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Déclaration du gouvernement  
sur la situation économique,  
sociale et financière du pays 2021

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Premier ministre, Ministre d'Etat



Mr President,

Ladies and Gentlemen,

It is a pleasure to see you again here at the Krautmaart. The Chamber of Deputies has returned to its home, where the history of our parliamentary democracy has been written since 1860.

Although our country has been in an extraordinary situation for the past year and a half, Parliament has never stopped functioning. Throughout the pandemic, you have assumed your responsibility. The way in which we have been able to manage this crisis together is almost unique in Europe.

In Luxembourg, the virus has not brought democracy to its knees. That is why I would like to express my respect and utmost gratitude to you, Mr President, representative of all the Members and all the people working for the Parliament.

I would also like to thank the City of Luxembourg, which for many months made its premises at the Cercle available to the Chamber, thus ensuring that democratic debate could continue in a dignified setting.

Our presence here today is an important symbol. It is a symbol of a return to normality after weeks and months of hard struggle.

Our journey over the last few months was anything but easy.

Luxembourg too has victims to mourn. The virus has left gaps in our ranks. Covid-19 has taken people's lives, loved ones who are sorely missed. Grandparents, fathers and mothers, brothers and sisters, friends, colleagues and neighbours.

On this day, I would also like to think of all those people who have left us forever. I think of their families, their friends, their loved ones. We cannot and will never forget them.

This pandemic seems to be coming to an end. However, we are not there yet. In my speech, I will of course review the events of the past 19 months. It is important that we cautiously take stock of the pandemic and our management of the crisis today.

When I see where we are today, we must press on and not slack our efforts. We have already had to make too many sacrifices. The solutions are there, and I will talk in my speech about how the government plans to get out of this pandemic.

An exit strategy that will not be a step backwards, but a step forward!

Now that we are about to win the race against the virus, it is time to prepare for the day after the pandemic.

The great challenges of our time have not disappeared in recent months.

On the contrary. The challenges of climate change, rising housing costs and social problems are gradually becoming predominant.

At the same time, the coronavirus has changed our lives in a lasting way. It is up to us to draw the right lessons from the pandemic. It is up to us to figure out how we want to shape our society after the crisis.

I am thinking, for example, about a healthy work-life balance.

But I am also thinking of the considerable impact digitalisation has on our daily lives.

If we are to keep pace with the rapid social changes of recent years and meet the great challenges of our time, we must take new paths. Yes, we must seize the momentum and commitment of the past few months. For we have seen what we are capable of when we collectively commit ourselves to a cause.

We Luxembourgers have always been able to emerge stronger from a crisis.

Because we do not stand still. Because we dare to break new ground. Because we seize the opportunities that come our way. These are all characteristics that distinguish the 'Luxembourg model'.

The 'Luxembourg model' is a success story. It is the story of a country that has managed to achieve outstanding economic, political and social stability.

It is a story of a country where the citizens benefit from prosperity and quality of life.

But it is also the story of a country where we rely on dialogue rather than working against each other. Effective social dialogue is the guarantee of social peace. When necessary, we stand together.

Henceforth, we want to place even more emphasis on citizen participation. We want to do politics with the people. Because at the end of the day, it is always about the people. It is about our common future.

The great challenges of our time cannot be tackled separately. The fight against climate change, digitalisation, housing and social policy are inevitably linked.

We cannot have an effective environmental strategy without a fair social policy to protect citizens from the serious financial consequences of the climate crisis.

Digitalisation offers many opportunities, but it also poses challenges. The world of work is likely to undergo major changes in the next few years. We cannot leave anybody behind.

Housing also plays an important role in environmental policy. However, at present, housing is primarily a factor of social exclusion.

Today's policy sets the course for the future. Today we decide on how we want to live in 10, 20, 30 years.

We are deciding today what world we will leave behind to future generations.

We have a long way to go. But time is running out. We must meet all these challenges now, before it is too late.

The latest report of the Intergovernmental Panel on Climate Change leaves no room for doubt.

The climate crisis is real. It affects us all. Not in 100 years, not on the other side of the globe, but here and now. In Luxembourg.

In July, large parts of the country were flooded. Due to climate change, we are now faced with the risk of floods year after year. These are no longer 'disasters of the century', as unfortunately they occur all too regularly.

One only has to look at the events of the last five years to realise the scale of the climate crisis and its impact on Luxembourg.

The fact that not all these disasters have caused any victims in Luxembourg is nothing short of a miracle. Yet the damage is enormous. I would also like to take this opportunity to thank our rescue services and all those who have shown solidarity.

I was particularly moved by the plight of individual victims when I visited the affected areas. People who, within hours, lost their entire existence.

We do our best to support them financially. However, we cannot repair the emotional damage. Precious memories, destroyed forever. What remains is fear. Fear of the next catastrophe.

I recall a conversation with a young mother in Larochette, a community that has been hit several times by heavy rain and floods. She told me that her children are scared whenever it rains heavily. At their young age, they associate the rain with the distress and suffering they have already experienced on two occasions.

We cannot change the past. That is why it is all the more important to do everything possible to ensure that climate change does not cause even more suffering in the future.

We have no choice. We must meet our climate goals. And the path to get there is clear.

Firstly, we must reduce our greenhouse gas emissions to slow down global warming.

Secondly, we need to invest massively in research and development of new and innovative technologies that will help stop climate change in the long term.

Thirdly, we must take preventive measures against the harmful effects that global warming is already causing.

The goal is clear. Science tells us that we need to be climate neutral by 2050 to limit global warming to 2 degrees, or even better to 1.5 degrees. Luxembourg has set itself ambitious goals. We want to reduce greenhouse gas emissions by 55% by 2030.

2030 is a milestone for humanity. If we do not succeed in massively reducing our CO2 emissions by then, we risk reaching irreversible tipping points.

Melting ice caps at the poles is such a tipping point. It will cause sea levels to rise by several metres, flooding huge areas near the sea. We are talking about a massive loss of habitat for humans, wildlife and plants.

We thus have less than 10 years left to achieve this self-imposed goal by 2030. Luxembourg is ready to assume responsibility.

And we have already achieved important results.

Over the last 5 years, we have managed to double our production of renewable energy. Last year, we were able to reach our target of 11% renewable energy in relation to total energy consumption in Luxembourg. In 2020, for the first time in our history, we were able to cover the energy needs of all households in Luxembourg with renewable energy sources.

Experts confirm that the development of renewable energies is one of the main pillars of efficient climate protection. Nevertheless, Luxembourg is currently dependent on foreign energy sources. The development of renewable energies will therefore not only protect the climate, but also strengthen our autonomy in terms of energy supply.

We are currently experiencing at first hand how important it is to have the largest possible national energy supply. Geopolitical causes, upon which Luxembourg has no influence, are causing soaring energy prices. We will keep a close eye on this development and help the socially disadvantaged households with concrete measures so that they do not fall into energy poverty. I will come back to this point.

The sun and the wind are the main vectors of sustainable electricity production in Luxembourg. Today, we produce three times as much wind energy as we did five years ago. Moreover, the energy we get from the sun is increasing year by year. Solar systems installed on roofs are a great success. This success is also due to our decision last year to offer attractive tariffs for these installations.

In order to reach our target of 25% renewable energy by 2030, we need to mobilise even more space, especially on the roofs of existing buildings, such as offices, schools or car parks. Solar energy projects can also be interesting for private investors, on the roofs of private properties or cooperatives.

In addition to our efforts in Luxembourg, we are also investing in projects abroad. Luxembourg wants to invest in offshore wind farms in Denmark and Belgium.

Luxembourg is also focusing on alternative energy sources such as biogas and hydrogen.

After the government's presentation of its hydrogen strategy a few weeks ago, we will shortly also present a roadmap for biogas production.

The expansion of renewable energies is even more necessary as energy needs will continue to grow in the future.

Additionally, it is important that we also save energy wherever possible. We have set ourselves the goal of increasing our energy efficiency to 40 to 44% by 2030, as compared to the reference year of 2007. In Luxembourg, mobility, industry and housing consume the most energy.

More and more residents want to renovate their homes for energy efficiency. As part of the 'Neistart Lëtzebuerg' recovery plan, we have introduced a bonus for energetic refurbishment subsidies. From 2022 onwards, we will further simplify the subsidy system so that individual renovation work may be carried out more efficiently.

