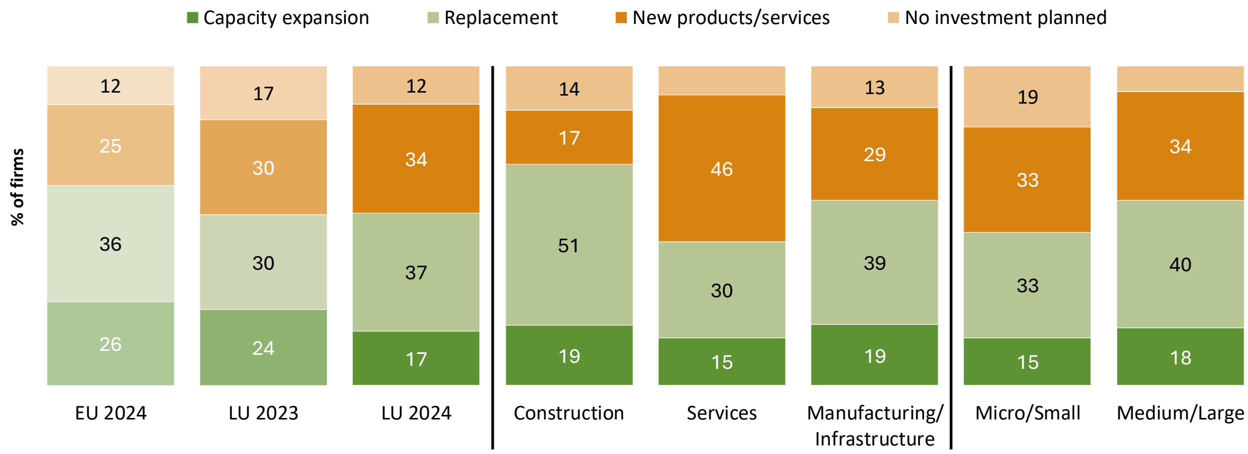
Please note: Sector and firm size show LU data only.

Q. Looking back at your investment over the last three years, was it too much, too little, or about the right amount to ensure the success of your business going forward?

Base: All firms (excluding response "Company didn't exist three years ago").

Future investment priorities

Looking ahead to the next three years, Luxembourgish firms expect to prioritise replacement and new products and/or services investment almost equally, this is similar to EIBIS 2023 and the EU average.



Please note: Sector and firm size show LU data only.

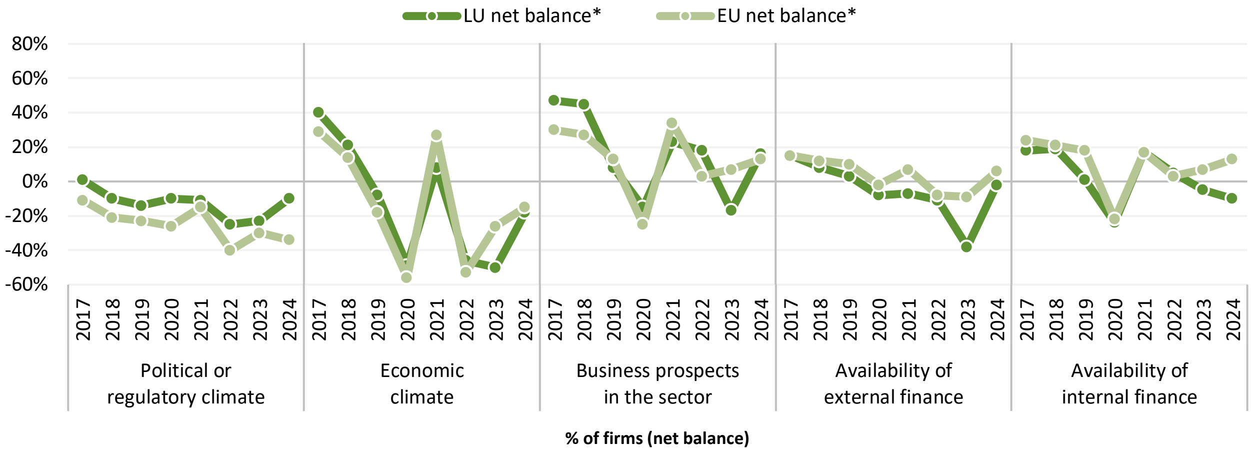
Q. Looking ahead to the next three years, which of the following is your investment priority: (a) developing or introducing new products, processes and services; (b) replacing capacity (including existing buildings, machinery, equipment and IT); (c) expanding capacity for existing products/services; (d) no investment planned?

Base: All firms (excluding don't know/refused responses).

Investment needs and priorities

Short-term drivers and constraints (net balance)

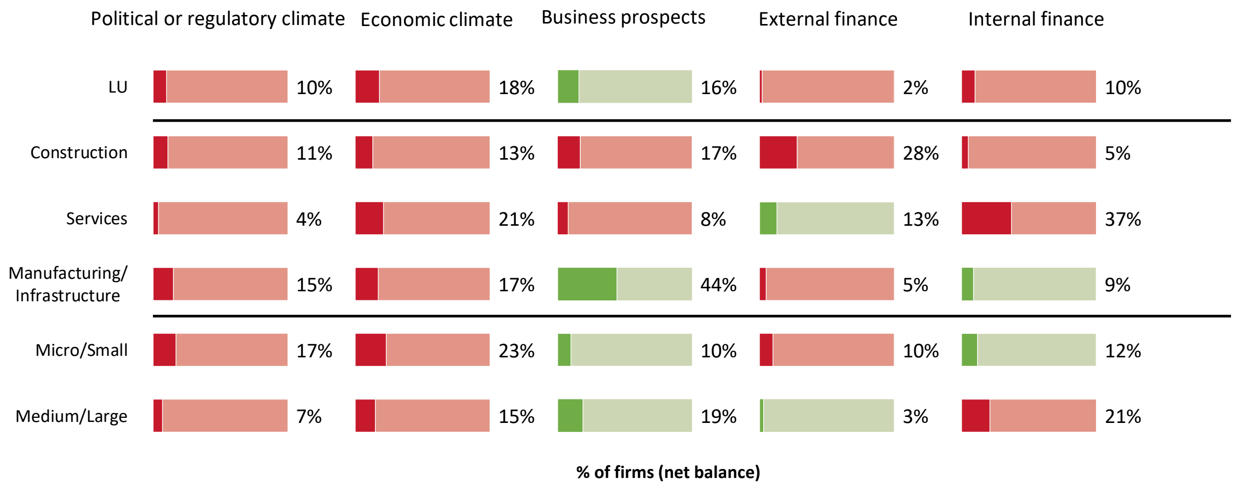
The investment outlook remains generally negative, except the outlook for business prospects. Luxembourgish firms are, on balance, negative about the political and regulatory climate, the economic climate and availability of internal and external finance, with more firms expecting a deterioration rather than an improvement in the next 12 months. However, Luxembourgish firms are less negative, in net balance terms, than EU firms about political or regulatory climate.



Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?
Base: All firms
* Net balance is the share of firms expecting an improvement minus the share of firms anticipating a deterioration. Negative values thus imply that more firms expect a deterioration than an improvement.

Short-term drivers and constraints by sector and firm size (net balance)

Luxembourgish construction firms are, on balance, pessimistic about every measure, with more expecting a decline rather than an improvement. All firms in Luxembourg are negative about the political and regulatory climate and economic climate.



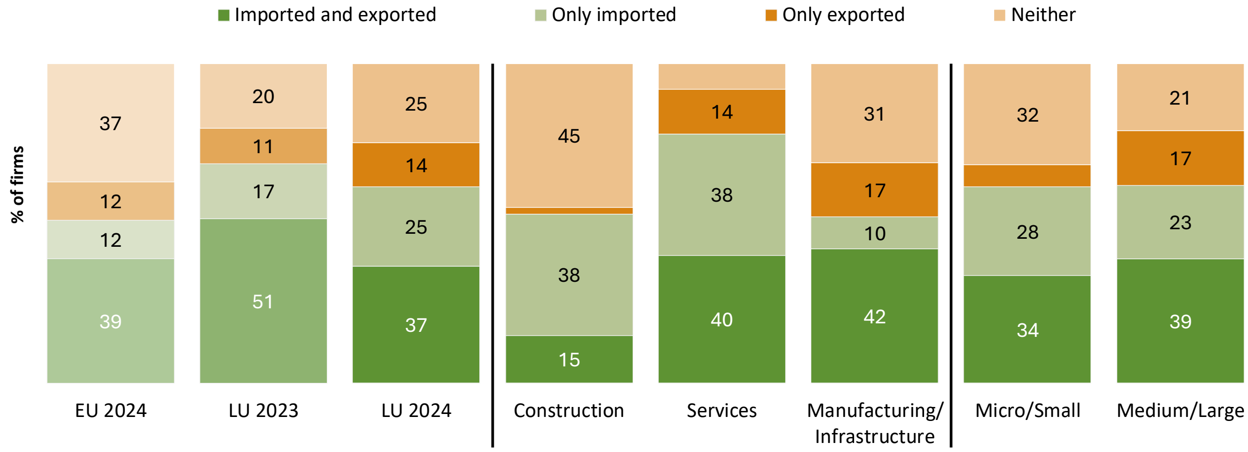
Please note: Green figures represent a positive net balance, while red figures represent a negative net balance. Sector and firm size show LU data only.

Q. Do you think that each of the following will improve, stay the same, or get worse over the next 12 months?
Base: All firms.

International trade

Engagement in international trade

Overall, 75% of Luxembourgish firms engage in international trade (either within the EU or outside the EU), exceeding the EU average. Firms in the services sector and medium or large firms are the most likely to be trading internationally.

