

Data are denominated in Luxembourg francs prior to January 1999 and in euros from January 1999 onward. An irrevocably fixed factor for converting Luxembourg francs to euros was established at 40.3399 Luxembourg francs per euro. In 2002, the Luxembourg franc was retired from circulation and replaced by euro banknotes and coins. Descriptions of the changes in the methodology and presentation of Luxembourg's accounts following the introduction of the euro are shown in the introduction to *IFS* and in the notes on the euro area page.

Date of Fund Membership:

December 27, 1945

Standard Sources:

European Central Bank

Central Bank of Luxembourg

Statec

Eurostat

Exchange Rates:

Prior to March 5, 1990, there was a dual exchange rate system in which the primary rate, maintained within the cooperative exchange arrangement under the European Monetary System (EMS), was applicable to most current transactions, and the secondary or free market rate was applicable to most capital transactions. Between March 1990 and December 1998, the market rate maintained within the EMS was applicable to all transactions. Prior to January 1999, *Market Rate (End of Period and Period Average)* was the midpoint rate of the Luxembourg franc in the official market in Brussels. In January 1999, the Luxembourg franc became a participating currency within the Eurosystem, and the euro market rate became applicable to all transactions. In 2002, the Luxembourg franc was retired from circulation and replaced by euro banknotes and coins. For additional information, refer to the section on Exchange Rates in the introduction to *IFS* and the notes on the euro area page.

International Liquidity:

Beginning in January 1999, *Total Reserves minus Gold (line 11.d)* is defined in accordance with the Eurosystem's statistical definition of international reserves. The international reserves of Luxembourg per the Eurosystem statistical definition at the start of the monetary union (January 1, 1999) in billions of U.S. dollars were as follows: *Total Reserves minus Gold*, \$174; *Foreign Exchange*, \$78; *SDR holdings*, \$12; *Reserve Position in the Fund*, \$84; *Other Reserve Assets*, \$0; *Gold*, – \$55; *Gold (million fine troy ounces)*, – .191 ounces. *Foreign Exchange (line 1d.d)*: Between March 1979 and December 1998, gold and foreign exchange holdings excluded deposits at the European Monetary Cooperation Fund (EMCF), and the holdings of European currency units (ECUs) issued against these deposits were included in *line 1d.d. Gold (Eurosystem Valuation) (line 1and)*: Prior to June 1998, data pertained to gold holdings of the Institut Monétaire Luxembourgeois (IML). The government of Luxembourg held a claim on the IML, covered at all times by the IML's gold holdings, which could include gold receivable from the European Monetary Institute (EMI). After June 1998, the gold retained by the Central Bank of Luxembourg (CBL)—the IML's successor—was sold (demonetized). Until December 1998, CBL's only gold account was for gold receivable from the ECB. The negative entries from January to May 1999 indicate a short position in the holdings of monetary gold, which was due to the delivery to the ECB of gold previously received under a gold loan from Belgium. Memorandum data are provided on *Non-Euro Claims on Euro Area Residents* and *Euro Claims on Non-Euro Area Residents*, which represent positions as of the last Friday in each month. For additional information, refer to the section on International Liquidity in the introduction to *IFS* and the notes on the euro area page.

Central Bank:

Consists of the Central Bank of Luxembourg, which is part of the Eurosystem beginning in January 1999, only. The classifications of economic sectors and financial instruments used in the accounts are based on the ECB Regulation (ECB/2013/33) concerning the balance sheet of the monetary financial institutions (MFIs) sector. For a description of the accounts, including the difference between national and euro area-wide residency criteria, see the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*.

Data are based on a standardized report form (SRF) for central banks, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*, 2000. Departures from the *MFSM* methodology are explained below.

Claims in the form of deposits are included in loans. Liabilities in the form of loans are included in deposits.

Currency in Circulation includes banknotes issued by the Eurosystem and allocated to the national central bank and coin issue by the central government. Banknotes issued by the Eurosystem are allocated to individual national central banks using a fixed coefficient, as explained in the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*. Therefore, currency in circulation and its contribution to monetary base and broad money at national level have to be interpreted as notional amounts and not as currency effectively in circulation in the country. Coin issue of central governments is conventionally included in currency in circulation, with contra-entry recorded in *Other Items (Net)*.

Trade credit/advances and settlement accounts are included in *Other Items (Net)* rather than as claims on and liabilities to the corresponding economic sectors.

Further details on methodology are available on the European Central Bank website and in the ECB publication "Manual on MFI balance sheet statistics".

For selected data that are only available on a quarterly basis, monthly data are IMF estimates using linear extrapolation.

Other Depository Corporations:

Comprises the aggregated accounts of all resident units part of the other monetary financial institutions (oMFIs) sector, defined in article 1(a) of ECB Regulation (ECB/2013/33) on the balance sheet of the MFIs sector, which also defines the classifications of economic sectors and financial instruments used in the accounts. The oMFIs sector includes deposit-taking corporations and money market funds. Deposit-taking corporations include credit institutions as defined by EU law, electronic money institutions that are principally engaged in financial intermediation in the form of issuing electronic money, and other financial institutions which are principally engaged in financial intermediation and whose business is to receive deposits and/or close substitutes for deposits from institutional units, not only from MFIs (the degree of substitutability between the instruments issued by other MFIs and the deposits placed with credit institutions shall determine their classification as MFIs); and for their own account, at least in economic terms, to grant loans and/or make investments in securities. For additional information and description of the accounts, including the

difference between national and euro area-wide residency criteria, see the section on *Monetary Statistics for Euro Area* in the introduction to *IFS*.