Mobility concerns us all in our daily lives. Getting from A to B quickly, preferably as cheaply, comfortably and ecologically as possible, is our objective. This goal can only be achieved in combination with a high-performance public transport system.

In March 2020, we were the first country in the world to offer free public transport. We are also one of the countries that invest the most in the development of public transport. In the area of rail network expansion alone, for example, we are currently the European leader, with an investment of 567 euros per person.

These investments include the extension of the railway line between Luxembourg and Bettembourg, as well as the car parks in Rodange, Mersch, Ettelbruck, Troisvierges and Wasserbillig. We have also ordered 34 new trains, which will be delivered between 2023 and 2025. With this investment, we are increasing the overall capacity of our rail network by 43%.

The tram now connects Kirchberg to the central station. Expansion in the direction of Bonnevoie, Howald and Cloche d'Or is in full swing.

In addition to the massive expansion of public transport, the government is also investing in soft mobility. Since 2015, we have expanded the network of bicycle paths by 92.5 kilometres. It currently totals 640 kilometres and over the next few years, 460 kilometres of cycle paths will be added. The financial aids for bikes, pedelecs and e-bikes have been doubled to 600 euros. To date, the Ministry of the Environment has received more than 50,000 applications for these financial aids. This proves the success of this measure.

The car will not disappear from Luxembourg in the future. Even though we are striving to optimise public transport and soft mobility offers, we are aware that many people in Luxembourg are dependent on their car. Thus, we need to develop affordable and environmentally friendly alternatives to combustion engines.

More and more people are opting for an electric car. Together with hybrid cars, they now account for almost 20% of new registrations. On the one hand, this is due to the government

financial aids, which we have increased to 8,000 euros in our recovery package. On the other hand, the range of efficient and affordable electric cars is constantly increasing.

A third factor responsible for the success of electric cars is our network of charging stations. In this context, Luxembourg has nothing to envy to other countries. We have the second largest number of charging stations per square kilometre in Europe. In addition, we are continuing to invest in this area, notably with the installation of 88 fast charging stations.

In June of this year alone, some 267,000 kilowatts of green electricity were charged at public charging stations. This corresponds to about 1.6 million kilometres driven electrically.

Our subsidy for private charging stations is also very successful. The government is also developing a subsidy scheme for workplace charging stations. We expect to launch it early next year.

The government will also continue to invest in a more efficient and safer road infrastructure. Planned bypasses in Hosingen, Dippach and Bascharage will reduce car traffic while improving the quality of life and safety of the residents concerned.

Our economy, and in particular our industry, is very energy-intensive. The government wants to support them in their ecological transition.

The industry is ready to contribute to the solution of the problem. I visited two large glass and cement industries in the south of the country. They are already impressively demonstrating how energy transition can be achieved in the industrial sector. They are modernising their production processes and they are consequently emitting less CO<sub>2</sub>, while helping to maintain jobs in Luxembourg.

We need many more initiatives like these to achieve our climate targets. We need a climate pact for business. The government is currently working on a new support programme to provide businesses - large and small - with the financial means, expertise and logistics to become more climate-friendly.

We will further strengthen our efforts in innovation and research for more climate-friendly technologies. For this reason, the government has selected the field of sustainable and responsible development as one of the four main research priorities. A fourth interdisciplinary centre, which will focus on sustainable development, will be created at the University of Luxembourg.

The State has a pioneering role in the war on climate change. It must do justice to its exemplary function and show citizens and companies the way towards climate neutrality.

The State and its departments must gear up and accelerate their efforts. Still too many public buildings have not been energy redeveloped. We have not installed photovoltaic panels on still too many public building roof surfaces.

At the same time, isolated procedures are holding back private climate initiatives. We will therefore set up an interdepartmental working group to review state procedures for



unnecessary obstacles to climate protection. The aim of the working group is to draw up a catalogue of measures that will enable us to speed up environmental policy.

An example for a concrete measure is the implementation of a single counter as only point of contact. The aim is to simplify significantly the approval procedure for energy projects.

As the first country in Europe, the government also wants to introduce a sustainability check for future legislation and regulations. We are in the process of finalising this instrument, which will enable us to make our own laws more sustainable.

We are a relatively small country. Luxembourg contributes only a fraction of the world's CO2 emissions. We will not be able to stop the climate crisis on our own. Nevertheless, that should not be an excuse not to make our contribution to the global solution and to be a forerunner in this area as well.

The World Climate Conference in Glasgow in November is pointing the way. Luxembourg is ready to take on more responsibility. However, Luxembourg also demands a more committed and united approach to the climate crisis from the international community. We can only win the fight against climate change as a united world.

We hope that the World Climate Conference will provide us with concrete solutions for a more effective climate protection on a global level. The World Climate Conference is also a very symbolic event. The world, and in particular the younger generation, is watching us.

We cannot demand that people change their habits if we, as a State, do not set a good example.

I will therefore propose to the Government Council that government missions abroad should henceforth be CO2-compensated. We are currently setting up a system whereby departments will be able to record the CO2 consumption of their journeys over a whole year. From 2023 onwards, provisions will be made for the budget needed in order to offset the CO2 consumption of the previous year.

This money will also be paid into the Climate Fund to accelerate climate protection efforts here in Luxembourg.

Our energy and climate plan also contains a number of concrete measures, which we want to implement quickly. We are not just talking about climate policy, we are acting on it.

Above all, we want to encourage people to live a climate-friendlier life. We have therefore introduced a range of subsidies, whether for mobility, housing or renewable energy.

All these bonuses will be extended before the end of the year and in some cases made even more attractive.

Mister President, Ladies and Gentlemen,

There is no doubt that we need additional climate measures. The experts of the World Climate Council are very clear on this.

However, we will only achieve a coherent climate policy if we have the support of a majority of society.

Politics must listen to the people. This also applies to people who are still wondering about the concrete effects that climate protection can have on their lives.

More than ever, we need a social consensus on how we want to tackle the climate crisis together. We must not allow ourselves to be played off against each other. We must not allow the gap to widen between us. We are all in the same boat.

Climate policy concerns us all. Because it affects us all at the core of our lives together. How do we want to live in the future? What kind of planet do we want to leave to future generations? The climate issue is a social issue.

That is why we also need society at the table when we discuss additional climate measures.

Extraordinary situations require exceptional measures. It is time for an innovative democratic project that has not yet taken place in Luxembourg in this form. It is time to bring society to the table in climate policy negotiations.

I therefore wish to convene a Citizens' Council on Climate. This Citizens' Council will be composed of a hundred members who represent the demographic reality of Luxembourg and thus the population.

With the support of experts, these 100 citizens will discuss specific climate issues. We know exactly what we want to achieve. Climate experts are clearly showing us how we can handle the climate crisis. It is now a matter of going down this road together, without endangering the social cohesion.

This is precisely the task of the Citizens' Council on Climate. We focus on cohesion.

The starting point for the discussions in the Citizens' Council is the National Energy and Climate Plan, which already contains an ambitious set of objectives and measures. The 100 citizens will have to deliberate how far beyond the climate plan they want to go.

In the coming weeks, the government will draft and present the details of the Citizen's Council on Climate.

It is clear to me that the proposals of the Citizens' Council on Climate must become an integral part of the debate in the Parliament.

We have often gone our own way in our country. We have used crises to adapt and create new opportunities.

The climate crisis concerns all of us. It is therefore time, once again, to find our own way. I am convinced that the Citizen's Council on Climate can lead this way.

We must not delude ourselves. We cannot save the planet at zero cost. Luxembourg invests over a billion euros a year in climate protection. However, doing nothing will end up costing us much more.

The government will also continue to invest in weather disaster prevention to limit future damage.

Fighting climate change is one of the greatest challenges humanity has ever faced. But together we can do it.

We can only overcome this crisis if we move forward together.

It also means that we will not leave anyone behind. The climate crisis must not become a social crisis. We will take targeted measures for those who need our help the most. Just as we did during the Coronavirus crisis when we prevented the pandemic from turning into a social crisis.

At the very beginning of the pandemic, I made a promise to the people. I promised that no one would be left out in the rain. We have kept that promise.

The government did not hesitate and quickly decided to provide financial assistance to individuals and businesses in need.