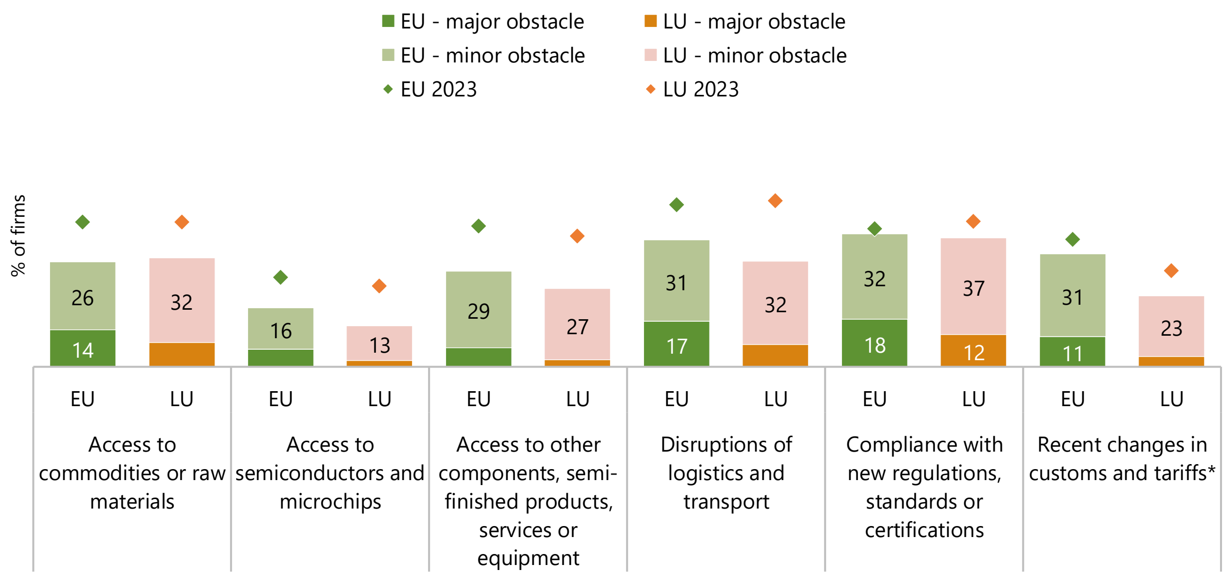


Please note: Sector and firm size show LU data only.

Q. In 2023, did your company export or import goods and/or services?
Base: All firms (excluding don't know/refused responses).

Obstacles related to international trade

While trade disruptions have declined for both Luxembourgish and EU firms since the start of 2023, Luxembourgish firms remain particularly concerned about compliance with new regulations and standards or certifications, access to commodities or raw materials and logistical challenges. Compared to EU firms, Luxembourgish firms, that trade internationally, express lower concern about recent changes in customs and tariffs.

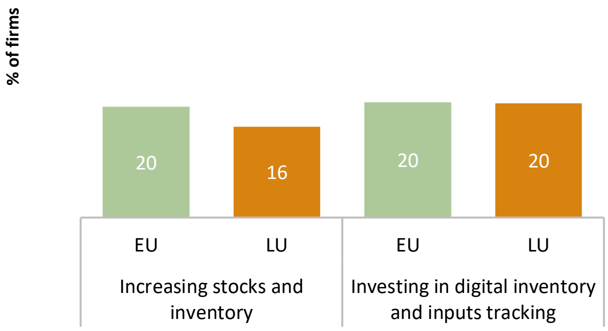


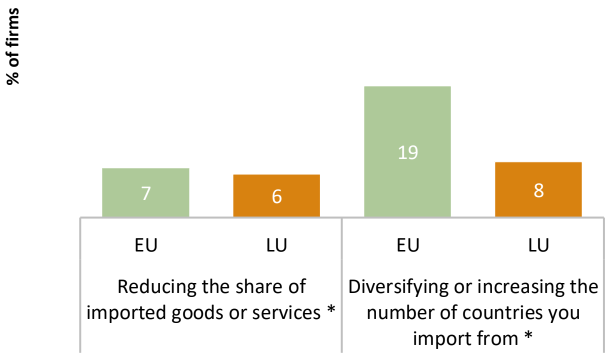
Q. Since the beginning of 2023, were any of the following an obstacle to your business's activities?
Base: All firms (excluding don't know/refused responses).
**Base: All importers and exporters (excluding don't know/refused responses).*

International trade

Change in sourcing strategy

While Luxembourgish and EU firms have adopted similar overall strategies in response to trade shocks, Luxembourgish firms who import are notably less likely to diversify or increase the number of countries they import from (8% vs. 19% of EU firms).



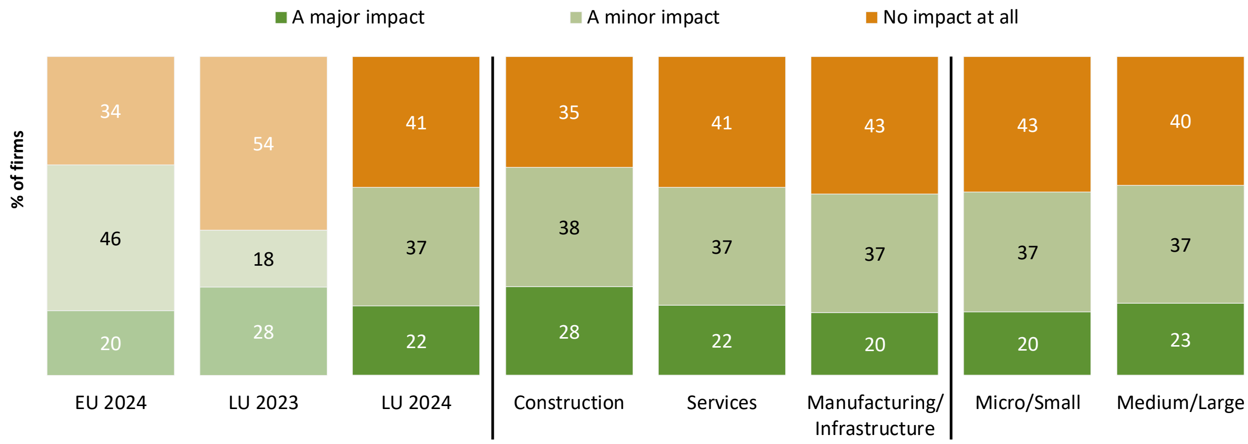


Q. Since the beginning of 2023, has your company made any of the following changes to your sourcing strategy, or are you planning to make any of these changes this year?
Base: All firms (excluding don't know/refused responses).
** Base: All firms that import (excluding don't know/refused responses).*

Climate change and energy efficiency

Impact of climate change — physical risk

Overall, 59% of Luxembourgish firms report they have been impacted by the physical risk of climate change (either as a major or minor impact), with the distribution of impacts relatively even across sectors and firm sizes.



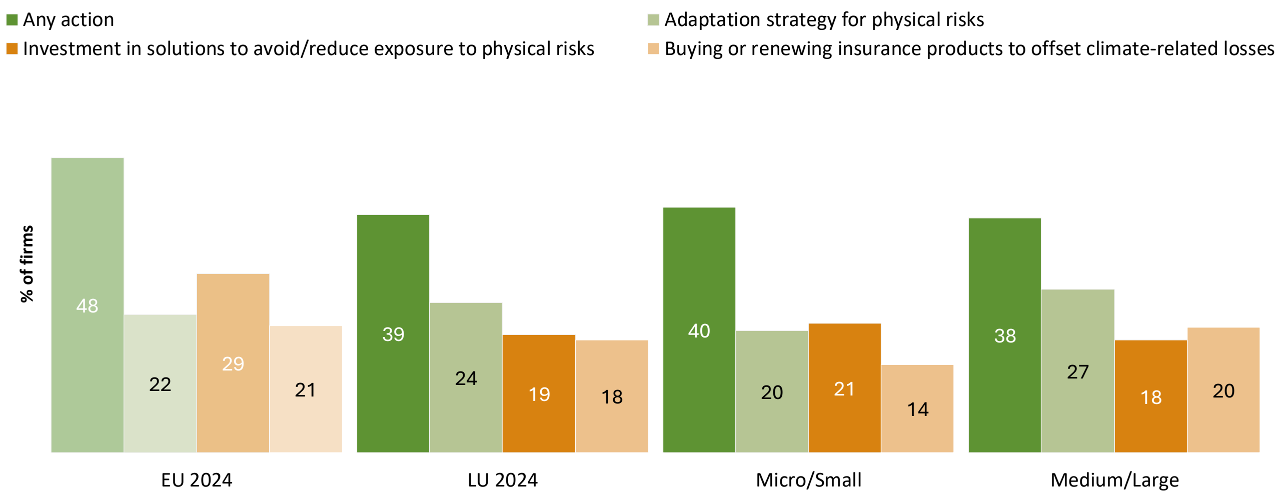
Please note: Sector and firm size show LU data only.

Q. Thinking about the impact of climate change on your company, such as losses due to extreme climate events, including droughts, flooding, wildfires or storms, or changes in weather patterns due to progressively increasing temperatures and rainfall. What is the impact, also called physical risk, of this on your company?

Base: All firms (excluding don't know/refused responses).

Building resilience to physical risk

Luxembourgish firms are less likely to be taking action to build resilience to the physical risk of climate change compared to EU firms. Compared with EU firms, fewer Luxembourgish firms invested in solutions to avoid or reduce exposure to physical risks (19% vs. 29%).



Please note: Firm size show LU data only.