Data are based on a standardized report form (SRF) for other depository corporations, which accords with the concepts and definitions of the IMF's *Monetary and Financial Statistics Manual (MFSM)*. For other depository corporations in Luxembourg, departures from the *MFSM* methodology are explained below.

Claims on non-MFIs in the form deposits are included in loans. Liabilities to both MFIs and non-MFIs in the form of loans received are included in deposits.

Claims on and liabilities to public nonfinancial corporations are included in claims on and liabilities to other nonfinancial corporations.

Debt securities issued and held by a resident non-MFI counterpart are assumed to be held by other financial corporations.

Money market fund shares issued by oMFIs and held by money holding sectors have been classified as held by the other resident sectors due to the lack of economic sectorization.

Accrued interest on loans and deposits is included in *Other Items (Net)* rather than under the underlying financial instrument.

The ECB Regulation requires recording of loans gross of provisions, however it allows countries with preexisting accounting rules to record loans net of provisions.

Holdings of securities are not always recorded at market price or fair value. The ECB Regulation requires market valuation, however it allows countries with preexisting accounting rules to record holdings of securities using different valuation principles. In general, valuation at amortized cost is prevalent for securities held to maturity.

For December 2001 through May 2010, *Other Deposits Included in Broad Money* includes repurchase agreements between MFIs and central clearing counterparties (CCPs). Beginning in June 2010 onwards, these repurchase agreements are included in *Other Deposits Excluded from Broad Money*.

Trade credit/advances and settlement accounts are included in *Other Items (Net)* rather than as claims on and liabilities to the corresponding economic sectors.

Further details on methodology are available on the European Central Bank website and in the ECB publication "Manual on MFI balance sheet statistics".

For selected data that are only available on a quarterly basis, monthly data are IMF estimates using linear extrapolation.

Depository Corporations:

See notes on central bank and other depository corporations.

Interest Rates:

Deposit Rate:

Rate on savings deposits with the Banque et Caisse d'Epargne de l'Etat.

Deposit Rate (lines 60lhs, 60lhn, 60lcs, and 60lcn):

See notes in the introduction to *IFS* and *Euro-area Interest Rates*.

Lending Rate:

Minimum rate on mortgage loans by the Banque et Caisse d'Epargne de l'Etat.

Lending Rate (lines 60phm, 60pcs, and 60pcn):

See notes in the introduction to *IFS* and *Euro-area Interest Rates*.

Government Bond Yield: Long-Term (line 61):

Weighted average yield to maturity on all government bonds quoted in the Luxembourg Stock Exchange. † Beginning July 1977, refers to the average weighted yield to average maturity as then calculated by the Luxembourg Stock Exchange. For additional information, refer to the section on interest rates in the introduction to *IFS* and the notes on the euro area page. † Beginning January 1985, refers to secondary market yields of a basket of long-term bonds issued by a private credit institution with a residual maturity of close to ten-years as the Luxembourg government no longer issues long-term debt securities. This rate is used to measure long-term interest rates for assessing convergence among the European Union member states, however its definition is not fully harmonized.

Prices, Production, Labor:

Share Prices:

Share price index, base December 1967, calculated by the Luxembourg Stock Exchange and covers national companies. † Beginning in January 1987, share price index, base January 1985.

Producer Prices:

Source: Statec. Weights Reference Period: 2010; Geographic Coverage: the Grand-Duchy of Luxembourg; Number of Items: around 1,200 products; Sectoral Coverage: around 100 production units KAUs in NACE Rev. 2. B to D; Basis for Calculation: weights are updated every five years.

Consumer Prices:

Source: Statec. Weights Reference Period: for the year Y is the year Y-2; Geographical Coverage: entire country; Number of Items in Basket: about 8000; Basis for Calculation: the source for the weights at all levels of aggregation are National Accounts.

Household Budget Survey results are integrated in the NA results.

Industrial Production:

Data are sourced from the OECD database, weights reference period: 2010. Data cover all industries, except construction and civil engineering. New enterprises are included as soon as they are created.

Employment:

Source: Statec. Weights reference period: 2000. The index covers the whole economy.

International Transactions:

Luxembourg's trade with countries outside the Belgium-Luxembourg Economic Union (BLEU) is also part of the BLEU's foreign trade statistics which are shown on the page for Belgium. Beginning in 1997, trade data are for Luxembourg only, which includes trade between Belgium and Luxembourg.

Government Finance:

Preliminary data on general government are compiled by Eurostat. The fiscal year ends December 31.

National Accounts:

Source: Eurostat. GDP in the Luxembourg version used to be higher than GDP according to the *SNA*, to the extent that, depending on the special characteristics of the financial market, a very considerable proportion of imputed bank services is reported as exports. As indicated by the country, from 1995 onwards data have been revised following the implementation of the *ESA 2010*. Beginning in 1999, euro data are sourced from the Eurostat database. Eurostat introduced chain-linked GDP volume measures to both annual and quarterly data with the release of the third quarter 2005 on November 30, 2005. Chain linked GDP volume measures are expressed in the prices of the previous year and re-referenced to 2010.