

DOING BUSINESS ABROAD

With an area of 1,616 sq m, the Grand Duchy of Luxembourg is about twice the size of Northamptonshire. It shares borders to the North and West with Belgium, to the south with France, and to the east with Germany.

One third of the country is made up of the hills and forests of the Ardennes, while the rest is wooded farmland. In the southeast is the wine growing valley of Moselle and has a population of about 455,000 of which about 4,500 are UK nationals. The historic Luxembourg City is by far the biggest in the country. It is also the home of the European Court of Justice.

Its prosperity was formerly based on steel manufacturing, but with the decline of that industry it is now best known for its status as a tax haven and banking centre.

Its main exports are steel products, chemicals and rubber products. Main imports are minerals, metals and foodstuffs.

The economic structure of Luxembourg is mainly in banking, insurance, telecommunications and the steel industry. Agriculture and winegrowing are also important.

Luxembourg has a very stable high-income economy with low inflation and low unemployment.

It has a very high Internet penetration, so readily open to Internet sales. UK exports to Luxembourg were valued at £359m in 2004. It is heavily dependent on international trade, and its economy is based mainly around banking, insurance, telecommunications and the steel industry.

Luxembourg has considerable potential for UK exports, especially consumer products, finance and high technology.

Every prudent business carries out market research and evaluation before attempting to break into a market. Acquiring knowledge of local laws, regulations and trading practices is an important element in order to obviate potential risk.

Temple & Co Commercial, Solicitors in Daventry, work with local lawyers in assisting UK businesses entering the Luxembourg market.

*Contact Euan Temple at Temple & Co Commercial Solicitors , Daventry eft@templesols.com
www.templesols.com*