

Luxembourg

Tourism in the economy

In 2016 it is estimated that tourism contributed 1.7% of Luxembourg's GDP directly and 5.1% if indirect impacts are also included. Tourism accounted for 6 000 jobs directly, with a total of 18 500 jobs being dependent either directly or indirectly on the sector (WTTC).

The number of overnight stays has risen steadily in the Grand Duchy of Luxembourg since 2010. 2016 was a record year for tourism in Luxembourg with 3 million overnight stays, an increase of 59% since 2010.

Luxembourg's four main tourist markets are its neighbouring countries and the Netherlands, which in 2016 accounted for over 62% of overnight stays, comprising of the Netherlands (25.6%), Belgium (17.3%), Germany (11.2%) and France (8.3%). Other source markets, such as the United States, China and Japan, are seeing ongoing growth. Domestic tourism regularly accounts for around 10% of total overnight stays.

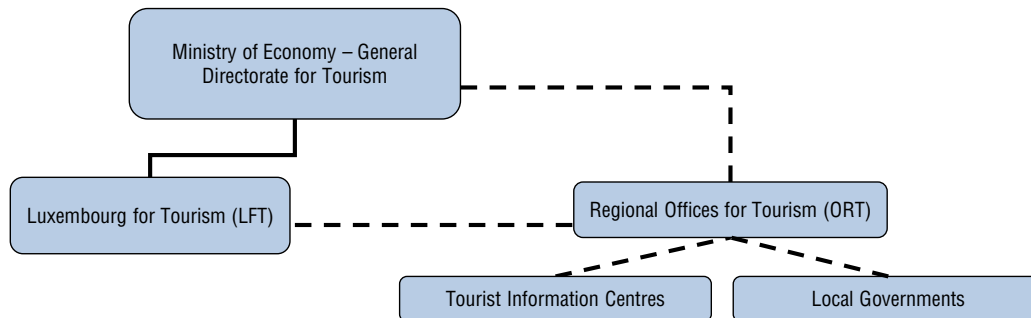
Tourism governance and funding

Since 2013, tourism has been under the responsibility of the Directorate General for Tourism (DGT), within the Ministry of the Economy ("the Ministry"). In addition to regulating tourism, the DGT coordinates the work of Luxembourg for Tourism (LFT), the national body responsible for tourism development and promotion, as well as the Regional Tourist Boards which coordinate the local services and cultivate the regional tourist offer. LFT defines and implements the national marketing strategy to enhance the country's international image and reputation as a tourist destination, and also promotes Luxembourg as a destination for business and conferences.

The Directorate General for Tourism also supports accommodation businesses, associations and local administrations which promote tourism. The main aim is to develop both the quality of tourism and quality of life. The Ministry is represented within Luxembourg for Tourism's decision-making bodies and regional tourism boards. In addition, regular meetings are held to ensure coordination and effective collaboration between the different parties. DGT is also responsible for assigning tourism labels, such as for hotel and camping classification, service quality, EcoLabel, EureWelcome, or bed+bike.

A budget of EUR 45 million was allocated for the five year plan for tourism covering 2013-17. The approved annual budget for the Directorate General for Tourism in the Ministry of the Economy has risen steadily since 2014, increasing from EUR 14.1 million in 2015 to EUR 14.6 million in 2016. Included in this amount are subsidies of EUR 3.7 million for Luxembourg for Tourism and EUR 1.8 million for regional tourism stakeholders.

Luxembourg: Organisational chart of tourism bodies



Source: OECD, adapted from the Ministry of Economy, 2018.

Tourism policies and programmes

Tourism in Luxembourg is facing a number of challenges:

- Offer quality: this small destination that is not well known to tourists requires an increasingly high-quality of offer and service to stand out from the competition,
- Tourist structures: at national, regional and local level, tourist structures need to be more professionalised if they are to meet the current and future challenges of the tourist industry,
- Digitalisation: the tourist sector will need to adapt to rapid developments,
- Accessibility: the tourist offer needs to develop so that it becomes accessible to everybody,
- Statistics: timely delivery of reliable data is crucial for tracking trends in tourism and adapting accordingly,
- New growth markets: it is essential to adapt the offer to attract tourists from new growth markets,
- Innovation: developing and supporting innovative tourism products,
- Transparency: ensuring transparency in the tourism offer, especially in the hospitality sector.

In recent years, the Luxembourg government has put together a new medium- to long-term strategy for the tourist industry, in close collaboration with national and regional bodies, and based on a participatory approach. The strategy will shortly be made public.