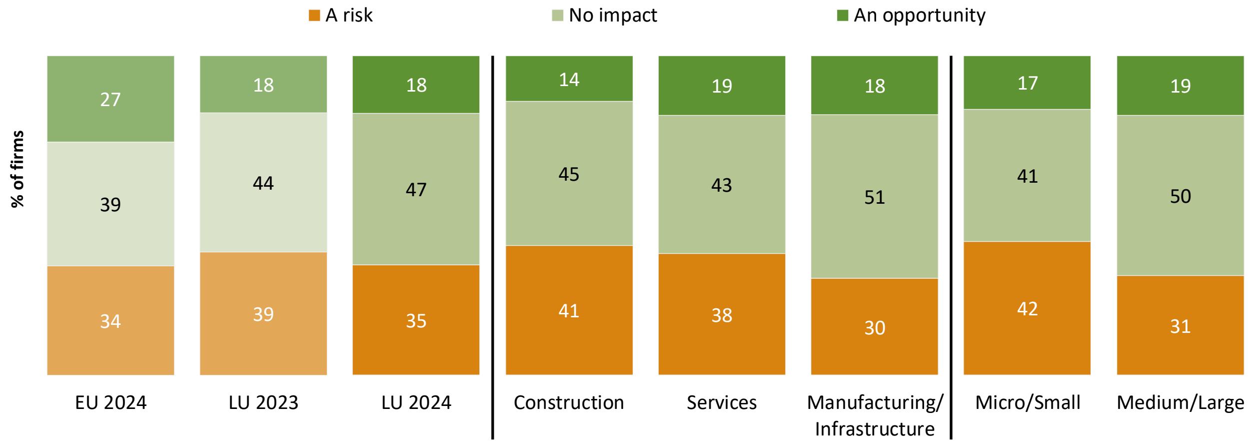
Q. Has your company developed or invested in any of the following measures to build resilience to the physical risks of climate change?

Base: All firms (excluding don't know/refused responses).

Climate change and energy efficiency

Risks associated with the transition to a net zero emission economy over the next five years

Overall, 35% of Luxembourgish firms consider the transition to stricter climate standards and regulations as a risk over the next five years, compared to 18% of firms who see it as an opportunity. Micro or small firms consider more of a risk compared to other business sizes.

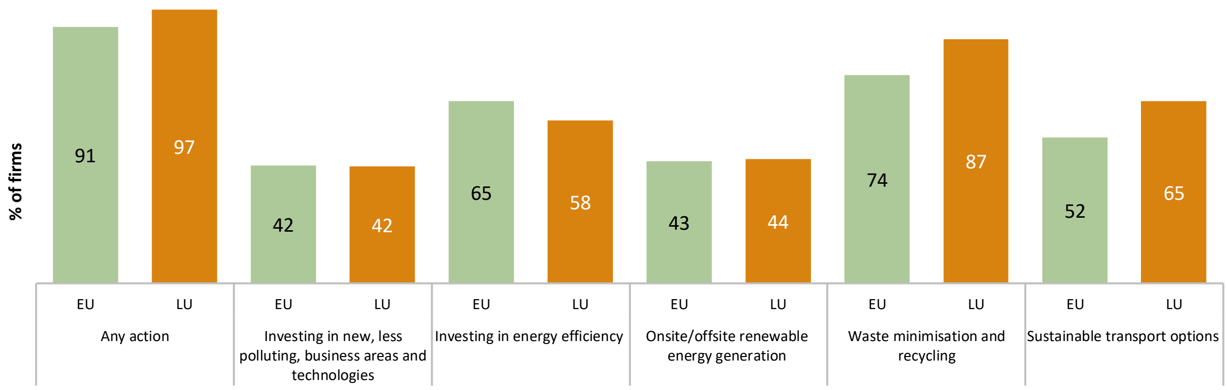


Please note: Sector and firm size show LU data only.

Q. Thinking about your company, what impact do you expect this transition to stricter climate standards and regulations will have on your company over the next five years?
Base: All firms (excluding don't know/refused responses).

Measures to reduce greenhouse gas emissions

While most firms in both Luxembourg and the EU have taken action to reduce greenhouse gas emissions, firms in Luxembourg are more likely to have done so. Investment in waste management and sustainable transport are key strategies adopted, and higher adoption rates are seen among firms in Luxembourg compared to EU firms. Luxembourgish firms have invested at the lower rate than the EU firms in energy efficiency (65% vs. 58%).

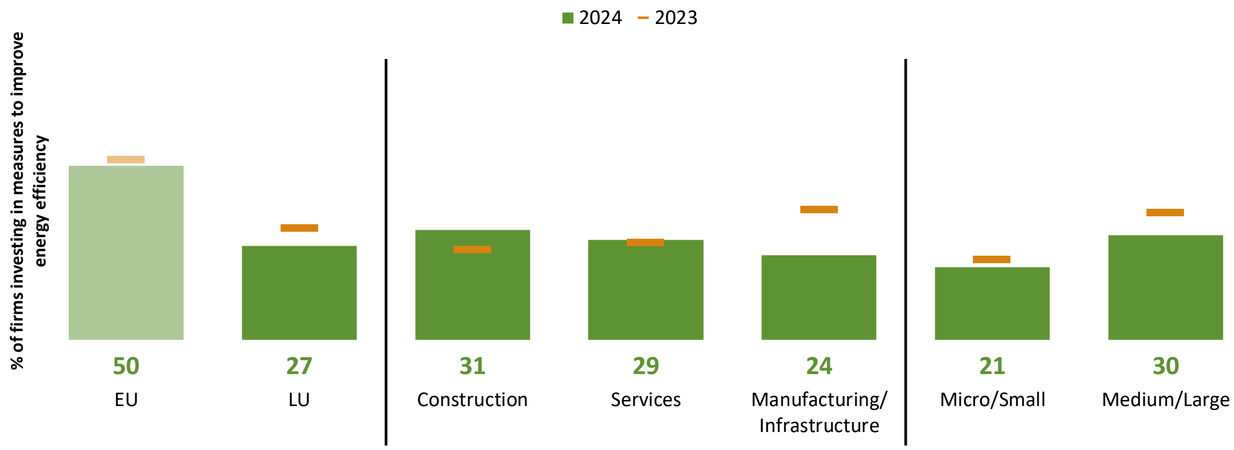


Q. Has your company invested in or implemented the following, to reduce greenhouse gas (GHG) emissions?
Base: All firms (excluding don't know/refused responses).

Climate change and energy efficiency

Share of firms investing in measures to improve energy efficiency

In Luxembourg, 27% of firms, report investing in energy efficiency in 2023, below the EU average.

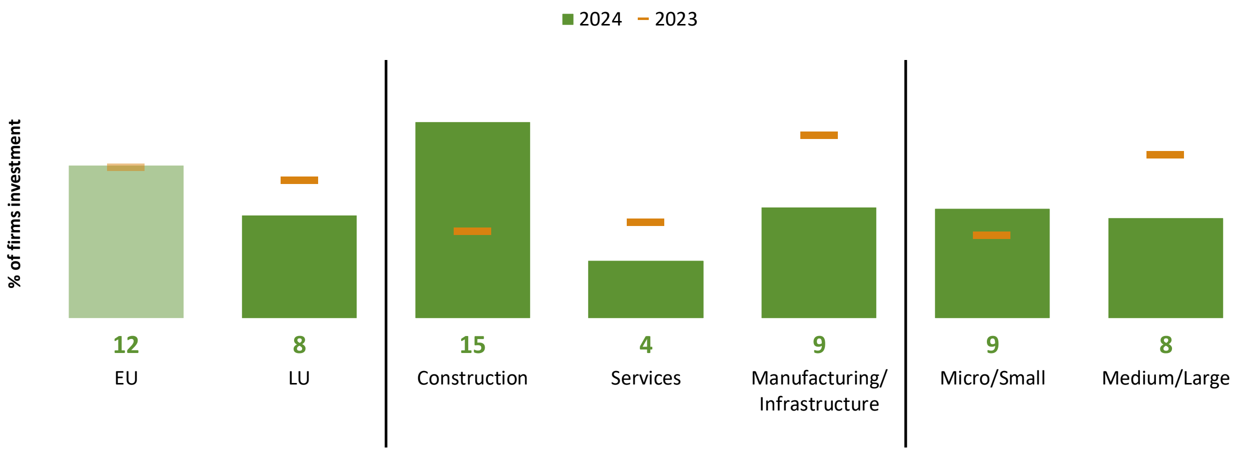


Please note: Sector and firm size show LU data only. Derived indicator based on the number of firms that reported a percentage above 0% for the amount they invested in the last financial year to improve energy efficiency.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?
Base: All firms.

Share of investment in measures to improve energy efficiency

Luxembourgish firms dedicated 8% of total investment to energy efficiency in 2023, similar to both last year's EIBIS findings and the EU average.



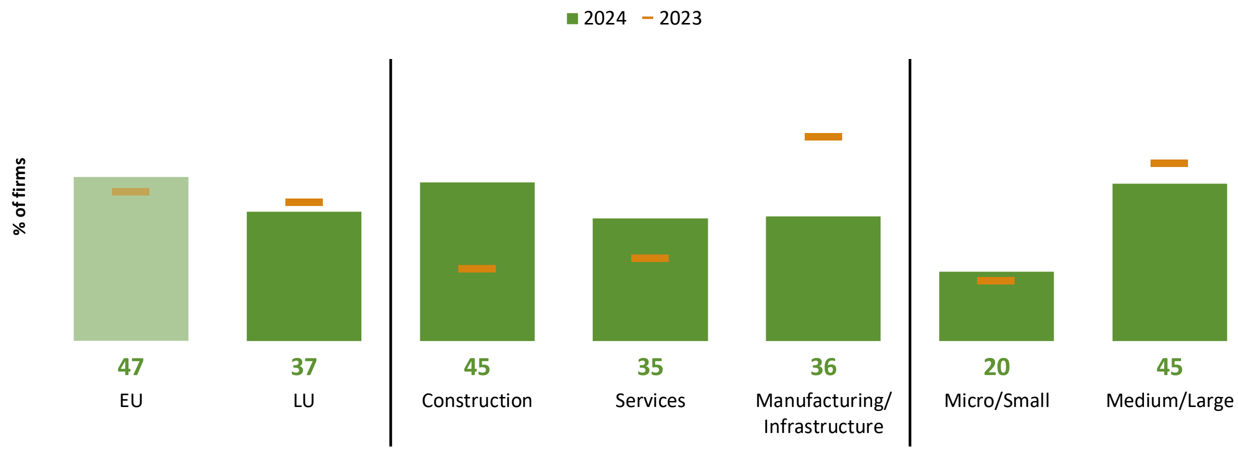
Please note: Sector and firm size show LU data only.

