

NEWS RELEASE



For Immediate Release

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LUXEMBOURG RANKED NINTH MOST COMPETITIVE COUNTRY IMD World Competitiveness Yearbook Raises Luxembourg Standing

NEW YORK, New York, May 22, 2006 – Luxembourg is the ninth most competitive country in the world and the third most competitive within the European Union, according to the World Competitiveness Yearbook 2006, published by the International Institute for Management Development (IMD). In its latest review of 61 industrialized and emerging economies, the Institute raised Luxembourg's ranking from the world's tenth most competitive country in 2005, to the ninth such country this year.

The World Competitiveness Yearbook (WCY) is the world's most renowned and comprehensive annual report on the competitiveness of nations, ranking and analyzing how a nation's environment creates and sustains the competitiveness of enterprises.

IMD, the Lausanne, Switzerland-based international business school, defines competitiveness as the ability of a nation to provide an environment that sustains the competitiveness of enterprises. It conducts its research based upon relationships with global companies and 58 partner institutes worldwide. To compile the World Competitiveness Yearbook, it evaluated the 61 countries in its study across 312 criteria, grouped into four major Input Factors: economic performance; government efficiency; business efficiency; and infrastructure. The criteria are derived from statistical data collected from a survey of over 4,000 business executives, as well as hard data taken from international and regional organizations and private institutes.

As the IMD explains, "Competitiveness thrives on two capabilities: The management of a broad spectrum of competencies within a nation or a firm, with the objective of fully exploiting their capital of resources and knowledge [and] the management of change, with the objective of adapting better and faster than competition to an ever-changing competitiveness landscape. The world today is open, online, and transparent. As a consequence, nations, firms and individuals have become more vulnerable. There is no place to hide anymore... The pace of change has accelerated and the world is in constant evolution. Thus, the rules of competitiveness are changing all the time."



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Luxembourg's economic openness continues to make it one of the most competitive locations for international companies conducting business in Europe. Luxembourg's full participation in the Euro-zone as well as its economic vitality, political stability, pro-business environment and geographic location, ensure that it is strategically placed to leverage its strengths in pan-European business.

Georges Faber, Consul General of Luxembourg in New York, stated: "Luxembourg continues its historic trend of economic competitiveness which is enjoyed by the many world-class companies conducting business in our country."

For further information, visit IMD's Web site at <http://www01.imd.ch/wcc/yearbook/>.

World Competitiveness 2006 (Top 20)

<u>Country</u>	<u>2006 Rank</u>	<u>2005 Rank</u>
US	1	1
Hong Kong	2	2
Singapore	3	3
Iceland	4	4
Denmark	5	7
Australia	6	9
Canada	7	5
Switzerland	8	8
Luxembourg	9	10
Finland	10	6
Ireland	11	12
Norway	12	15
Austria	13	17
Sweden	14	14
Netherlands	15	13
Bavaria	16	18
Japan	17	21
Taiwan	18	11
China	19	31
Estonia	20	26

Source: *IMD International*