The livelihood of thousands of people in Luxembourg was at risk. We showed active solidarity during the crisis.

It was one of our priorities to secure jobs in Luxembourg. Work is the best way to combat poverty.

The government has paid out more than one billion euros in partial unemployment to companies. After deducting the repayable advances, we still have an impressive 791 million euros that the State has invested to secure tens of thousands of jobs.

To date, the State has paid out more than 1 billion euros in aid to companies and the self-employed who have experienced difficulties during the pandemic. This money has also enabled most Luxembourgers to maintain their paid employment during the pandemic.

Our unemployment rate of 5.5% is now almost at the same level as before the pandemic. In almost no other EU Member State has the labour market stabilised as quickly as in Luxembourg.

People who are unemployed or on low incomes were particularly vulnerable during the crisis. The government responded with very concrete temporary measures to support these people.

For the year 2020, we have doubled the cost of rent bonus. We have frozen rents in the middle of the pandemic, so that tenants did not have to pay even more for their housing during the crisis. Short-time work, which is normally capped at 80% of salary, has compensated employees at 100% of the social minimum wage.

Our economy is growing again. After a 1.8% decline in our GDP in 2020, the forecast for this year predicts a growth of 6%.

These figures are exceptionally good, especially by international comparison. These figures are proof of the success of our Stabilization and Recovery Plan.

An austerity plan would be the wrong option at this time. That is why I say here clearly and unequivocally: with this government, there will be no austerity policy and no tax increases. On the contrary, this government will continue to pursue a policy based on investment, innovation and a stable fiscal environment.

We will need huge new investments in the coming years if we are to maintain our quality of life. Next year, public investment will reach 3.2 billion euros and increase to 3.7 billion euros by 2025.

Only with consistently high investment can we ensure a good and sustainable future for all our citizens.

It is also true that Luxembourg can afford these investments, just like the aid programme during the crisis, because public finances have been restructured sustainably since 2013.

For the entire 2013-2019 period, we have had a surplus in public management. In 2018, and for the first time in almost 10 years, we even had a surplus in the centralised state. With Covid, which is an exceptional event that required exceptional measures, we also had an exceptional deficit in 2020. To be precise, a deficit of 3.2 billion euros. This year already, we will reduce this deficit by more than half, and we will continue to reduce it next year.

However, we can afford this deficit. Luxembourg is the country in the eurozone whose public debt in relation to the GDP has increased the least during the crisis. And this despite the fact that our subsidies have been among the most generous in the whole of Europe.

Luxembourg continues to have one of the lowest levels of public debt in the eurozone. The debt will stabilise in the coming years at around 27% of GDP, i.e. below the ambitious limit of 30% that we have set for ourselves, and well below the 60% stipulated by European regulations.

Thanks to the ambitious budgetary policy and the high level of investments, we will manage to write black numbers again, without introducing new taxes.

Luxembourg is dependent on the confidence of international investors in our country's creditworthiness. That is why I am extremely proud that, even in these times of crisis, Luxembourg has been able to defend its triple A rating from all the rating agencies.

We also need a strong economy that creates jobs and generates new income.

We will continue to diversify our economy and strengthen our businesses to maintain stable jobs.

With its recovery plan, the government has focused on a digital and sustainable economy. We want to continue on this path and reposition our economy to prepare it for the challenges of tomorrow.

We are committed to the consistent implementation of our long-term strategy, without losing sight of the short and medium-term challenges we face.

Our future economy should be based on several more stable pillars, than it is today.

We will continue to prepare the financial centre for the future by pursuing our efforts in sustainable financial products.

The Green Stock Exchange in Luxembourg lists half of the world's sustainable stock exchange.

Our financial centre is Luxembourg's main lever for combating climate change on a global scale. Sustainable funds make it possible to finance sustainable investments around the world through Luxembourg.

Industry is firmly rooted in our country's history. In the years to come, we will also depend on a strong industry in Luxembourg. An industry that will become more digital and more sustainable. We want to be pioneers in the technologies of the future. That is why we continue to attract new innovative companies.

The government supports local companies in their digital and sustainable transformation process. We are adapting our support so that digital and sustainable investment is more attractive. We will also introduce new aids to reduce the CO2 emissions of the economy to zero in the medium term. In this context, we are also launching a study on the decarbonisation of Luxembourg's industry by 2040.

The circular economy is also part of our strategy to make our economy more sustainable. The government is working on a study and an action plan that will help businesses move into the circular economy.

Digitalisation offers enormous opportunities for our country. On the one hand, it allows us to diversify our economy by convincing highly specialized ICT companies to set up in Luxembourg. On the other hand, we want to support every company, large or small, in the use of new technologies.

The past few months have been a time of great innovation and perseverance for our businesses. It has been a particularly difficult time for those who have decided to start a new business. The government wants to support these new entrepreneurs even more in the future. With the first-time start-up grant, we are supporting them to make it easier to start a business.

We also pay particular attention to our small and medium-sized enterprises. The craft industry, for example, faces major challenges.

The government has provided small and medium-sized crafts businesses with a toolbox of support measures that encourage companies to work towards sustainable development. In the future, this toolbox will be extended to other sectors.

More and more companies are reaching their limits because they cannot find a suitable location for further expansion. The government is therefore working with the concerned municipalities to implement the sectoral plan for business parks. The clear objective is that the regional business parks are able to provide more space for local businesses.

The government is also planning very specific offers for companies in certain sectors to set up in Luxembourg. We are going to create, for example, a HEAL campus where companies in the field of health technologies can develop.

Mister President, Ladies and Gentlemen,

Luxembourg has weathered this crisis well in economic and financial terms. The figures prove it. Our unemployment rate has returned to its pre-pandemic level and our economy is growing again.

We managed to avoid a social crisis during the pandemic.

However, this does not mean that there are no social problems in Luxembourg.

We are aware of these problems. We are not ignoring the great challenges we face. On the contrary. Social policy has been, is and continues to be one of the major political priorities of this government.

Over the past eight years, we have made enormous efforts to combat social inequality with targeted financial measures and payments in kind. These are investments in people and in our future.

Over the past six years, we have increased the social minimum wage four times.

In 2017, the tax reform provided significant relief for small and medium incomes. We scaled the social tax credit and doubled it for low incomes. The government also doubled the tax credit for single parents.

In 2019, the government kept its promise to increase the minimum wage by an additional 100 euros net and covered two thirds of the costs by raising the tax credit again.

We have introduced the housing allowance and significantly increased the amounts of rent subsidies for tenants.

With the new REVIS, families with children and especially single parents will receive much better support than before.

The education and training of our children must not be a luxury. With the introduction of 20 hours of free childcare and free school supplies, the government has once again provided considerable financial relief to families.

The introduction of free public transport is a relief for all those who travel by train, bus or tram.

However, we also know that we have not yet achieved the goal of completely eradicating poverty in our country. We must therefore continue on the path of a strong social policy.

Because even today, there are still people in Luxembourg who have financial difficulties.

The high cost of housing is a major burden for many people.

Housing in Luxembourg is expensive and is getting increasingly expensive. This is not a new observation. However, it is more topical than ever. During the pandemic, housing prices rose even more sharply than in previous years.

The high demand for housing has been driving up real estate prices for decades. Since then, various governments have tried to increase supply, i.e. build more.

Unfortunately, there is no single solution to all our housing problems. That is why the various initiatives of different governments have their merits. The truth is, however, that so far no one has been able to overcome the housing problem.

Nevertheless, that does not mean that we should run away from the problem. On the contrary. Housing is and will remain a priority for this government. We continue to work every day on creating more affordable housing.

We focus on two main elements.

First, the State, municipalities and public developers will invest heavily in housing by building more housing themselves to make it available to citizens at affordable prices.

Secondly, we will fight speculation with undeveloped land and empty houses.

Housing should not be an object of speculation.

While more and more people can no longer afford housing, others are getting richer and richer by deliberately leaving their land unused and their properties unoccupied.

Yes, there is a right to property. We are not abolishing this right. However, we are making those who can afford to leave their land and habitations unoccupied responsible.

We will therefore tax speculation in building land and habitations. The Minister for Home Affairs and the Minister of Finance, together with the Minister for Housing, are working on a balanced and fair model as part of a general property tax reform. With this reform, we are not

targeting people who live in their own homes, but those for whom housing is merely an object of speculation.