Q. What proportion of the total investment in the last financial year was primarily for measures to improve energy efficiency in your organisation?
Base: All firms that invested in the last financial year (excluding don't know/refused responses).

Climate change and energy efficiency

Targets for own greenhouse gas emissions

Overall, 37% of Luxembourgish firms set and monitor targets for internal greenhouse gas emissions. This is below the EU average. Compared with last year, fewer manufacturing and infrastructure firms have done so (35% vs. 58% EIBIS 2023).

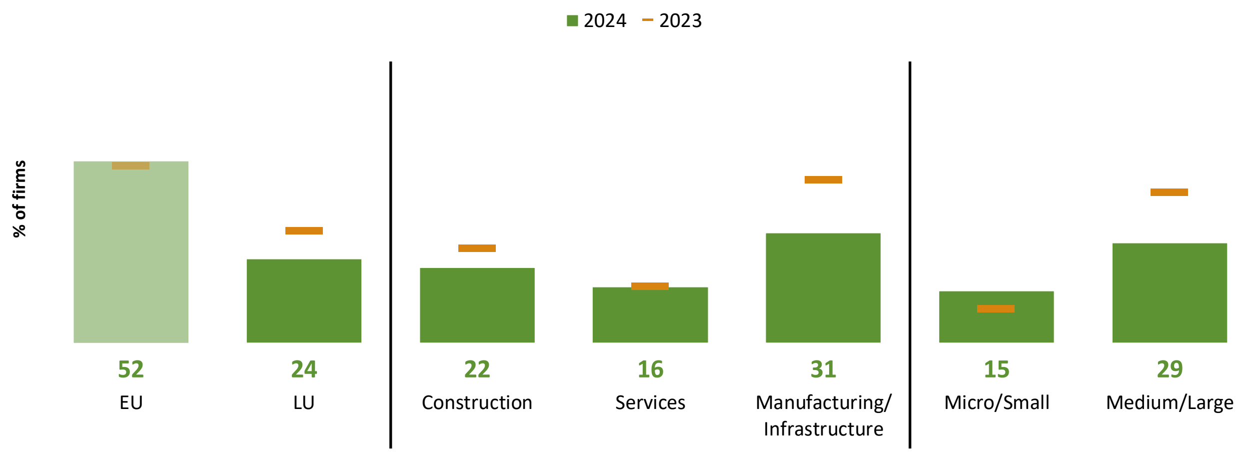


Please note: Sector and firm size show LU data only.

Q. Does your company set and monitor targets for its own greenhouse gas (GHG) emissions?
Base: All firms (excluding don't know/refused responses).

Energy audit

In Luxembourg, 24% of firms have conducted energy audits in the past three years, lower than the EU average and last year's EIBIS findings. Manufacturing or infrastructure firms and medium or large companies tend to be the most likely to have done so.



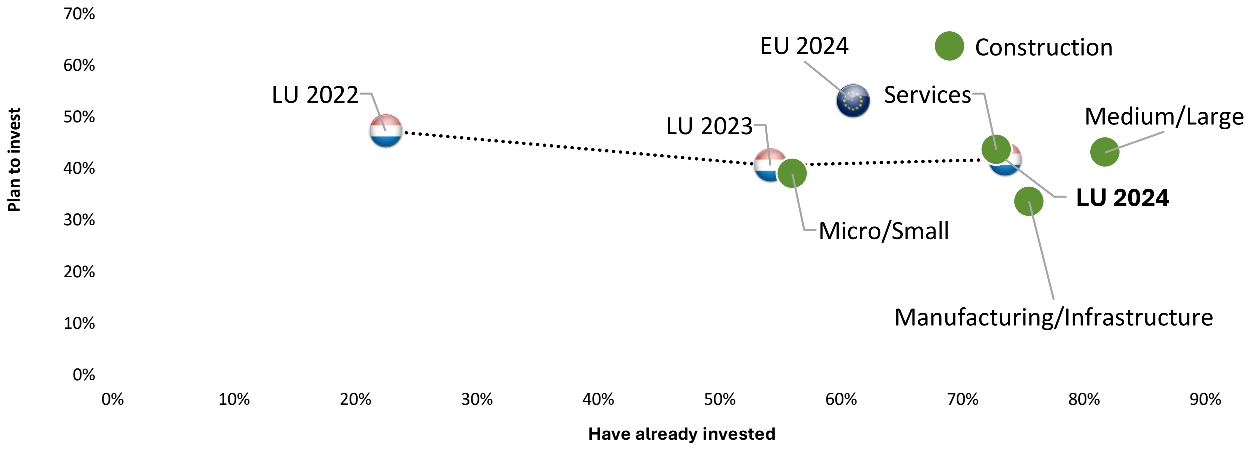
Please note: Sector and firm size show LU data only.

Q. In the past three years, has your company had an energy audit? By this I mean an assessment of the energy needs and efficiency of your company's building or buildings.
Base: All firms (excluding don't know/refused responses).

Climate change and energy efficiency

Investment plans to deal with climate change impact

Luxembourgish firms are more likely than firms across the EU to have already invested in mitigating climate change impacts, but they are less likely to be planning to do so in the next three years. Medium or large companies are ahead in their investments for addressing climate change impacts.



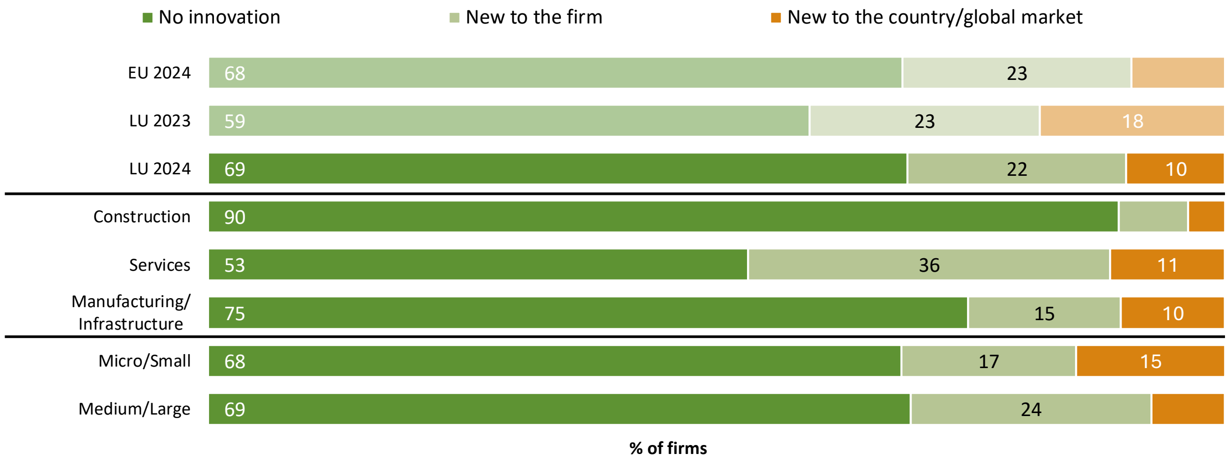
Please note: Sector and firm size show LU data only

Q. Which of the following applies to your company regarding investments to tackle the impacts of weather events and to help reduce carbon emissions?
(a) Before this year the company had already made such investments; (b) The company is investing this year; (c) The company intends to invest over the next three years; (d) The company has no investment planned for the next three years.
Base: All firms (excluding don't know/refused responses).

Innovation activities

Innovation activities

Overall, 31% of Luxembourgish firms report innovation activity in 2023, below last year's findings and similar to the EU average. Services firms report more innovation activity than their counterparts.

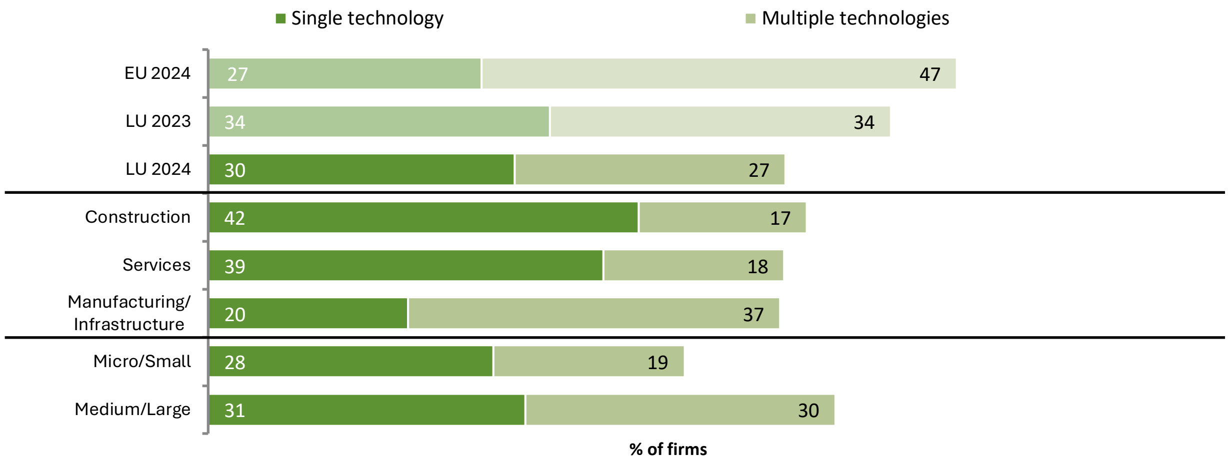


Please note: Sector and firm size show LU data only.