A bill has been tabled to allow government to subsidise delivery of a tenth five-year plan for boosting tourist infrastructure (2018-2022), supporting tourism professionals in their efforts to develop tourism in Luxembourg and broaden the country's tourism offer. This will include tourism projects initiated by municipalities, associations, non-profit organisations and private investors, as well as the owners or operators of various kinds of tourist accommodation. The new five-year plan will also continue to subsidise the costs of investment in programmes for certification of service quality.

To encourage development of a high-quality offer and ensure the greatest possible transparency, in 2017 the government launched a new hotel classification system. Already operated in many European countries under the patronage of HOTREC, Hotelstars Union offers a harmonised hotel classification with common criteria across Europe. Participation offers increased transparency and security to guests, enhancing the reputation and quality

of hotels in its member countries. The Ministry is implementing this classification in close collaboration with HORESCA, the hotel federation. A new classification for camping sites will be rolled out in autumn 2017.

Hiking holidays are a major tourism niche for the country, and the focus on infrastructure quality for this market segment over the past ten years has led to two of its major trails being awarded the highly coveted European label “Leading Quality Trails – Best of Europe”.

Analysis of the current offer and benchmarking against the best European offers provide the basis for Luxembourg to compete with top performers in hiking tourism by 2020. With rising expectations in a competitive growth market, it will be essential to invest in clear, effective signposting, digital support and high-quality hiking infrastructure across the country. The new concept encompasses not only the trail network, but also local accommodation and food services, tourist attractions and cultural sights, as well as all forms of mobility.

A further specific priority has been given to the development and promotion of the MICE market in Luxembourg, where the MICE Luxembourg cluster was established by the Ministry of the Economy in 2015. In addition, the government is working with the sector to implement a number of development projects, including a timetable for MICE events, business quality guidelines, and a Green Meetings project designed to promote and showcase ecologically responsible events (Box 1.11).

Statistical profile

Table 1. Luxembourg: Domestic, inbound and outbound tourism

	2012	2013	2014	2015	2016
TOURISM FLOWS, THOUSAND					
Domestic tourism					
Total domestic trips	..	..	..	..	..
Overnight visitors (tourists)	67	96	99	101	103
Same-day visitors (excursionists)	..	..	..	..	..
Nights in all types of accommodation	233	311	340	313	306
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Inbound tourism					
Total international arrivals	..	..	..	..	..
Overnight visitors (tourists)	950	945	1 038	1 091	1 054
Same-day visitors (excursionists)	..	..	..	..	..
Top markets					
Belgium	193	190	203	211	210
Netherlands	170	164	176	180	178
Germany	129	137	147	152	152
France	131	126	141	141	139
Nights in all types of accommodation	2 202	2 218	2 397	2 540	2 522
Hotels and similar establishments	..	..	..	..	..
Specialised establishments	..	..	..	..	..
Other collective establishments	..	..	..	..	..
Private accommodation	..	..	..	..	..
Outbound tourism					
Total international departures	..	..	2 944	2 497	2 138
Overnight visitors (tourists)	1 580	1 624	1 515	1 452	1 393
Same-day visitors (excursionists)	..	..	1 428	1 045	745
Top destinations					
France	363	384	322	306	255
Germany	256	272	272	272	253
Spain	112	102	128	113	119
Belgium	148	154	135	107	91
Italy	115	97	108	94	107
TOURISM RECEIPTS AND EXPENDITURE, MILLION EUR					
Inbound tourism					
Total international receipts	4 261	4 325	4 638	4 394	3 878 p
International travel receipts	3 877	3 879	4 133	3 872	3 878 p
International passenger transport receipts	384	446	505	522	..
Outbound tourism					
Total international expenditure	2 867	2 920	2 976	3 037	3 027 p
International travel expenditure	2 793	2 863	2 917	2 987	3 027 p
International passenger transport expenditure	74	57	59	50	..

.. Not available; p Provisional data

Source: OECD Tourism Statistics (Database).


StatLink  <http://dx.doi.org/10.1787/888933640671>

Table 2. **Luxembourg: Enterprises and employment in tourism**

	Number of establishments	Number of persons employed				
	2016	2012	2013	2014	2015	2016
Total	..	..	..	..	..	..
Tourism industries	389	..	..	..	..	..
Accommodation services for visitors	322	..	..	..	..	..
Hotels and similar establishments	234	..	..	..	..	..
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	67	..	..	..	..	..
Cultural industry	..	..	..	..	..	..
Sports and recreation industry	..	..	..	..	..	..
Retail trade of country-specific tourism characteristic goods	..	..	..	..	..	..
Other country-specific tourism industries	..	..	..	..	..	..
Other industries	..	..	..	..	..	..

.. Not available

Source: OECD Tourism Statistics (Database).

StatLink  <http://dx.doi.org/10.1787/888933640690>



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