In order to be able to tax unoccupied housing more heavily in the future, we are creating a legal framework for the deployment of a national register, listing every apartment in the country, with information on whether it is occupied or not. This register, which will be feeded by the municipalities, will finally give us an overview of the housing conditions in our country.

The government plans to introduce a draft law on the property tax reform in the next 12 months.

The aim of this reform will be to enable greater exploitation of building land. At the same time, we want to make owners of undeveloped land and unoccupied properties also responsible for supporting the state's efforts to create affordable housing.

Our 'Pacte logement 2.0' (Housing Pact 2.0) is a paradigm shift in this direction. In the future, for each new PAP, a percentage of 10 to 20% of the land will fall into public hands and will be reserved for affordable housing. In return, private developers will benefit from a 10% increase in building potential so that they can make the best use of the available building land.

This is a paradigm shift, because the state and the municipalities will finally have enough building land to have a tangible influence on the housing market.

In the medium and long term, the government will become the main player in the housing market. A player that is not greedy for profit, but whose sole aim is to guarantee citizens access to affordable housing.

Last year we invested around 100 million euros in the creation of affordable housing. This amount will be more than doubled by 2023.

Large public housing projects in Kehlen, Wiltz, Mamer, Biwer and Dudelange are planned; they will guarantee affordable housing for thousands of people. Currently, 300 projects with more than 3,100 dwellings are under construction. By 2025, the public developers are committed to building an additional 8,200 homes.

The Housing Pact 2.0 also makes the municipalities co-responsible. In the future, the creation of affordable housing must be tackled in all municipalities, towns and villages.

With the 'Baulandvertrag' (Building land contract), we want to provide the municipalities an additional tool to combat land speculation. In the future, new building plots will have to be built on within a certain period. If not, the land will be reclassified as a non-constructible zone. This development contract helps to make speculation on building land less lucrative. At the same time, the new property tax is intended to increase the tax on new building land, since the owners of the land concerned benefit from a huge increase in value because of an administrative decision.

The government is also considering a reform of the law on housing assistance. Aid for buying and renting housing will be simplified and adapted to better support people on low incomes.



The State also wants to provide tenants greater protection against rising rents. The reform of the tenancy law contributes to greater transparency and will introduce a cap on rents to prevent abuse.

The government is prepared to take responsibility and take the necessary steps to address the housing crisis.

In this context, I would also like to mention the tax measures that the government adopted last year by counteracting tax abuses applicable to specialized investment funds (SIF) and by adapting accelerated depreciation. With these two measures, we have put significant emphasis on limiting real estate investments at the expense of the community.

Housing is the main factor of exclusion in Luxembourg. Due to high housing prices, more and more people are finding it difficult to make ends meet. We must therefore do everything we can to stop the spiral of housing prices.

However, we will not get there overnight. We have to be honest. Even the measures I just mentioned will not solve the housing problem overnight.

All these measures take time to take effect. However, for the people concerned, the financial difficulties are real and present. We must help them urgently.

We must therefore continue to develop our social system. We need to tighten our social safety net even more so that no one falls through the cracks.

That is why the government has decided today to improve support for vulnerable households. Not through the tax system, but through measures that have a direct impact and produce immediate effects.

On 1 January 2022, we will again increase the cost-of-living allowance by at least 200 euros per household. Last year, the government had already increased this benefit by 10%.

As part of our social policy, we have always paid special attention to the welfare of children. We want to guarantee equal opportunities for every child. Their quality of life should not depend on their socio-economic background. That is why we have already introduced childcare services and free schoolbooks during the last legislative period.

We also want to give every child the opportunity to have a warm meal at lunchtime. Therefore, we are going to offer children from low-income families free meals at primary and secondary school in the future. For pupils who eat at school every day, this will mean a saving of 846 euros per year.

As far back as 2006, the government at the time decided to stop indexing family allowance so that it could invest more in benefits in kind. Our current government has decided to continue to invest in benefits in kind, but also to reintroduce indexation. A draft law by the Minister for Family Affairs and Integration on this issue is currently in the administrative procedure. The reindexation should take effect in January 2022.

However, on 1 October this year, a new index bracket is due. The government will apply this index bracket retroactively in the reindexation of the family allowance.

These measures are also intended to help the households concerned to compensate for rising energy costs. We will continue to keep an eye on this situation and seek joint solutions with our partners at European level.

Next year we will evaluate the new REVIS-system to see if any adjustments are necessary. In January 2021, the REVIS-amounts have already been increased by 2.8%, together with the minimum wage, due to the development of wages in recent years.

We know that single-parent families are more vulnerable. The measures I have just mentioned will therefore be particularly advantageous for them, because with their income alone, the cap will not be reached as quickly.

With the last tax reform, we were able to relieve single-parent families by doubling the single-parent tax credit to 1,500 euros.

Nevertheless, we are aware that single-parent families remain particularly vulnerable despite this measure.

The government had planned a second major tax reform for this legislative period. The purpose of this reform would have been to make our tax system fairer, with the same taxes for everyone in the same tax bracket, but without any losses.

The coronavirus has thwarted these plans. However, we remain firmly convinced that the debate about greater tax justice must continue. A debate that will also take place in the Parliament very soon. We remain convinced that a major tax reform is needed, even if it cannot be achieved immediately.

The debate on taxes will therefore continue.

In this context, the government emphasises dialogue.

In advance of my speech today, I have already met with trade unions and employers to discuss their priorities, concerns and proposals. Since the beginning of the pandemic, the government has organised about a hundred meetings within the framework of social dialogue.

I have made a commitment to the social partners to convene a tripartite meeting before the end of the year. The tripartite is in fact a crisis instrument. Prime Minister Gaston Thorn first convened it at the time of the steel crisis, when tens of thousands of jobs had to be saved.

Today, our labour market is solid and our economy continues to grow. Therefore, the current labour market situation would not require tripartite.

Yet, I think it is essential that government, trade unions and employers get together to discuss the future challenges of the labour market, which are currently of concern to the social partners.

I said it at the beginning and I stand by it: social cohesion and social dialogue are an integral part of the Luxembourg success model. We are stronger if we move forward together, in the same direction.

Luxembourg has demonstrated this on more than one occasion in the past. Our country also draws its strength from its pioneering spirit and its ability to chart its own course, a course that leads us to a prosperous and secure future.

Mr President, ladies and gentlemen,

During the pandemic, Luxembourg also followed its own path.

Another year has passed marked by the coronavirus. Another year in which this virus has had an impact on our social life, our economic reality and our prospects for the future.

We got through this health crisis well. Our hospitals were never completely overloaded and the situation was always under control.

The situation in Luxembourg was not as catastrophic and chaotic as the one partly observed abroad.

Situations, where patients had to be treated in the hospital corridors due to lack of space in the intensive care unit.

Situations with oxygen shortage.

Situations, where the health system has collapsed.

When I say that we have come through this crisis well, we owe it to all those who have shown commitment and courage. All those people in hospitals, retirement and nursing homes, companies and ministries, administrations and municipalities, neighbours and families, who supported each other.

The people who fight on the front lines against Covid. The people who, despite the risk, have never stopped working for the good of us all. The people who worked overtime so that our lives could continue in a normal way.

I would like to express once again my gratitude and admiration to all these people.

Every Covid-victim is one too many.

We knew early on that there could be no 100% protection against a viral infection without disregarding all the existing rules of our society.

We are a nation that believes in democratic values and freedom.

The defence of our fundamental rights and freedoms is one of my deepest convictions, for which I have always been politically committed and for which I continue to be committed.

If we have taken measures that have temporarily restricted these freedoms, it is only because we firmly believed that without these measures our health care system would have collapsed.

Maximum security with maximum freedom. This principle has always guided us over the past months.

It is true that in Luxembourg we have often applied less stringent health rules than in other countries. We have always tried to maintain the right balance between security and freedom. We have always tried not to restrict people's freedom unnecessarily.

We cannot be indifferent to the mental health of our citizens. Human beings are social creatures who need social and physical contact with their loved ones.

I also think of the children. They are particularly vulnerable when they are uprooted from their usual environment. That is why it was important for us to keep schools, maisons relais and crèches open with all possible means.