Q. What proportion of total investment in the last financial year was for developing or introducing new products, processes or services?
Q. Were the products, processes or services new to the company, new to the country or new to the global market?
Base: All firms (excluding don't know/refused responses).

Use of advanced digital technologies

While most Luxembourgish and EU firms use digital technologies, Luxembourgish firms are lagging the EU (57% vs. 74% EU firms). Medium and large firms show higher rates of digital adoption in Luxembourg, while the use of digital technologies is lower among micro and small firms.



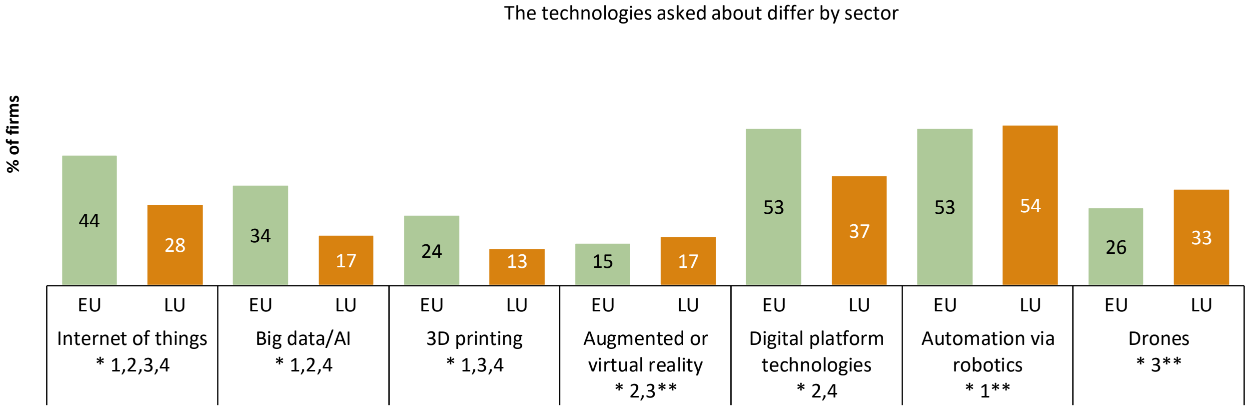
Please note: Sector and firm size show LU data only.

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.
Reported shares group responses of firms that "used" the technology, used it "in parts of business" or had the "entire business organised around it." Single technology refers to firms using one of the technologies surveyed for. Multiple technologies refers to firms using more than one of the technologies surveyed for.
Base: All firms (excluding don't know/refused responses).

Innovation activities

Use of advanced digital technologies

There are different adoption rates for digital technologies between Luxembourgish and EU firms. Luxembourgish firms are less likely than EU firms to have adopted the internet of things, Big Data/AI, digital platform technologies and 3D printing.



Sector: 1 = Asked to manufacturing firms, 2 = Asked to services firms, 3 = Asked to construction firms, 4 = Asked to infrastructure firms

Q. To what extent, if at all, are each of the following digital technologies used within your business? Please say if you do not use the technology within your business.

Reported shares group the responses of firms that implemented the technology "in parts of business" or had the "entire business organised around it."

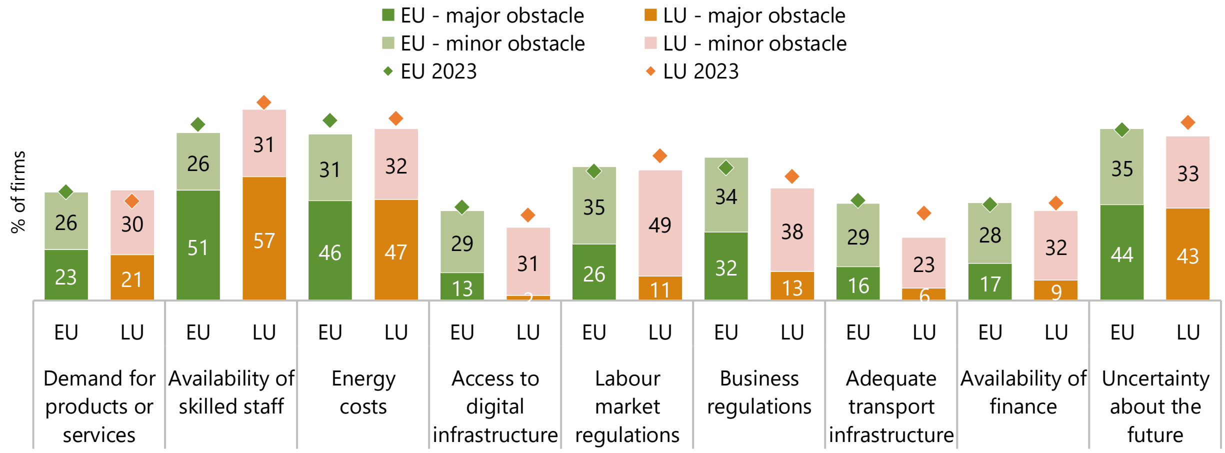
Base: All firms (excluding don't know/refused responses).

*** Caution: base size is low, it is less than 30 observations.*

Investment barriers

Obstacles to investment

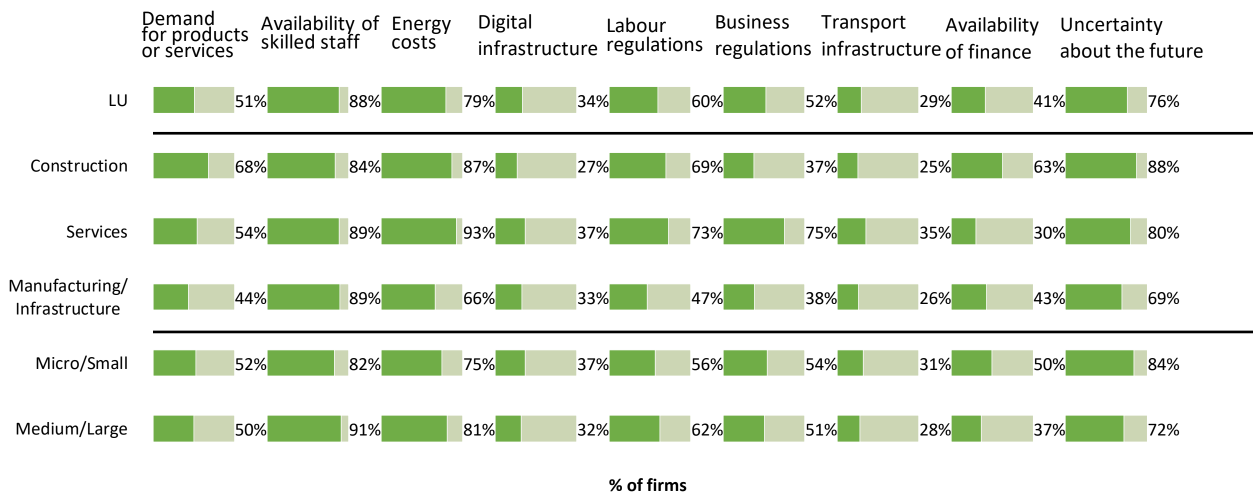
The availability of skilled staff, energy costs and uncertainty about the future remain the primary investment obstacles in Luxembourg. While fewer Luxembourgish firms see transport infrastructure as an investment barrier compared to last year's EIBIS and the EU average.



Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?
Base: All firms (data not shown for not an obstacle at all/don't know/refused responses).

Obstacles to investment, by sector and firm size

Firms in the services sector are the most affected by the energy costs. Micro and small firms are the most affected by the uncertainty about the future, while medium and large firms are the most affected by the availability of skilled staff.



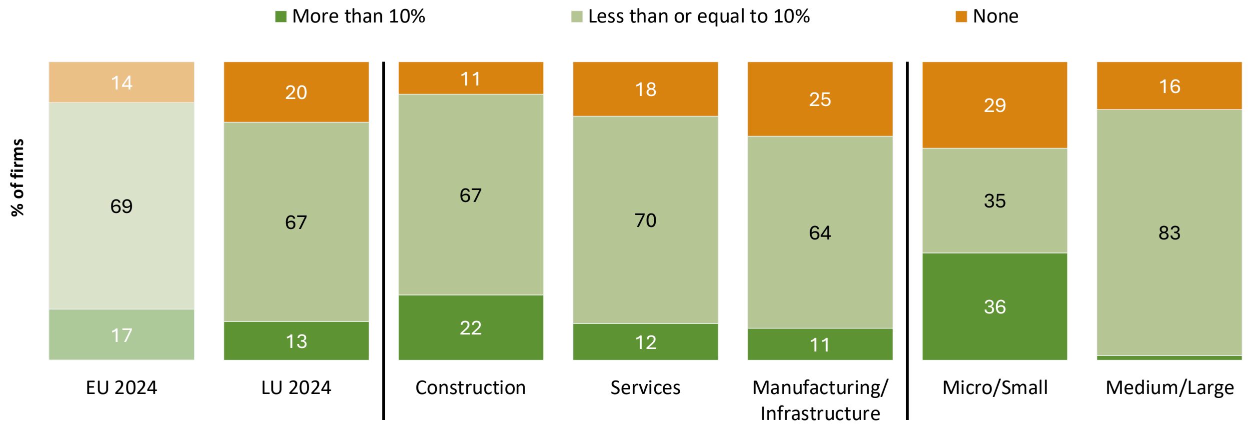
Please note: Sector and firm size show LU data only.

Q. Thinking about your investment activities, to what extent is each of the following an obstacle? Is it a major obstacle, a minor obstacle or not an obstacle at all?
Reported shares combine "minor" and "major" obstacles into one category.
Base: All firms (data not shown for not an obstacle at all/don't know/refused responses).

