

# Luxembourg

## Tourism in the economy

Tourism contributed 8.7% of Luxembourg's GDP in 2018. Some 6 000 jobs are directly linked to the tourism industry and a further 9 000 depend indirectly on tourism. Travel exports represented 4.3% of total service exports in 2018.

In 2018, 2.9 million overnight stays (international and domestic) were recorded in all types of accommodation (1.7 million in hotels, 0.9 million on campsites, 170 000 in youth hostels and 90 000 in other collective accommodation). International tourists accounted for 88.2% of nights. Total overnight stays in Luxembourg have increased by 29.8% since 2009.

Luxembourg's main source markets are its neighbouring countries; Belgium (20.5%), the Netherlands (16.7% of overnight visitors), Germany (14.5%) and France (13.4%). Although other markets such as China, Japan and United States are growing. Domestic tourism accounted for 11.8% of total overnight stays.

## Tourism governance and funding

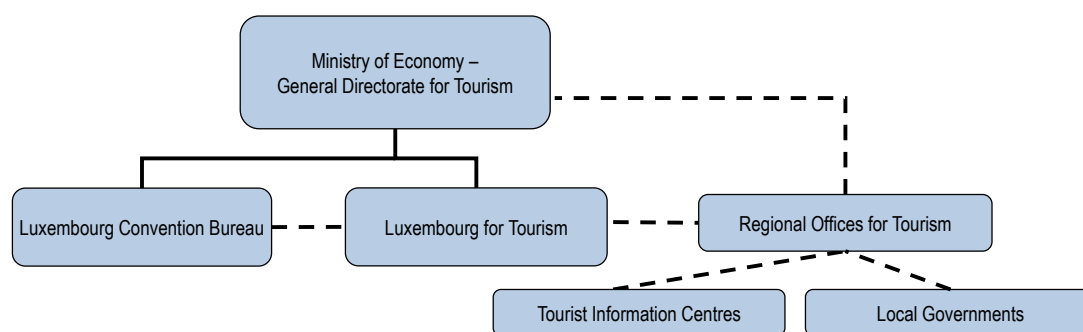
Tourism in Luxembourg is the responsibility of the Ministry of the Economy, through its General Directorate for Tourism and, since 2018, under a dedicated Minister for Tourism. As well as setting regulations for the tourism sector, the Directorate grades hotels and campsites, sets standards (e.g. ecolabel, 'eurowelcome' and 'bed+bike') and provides grants to raise the standards of operators working in tourism. The Directorate regularly collaborates with other governmental bodies, private operators and not-for-profit associations.

The Directorate co-ordinates the work of the national tourism development and promotion agency, Luxembourg for Tourism, and the newly created Luxembourg Convention Bureau, which was set up in 2018 to help develop the business events sector. Both organisations include public and private operators in their decision-making processes. Luxembourg for Tourism includes representatives of the City of Luxembourg, the Luxembourg City Tourist Office, the Regional Tourist Offices, the national hospitality federations and the Chamber of Commerce, as well as National Government representatives. Luxembourg Convention Bureau members include representatives of the City of Luxembourg and the Luxembourg Government.

The Directorate also co-ordinates the work of the five Regional Tourist Offices, which are responsible for developing tourism in the regions, working with public and private operators at national and regional level, developing tourism projects, providing training and professionalising the industry, advising and co-ordinating tour operators and events, raising the profile of destinations, and recruiting and training guides.

The budget for the Directorate in 2019 was EUR 22.1 million, an increase of 13% from 2018, and almost 30% more than the budget for 2017. The 2019 budget includes an allocation of 16.5% to Luxembourg for Tourism, 11.5% for the Regional Tourism Offices and 3.9% for Luxembourg Convention Bureau. This budget increase is in line with the Government's ambition to further strengthen the development of this economic sector.

## Luxembourg: Organisational chart of tourism bodies



Source: OECD, adapted from Ministry of Economy, 2020.

## Tourism policies and programmes

Under the Strategic Framework for the Development of the Tourism Sector 2018-22, eight pillars are identified to improve the experience of tourists in Luxembourg, and support the success of the Grand Duchy as a tourism destination. The new Strategy proposes, for example, better collaboration between different actors and different regions, as well as improvement to key infrastructure in order to enhance the visitor experiences. The visitor is placed at the centre of efforts, while the enhancement of the country's assets, such as authenticity, heritage, conviviality and unspoilt nature, is also a focal point of the strategy.

The main issues and challenges for tourism development in Luxembourg are:

- Developing quality, accessible and innovative tourism products and services.
- The professionalisation of tourism structures at the national, regional and local levels.
- Adapting to digitalisation, for promotion, information and tourism products.
- Supporting the sustainable development of tourism.
- Developing reliable statistics.
- Developing new lead markets and adjusting the product offer to fit.
- Promoting transparency, particularly in the accommodation sector to include implementation of the Hotelstars Union hotel classification system as well as the development of a new campsite classification system.
- Developing rural tourism accommodation, as well as product for walking, hiking and other activities.

To encourage and capitalise on innovation in the tourism sector, the Minister for Tourism launched the Tourism Innovation Award in 2018. The Awards seek to: promote the know-how and innovative spirit of tourism businesses and public institutions; stimulate creativity and the development of original projects; open the sector to new trends; and encourage sustainable development and social responsibility. The competition was open to small and medium-sized tourism businesses and rewarded stand-out projects exhibiting innovative character and exceptional added value.