While other countries have long practised homeschooling with rigid sanitary arrangements, children here have been able to attend school for most of the pandemic. Luxembourg is well below the OECD average in terms of the number of days primary schools were closed due to Covid.

Secondary schools in the Grand Duchy were closed for only 34 days. With this figure, we are in second place in the OECD. Only New Zealand had fewer days of school closures.

At the beginning of the school year, I visited a primary school and a maison relais. The laughter and joy in the children's eyes said it all. They were happy to be back at school. To be back in their usual environment, with their friends, and with the teaching and educational staff in person and not through a screen.

Nevertheless, we have never carelessly tipped the balance between security and freedom in one direction or the other. We followed a clear strategy at all times that allowed us a certain flexibility.

The government has constantly adapted its response to the crisis to the changing circumstances.

Our strategy was primarily based on the Large Scale Testing of the population.

We were one of the first countries in the world to invest heavily in our testing capabilities. For several months, we were at the top of the rankings in terms of the number of tests performed.

The rate of undetected infections in Luxembourg was significantly lower than in neighbouring countries. One study concluded that thanks to the Large Scale Testing, Luxembourg was able to identify 99.2% of all existing infections.

As we detected more infections, especially asymptomatic ones, we were able to ensure more effective contact tracing. This allowed us to break the chains of infection and save lives.

In total, more than 4 million tests have been carried out here in Luxembourg since the beginning of the crisis.

However, the government did not stop there. In the last 8 months, we have made available around 16 million rapid tests for businesses, older citizens, the HORECA-sector, the health and care sector and schools.

We will continue to experience occasional waves of infections in the future. We will monitor this evolution closely. That is why we have built up a stockpile of rapid tests, so that we can immediately test on a large scale if necessary.

When you test more, you find more infected people. That is why we did not just use the number of infections as a basis for deciding what health measures to take.

A rigid health system as applied in other countries would have led to less freedom, but not necessarily to more safety.

Thanks to an ambitious testing strategy and an effective vaccination campaign, we are beginning to see the light at the end of the tunnel.

The vaccination strategy in place is constantly being adapted. Communication, awareness and information campaigns have been deployed.

The vaccines are effective. Similar trends can be observed abroad.

Compared to vaccinated people, the rate of people testing positive, who are not fully vaccinated, is high. In other words, vaccination reduces the circulation and risk of transmission of the virus.

The rate of fully vaccinated people being hospitalized is low. Vaccination protects against severe forms of the disease.

All this shows us how important it is that we all convince our fellow citizens of the importance of this vaccination. For now, this is the only way to normality.

Last Friday, the government decided on new measures. These measures will hopefully get us through the winter safely and allow us to see a way out of this pandemic.

This is the 17th Covid bill we have introduced in the parliament. Every law and every measure that we pass reflects the current situation. In addition, we see each law and each measure as a necessary step toward a return to citizens of the importance of this vaccination. At this time,

this is the only way to normality, making any Covid-law and any special measure unnecessary as soon as possible.

Nevertheless, the rate of vaccination is not yet high enough for us to be able to regain all our freedoms in the near future. We need to reach 80 to 85% of people vaccinated quickly in order to get through the winter season.

People are spending more time indoors again. Since the number of vaccinated people in Luxembourg is still insufficient, we have to assume that the risk of infection is higher indoors. Therefore, we are generalising the '3G rule'. People wishing to go to a restaurant, café or nightclub will now have to present a CovidCheck proving that they are vaccinated, recovered or in possession of a certified negative test.

We also introduce the possibility for employers to apply the CovidCheck-system at work. This is to protect the health of the employees on the one hand, and to allow a return to normality on the other.

We are not happy about having to take such measures. I would have preferred to announce today that all sanitary measures are now unnecessary, given the number of people who have been vaccinated. I hope for all of us that the day will soon come when we will no longer need to wear our masks.

Mr President, ladies and gentlemen,

Especially at the beginning of the pandemic, we did not know much about the virus. About its spread. About its effects on the health of those infected. Nor about the best medical treatment for the patients concerned.

We have been confronted with dramatic images - first from China, then from Italy - where the virus has claimed a huge number of fatal victims in a very short time.

The government was quick to assume its responsibilities. And we stand behind all the measures we have taken.

Over the past few months, we have gained more and more scientific knowledge.

We have regularly adapted our crisis management to this knowledge.

If I were asked today whether I would reverse decisions on certain measures, my answer would be 'Yes'. Because today we understand the virus better.

We need to be better prepared for future pandemics.

That is why the government is in discussion with the OECD to commission an independent study on the management of the crisis. A multidisciplinary team of international experts will analyse the repercussions of the pandemic on Luxembourg, not only in terms of health but also in all other areas of public life.

The OECD's mission will be to analyse and shed light on all aspects of the management of the crisis in Luxembourg.

The study should be as broad as possible. We want to shed light on every aspect of this pandemic, be it health, economic or social. In this context, the particular demographic situation of our country must also be taken into account. Luxembourg cannot simply be compared to other countries. We are a small country with open borders, dependent on cooperation with our neighbouring countries.

Based on their analysis, the experts will develop recommendations on how the country can better prepare for a future pandemic.

We are convinced that this study will represent a real benefit for our country.

The results of the study will also provide additional conclusions regarding the lessons to be learned from this pandemic.

We have learned in particular how important it is to have a strong health system. We can be thankful that we had a strong health care system during the pandemic.

Through their commitment and perseverance, health care workers have done an excellent job during the pandemic. We believe it is important to make these professions even more attractive. To achieve this goal, we are developing new training that will make these professions more attractive.

The government is working hard to maintain a strong health care system that can meet all patients' needs.

With the 'Gesondheetsdësch' we have created a platform that brings together all the actors in the health sector to draw conclusions for a national health plan.

We will put more emphasis on prevention and plan to improve the accessibility and proximity of general practitioners in all regions of the country.

In the field of primary care, we will enhance the value of hospitalization at home by giving it its own framework. We want to avoid unnecessarily long hospital stays as far as possible through high-quality home care.

The pandemic has also shown us the importance of an effective monitoring of health sector data. This is why we are setting up a National Health Observatory.

The last few months have also shown us that we need to strengthen the local supply chain in the health sector, to be less dependent on foreign countries, especially in times of crisis.

We are also working on the establishment of a National Agency for Medicines that will enable us to guarantee the safety of all medicines and materials used in the country. We are aiming at economic diversification of our country by investing in the biotechnology sector.

Some people who have been infected with Covid still suffer from the after-effects of their infection. These 'long-Covid' patients still have many symptoms, even weeks or months after an acute infection.

Through a tremendous joint effort, the national authorities and the Luxembourg health institutes have set up a network for the care of these patients.

In the coming weeks a consortium of research institutes will launch the Covalux project, which is a scientific analysis of the long-term consequences of the coronavirus.

The LongCovid project will not only address the physical health, but also the mental health of all those affected. The pandemic has shown us how fragile our mental well-being can be. Mental health must become one of the priorities of our health policy. We want to facilitate access to professional help in the mental health field.

In this context, I am pleased to announce that the government will introduce a national mental health plan next year.

Mr President, ladies and gentlemen,

Even our children have not been spared from the coronavirus. Fortunately, most young people recover from an infection without showing severe symptoms. However, the children's daily lives have also been profoundly affected.

As I mentioned earlier, our top priority was to ensure that schools, crèches and maisons relais functioned as normally as possible. The well-being of our children must be a priority for us.

The virus has once again revealed the challenges of our education system. The aim of education policy is to enable every child and young person to be the best they can be.

Everyone must have the opportunity to achieve the best possible level of education, adapted to their talents and aspirations. Because not only the future of children and young people depends on it, but also the future of our society, of our country. We have strong children and it is our duty to support them in their specific skills.

When society changes, education should not remain static. For several years now, the Ministry of Education, Children and Youth has been pursuing a policy of diversifying school provision under the motto 'Different schools for different pupils'.

Our educational landscape is expanding and diversifying, because this is how we can better provide for the needs of the students and thus create fair educational conditions for every child. To this end, seven new sections have already been created. In the near future, two more sections will be set up in the high schools and an additional DAP in vocational training.

The school of the 21st century must be able to prepare children to navigate safely in a digital environment, while fighting against digital inequality.



Digital skills are an important vector for equal opportunities in the education system, in terms of academic success.