Room for streamlining and strengthening the single market

Firms by share of staff employed to meet regulatory requirements

About 80% of Luxembourgish firms employ staff for regulatory compliance, below the EU average (86%). Majority of the construction companies employ staff to meet regulatory requirements (89%). The regulatory burden is particularly high for micro or small firms, given their small size. Indeed, 36% of Luxembourgish micro or small firms employ more than 10% of their staff to assess and comply with regulation.



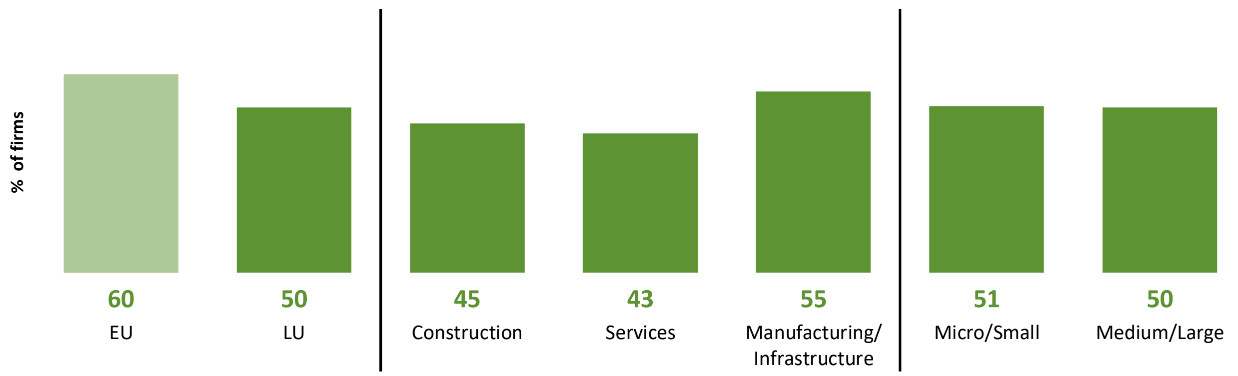
Please note: Sector and firm size show LU data only.

Q. How many staff does your company employ to assess and comply with mandatory or voluntary regulatory requirements and standards and to fulfil reporting requirements related to those?

Base: All firms (excluding don't know/refused responses).

Main product or service subject to varying requirements and standards across countries

The survey measures the fragmentation of the EU single market. Overall, 50% of the Luxembourgish exporters report having to comply with different standards and consumer protection rules across EU countries. This is lower than in the EU (60%). Over half (55%) of manufacturing or infrastructure firms report having to comply with these varying requirements and standards.



Please note: Sector and firm size show LU data only.

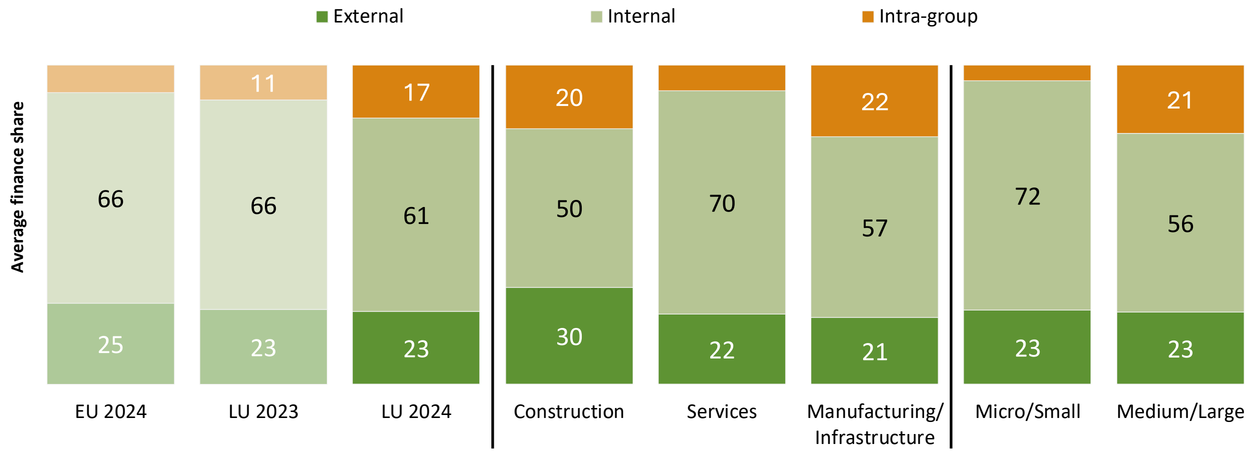
Q. Does your main product or service have to comply with differentiated regulatory requirements, standards or consumer protection rules across EU member states?

Base: All firms that export (excluding don't know/refused responses).

Access to finance

Source of investment finance

Most of the investment in Luxembourg was financed internally in 2023 (61%), similar to both last year's EIBIS findings and the EU average. Micro and small firms and firms in the services sector tend to use the highest share of internal finance. Luxembourgish firms report a higher share of intra-group finance than EU firms.

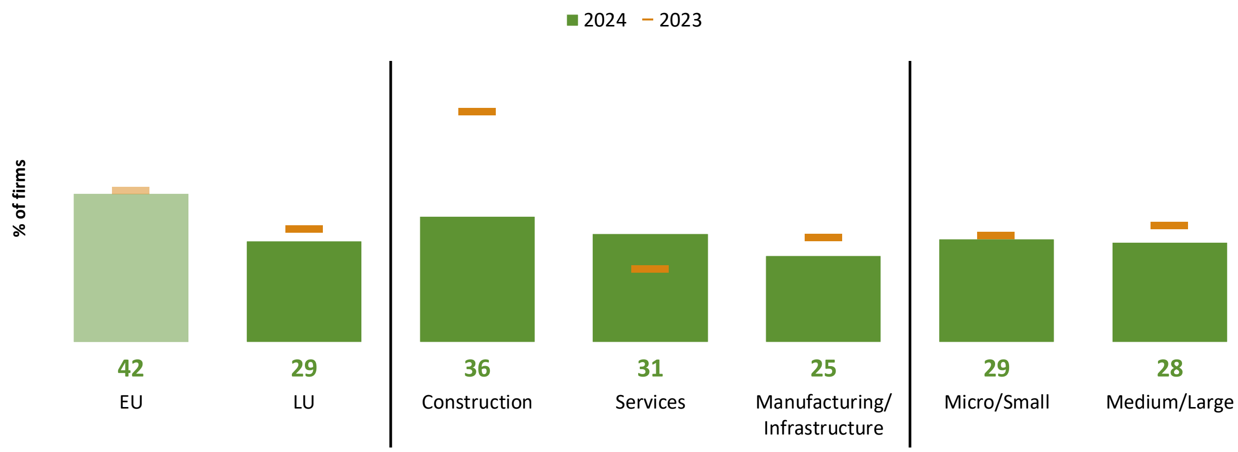


Please note: Sector and firm size show LU data only.

Q. Approximately, what proportion of your investment in the last financial year was financed by each of the following?
Base: All firms that invested in the last financial year (excluding don't know/refused responses).

Use of external finance

In Luxembourg, 29% of firms relied on external finance in 2023, below the EU average (42%). The share of construction firms using external finance has declined over the past year (66% vs. 36%).



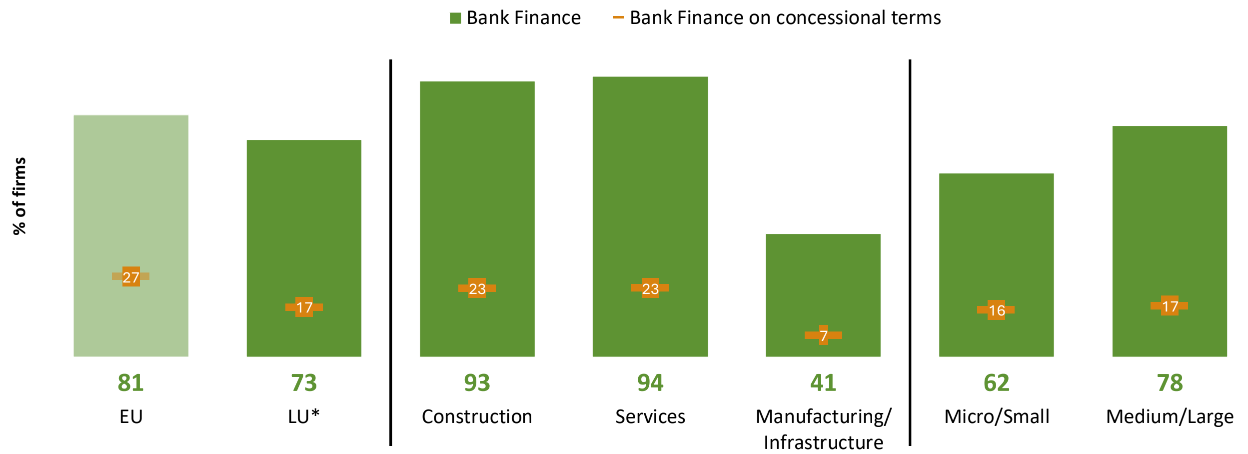
Please note: Sector and firm size show LU data only.

Q. Approximately, what proportion of your investment in the last financial year was financed from each of the following?
Base: All firms that invested in the last financial year (excluding don't know/refused responses).

Access to finance

Use of bank finance and bank finance on concessional terms

For Luxembourgish firms using external finance, bank financing is the dominant source, though less so than among EU firms (73% vs. 81% EU firms). Overall, 17% Luxembourgish firms using external finance have bank loans on concessional terms, below the EU average (27%). Manufacturing and infrastructure firms tend to have the lowest share of firms using bank finance.