The Ministry of the Economy provides various financial incentives to support investment in the tourism sector. These include subsidies for projects to improve tourism infrastructure and service quality, including certification programmes delivered by municipalities, tourist offices, non-profit associations and accommodation providers. Tourist accommodation is confronted with structural change, not only in Luxembourg but in many destinations. To ensure that there is a variety of quality tourist accommodation options in rural areas, a working party has been set up under the auspices of the Ministry of the Economy to draw up an action plan to boost tourist accommodation in the rural environment.

In order to professionalise the management and promotion of tourism and reduce the current reliance on volunteering, the Ministry provides opportunities for co-financing of operations and payroll costs. Investment aid is also available for small and medium-sized private operators.

The Ministry is currently working on the implementation of a Green Business Events Charter, which will encourage the business events sector to reduce its environmental impact. The project recognises that customers are increasingly mindful of environmental and social costs, and aims to strengthen Luxembourg's positioning as a high-quality, sustainable destination. The Ministry plans to use an internationally recognised sustainable destination index to implement the project.

The business events sectors has considerable potential for growth in Luxembourg. To realise the ambition to make Luxembourg a top destination for business events, Luxembourg Convention Bureau was set up to co-ordinate the development of this market. Bureau identifies and canvasses congresses of potential interest to Luxembourg, and co-ordinates the application process for organisers. It is specifically tasked to advise and support the development of business events in Luxembourg, with a budget of EUR 1.7 million in 2019. The establishment of the Luxembourg Convention Bureau is a major step forward in the process of restructuring and professionalising the industry. It also contributes to the country's economic development programme by attracting attention, knowledge, partnerships and investment in priority economic development sectors by means of business events. The ambition of becoming a leading meetings, incentives, conferences and events (MICE) destination is backed by members of the former MICE Cluster Luxembourg, now incorporated into the Luxembourg Convention Bureau structure. An Industry Partners Programme has been set up by the Bureau to establish a general framework for co-operation with its members.

Digitalisation is a major challenge for the tourism industry in Luxembourg; but it is also a huge opportunity. The Government is committed to supporting and promoting the digital transformation of the tourism sector, making use of new technology to enhance the promotion of the country (Box 2.8).

## Statistical Profile

### Luxembourg: Domestic, inbound and outbound tourism

	2014	2015	2016	2017	2018
<b>TOURISM FLOWS, THOUSAND</b>					
<b>Domestic tourism</b>					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	105	107	108	110	121
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	354	325	318	318	346
Hotels and similar establishments	160	152	160	167	189
Other collective establishments	194	174	158	151	157
Private accommodation	..	..	..	..	..
<b>Inbound tourism</b>					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	1 041	1 091	1 053	1 046	1 018
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Belgium	203	211	210	211	208
Netherlands	176	180	178	182	170
Germany	147	152	152	147	148
France	141	141	139	139	136
United Kingdom	67	71	69	68	66
Nights in all types of accommodation	2 520	2 659	2 637	2 573	2 575
Hotels and similar establishments	1 539	1 589	1 594	1 526	1 525
Other collective establishments	982	1 069	1 044	1 047	1 050
Private accommodation	..	..	..	..	..
<b>Outbound tourism</b>					
Total international departures	3 543	..	..	..	..
Overnight visitors (tourists)	1 815	1 702	1 588	2 425	2 555
Same-day visitors (excursionists)	1 728	..	..	..	..
Top destinations					
France	322	306	255	466	490
Germany	272	272	253	326	330
Italy	108	94	107	175	232
Belgium	135	107	91	181	208
Spain	128	113	119	177	175
<b>TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR</b>					
<b>Inbound tourism</b>					
Total international receipts	4 546	4 294	4 306	4 422	4 697
International travel receipts	4 041	3 770	3 839	4 034	4 230
International passenger transport receipts	505	524	467	388	467
<b>Outbound tourism</b>					
Total international expenditure	2 529	2 588	2 630	2 695	2 794
International travel expenditure	2 470	2 539	2 579	2 648	2 730
International passenger transport expenditure	59	49	51	47	64

.. Not available; | Break in series

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888934077388>

## Luxembourg: Enterprises and employment in tourism

	Number of establishments	Number of persons employed				
	2018	2014	2015	2016	2017	2018
<b>Total</b>	..	..	..	..	..	..
<b>Tourism industries</b>	<b>493</b>	..	..	..	..	..
Accommodation services for visitors	421	..	..	..	..	..
Hotels and similar establishments	227	..	..	..	..	..
Food and beverage serving industry	..	..	..	..	..	..
Passenger transport	..	..	..	..	..	..
Air passenger transport	..	..	..	..	..	..
Railways passenger transport	..	..	..	..	..	..
Road passenger transport	..	..	..	..	..	..
Water passenger transport	..	..	..	..	..	..
Passenger transport supporting services	..	..	..	..	..	..
Transport equipment rental	..	..	..	..	..	..
Travel agencies and other reservation services industry	72	..	..	..	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
<b>Other industries</b>	..	..	..	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

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