Socio-economic background, mother tongue and migration profile still have far too great an influence on the educational pathway and success of pupils. We have already implemented numerous measures to improve equality of opportunity: a comprehensive inclusion programme for pupils with special needs, modern and differentiated language learning, a wide range of support courses and a diversification of the school offer with new schools with innovative teaching concepts.

Efforts to provide the best possible support to students will be intensified.

We will introduce free homework help in primary education throughout the country. Over the next few months, discussions will be held with relevant partners to develop a nationwide quality offer for homework support for all primary school pupils.

Supporting children also means fostering their creativity. Creativity is an important factor in a child's emotional and cognitive development. It also contributes to the development of a positive self-image.

In order to encourage children and teenagers to be creative in their artistic endeavours, a large proportion of music lessons will be free of charge from the beginning of the new school year. The entire lower cycle, i.e. at least the first four years of music lessons, will be free for students.

These measures will make music education accessible to every child. This will also contribute to equal opportunities, especially in education, and will promote access to culture for many pupils.

The pandemic has once again made it clear to us how important childcare facilities are for families too. They offer children a safe and familiar environment where they can grow freely with their friends.

In recent years, we have made great efforts to improve the quality of day care centres and childcare facilities.

After introducing free 20-hour supervision in nurseries in order to provide children with a quality multilingual education, from the start of the next school year, the maisons relais will also be free of charge during the school weeks, from 7a.m. to 7p.m.

Nowadays, childcare facilities are essential. However, in the future too, childcare will simply remain a service offered by the state and the municipalities to interested parents. They will always be free to choose whether they want to make use of this offer.

We want to support parents, whatever their decision. To this end, we will set up parent forums in all 15 school-regions. There, parents will receive information and advice on the support and development of their child.

In addition to children, our older citizens have also been subjected to constraints in recent months that have had a significant impact on their living conditions. We owe it to them to improve their quality of life as well.

Investment and infrastructure development in the elderly sector is at an all-time high.

In the coming years, the Ministry of Family Affairs has planned to finance projects in the field of facilities for the elderly to an amount of more than 600 million euros. These projects concern the deployment of new beds, as well as the refurbishment of existing beds to bring them up to current standards.

Even before the pandemic began, the government has submitted a draft law to the Parliament to improve the quality of services for the elderly. We are going to create a register that will contribute to greater transparency in the pricing systems of the various care homes. Staff will also receive training that is more specific. In September, the government agreed to amendments to this bill that take into account the lessons we have learned so far from the pandemic among the elderly.

The pandemic has shown that digitalisation can be an important tool for older people to maintain social contact with their relatives. In this context, the digital inclusion of older people is further promoted. In particular, new communication technologies have become important to maintain social contact with family and friends, and thus to remain part of society.

With the reformation of gerontological care, we will enable every elderly person to access a wide range of services in CIPAs and care homes.

Our citizens with physical and mental disabilities have also suffered from the pandemic. Many of them are particularly vulnerable and have lived in constant fear of the virus.

A disability should not be a criterion for exclusion in our society. The Ministry of Family Affairs has launched a series of initiatives to enable every person with a disability in Luxembourg to lead a self-determined life.

At the end of 2019, the government has set up a new five-year action plan, which has been developed in collaboration with people from the disability sector as well as people with disabilities. The aim of this plan is to make our society more inclusive through a number of projects in many areas.

Next year, the Ministry for Family Affairs will launch a major awareness-raising campaign to highlight the needs and, above all, the assets of people with disabilities. In this context, new training courses are also proposed for various professions in contact with people with disabilities.

In the coming years a number of new and innovative housing projects will be developed. They will offer people with disabilities a self-determined living environment.

Another priority of the disability plan is to improve the accessibility of public buildings. The draft law on the accessibility of public places aims to eliminate discrimination against people

with disabilities in the exercise of their freedom of movement. In the future, every new construction project must comply with the principles of 'Design for All'.

LISER is conducting a study to develop a new funding system that better reflects the individual needs of people with disabilities. This new funding model is intended to be a 'personal assistance budget', with the aim to enable people with disabilities to lead lives that are more independent.

Mr President, ladies and gentlemen,

The way we live together has changed dramatically in recent months. The virus has triggered an enormous wave of solidarity and humanity. I am proud of the discipline and selflessness with which we Luxembourgers have taken care of each other.

For many months, we have given up our normal lives in order to protect our fellow citizens and especially the most vulnerable in our society.

As we approach the end of the pandemic, we must ask ourselves how we want to shape society after the crisis.

Living together takes place on many levels. In Luxembourg, we are fortunate to live in a very dynamic society, composed of people from very different backgrounds. The government wants to strengthen intercultural coexistence. We have therefore launched a broad consultation that should eventually serve as a basis for a new integration law. We will also continue to strengthen Luxembourgish as a language of integration, with new language training offers.

The pandemic has forced us to keep a physical distance from our fellow citizens. It is even more important today, after the crisis, to strengthen social cohesion and the quality of life of each individual.

Over the past few months, many people have rearranged their life priorities. Many people are emphasizing the 'time' factor more. Time for themselves. Time for the loved ones. Time for old and new hobbies.

The virus has forced us to take a break, so to speak. And more and more people are wondering if they want to go back to their old stressful lives.

It is about work-life balance. Yes, work is important. Not only for the individual person, but also for the proper functioning of our society. However, we do not live to work. We work to live better.

More time to live. We want to fulfill this wish for every person.

Especially by international comparison, our government has already achieved significant results here for parents. Few countries in the world have such generous provisions for maternity and paternity leave, or even parental leave. We are enabling parents in Luxembourg to spend much more time with their children.

We have succeeded in ensuring that women and men in Luxembourg do not have to choose between their careers and their families.

We will do more to give parents even more flexibility and time with their children. The Minister of Labour and the Minister for Family Affairs are developing a work/life balance plan.

We will introduce a right to part-time work. In order to ensure that part-time work is not jeopardised by the future pension rights of mothers and fathers, the state will pay part of the contributions. For a certain period, people who have exercised their right to part-time work can return to full-time work.

The work-life balance plan will also include a measure that rewards parents who have both taken parental leave. In this way, we want to promote a fair distribution of roles in families.

The pandemic has once again clearly demonstrated the benefits of teleworking.

Many employees have experienced the positive side effects of this health measure. Less time on the road means more time for self, family, friends and leisure.

I am pleased that the social partners have reached an agreement on how telework in Luxembourg can become an attractive alternative to office work. At the same time, trade unions and employers have agreed on a right to disconnect, which will once again enhance the quality of life of home workers.

Discussions are also underway between the Minister for the Civil Service and the CGFP to develop an attractive telework model in the civil service beyond the crisis.

The government has ensured through bilateral agreements with our neighbouring countries that cross-border workers can also work from home without any fiscal or social disadvantages.

We were able to extend this regulation again until the end of the year. We have even reached an agreement with Belgium to increase the number of possible teleworking days from 24 to 34 in the long term. We hope to find similar solutions with our French and German neighbours.

However, in recent months we have also seen the limitations of teleworking. Many occupations cannot be done from home. Multiple housing or family constellations mean that working from home brings its own set of challenges. We also see that too much teleworking can lead to mental problems because social contact is lacking.

Therefore, teleworking alone cannot be the solution. However, neither should we stick to our current model, where hundreds of thousands of people from all directions come to work in the same city every day.

That is why the government will continue to accelerate the decentralization of jobs. Our aim is to bring housing and employment closer together. Ideally, every person should have the opportunity to find a job in his or her region.

With the four sectoral plans, we have equipped ourselves with the necessary tools to enable smarter national planning. They came into effect on March 1, 2021.

We are also continuing to work on the practical implementation of so-called co-working spaces. These are office spaces that may be used in a decentralised way in all regions of the country by different companies.

Co-working spaces shorten the travel time to work, create a better quality of life and promote regional development. They allow those who do not necessarily need to be present at the company's headquarters to have access to an alternative office in their region.

We are in talks with the Chamber of Commerce and the Chamber of Skilled Trades and Crafts, both of which have agreed to conduct a survey of their members to find out how much companies need such co-working spaces.

The public service will also contact its administrations and services in order to sound out their agents and to encourage decentralised work.

The past year and a half has shown us once again how important it is to spend time with our loved ones and leisure activities, and how important culture and sport are in our daily lives.