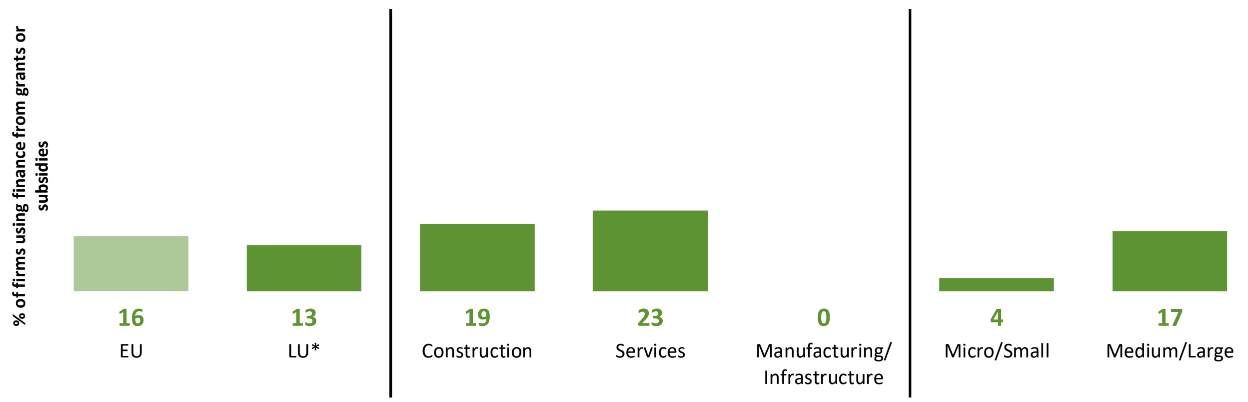


Please note: Sector and firm size show LU data only.

Q. Which of the following types of external finance did you use for your investment activities in the last financial year?
Q. Was any of the bank finance you received on concessional terms (e.g., subsidised interest rate, longer grace period to make debt payments)?
Base: All firms using external finance (excluding don't know/refused responses).
** Caution: base size is low, it is less than 30 observations.*

Firms with finance from grants or subsidies

Among firms that rely on external finance, 13% in Luxembourg utilise finance from grants or subsidies, similar to the EU average (16%).



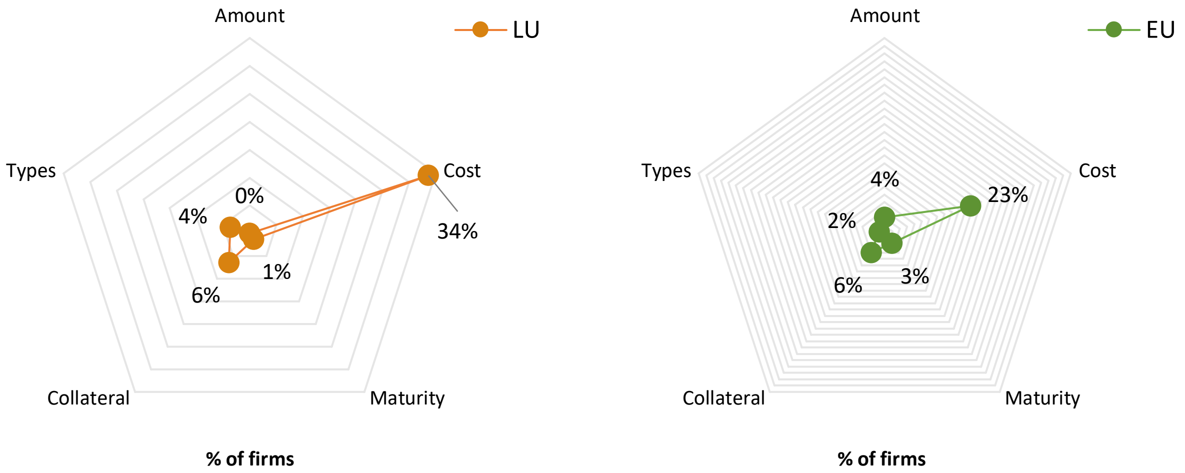
Please note: Sector and firm size show LU data only.

Q. Which of the following types of external finance did you use for your investment activities in the last financial year?
Base: All firms using external finance (excluding don't know and refused responses).
** Caution: base size is low, it is less than 30 observations.*

Access to finance

Dissatisfaction with external finance received

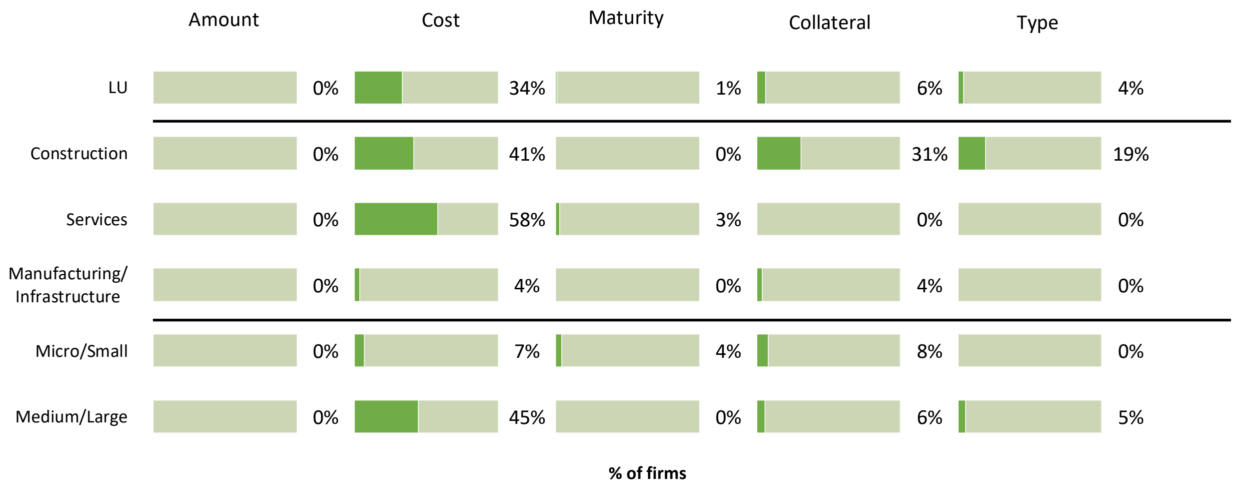
Levels of dissatisfaction with the cost of finance are high, both in Luxembourg and the European Union. However, Luxembourgish companies are even more concerned about costs of finance than EU firms (34% vs. 23%).



Q. Thinking about all of the external finance you obtained for your investment activities, how satisfied or dissatisfied are you with …?
Base: All firms that used external finance in the last financial year (excluding don't know and refused responses).

Dissatisfaction with external finance received, by sector and firm size

The services sector and medium and large companies report the highest level of dissatisfaction with cost.



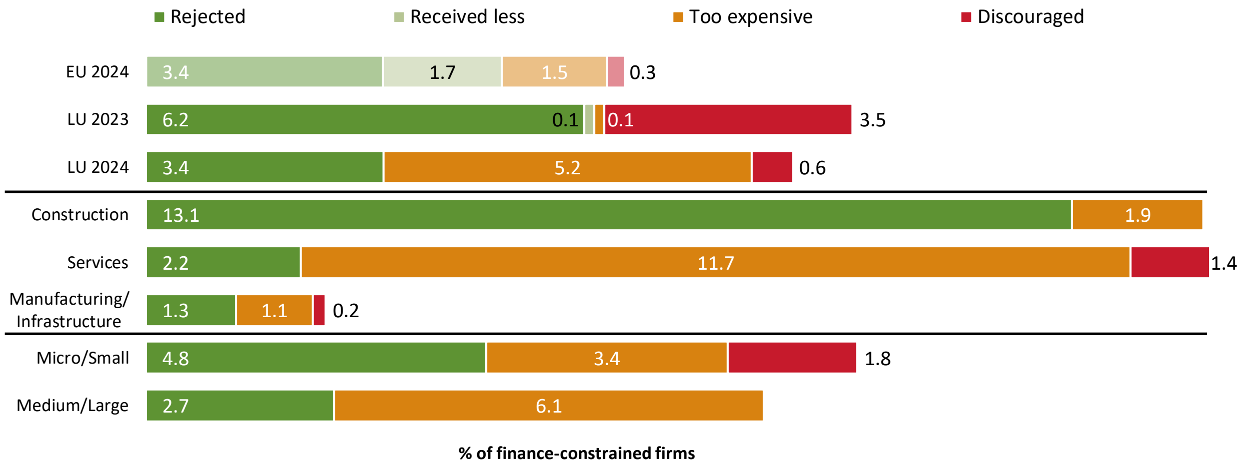
Please note: Sector and firm size show LU data only.

Q. Thinking about all of the external finance you obtained for your investment activities, how satisfied or dissatisfied are you with …?
Base: All firms that used external finance in the last financial year (excluding don't know/refused responses).

Access to finance

Share of finance-constrained firms

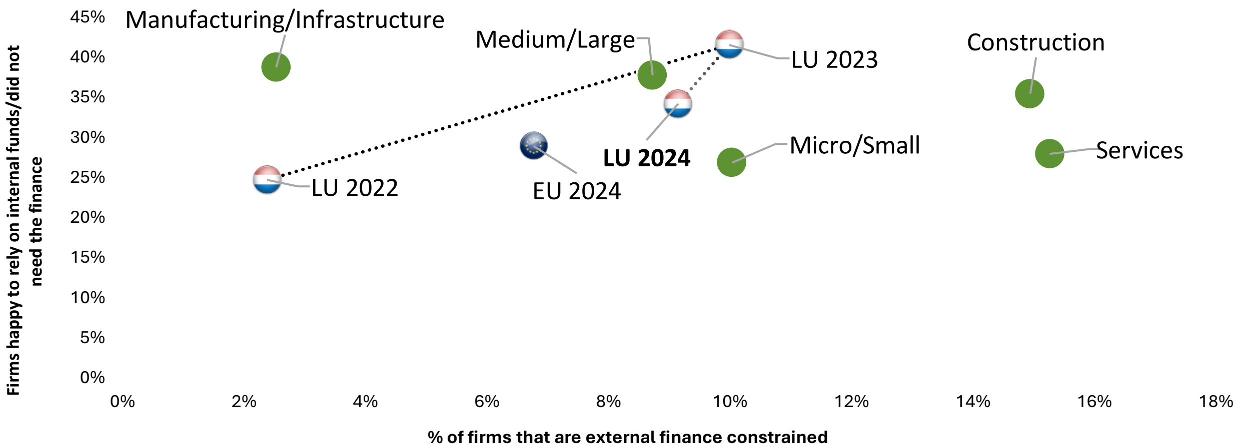
The share of finance-constrained firms has declined in Luxembourg, mainly through a decline in firms whose finance applications have been rejected or were discouraged.



