PORTRAIT OF A TERRITORY

Greater Region

(Belgium - Luxembourg - France - Germany)

COMPARISON OF FRAMEWORK CONDITIONS

The Greater Region – an area made up of Luxembourg, Lorraine, Wallonia, the German-Speaking Community of Belgium, Saarland and Rhineland-Palatinate – displays very variable framework conditions due to the fact that four countries participate in it. It is in the Belgian part that labour costs are the highest (€38 an hour in Belgium, compared with €35.7 in Luxembourg, €34.3 in France and €31.2 in Germany in 2013[19]), with the differential with the other regions of the cooperation area being more marked in the production sector than in the services sector.

In general terms, Luxembourg is more attractive than the other regions from the point of view of business taxes (lower employers' contributions, absence of an equivalent to the territorial economic contribution, overall lower compulsory contributions) and labour market regulation, which is much more flexible. Moreover, public investment, notably with respect to equipment and infrastructure, is more sustained in the Grand Duchy, which enhances its competitiveness from the point of view of investors.[20]

Luxembourg's attractiveness means that property prices are extremely high on its territory as well as in the bordering areas. The conurbations of Thionville, Arlon and Trier, as well as the Moselle corridor along the A31 motorway, have seen a sustained rise in house prices over the past few years.

19 Source: Eurostat, 2013.

20 Source: Lemaire Report, *Le transfrontalier, une opportunité pour les agglomérations et les territoires: assumer la concurrence et développer la cohésion*, 2008.