For many people, being able to attend a music festival, go to the theatre, cinema or a reading after months of neglect was a sign of a return to normality.

It was important for us to reopen the culture in a safe environment.

In doing so, we also saw what we could improve and reacted very quickly: The mechanism of the law for performing artists and intermittent workers has paid off. It ensured additional financial support.

Since not all artists can live exclusively from their art, we are reintroducing cultural leave.

We want to make our museums, concerts and various cultural events accessible to a wider audience.

In cooperation with the House of Training and the Œuvre Nationale de Secours Grande-Duchesse Charlotte, we are also training new 'cultural mediators' who are supposed to pass on art and culture in a targeted manner.

We are already looking forward to Esch2022 and its rich programme that will change the culture of our southern region for good.

The importance of sports and exercise has also been proven, especially during the pandemic.

It is important not only for physical health but also for mental well-being.

The government is implementing the second 'sports' recovery plan. In particular, we are supporting the clubs by making parents aware of the need to enrol their children in sports

clubs. To this end, we are offering each child a 'Go to sports' voucher. With this voucher, we enable every child to practice the sport of their choice in a club, regardless of their financial means.

Volunteering also plays a very important role for sports clubs. Therefore, we have launched a campaign to recruit volunteers. At the same time, we are enhancing the value of volunteering in sports by reforming the sports leave. The Ministry of Sport is preparing the bill on this.

Mr President, ladies and gentlemen,

We have learned a lot about how our society during the pandemic and we will learn more than one lesson from these past months to improve our lives in the future.

However, we have also been reminded of how specific the situation is to our country and to Europe.

In particular, the closure of the borders has made us aware of the interconnection and dependence we have on our neighbours. This applies to the transport of goods on the one hand, but also to the many cross-border commuters who travel to Luxembourg every day.

Without them, our health care system would have collapsed. We are dependent on cross-border workers in many key areas.

That is why I am pleased that we were able to reach an agreement with our neighbouring countries to keep the borders open for cross-border commuters. Unfortunately, this was not for granted.

Never before have we worked so closely with our neighbouring countries in the Greater Region as we have over the past 18 months. In addition to the border situation, the focus of the political discussions was on health cooperation.

Among other things, we are developing a joint 'Pandemic Plan'.

During the floods, there was great solidarity. Our first responders helped our German and Belgian neighbours, and Luxembourg received help from the Moselle and Meurthe-et-Moselle regions.

This proves that we are united and that we work intensively together in the Greater Region.

At the last Greater Region Summit in January 2021, a 'Cross-border Operational Strategy' was adopted. This strategy includes 35 projects in the areas of mobility, training, forestry industry, circular economy and water management.

The aim is to develop, with our neighbouring regions, a sustainable strategy for the future.

Furthermore, industry and research actors should connect more closely in order to improve and accelerate the digital transformation in the Greater Region. Thus, we plan to establish European Digital Hubs in the partner regions.

In future, this cooperation should be even possible in a better and easier way within the European framework. Therefore, the Greater Region Summit has officially addressed the European Union in order to give greater importance to the specific situation of the European border regions.

Although cooperation with our neighbouring countries worked well in most cases during the crisis, we have learned that we need to make Luxembourg even more independent from international supply chains.

The government wants to further promote local production of essential products, especially food.

It is important for me to place special emphasis on Luxembourg's agriculture. It continued to function during the Covid crisis, and at all times we have had sufficient food of the same quality we are used to.

More and more people are demanding regional products, which they see as a guarantee of quality. The Ministry of Agriculture, Viticulture and Rural Development will therefore continue to focus on the promotion of organic, regional and seasonal products.

The government has also helped the agricultural sector to overcome the crisis through targeted aid and a recovery plan. To date, 3.4 million euros in aid have been disbursed.

However, we are also setting the tone for the future: on the one hand, the Agriculture Act has been adapted to promote more environmentally friendly agriculture, and on the other, greater importance has been attached to innovation. We want to make agriculture our ally in the fight against climate change.

Mr President, ladies and gentlemen,

Wherever digitalisation brings clear benefit and enhances the quality of life, it will prevail. We have noticed this particularly well in recent months. This is precisely the guiding principle of how we, as a government, meet these challenges. Progress must serve people, not the other way round. The switchover from analogue to digital must bring improvements, making life easier for everyone, not just for a small part of the population.

The pandemic has contributed to the acceleration of digitalisation. CovidCheck, the European Vaccination Certificate and the entire organisation and implementation of the testing strategy, as well as our vaccination campaign, would not have been as successful as they are today without digital solutions.

Over the past few months, the Ministry for Digitalisation has been improving existing digital products and offering new services that make life easier for citizens.

The number of digital procedures is constantly increasing and more and more citizens are taking advantage of this offer. In 2020, more than 2.2 million procedures were carried out via MyGuichet.lu. Until the beginning of October 2021, there were already more than 2.9 million.

We have launched a new MyGuichet application, which has already been downloaded more than 150,000 times. Citizens can access their personal information and documents on their mobile devices at any time. The app also allows users to take administrative steps easily and from anywhere via their smartphone. The Ministry for Digitalisation is constantly developing this service, so that citizens can carry out more and more procedures via the app and still have access to the usual MyGuichet.lu functionalities on their mobile phones.

In the coming months, the government will continue its intensive efforts to drive forward the digital transformation of the country.

For example, we will implement the project for automated reimbursement of doctors' bills. An application is being developed in collaboration with the AMMD and should be operational by January 2023.

In any effort to make Luxembourg more digital, the government will not forget those who are still struggling to find their way in the digital world. The Government Council recently adopted the National Plan for Digital Inclusion. This plan provides for a whole series of measures to ensure the digital inclusion of our society.

The media landscape is also becoming increasingly digital. Particularly during the pandemic, many citizens got their information online. We are dependent on an established press. Journalists are an important pillar of our democracy. They are also our first line of defence against misinformation on the Internet. To this end, the government has put journalists at the centre of the new press aid and has significantly increased support for digital media.

We are aware that good journalistic work is only possible if journalists have efficient access to information. We are currently reviewing the law on transparency. In collaboration with the Press Council, we will also review the memo that governs access to information from ministries and administrations.

Digitalisation is essential to overcome the challenges I have just listed.

However, for this to work, we must continue to invest in the necessary infrastructure. That is why we have decided on an update of our broadband strategy and recently approved it in the Government Council.

Luxembourg's first broadband strategy was very ambitious, and a success. Today, we already have one of the best telecommunications infrastructures in the world and regularly rank in the top ten. This fundamental upgrade will take us even one step further.

We are taking this step, which will be felt not only by Luxembourg companies, but also by every citizen on a daily basis. The basic principle is that everyone, regardless of where they live in the country, should have access to the best possible connectivity. The geographical or socio-economic context should have no impact on the quality of the Internet connection available.

That is not quite the case today. There are so-called 'white spots', i.e. places in the country where fast Internet is not yet available, but these are often the last few hundred metres that



are missing or, as it is often the case in apartment blocks, the cable that is laid from the street into the basement but does not reach the place where people live. With the Broadband Strategy 2021 to 2025, we want to remedy this.

The goal is for the state to help actively, especially in apartment buildings, where the fiber cable is present but - for whatever reason - not laid vertically, to support and incentivize owners to do just that.

The goal is also to fill in the holes in the country by opening up new ones. In many places, only a few hundred metres of fibre are necessary to connect one end to the other. The State will work together with the operators, but also with the municipalities, for example, and will help to add the missing metres of fiber where needed.

Good connectivity should not be a social issue. We are thus introducing new subsidies for households that cannot afford a fast internet connection.

In an initial phase, we have budgeted 7.7 million euros in 2022 to implement this strategy.

We will also continue to support the development of 5G. As with all projects in this area, it is clear that people prevail over technology and that we will not take unnecessary risks.

Luxembourg is a digital frontrunner and we have made a lot of progress over the last ten years. However, it is now time to give it a new boost in order to preserve the attractiveness of our country as a business location.

The Meluxina high-performance computer is certainly a recent example of how we put this into practice. In this context, the next step is to increase our efforts in cloud computing and invest where we deem necessary.

We will continue to implement our strategy on artificial intelligence (AI). Luxembourg is also a key player in the EU action plan on quantum computing.

