

## LUXEMBOURG

The economy has been hit severely by the international financial crisis through its exposure to financial services and trade. There are signs that activity has bottomed out, however, thanks to stronger equity markets and policy support. Further ahead, gradual recovery will be sustained by improving financial conditions and growth in world trade.

Further fiscal stimulus of around 1½ per cent of GDP has been put in place for 2010. The authorities should lay out a credible path for medium-term fiscal consolidation.

## Luxembourg: Demand, output and prices

	2006	2007	2008	2009	2010	2011
	Current prices € billion	Percentage changes, volume (2000 prices)				
Private consumption	11.3	2.8	3.9	-0.3	1.0	2.3
Government consumption	5.2	2.8	2.7	3.3	2.0	0.5
Gross fixed capital formation	6.5	12.6	-0.1	-11.5	-1.8	5.1
Final domestic demand	23.0	5.6	2.5	-2.7	0.5	2.6
Stockbuilding <sup>1</sup>	0.4	-0.9	0.5	-1.6	1.4	0.0
Total domestic demand	23.4	4.2	3.2	-5.1	2.7	2.6
Exports of goods and services	57.7	8.8	1.5	-10.9	1.9	5.5
Imports of goods and services	47.0	8.3	3.5	-13.3	1.7	5.6
Net exports <sup>1</sup>	10.7	3.5	-2.4	-0.2	0.9	1.7
GDP at market prices	34.1	6.5	0.0	-3.9	2.4	3.4
GDP deflator	–	3.0	5.0	-1.4	2.6	3.2
<i>Memorandum items</i>						
Harmonised index of consumer prices	–	2.7	4.1	-0.1	1.6	1.0
Private consumption deflator	–	1.9	3.7	-0.3	2.0	1.8
Unemployment rate	–	4.4	4.4	5.9	7.1	7.5
General government financial balance <sup>2</sup>	–	3.7	2.5	-2.3	-4.3	-3.6
Current account balance <sup>2</sup>	–	9.7	5.5	1.9	1.5	2.9

Note: National accounts are based on official chain-linked data. This introduces a discrepancy in the identity between real demand components and GDP. For further details see *OECD Economic Outlook Sources and Methods* (<http://www.oecd.org/eco/sources-and-methods>).

1. Contributions to changes in real GDP (percentage of real GDP in previous year), actual amount in the first column.

2. As a percentage of GDP.

Source: OECD Economic Outlook 86 database.

[Click here for table in excel](#)