



# Investment Survey Luxembourg: The twinning of the “green” & digital transitions in Luxembourg

Hybrid conference | 13 June 2022 | 16:00-17:45

## Closing remarks

### **Franz Fayot, Minister of the Economy, Luxembourg**

Thank you very much to Mr. Vice-President Peeters and to all the panellists for their inspiring speeches. It is not easy to make a conclusion to this very interesting discussion.

To think that “optimism is a moral duty” is a very guiding thought in times such as ours, which are extremely challenging. We are living in times where we only start to come out of a pandemic. We are seeing a war once again in Europe – something, which we had not seen in a very long time. We have high inflation rates reaching levels that we had not experienced since the 1980s. We have, of course, as a constant background, climate change and loss of biodiversity, which are hard facts that no one doubts anymore. So we are in this transition towards something different economically, socially and politically. We are living under a new geopolitical order since the 24<sup>th</sup> of February. Nobody knows when the war is going to end, how it is going to end and in what state it will leave the world.

In this context, we need to transform our economy. We need to transition towards a decarbonised economy because we know that there is an urgency. Perhaps, nowhere is this as pregnant as in Luxembourg where our overshoot day falls on the 13<sup>th</sup> of February. Very few countries are doing worse in terms of carbon footprint.

So, really, I think that in all this we should not lie to ourselves. Together with *Luxembourg Stratégie*, the Ministry will look very carefully at this twin transition. We all know that sometimes it feels there is a lot of green washing behind it. There is also a widespread tech-optimism in the business community, which basically entails the idea that you can continue the party if you dress in green, instead of wearing what you had before.

That is the big challenge. We need to transition and take people and the consumers along. We also need to be optimistic. We cannot do this against the economy and against the business sector.

Shifting will take time. Everybody thought that Covid-19 would be this watershed moment that would push us into a new world. Yet, we all see that this is not happening. The number of passengers at Luxembourg’s national airport has reverted back to 2019 levels. Travel and consumption habits have returned to their disquieting pre-pandemic courses.

And there are positive signs. There are so many positive signs out there of things changing at the technological and behavioural levels. In all that, clearly, digitalisation is an asset and can help the transition when it is used sensibly and intelligently.

I very much share the sentiment that we cannot do everything and that we need to pick our niches here in Luxembourg. We are a small open country. So let us use technology where it makes sense. And that is what we are doing. We are using digital technologies to foster the data-driven economy of healthcare, of mobility and of the industry. There are many applications where there is a huge potential in this country.



We need to continue and think ahead. That is what we started to do with the Rifkin process in 2016. We are still doing that, now with Luxembourg Strategy, in order to develop this foresight perspective. We are trying to make sense of what is happening, trying to understand current megatrends and what they mean for us. That is what Luxembourg Strategy is about. There is also the sense that this country can be a laboratory for the world, a world lab, and that this is our unique value proposition. We are a very cosmopolitan and open society. We can be this virtuous world lab where we try new things and where, being small and agile, we can move faster than many countries in many respects.

If we are able to do that and take everyone along – there are quite many initiatives that we are already taking in that spirit – I think we can move in the right direction.

Of course we are very conscious of our position in the European context. Luxembourg is naturally fully engaged in the movement towards more open strategic autonomy, which is this idea of making Europe sustainable and resources efficient, of building up industries in strategic areas. Yet, first and foremost, we must understand that there are boundaries to what we can do economically. There are physical boundaries and the crisis in Ukraine reminds us of how dependent we are on cheap energy and of how everything has been running on it. This is a kind of hard awakening.

I am fundamentally an optimist. I know that the future is challenging but we are now engaged in this transition. Digital technologies are formidable tools. Greening them, in an inclusive way is, at the end of the day, the bigger objective behind all of this. We need to do this in a socially inclusive manner without losing people along the way. Losing people means losing the political democratic dialogue. And we know what will come out of that. The ongoing Congress hearings to investigate the January 6<sup>th</sup> attacks on the US Capitol last year are a powerful reminder of what can happen if populists rise to power.

Thank you all for being part of this conversation. Thank you to the EIB for their 2021 Investment Survey in Luxembourg. It confirms that the extraordinary public support to Luxembourg firms during the pandemic was not completely wrong. We stabilised our economy quite well and we now need to shift it in the way to make this transition work. Thank you all.