We are investing massively in cybersecurity, we have created a platform for the exchange of metadata in research, we are working on a kind of digital twin of our country in the field of energy. On the Automotive Campus, there are huge innovative projects on e-mobility and autonomous driving being developed in Luxembourg. FinTechs are becoming more and more a pillar of the sector.

We are on the front line, but if we stop, we will be overtaken faster than we can imagine. Therefore, we not only want to, but also must invest and spend many efforts in this area.

However, digitalisation does not only offer us opportunities, but also confronts us with challenges. In addition to cybersecurity, this is especially true for the work environment. The working environment of the future will be different.

Some professions will disappear and others, which we do not even know yet, will be created. In itself, we have experienced this perfectly normal process in the past. The only difference is that digitalisation is developing at a phenomenal pace.

We must prepare for these developments. We cannot allow that thousands of people may risk losing their jobs. We are therefore launching a training- and education programme offensive to prepare all these people so that they can also find their place in a digital working environment.

Re-skilling and up-skilling are key words that have already dominated the Tripartite last year. The government is working with the social partners on measures and programmes that will enable us to prepare employees quickly and easily for the working environment of tomorrow.

The rapid increase of connected objects leads to heightened risk of cyber attacks.

Cyber attacks are a reality that we have to face today. It is the responsibility of the state, in cooperation with the economy, research and the public, to ensure that cyberspace is as safe as possible.

This is exactly where the new e-strategy that the government has adopted for the period 2021 to 2025 takes effect.

One of the strategic goals is to build trust in the digital world. Cyber security does not work without people. Citizens need to be informed on how best to protect themselves. We are therefore strengthening awareness campaigns at all levels, especially in schools and among young people, to integrate cyber security into the educational process.

GovCERT, in collaboration with public and private actors, is responsible for regularly gathering all relevant information on possible attacks in a detailed 'cyber-weather', in order to obtain a better overview of the type of attacks to which Luxembourg actors are exposed.

We will drastically reduce the time it takes to detect an attack. We want to put in place a system capable of detecting anomalies in Internet traffic in order to provide early warning of a possible attack aimed at the actors concerned.

In the last few weeks, the topic of security has dominated the public debate. Not security in the digital world, but security in our cities and especially in the area of the 'Gare'.

One thing is certain. There should be no place in Luxembourg where you do not feel safe.

However, it is also clear that in this discussion, we must not mix everything up.

Yes, crime exists in Luxembourg and it is often concentrated in a few places in the country. Yes, we must ensure that the rule of law can effectively combat this crime.

However, the subject, especially in the area of the 'Gare', is multifaceted.

That is why, over the past few weeks and months, the government has been working on a whole series of measures that we will implement to help all the residents of the neighbourhoods concerned.

In addition to a stronger police presence and new tools with which the police can ensure security, this package includes social measures that create new opportunities for people in need.

We will equip the police so they can be present in the field. By 2023, we want to recruit more than 600 police officers and 240 civilian staff. Furthermore, we also want to provide the police with appropriate support through a coordinated preventive work by the relevant actors.

In this package, the government is also proposing a first step in the adaptation of our drug policy. Both the preventive and the repressive aspects will be taken into account.

The package with all its measures will be approved at a forthcoming Government Council meeting and will then be presented to the public by the ministers in charge.

Security is also an issue that has regained importance at international level. Events in Afghanistan have made it clear to us that the European Union must engage in a debate on its security and defence policy.

In general, these are challenging times for the European Union. Covid has reminded us that open borders and freedom of movement, major achievements of European integration, cannot be taken for granted.

However, the EU has also shown success in the pandemic. The European vaccination campaign has been a complete success after a hesitant start. No other continent has now vaccinated more citizens than Europe. By cooperating to order the vaccines, we have been able to ensure that every Member State receives enough vaccine at a fair price.

In July last year, the EU heads of state and government agreed on a European budget of more than 1,000 billion euros for the next seven years. 'Next Generation EU', an unprecedented European recovery plan of more than 750 billion euros, which should accompany the transition to a sustainable and digital economy after the pandemic, was also decided. Luxembourg's Recovery and Resilience Plan was one of the first to be approved by the Commission last June. It will largely support green and digital projects in Luxembourg.

The future of the European continent can only rely on a strong rule of law. Human rights and fundamental freedoms are non-negotiable.

Independence of the judiciary, freedom of the press, fundamental rights: in some EU Member States, these pillars of the rule of law are unfortunately no longer guaranteed. The EU must act with the institutional and legal means at its disposal. Luxembourg fully supports the new conditionality mechanism, which aims to protect the EU budget from dysfunctions of the rule of law in the Member States.

This is even truer in the context of a recent decision in Poland, which questions the foundations of the European Union. European integration is not a one-way street. We cannot take advantage of EU financial aid on the one hand, and disrespect the European values that unite us on the other. We cannot and will not accept this.

It is all the more important to show international solidarity and to stand by the developing countries in difficult times. We need to support the most vulnerable parts of the population, who are the first to suffer from every crisis.

Despite budgetary constraints, Luxembourg remained true to the principle of investing 1% of GNI in development cooperation. In addition to ongoing programmes, Luxembourg's cooperation has shown flexibility and contributed a total of around 70 million euros in 2020 - as a direct health or indirect socio-economic contribution - to the fight against the Covid-19 crisis in developing countries.

Luxembourg has significantly increased its financial support to global health initiatives and organizations, reaching 2 million euros. We also participate in the COVAX vaccine distribution mechanism. Luxembourg is sharing 400,000 doses of vaccine with partner countries in Africa and Asia.

A first delivery was made on 13 September: Luxembourg shared 56,000 doses of vaccines and medical equipment with Cabo Verde.

Mr President, ladies and gentlemen,

We have been living with the Coronavirus for over a year and a half. It has certainly not been an easy time.

It was not easy for people whose freedoms were restricted. However, it was even less easy for people whose families and communities were directly affected by the virus.

It was also not an easy time for businesses - for their employers and employees - who were unable to carry out their normal activities.

Yes, we look back on much suffering. We remember the restrictions that were necessary to protect our citizens and keep the situation under control. Many older people have spent precious time in their lives with restrictions. Many young people have already faced the seriousness of life at an early age.

But we also look to the future with optimism and determination. Because the future also offers us opportunities. The opportunity today to prepare a better world for tomorrow.

We are tackling the fight against climate change. Because today, in Luxembourg, we are already feeling the effects of climate change and because we want to leave our children and grandchildren a world in which we can live as well as we do today. We are committed to an intelligent climate policy that considers people. We want to work with people, not against them. The Citizens' Climate Council will give Luxembourgers a strong voice in climate policy.

We are on the verge of a paradigm shift in housing policy by curbing speculation in building plots and housing through courageous political decisions. At the same time, we are investing massively in affordable housing by making the state and the municipalities the main players in the housing market.

We are keeping investments high, because this is not the time to save money.

We continue to work on an even stronger social relief network. We are particularly helping single-parent families and low-income households through direct aids. The increase in the cost-of-living allowance, the indexation of family allowances and free school meals are of particular benefit to those who are currently struggling to make ends meet.

Luxembourg's successful model is inconceivable without social dialogue. At a tripartite meeting before the end of the year, we want to discuss with the trade unions and employers the major challenges facing us in the labour market.

The virus offers us the opportunity to learn the right lessons from the past few months. A large-scale study should help us better prepare for a future pandemic. We will continue to strengthen and modernize our health care system.

We are also focusing on digitalisation, which should make our lives easier in many areas.

We want to give our children the best chances for the future. That is why we are expanding the range of the academic offer and extending free childcare to the Maisons Relais.

We want all our elderly citizens to be able to live, as they would like to. That is why we are expanding the number of beds in retirement homes and creating a transparent and fair price structure.

We want a strong Luxembourg in a strong Europe. A Europe, which, united and with one voice, tackles the great challenges of our time.

We want to shape Luxembourg in a way that allows everyone to make a good living. It doesn't matter if you are young or old. No matter how or where you were born. We want a Luxembourg that allows everyone to enjoy a high quality of life.

We want to tackle this together. We want to give citizens a voice and listen to them. There are many challenges. We have a long way to go. The target is set. Let us now tackle these challenges together.

This is our common path. This is our common goal.

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