Base: All firms (excluding don't know/refused responses). Please note: Sector and firm size show LU data only.

Financing cross

The share of Luxembourgish firms happy to rely on internal finance has dipped slightly in 2023 and is at a similar level to the EU average (34% vs. 29%). The share of finance-constrained firms in Luxembourg is similar to both last year's EIBIS findings and the EU average. Manufacturing or infrastructure firms are the least likely to be finance constrained. Medium and large firms have the highest share of firms happy to rely on internal funds.



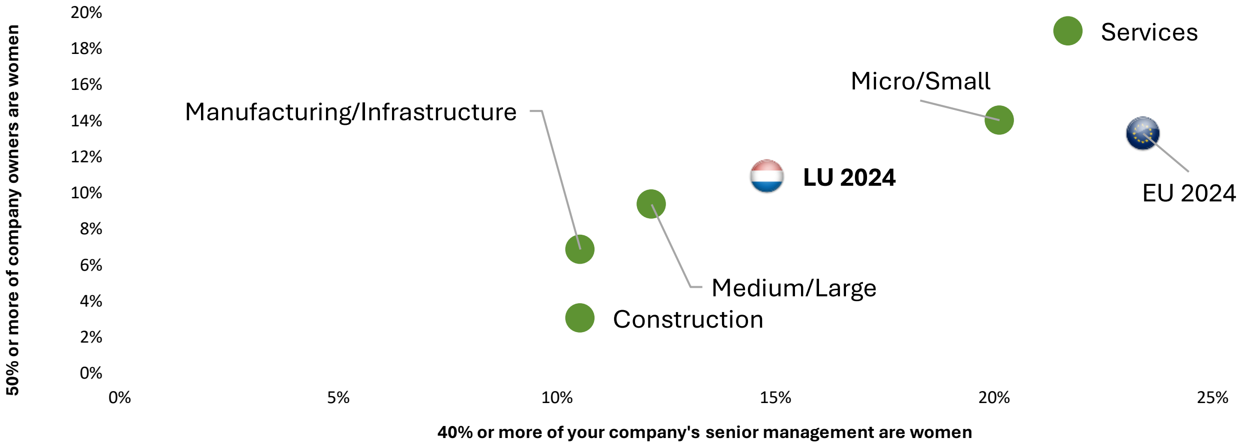
Please note: Sector and size show LU data only. Data derived from the financial constraint indicator and firms indicating that the main reason for not applying for external finance was "happy to use internal finance/didn't need finance."

Base: All firms (excluding don't know/refused responses).

Gender equality in business

Firms by share of women in senior roles

Compared to the EU average, Luxembourgish firms have a lower share of firms with (40% or more) of women in senior management (15% vs. 23%) and have a comparable share of firms with (50% or more) of women owning the company (13% versus 11%). Within Luxembourg, the services firms and micro and small companies stand out, with a higher share of firms having 40% or more women in senior management and 50% or more women owning the company.



Please note: Sector and firm size show LU data only.

Q. Which of the following, if any, apply to your company: 50% or more of your company's owners are women; 40% or more of your company's senior management are women?
Base: All firms (excluding don't know/refused responses)

EIBIS 2024: Country technical details

Sampling tolerances applicable to percentages at or near these levels

The final database is based on a sample rather than the entire population of firms in the European Union, so the percentage results are subject to sampling tolerances. These vary with the size of the sample and the percentage figure concerned.

	EU	LU	Construction	Services	Manufacturing/ Infrastructure	Micro/Small	Medium/Large	EU vs. LU	Manuf vs. Constr	Micro/Small vs. Medium/Large
	(12033)	(183)	(45)	(61)	(76)	(150)	(33)	(12033 vs 183)	(45 vs 76)	(150 vs 33)
10% or 90%	1.1%	6.7%	12.3%	12.2%	9.4%	4.4%	9.7%	6.7%	15.5%	10.6%
30% or 70%	1.7%	10.2%	18.8%	18.6%	14.4%	6.7%	14.8%	10.3%	23.7%	16.2%
50%	1.9%	11.1%	20.5%	20.3%	15.7%	7.4%	16.2%	11.2%	25.8%	17.7%

Glossary

Construction sector	Based on the NACE classification of economic activities: firms in group F (construction).
Infrastructure sector	Based on the NACE classification of economic activities: firms in groups D and E (utilities), group H (transportation and storage) and group J (information and communication).
Investment	A firm is considered to have invested if it spent more than €500 per employee on investment activities with the intention of maintaining or increasing the company's future earnings.
Investment cycle	Based on the expected investment in the current financial year compared to the last one, and the proportion of firms with a share of investment greater than €500 per employee.
Large firms	Firms with at least 250 employees.
Manufacturing sector	Based on the NACE classification of economic activities: firms in group C (manufacturing).
Services sector	Based on the NACE classification of economic activities: firms in group G (wholesale and retail trade) and group I (accommodation and food services activities).
SMEs	Small and medium companies (firms with between five and 249 employees).

EIBIS 2024: Country technical details

The country overview presents selected findings based on telephone interviews with 183 firms in Luxembourg (carried out between April and July 2024).

BASE SIZES *(*Charts with more than one base; due to limited space, only the lowest base is shown)*

Base definition and page reference **Chart with multiple bases — due to limited space, only the lowest base is shown.*	**EU 2024**	**LU 2024/2023**	Construction	Services	Manufacturing/ Infrastructure	Micro/Small	Medium/Large
All firms, p. 4 (bottom), p. 7 (top), p. 7 (bottom), p. 12 (top)	12033	183/181	45	61	76	150	33
All firms (excluding don’t know/refused responses), p. 4 (top)	11693	181/180	45	59	76	148	33
All firms that invested in the last financial year (excluding don’t know/refused responses), p. 5 (top)	10213	153/149	38	51	63	121	32
All firms that invested in the last financial year (excluding don’t know/refused responses), p. 5 (bottom)	10021	154/153	38	53	62	124	30
All firms (excluding response “Company didn’t exist three years ago”), p. 6 (top)	12020	183/180	45	61	76	150	33
All firms (excluding don't know/refused responses), p. 6 (bottom)	11773	183/181	45	61	76	150	33
All firms (excluding don’t know/refused responses), p. 8 (top)	11998	183/180	45	61	76	150	33
All importers and exporters (excluding /don’t know/refused responses),* p. 8 (bottom)	7343	127/134	23	50	53	102	25
All firms (excluding don't know/refused responses) p. 9 (left)	11961	181/180	45	61	74	148	33
All firms that import (excluding don’t know/refused responses) p. 9 (right)	6092	113/114	23	44	45	92	21
All firms (excluding don’t know/refused responses), p. 10 (top)	11940	183/180	45	61	76	150	33
All firms (excluding don't know/refused responses) p. 10 (bottom)	11938	182/179	45	61	75	149	33
All firms (excluding don't know/refused responses), p. 11 (top)	11498	174/174	42	58	73	142	32
All firms (excluding don't know/refused responses), p. 11 (bottom)	12005	182/180	45	61	75	149	33
All firms that invested in the last financial year (excluding don’t know/refused responses), p. 12 (bottom)	10249	154/150	38	53	62	123	31
All firms (excluding don’t know/refused responses), p. 13 (top)	11832	179/180	45	59	74	146	33
All firms (excluding don’t know/refused responses), p. 13 (bottom)	11578	179/178	45	60	73	147	32
All firms (excluding don’t know/refused responses), p. 14 (top)	11711	177/178	43	59	74	144	33

All firms (excluding don’t know/refused responses), p. 15 (top)	11781	182/179	44	61	76	149	33
All firms (excluding don't know/refused responses), p. 15 (bottom)	12010	183/181	45	61	76	150	33
All firms (excluding don't know/refused responses), p. 16	11924	183/180	45	61	76	150	33
All firms (data not shown for not an obstacle at all/don’t know/refused responses), p 17	12033	183/181	45	61	76	150	33
All firms (excluding don't know/refused responses) p. 18 (top)	11539	180/NA	44	61	74	148	32
All firms that export (excluding don’t know/refused responses) p. 18 (bottom)	5308	71/NA	6	21	43	54	17
All firms that invested in the last financial year (excluding don’t know/refused responses), p. 19 (top)	10635	156/151	38	53	64	124	32
All firms that invested in the last financial year (excluding don’t know/refused responses), p. 19 (bottom)	10635	156/151	38	53	64	124	32
All firms using external finance (excluding don't know/refused responses), p. 20 (top)	4174	41/14	11	11	19	31	10
All firms using external finance (excluding don't know and refused responses), p. 20 (bottom)	4172	44/50	13	11	20	34	10
All firms that used external finance in the last financial year (excluding don’t know and refused responses), p. 21	4114	43/51	12	11	20	34	9
All firms (excluding don’t know/refused responses), p. 22 (top)	11627	181/174	45	61	74	148	33
All firms (excluding don’t know/refused responses), p. 22 (bottom)	11627	181/174	45	61	74	148	33
All firms (excluding don’t know/refused responses), p. 23	11521	178/NA	45	59	73	147	31

EIB INVESTMENT SURVEY 2024

LUXEMBOURG

OVERVIEW

European Investment Bank

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